



Broker Junction, Series L.L.C. Customer - IB Agreement

This Customer-IB Agreement (“Agreement”) sets forth the terms and conditions pursuant to which the Introducing Broker, Broker Junction, Series L.L.C., (hereafter “IB”) will provide its services to the undersigned (“Customer”) with respect to Customers trading of over-the-counter spot Foreign Exchange (Forex) contracts (including rolling spot currency contracts), and/or Options on Forex contracts and with respect to Customers trading Futures and Options on Futures contracts with one or more Forex and/or Futures and/or Options brokers as set forth below. The parties have entered into this Agreement in consideration of the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which each party acknowledges.

1. Effectiveness

This Agreement becomes effective upon its execution for IB and all of the following Customers: Customers, who 1) open “self-directed” accounts for the purpose of trading Forex, Futures & Options contracts on their own and in their own discretion, and/or Customers, who 2) open “managed accounts” to be traded by third parties like Commodity Trading Advisors (CTAs) and Commodity Pool Operators (CPOs) selected by the Customer, friends and/or family members of the Customer, who were empowered with trading authority by the Customer, and/or any other third party designated by the Customer as the person or entity trading same Customer’s account, subject to Customer granting limited Power of Attorney in writing and per his/her/its signature to such third party. Furthermore, this Agreement becomes effective upon its execution in conjunction with the “Terms of Business & Use of the Speculate & TrailTrade Program” for all Customers who register as Members of Broker Junction, Series L.L.C.’s “Live Trading Club” (LTC) and pay their LTC Membership Fees due as

found in the Terms of Business & Use of the Speculate & TrailTrade Program.

2. Basic IB-Services

IB will introduce all Customers interested in trading Forex and Options on Forex contracts to one or more Retail Foreign Exchange Dealer (“RFED”), or Dealers, or, other eligible financial institutions. Furthermore, IB will introduce all Customers interested in trading Futures and Options on Futures contracts to one or more Futures Commission Merchant (“FCM”), or Merchants, or other eligible financial institutions. Customers may decide to open a trading account with any of the RFEDs or FCMs presented to them by IB. Broker Junction, Series L.L.C. shall be Customer’s introducing broker with respect to each Forex and/or Futures and/or Options broker, (i.e. each RFED and/or FCM) with which Customer opens a trading account as a result of IB’s introduction to such institute, whether the introduction is via Customer’s use of a hyperlink from IB’s website [www.broker-junction.com] to the respective Forex and/or Futures and/or Options broker, or by any other means. As part of the “Basic Services” offered by IB, in addition to providing introductions to RFEDs and FCMs, or other eligible financial institutions, IB may assist Customer in discussions with RFEDs and/or FCMs and/or other eligible financial institutions to help Customer resolve any issues or questions that Customer may have with respect to Customer’s trading account or services provided by respective RFEDs and/or FCMs and/or other eligible financial institutions for Customers, it being expressly understood, however, that IB will not and has no obligation to pursue on Customer’s behalf or assist Customer in pursuing any legal claim or action that Customer may believe it has against any RFED or FCM or other eligible financial institutions, or any other party.

3. Special IB-Services & Products

IB may offer certain “Special IB-Services & Products” to Forex and/or Futures and/or Options trading customers. Customers interested in IB’s “Special IB-Services & Products” have to accept and subscribe to the “Terms of Business & Use of the Speculate & TrailTrade Program” and pay their Live Trading Club Membership Fees due, before getting to

use the IB's trading platform called "idealTrader!™" and participating in the "Speculate & TrailTrade Program" as Live Trading Club Members. If Customer decides to purchase any Special IB-Services & Products, Customer understands that the terms of business and the terms of use regarding such Special IB-Services & Products, including any associated fees, will be set forth in a separate agreement between IB and Customer referred to as the "Terms of Business & Use of the Speculate and TrailTrade Program", which will be subject to the terms of this Agreement for Customers that become Live Trading Club Members only.

