



Option One International

Commodity & Foreign Exchange Experts

ACCOUNT APPLICATION & CLIENT AGREEMENT

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CLIENT ACCOUNT AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 20____ between **OPTION ONE S.A.** as Derivatives Broker, (hereinafter "Agent" and or "Option One"), and _____ hereinafter known as "CLIENT".

1. APPOINTMENT OF DERIVATIVES BROKER AND PARTIES

This Agreement constitutes the entire Agreement and understanding of the parties with respect to its subject matter and supersedes any and all prior oral communications and writings with respect thereto. CLIENT hereby appoints Agent as CLIENT'S broker for CLIENT'S purchases and sales of options and futures contracts on the derivative markets by and through an International Brokerage Firm, (hereinafter "IBF"), a firm organized under the laws of a country outside the United States or within, which is engaged in the business of Derivative Options and Futures transactions. Agent agrees to introduce CLIENT'S monies for the purchase and sale of derivative options and futures contracts on a fully disclosed basis to an IBF pursuant to the terms and conditions that follow. CLIENT agrees to execute appropriate documents or account forms which Option One requires for CLIENT to establish an account through them. CLIENT shall deliver all notices and any other communications to the offices of Option One. All communications and notices from Option One to the CLIENT may be sent to CLIENT at the address indicated on the Customer Application or to such other addresses CLIENT hereafter directs in writing and shall be deemed to have been personally delivered to you.

PARTIES; You agree that the parties to this Agreement shall consist of you and us. If this is a joint account (including a community property account), the term "you" refers to each account holder. Except as disclosed in writing to us, no person other than you has any interest in the account. If this is a joint account, each account holder has full authority to act on behalf of the account and you authorize us to follow the instructions of any account holder as if such person were the sole account holder. All obligations arising hereunder are joint and several and may be enforced by us against any or all account holders. Notwithstanding the foregoing, we may require joint action by all account holders with respect to any matter concerning the account, including the giving or cancellation of orders and the withdrawal of monies, securities or other property. In the event of the death of either or any of the joint account holders, the surviving joint account holder(s) shall immediately give us written notice thereof and we may, before or after receiving such notice, take such action, require such papers and inheritance or estate tax waivers, retain such portion of and/or restrict transactions in the account as we may deem advisable. The surviving joint account holder(s) and the estate of the deceased joint account holder shall be jointly and severally liable to us for any net debit balance or loss in the account in any way resulting from transactions initiated prior to the receipt by us of the written notice of the death or incurred in the liquidation of the account or the adjustment of the interests of the respective parties. Laws governing joint ownership of property vary from jurisdiction to jurisdiction. Generally, however, for joint tenants with rights of survivorship, in the event of the death of either tenant, the entire interest in the joint account shall be vested in the surviving joint tenant(s) on the same terms and conditions. For tenants in common, the interest in the tenancy shall be equal unless specified and in the event of death of either tenant, the interest in their share of the tenancy shall vest in the decedent's legal representative. State laws regulating community property vary. Consult your own legal adviser.

2. DESCRIPTION OF PRODUCTS

The CLIENT purchases the derivative options or futures contracts for a specified sum of money or margin deposit, which Option One determines based upon prevailing rates with IBF or in the international derivatives market. In purchasing options, which is known as the premium in addition to fees, commissions and other charges to be described hereinafter in the ("OPTIONS FEE DISCLOSURE"). The premium is considered fully earned by the Agent at the time of payment and is therefore non-refundable. CLIENT may thereafter sell the options back to the Agent at any time prior to the expiration date for the price the IBF or Agent is then quoting, based upon the prevailing rates. If on the date of expiration, the prevailing market price of the particular option does not exceed the strike price of the call option (or in the case of a put option, be less than the strike price), CLIENT will lose the entire premium, in addition to all fees and commissions.

However, CLIENT will not be liable for any further fees, charges or commissions, unless client decides to exercise the option contracts or take delivery, additional fees will be charged to the account. Consult with your agent before doing such. The agent will provide written specifications for futures and option contracts including the derivative, the amount, trade price, strike and the expiration dates for the product. For futures trading an additional risk disclosure document must be furnished to client and authorized.