4. IB Fees and Compensation

Customer agrees and acknowledges that:

a. As compensation for IB's "Basic IB-Services", IB will receive a fee from each Forex and/or Futures and/or Options transaction that Customer executes with his/her/its respective RFED, FCM or eligible Financial Institution. For Forex transactions RFEDs and/or any other eligible Financial Institutions always pay out a portion of the bid and ask currency spreads, which they quote IB's Customers, to the IB, and in some instances also commissions. For Futures and Options transactions, FCMs and/or other eligible Financial Institutions pay IB a portion of the commissions received from IB's Customers, which are charged for each Futures and/or Options on Futures contract traded by Customers.

b. In general, IB does not charge and the RFED and/or any other eligible financial institution are not authorized to charge or collect on IB's behalf, any separate transaction based fee other than the portion of "spreads" quoted for any foreign exchange transactions or commissions as quoted on IB's website, except as may be provided in an agreement between Customers and IB, for IB's "Special IB-Services & Products" rendered to Customers. Furthermore, IB does not charge and the Customer's FCM or any other eligible financial institution chosen by the customer are not authorized to charge or collect on IB's behalf, any separate transaction based fee other than commissions charged for any futures and/or options on futures transactions, except as may be provided in an agreement

between Customers and IB for "Special IB-Services & Products" rendered to Customers.

c. IB will be entitled to receive fees and compensation for any "Special IB-Services & Products" that Customer may purchase and use in accordance with the Terms of Business & Use of the Speculate & TrailTrade Program.

5. Customer's Responsibility for Customer's Decisions

Customer agrees and acknowledges that IB makes no representations or warranties concerning, any RFED or FCM or other eligible Financial Institution it introduces its customers to. Furthermore, IB does not by implication, or otherwise endorse, or approve services or operating methods of any RFED, or FCM, or other eligible Financial Institution it introduces customers to. Customer further agrees and acknowledges that IB may recommend different RFEDs and/or FCMs or other eligible Financial Institutions to different customers, based on customers' trading styles, interests in particular services or particular trading platforms, or other factors. Customer is solely responsible for his/her/its decision to open or close a trading account with any RFED or other eligible Financial Institutions for his/her/its forex transactions and/or FCM or other Financial Institution for his/her/its futures and/or options transactions, regardless of whether Customer relies on the advice of the IB in making any such decision. For self-directed accounts, IB has no discretionary authority or power or control over any decisions made by or on behalf of a Customer, in reference to, trading of Forex or Futures or Options contracts. Customer has to grant Associated Persons affiliated with IB the explicit limited Power of Attorney in writing for discretionary trading accounts. Furthermore, IB has no control over customer's decision as to which RFED or FCM or other eligible Financial Institution to select. Customer further agrees that IB is not responsible for any trading losses that Customer may incur, or any other losses that Customer may incur due to the actions of any RFED or FCM or other Financial Institution or any other third party.

6. Relationship to RFEDs, FCMs and/or other eligible Financial Institutions

IB is not a party to any agreement between Customer and the RFED or FCM or other eligible Financial Institution or any other account opening

documents that the RFED or FCM, or other eligible Financial Institution may require of Customer to open a forex, futures or options trading account, which are solely between Customer and the respective RFED or FCM or other eligible Financial Institution. IB is not responsible for performing or ensuring any RFED or FCM's or other eligible Financial Institution's performance of any services for or with respect to Customer's trading account(s) with any such RFED or FCM or other eligible Financial Institution. Without limiting the generality of the foregoing statements, this means that IB will not clear and settle orders for any Customer account. IB is not a branch office or an agent of the RFED or FCM or other eligible Financial Institution, and it is not responsible for supervising any conduct of the RFED or FCM, or any other third party, or their officers, employees or agents. No RFED or FCM or other eligible Financial Institution may make any representation or agreement on behalf of or in the name of IB without IB's prior consent.

7. Recordings & Reliance on Customer Instructions

IB may rely upon any instructions, notices or communications, whether oral or in writing (via electronic transmission, facsimile or otherwise), that IB reasonably believes are made by Customer or an individual authorized to act on behalf of Customer, and Customer agrees that it is bound by any such instruction notice or communication. Customer waives any defense in case any such instruction, notice or communication was not in writing. Customer agrees that IB, in its discretion, may record any telephone conversation between IB and Customer, and consents to such recordings. Customer furthermore agrees to the use of such recordings and transcripts thereof as evidence, subject to proper authentication, by either party in any dispute or proceeding that may arise involving Customer and IB and in any other proceeding to which the IB is a party or in which its records are subpoenaed. Customer agrees and acknowledges that IB has no obligation to retain or preserve any tapes of such recordings.

8. Customer Risk Disclosure and Acknowledgement

Customer acknowledges that it understands the speculative nature of and high risks associated with Forex, Futures and Options trading.

Customer acknowledges that it has read and understands IB's Risk Disclosure Statement attached to this Agreement and found on its website (www.broker-junction.com).

9. Reliance on Customer Information Customer represents that any information it provides to IB as requested from time to time by IB is complete, truthful and accurate, and that IB may rely upon the completeness, accuracy and truthfulness thereof.

10. IB's Live Trading Club & Copy-Trading Services

IB offers and grants access to its "Speculate and TrailTrade Program" as a service only to customers, who become Live Trading Club Members and pay their annual Live Trading Club's Membership fees as described in the "Terms of Business & use of the Speculate and TrailTrade Program". Customer acknowledges that the Live Trading Club ("LTC") and the Speculate and TrailTrade Program is a service offer made to LTC members exclusively and as such is separate and distinct from the introducing broker services which IB offers generally as its "Basic Services" as described in clause 2. If Customer joins the LTC as a member and for a fee as described in the Terms of Business & Use of the Speculate and TrailTrade Program and participates in any of the LTC services offered to LTC members, or otherwise uses IB's website, Customer agrees to abide by Broker Junction Series L.L.C.'s "Terms of Website Use", "Terms of Business Use of the Speculate and TrailTrade Program", and all related Policies and Risk Disclosures of IB, as applicable and in effect at the time Customer executes this here Agreement and changed from time to time thereafter.

11. Customer Representations

Customer represents and warrants that, if Customer is an individual: (a) Customer is of sound mind, legal age and legal competence; and (b) Customer has previously traded Forex and/or Futures and/or Options, or has otherwise learned about the risky nature of Forex and/or Futures and/or Options trading and has determined that although trading Forex, Futures and Options bears substantial risk, it is suitable for same Customer. Customer further represents and warrants that it has the authority to sign this here

Agreement and that the terms of this Agreement are binding on and enforceable against Customer.

12. No Guarantees

Customer acknowledges that neither IB nor any representative of IB makes or has made any guarantee that Customer's Forex or Futures or Options trading will be profitable or free from loss, and that Customer has not entered into this Agreement or opened a trading account in consideration of, or in reliance upon, any guarantee or similar representation. Customer is responsible for trading results in Customer's account and neither IB nor any representative of IB are liable for any losses, costs or expenses that Customer may incur whilst trading Forex or Futures or Options, especially not in cases where Customer granted discretionary trading privileges and issued limited Power of Attorney to Associated Persons affiliated with the IB.

13. Additional Customer Acknowledgments

Customer agrees and acknowledges that IB and its officers, directors, employees, agents and affiliates may take or hold positions in, or advise other customers concerning, Forex or Futures or Options contract, which are the subject of advice from the IB to Customer also. The positions and advice of the IB and its officers, directors, employees and affiliates may be inconsistent with or contrary to positions of, and the advice given by, the IB to the Customer.

14. Termination

This Agreement will remain in effect until terminated. Either party may terminate this Agreement for any reason by providing thirty (30) days prior written notice of termination to the other party. IB may terminate this Agreement for cause effective immediately upon written notice of termination to Customer in the event of any breach of this Agreement by Customer. The following terms of this Agreement shall survive any termination of this Agreement: Clause 4 (to the extent provided therein), clause 13 and clauses 16 to 22 and any other provision therein as applicable under the prevailing circumstances.