3. NON-DISCRETIONARY ACCOUNT

The CLIENT is responsible for transmitting any and all orders for the purchase, sale or exercise of CLIENT'S options or futures contracts either orally or in writing to agent. Under no circumstances will Agent or any of its officers, managers, agents, employees or representatives exercise any form of discretion or control over CLIENT'S account, nor will Agent accept any order for CLIENT'S account, other than by an authorized signatory whose name appears here upon, unless clients provides Option One with a verbal authorization to trade on its discretion or a Discretionary Trading Authorization document signed by client, which the client then will give full trading authority to Option One on the behalf the client's account. CLIENT acknowledges that the trading in CLIENT'S account will be at the discretion and instruction of CLIENT. CLIENT further acknowledges CLIENT'S responsibility to monitor and control the trading in CLIENT'S account. CLIENT agrees and acknowledges that in entering into derivative options and futures transactions, CLIENT will rely solely on his/her own judgment. Option One nor its officers, agents, employees or representatives shall have any responsibility in respect of any advice or views given to the CLIENT by Agent in relation to derivative futures and options trading. CLIENT acknowledges that market information and/or advice provided by Agent may be based upon information which is incomplete and unverified and that Agent makes no representation, warranty, or guarantee as to the accuracy of any such information. Further, CLIENT acknowledges that any market information or advice furnished to CLIENT by Agent may not necessarily result in trading profits to CLIENT'S account even if followed.

4. PERMISSION TO TAPE-RECORD

For the protection of both you and us, and as a way of correcting misunderstandings or placements of trade orders, you hereby authorize us, at our discretion and without prior notice to you, to monitor and/or record (with or without tone warning devices) any or all telephone conversations between you and any of our employees or agents.

5. CONTRACT TRANSFERS

At this time, all open futures or option contracts with Option One will not be transferred to third party brokerage firms. Option One or IBF will remain the broker in closing/offsetting any option or futures contracts.

6. CONFIRMATIONS AND MONTHLY STATEMENTS

Reports of execution of orders or monthly statements sent by us to you shall be binding and conclusive on you unless, in the case of a verbal report, you object at the time the report is received by you because of an error or emission in such confirmation and in the case of a written report, you object in writing prior to the opening of trading on the business day following the day you have received the report. In addition, if after you have placed an order with us and have not received a written or verbal confirmation thereof in accordance with our practice, you immediately shall notify us within 24 hours.

2.

CLIENT ACCOUNT AGREEMENT

If you fail to notify us as set forth in this section, you agree that you shall be deemed estopped to object and to have waived any objection to our execution or failure to execute any transaction. Nothing contained in this section, however, shall bind us with respect to any transaction or price reported (whether verbal or in writing) in error, or prevent us, upon discovery of any error or omission, from correcting the error or omission and putting the account in the same position it would have been in if the error or omission had not occurred. The undersigned client hereby consents to receiving trade confirmations such as purchases and sales of option and futures contracts as well as monthly account statements relating to the undersigned's account (s) with Option One by electronic media rather than a hard copy mailing and hereby requests that Option One transmit to client such statements solely by electronic media. Client will therefore provide Agent with an email address. Client further understands that the consent provided herein is revocable by client any time upon written notice to Option One's Compliance Office.

7. DEPOSITS

All deposits shall be made in United States Currency. Prior to the purchase of any futures or option contracts, CLIENT shall pay to Agent in cleared funds sufficient amounts to cover the total costs of the transactions. Said funds will be held by Option One in a customer - segregated account. CLIENT authorizes Option One to pay from said account all sums due and owing Option One including, but not limited to: margin deposits on futures contracts, option premiums, brokerage fees and commissions. Without limiting the CLIENT'S obligation to pay deposits, Option One shall have no obligation to ensure deposit requirements have been satisfied by the CLIENT before placing an order with Option One on CLIENT'S behalf and the CLIENT'S obligations with respect to (all) an option or futures contract will not be diminished by any failure by Option One to require payments of outstanding deposits prior to entering the trade for the futures or option contracts. CLIENT acknowledges that Option One may deposit any CLIENT funds, together with funds from other clients, in banks or other financial institutions into accounts in the name of Option One or its affiliates and those funds may earn interest. Option One shall not be liable to pay interest to the CLIENT in respect of any funds held by it on behalf of the CLIENT, irrespective of whether interest is earned.