15. Limitation of Liability

Customer acknowledges that IB is not liable to Customer for any losses, damages or costs (including penalties and fines) sustained or incurred by Customer other than as a result of IB's

willful misconduct. Without limiting the generality of the foregoing, IB shall not be liable to Customer hereunder or under the agreement for any of IB's services including its "Special IB Services & Products" provided to Customers in connection with: a) The conduct or performance or non-performance or obligations of any RFED or FCM, or other eligible Financial Institutions, or of any other Forex or Futures or Options broker, or any other third party, b) any recommendation or advice made or given by IB, c) IB's reliance on any instructions, notices or communication (whether provided orally or in written format) that IB reasonably believes to be given by Customer or an individual authorized to act on behalf of Customer, d) actions taken by IB or its associated persons or representatives to comply with applicable law, e) any unscheduled closure or malfunction, or delays in order transmission of IB's trading platform called "idealTrader!™", or any RFED and/or FCM and/or other eligible Financial Institution's trading platform, or any other party's trading platform due to permanent or temporary disruptions, breakdowns or transmissions failures and other communications problems and other problems in general. Customer furthermore understands, is aware of, and acknowledges that Customer's ability to recover losses due to disruptions, or failure of a system may be subject to limits of liability imposed by 1) RFEDs and/or FCMs, and/or other eligible Financial Institutions 2) IB and 3) trading platform/system providers and/or vendors. Customer also is aware and acknowledges that acts and omissions of individuals who are not employed or associated in any way with IB, may hinder customer from recovering any trading losses that customer suffered. Customer understands and acknowledges that IB shall never be liable to Customer for any consequential, incidental or special damages or for any and all total damages in excess of \$750.

16. Notices

Any notice required or permitted to be given under this Agreement or any Agreement for IB's Services including its Basic IB-Services and its "Special IB-Services & Products", as described in clause 3, may be sent to the other party electronically by email or fax, or by mail or courier. Any notice sent electronically will be deemed given when transmitted. Any notice sent by mail will be deemed given five (5) days after being

placed in the mail, unless otherwise specified herein. Any notice sent by courier will be deemed given upon delivery to the recipient's address. IB will send notices to Customer's address as on file with IB at the time. Customer will send notices to IB to the following address or to such other address as IB may designate to Customer in writing:

Broker Junction, Series L.L.C.
75 Maiden Lane, Suite 221
New York, NY 10038, USA
Fax: 1.917.456.3456
Email: info@broker-junction.com

17. Indemnification

Customer agrees to indemnify and hold the IB, any of its associated persons and affiliates, and its respective officers, owners, employees, agents, successors and assigns, harmless from and against any and all losses, damages, costs (including reasonable attorney's fees), penalties or fines sustained or incurred by such person arising directly or indirectly out of Customer's breach of this here Agreement (including any representation by Customer being untrue and incorrect, or Customer's violation of applicable law), breach of IB's Website Terms of Use, or the Terms of Business & Use of the Speculate and TrailTrade Program as described in clause 3 of this Agreement.

18. Entire Agreement

This Agreement, together with the Website Terms of Use, the Terms of Business & Use of the Speculate and TrailTrade Program and other documents referenced herein, contain the entire Agreement between the parties, and supersede any prior agreement between the parties, with respect to the subject matter hereof.

19. No Waiver or Amendment

No provision of this Agreement or Terms of Business & Use of the Speculate and TrailTrade Program between Customer and IB for "Special IB-Services & Products" may be waived or amended except in writing signed by both Customer and an authorized officer of the IB. No waiver or amendment of this Agreement may be implied from any course of dealing between the parties or any failure by the IB or its

representatives to assert its rights (including the right to terminate this Agreement for cause) under this Agreement on any occasion or series of occasions.

20. Rights and Remedies Cumulative

All rights and remedies arising under this Agreement and any agreement between Customer and IB for "Special IB-Services & Products", including the Terms of Business & Use of the Speculate and TrailTrade Program are cumulative and not exclusive of any rights or remedies, which may be available at law or otherwise.

21. Governing Law; Jurisdiction; Disputes

a. The interpretation and enforcement of this Agreement, along with the Website Terms of Use, and all other herein referenced documents and any Agreement between Customer and IB for "Special IB-Services & Products" and the rights, obligations and remedies of the parties hereto shall be governed by and construed in accordance with Delaware State law, without regard to conflicts of law provisions thereof.

b. Each party waives to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of proceedings relating to this Agreement, IB's website Terms of Use, the Terms of Business & Use of the Speculate and TrailTrade Program, or any other document referenced herein or any Agreement between customer and IB for "Special IB-Services & Products".

All disputes, claims, or controversies arising out of or relating to this Agreement or the relationships that result from this Agreement ("Disputes") shall be resolved through arbitration under the Arbitration Rules of the National Futures Association. The Parties to this Agreement choose arbitration as a way to expeditiously resolve any Disputes. The Parties hereby waive the right to any jury trial on any Disputes. The prevailing party in any Dispute shall be entitled to all reasonable attorneys' fees and costs, expenses and disbursements with respect to such Dispute.

c. Any claim or action by Customer against IB must be filed by Customer within two years of the act or omission giving rise to the alleged claim or action. Customer agrees to reimburse the IB, if

the IB is the prevailing party in any dispute with Customer.

22. Headings; Construction

The section headings in this Agreement and any agreement between Customer and IB for "Special IB-Services & Products" are for convenience of reference only and shall not be deemed to interpret or modify the provisions of this Agreement. Terms used in the singular include the plural and vice versa and references to the masculine, feminine or neuter gender include each other gender, unless the context expresses a clear contrary intention. Use of the term "including" is by way of example and not limitation. Broker Junction, Series L.L.C.'s Risk Disclosure Statement

There is a risk in trading Forex, Futures & Options. If in light of your financial situation you are ready to enter this risky alternative investment type we invite you to take advantage of Broker Junction's products and services. If you however cannot afford to lose your entire investment and still come back for more, then, please understand... what we are offering here is NOT for You!

1. Forex Risk Disclosure

Forex Trading is Speculative and Involves a High Degree of Risk

Trading in leveraged OTC foreign currency contracts is speculative and involves a high degree of risk. In particular, because of the low margin required for foreign currency trading, price changes in OTC foreign currency contracts may result in significant losses, which may substantially exceed the funds or other assets deposited as margin. Therefore, foreign currency contracts are appropriate only for persons that (a) understand and are willing to assume the economic, legal and other risks involved in such transactions, and (b) are financially able to withstand losses significantly in excess of their initial margin funds and any additional funds deposited to maintain their positions. Before deciding to participate in Foreign Exchange (Forex) Market Transactions, you should carefully consider your investment objectives, level of experience and risk appetite. Most importantly, do not invest money you cannot afford to lose. The leveraged nature of Forex trading implies that any market movement will have an equally proportional effect on your deposited funds. This

may work against you as well as for you. It is possible that you could sustain a total loss of initial margin funds and be required to deposit additional funds to maintain your position. If you fail to meet any margin requirement, your position may be liquidated and you will be responsible for any resulting losses (to manage exposure, employ risk-reducing strategies such as "stop-loss", or "stop-limit" orders described above).

Currency Risks

Foreign currencies represent the legal tender of one or more foreign nations and normally are not linked to any intrinsically valuable commodity (such as precious metals). Any transaction involving foreign currencies, including OTC foreign currency contracts, involves risks not common to investments denominated entirely in a person's domestic currency. Such enhanced risks include the risks of political or economic policy changes in a foreign nation, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in a customer's own or another jurisdiction) will also be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

Off-Exchange Currency Transactions There is considerable exposure to risk in any off-exchange foreign currency transaction, including but not limited to leverage, creditworthiness, limited regulatory protection and market volatility that may substantially affect the price, or liquidity of a currency pair.

RFEDs as Principals

A RFED acts as the counterparty to all foreign currency contracts executed through the RFED via its proprietary, leased or any other party's trading system/platform. A RFED is not required to continue to make markets in any foreign currency and may refuse to accept any order for any or no reason, including but not limited to the failure of a customer to have sufficient funds on deposit with RFED to margin the position, market volatility, and illiquidity in the respective non-exchange-traded inter-bank foreign exchange market. In particular, during periods of market volatility, it may be difficult or impossible to

liquidate an existing position, to assess the value of open positions, to determine a fair price or to assess the exposure to risk. For these reasons, transactions in foreign currency involve increased risks.