8. RESERVATION OF RIGHT OF ACTION BY AGENT IN THE EVENT OF A DISPUTE OR DEFAULT; APPLICABLE LAW, JURISDICTION & VENUE

If at any time, a dispute arises between Agent and the CLIENT relating to the existence or terms of any contract, or if CLIENT fails to make any required payment hereunder, dies, or becomes the subject of a bankruptcy or receivership, Agent may at any time and in its absolute discretion without prior notice to or any further authority from the CLIENT, take what ever action that it considers appropriate for the CLIENT'S account in relationship to the dispute contract. Option One will notify the client, orally or in writing, as soon as is practical thereafter, of any action it has taken. However any failure by Agent to give such notice will not prejudice the validity of such action. The liability of the party found to be at fault with respect to any disputed contract shall not exceed the amount of loss suffered by the other party. The reasonable costs and expenses of collection of such indebtedness and obligation, including reasonable attorneys' fees incurred by Agent in connection with any such dispute, shall be payable to Agent. Interest at the rate of two percent (2%) above the then prevailing prime rate at Lloyds Bank, PLC, or such other bank or financial institution designated by Agent shall also be due. The laws of the applicable country in which Option One is incorporated thereof, shall govern this Agreement, and the interpretation, operation and construction. CLIENT IRREVOCABLY AGREES ANY JURISDICTION CHOSEN BY OPTION ONE SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTES WHICH MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT AND THAT ANY PROCEEDING (COLLECTIVELY "PROCEEDINGS") ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT SHALL BE BROUGHT ONLY BEFORE SAID COURTS. CLIENT irrevocably waives any objection, which it may

have now or hereafter to the commencement or the venue of any proceedings in any forum referred to herein and any claim that any such proceeding has been brought in an inconvenient forum. Client further agrees, irrevocably, that a judgment in any proceeding brought in any such forum shall be conclusive and binding upon it. If CLIENT commences any proceeding against Option One, Option One may at any time prior to the conclusion of the proceeding, make an offer of settlement in writing to CLIENT. If CLIENT rejects such offer and the amount awarded to CLIENT is equal to or less than the amount offered by Agent, CLIENT shall be liable to Agent for any legal fees and expenses incurred by Agent after such offer is made. Further, if no such offer is made and CLIENT receives no award, client shall be liable for all cost.

9. MAKING DELIVERY; LIQUIDATION INSTRUCTIONS

You agree to give us a 7 business day notice if you intend to make or take delivery under a contract or to exercise any option contract. If so requested by us, you shall satisfy us that you can fulfill your obligations to make or take delivery and shall furnish us with property deliverable by you under any contract in accordance with our directions. We shall not have any obligation to exercise any long option contract unless you have furnished us with timely exercise instructions herein said above and sufficient initial margin with respect to each underlying contract. If we sell any property at your direction and you fail for any reasons to supply us with such property, we may (but shall not be obligated to) borrow or buy for you any property necessary to make such delivery. Under no circumstances shall we be obliged to make any payment or delivery to you except against receipt of payment or delivery by you of monies or other property requested by us. You shall be responsible for providing insurance coverage for any deliveries made or accepted by you. We do not provide any insurance coverage. If you do not provide insurance coverage, you agree to bear the risk of loss.

10. CUSTOMER'S REPRESENTATION, KNOWLEDGEMNT OF RISKS AND WARRANTIES

You represent to us that all information supplied by you in connection with the opening of your account, including the Customer Account Application, is accurate and complete, and that we are legally entitled to rely on such information and you agree to report promptly to us any material change in such information. You represent to us that you have read and understand all risk disclosure statements that we have provided to you and understand that all transactions effected for your account are at your risk and that you solely liable therefore under all circumstances. Client hereby acknowledges that client is willing and financially able to sustain such losses and that the trading of derivative futures and option contracts is a suitable investment vehicle for client. Client agrees and acknowledges that in entering into futures and option contracts, client will rely solely on his/her judgment. Client further represents that client has not received or relied upon any statement, either written or oral, tending to minimize the risks inherent in trading futures and option contracts or otherwise guaranteeing or assuring that such transactions will be profitable in deciding to open an account with Option One and to engage in derivative futures or option transactions. You agree to inform us immediately if you cease to be willing or financially able to sustain such losses.

11. COMMUNICATION DELAYS

Option One is not responsible for the obligations of the persons or entities with whom CLIENT'S transactions are effected, nor is Agent and/or IBF responsible for delays in the communication facilities or other causes beyond Agent's and/or IBF's reasonable control or anticipation.

12. APPLICANTS

The Republic of Panama and Costa Rican internal regulations prohibit residents of the country of Panama and Costa Rica to apply. You agree that Option One keeps all of your personal information and account trading activity confidential unless ordered by a court of law in the company's jurisdiction.

OPTION RISK AND FEE DISCLOSURE STATEMENT

By signing this Agreement CLIENT hereby acknowledges CLIENT'S understanding and knowledge that transactions in derivative options, (hereinafter "options") are subject to highly material risk factors AND THAT CLIENT KNOWINGLY AND WILLINGLY ASSUMES ALL SUCH RISKS. 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 options is not suitable for many members of the public. Funds added to your account should be discretionary capital set aside strictly for speculative purposes. All funds used for this type of speculation should only be disposable income so that a loss of part or all of this money will not affect your lifestyle. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. These risks include, but are not limited to the following:

A. Limited Diversification

Client's account will take positions solely in purchasing derivative option contracts. Unless otherwise requested by client to trade futures or write option contracts, a futures disclosure document will be provided and authorized. These types of options transactions include but not limited to: purchasing call options, put options, straddles, strangles, covered calls and covered put options contracts.

B. 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 cost. 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 contract, the purchaser will acquire a futures position with associated liabilities for margin (see additional futures risk disclosure before deciding to exercise option contracts). If the purchased options expire worthless, you will suffer a total loss of your investment that 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. 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.

C. Substantial Fees and Cost

The trading of option contracts may involve frequent purchases and sales of such contracts, resulting in significant fees and commissions. In order to achieve a net profit from any option transaction in the client's account, the price received by the client upon the sale of the option will have to exceed the client's purchase price and/or premium plus commission plus any other fees and costs. There is no guarantee that any trading will result in a profit to the customer and the customer may in fact incur a loss of all or part of his/her investment.

D. Risk-Reducing Orders or Strategies

The placing of certain orders (e.g. 'stop-loss' orders, 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.

E. Liquidity Risk

Option contracts are executed with various third party brokerage firms. Although the market is generally a liquid market, 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 at the desired price, which could result in a loss of unrealized profit or even an outright loss on the position. 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.

F. Risk of Insolvency

There is no clearinghouse, which assures performance under open positions, nor is CLIENT'S account insured. CLIENT may face a risk of loss of unrealized gains and all CLIENT funds due to the risk of failure, the inability or refusal to perform with respect to options, or the bankruptcy or liquidation of the counterparty or third party brokerage firms. 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 pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.

G. Lack of Regulation

At the current time, no banking or international authority regulates derivative options or the international market. In addition, trades occur in foreign markets in which there may be governmental or no governmental regulation of the trading. Both Option One and its' employees are not registered as a broker-dealer with any government agency nor have the options been registered with its' local authorities. However, Option One purchases derivative option contracts through third party brokerage entities, which are believed to be registered entities and have governmental regulation. Option One is of a view that ultimate CLIENT profitability depends on fluctuations in world commodity prices and the options markets, but not on the efforts of Option One and that each CLIENT individually owns the options contract(s) thereby removing these vehicles from the definition of securities. CLIENTS are subject to the risks that Option One business is not regulated by any regulatory agency and thus, do not enjoy those protections which are inherent in a regulated business. Moreover, Option One could become the subject of adverse regulatory actions or determinations by one or more governmental agencies or courts. At any given time, officers, managers or agents of the company may have had previous regulatory sanctions by governmental agencies.