Risk Reducing Orders or Strategies

The placing of certain orders (e.g., 'stop-loss' or 'stop-limit' orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions, may be as risky or even riskier than simple 'long' or 'short' positions.

Prices May Be Different From Prices Reported Elsewhere

The prices posted by a RFED may not necessarily reflect the broader market for foreign currencies. Additionally, a RFED will select closing prices to be used in determining margin requirements and in periodically marking to market the positions in customer accounts. Prices a RFED uses may vary from those available to banks and other participants in the inter-bank market. Consequently, a RFED may exercise considerable discretion in setting margin requirements and collecting margin funds.

Electronic Trading

Customers that trade on an electronic trading system provided by Broker Junction, Series LLC, an FCM, and RFED, or a third party vendor are always exposed to risks associated with the system including the failure of hardware and software and system downtime, with respect to the trading platform, the individual customer's system(s), and the communications infrastructure (including, without limitation, the Internet), connecting the trading platform with customers. As a result of any system failure or other interruption, orders either may not be executed according to the customer's instructions or may not be executed at all, or a customer may not be able to place or change orders. RFED brokers generally disclaim any liability for any such failure of hardware or software, system downtime or communications interruption. Furthermore, IB does not warrant that it, the RFED or any customer will be able to maintain a continuous and uninterrupted link with the Internet at all

times and therefore, IB shall have no liability for any such failure at any give time.

Deposited Cash and Other Property; Risk of Default

The transactions you enter into with a RFED are not traded on an exchange. Therefore, your funds may not receive the same protections as funds used to margin or guarantee exchange-traded futures and options contracts, which may receive a priority in bankruptcy. Since that same priority has not been given to funds used for off-exchange foreign exchange trading, if a foreign currency broker becomes insolvent and you have a claim for amounts deposited or profits earned on transactions with the foreign currency broker, your claim may not receive a priority. Without a priority, you are a general creditor and your claim will be paid, along with the claims of other general creditors, from any monies still available after priority claims are paid. Even customer funds that a foreign currency broker keeps separate from its own operating funds may not be safe from the claims of other general and priority creditors. The protections you may or may not receive should your foreign currency broker become insolvent will vary and be dependent on the jurisdiction in which they are based. You should seek to establish what protections, if any, you will be provided with in the event of insolvency and whether any protections are lost as a result of not trading on an exchange.

2. Futures & Options Risk Disclosure This brief statement does not disclose all of the risks and other significant aspects of trading in Futures, Options and Foreign Exchange (Forex). 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, Options and Forex 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

Effect of "Leverage"

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.

Risk-Reducing Orders and 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

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 Options or allow 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 is ordinarily remote.

Selling/Shorting ("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 also will 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 position 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 Forex & Futures & Options Trading

Terms and Conditions of Contracts

You should ask the firm with which you deal about the term 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 of 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 clearinghouse to reflect changes in the underlying interest.

Suspension or Restriction of Trading & 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.

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 specified legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be prorated in the same manner as cash for purposes of distribution in the event of a shortfall.

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.

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.

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.

Slippage

Forex, Futures and Options trading may be adversely affected by slippage effects. Slippage refers to the difference between the expected price of a trade and the price the trade is actually executed at. Slippage often occurs when market, limit, stops or buy-stop limit, or sell-stop limit orders are used and also when large orders are executed when there may not be enough interest at the desired price level to maintain the expected price of a trade.

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.

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 risk 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.

Off-Exchange Transactions

In some jurisdictions, and only then, in restricted circumstances, firms are permitted to effect offexchange 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 fair price or to assess the exposure to risk. For these reasons, these transactions may

involve increased risks. Offexchange 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.

Market Opinions

Any opinions expressed on IB's website as to the future direction of prices of specific Foreign Exchange currency pairs and/or Futures and Options contracts are purely opinions, do not necessarily represent IB's opinion, and are not guaranteed in any way. In no event will IB have any liability for any losses incurred in connection with any decision made, action or inaction taken by any party in reliance upon the information provided verbally or through the Internet, or any delays, inaccuracies, errors in, or omissions of information.