

***EXPO***  
***FUTURES & OPTIONS***

Customer Account Agreement

**For office use only**

Account Name: \_\_\_\_\_

Account Number: \_\_\_\_\_

Approved By: \_\_\_\_\_

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## **ACCOUNT DOCUMENTATION INSTRUCTIONS**

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Thank you for choosing to receive account paperwork from EXPO FUTURES & OPTIONS, a division of FARR FINANCIAL INC. Farr Financial relies on the information provided in this application to verify the customer(s) identity. The following is a list of instructions on how to complete the account application forms for your new commodity trading account.

### **INDIVIDUAL ACCOUNT:**

- You must understand, agree to, and sign pages 3, 7, and 12.
- Completely fill out “Individual/Joint Application” on page 13 and sign page 13.
- U.S. Residents: Complete and sign W-9 on page 19.
- Non-U.S. Residents: Complete and sign W-8 on page 20.

### **JOINT ACCOUNT:**

- All customers for joint account must understand, agree to, and each individual must sign pages 3, 7, and 12.
- One joint owner must completely fill out and sign page 13. The other must complete and sign page 14. If there are more than two parties to a joint account, use additional copies of “Individual/Joint Application” (page 13 or 14) for each additional party. Please note: ALL parties must sign pages 3, 7, and 12.
- Choose the type of Joint account desired (page 12).
- U.S. Residents: Only one joint owner should complete with the Social Security number to be reported to the IRS. Complete and sign W-9 on page 19.
- Non-U.S. Residents: Complete and sign W-8 on page 20.

### **PARTNERSHIP ACCOUNT:**

(General Partnership):

- Each General partner must understand, agree to, and sign pages 3, 7, and 12..
- Customer must complete Partnership application on page 15. Each General partner must sign and complete one Customer Account application (page 13 or 14).
- U.S. Residents (W-9): Page 19. US partnership Tax ID# should be provided and W-9 form signed and dated by managing partner **or** Partnership name and a general partner’s name and social security # should be filled in and the form signed and dated by general partner
- Non-U.S. Residents (W-8): Page 20. Managing or general partner for a foreign partnership should complete sign and date applicable W-8.
- **Provide legal Partnership documents.**

(Limited Partnership):

- Same as General Partnership, **except** if the Partnership Agreement authorizes one general partner to act on behalf of the partnership, then only that managing general partner must complete and sign all documents.
- List names and addresses of all Limited Partners.
- **Provide legal Partnership documents.**

### **CORPORATE ACCOUNT:**

- Customer must sign and date all signature sections from pages 3, 7, 12 and 13..
- Customer must complete Corporate application form on page 16. Customer must sign Corporate Resolution and Indemnification on page 17.
- Customer must sign Personal Guarantee on page 18 **or** provide corporate audited financial statement.
- Customer must provide legal Corporate documents.

### **TRUST OR IRA ACCOUNTS:**

- Provide a copy of the trust agreement (or trust application if opening a new IRA trust account).
- Complete and sign all signature pages (3, 7, 12, 13, 18, and 19).



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## RISK DISCLOSURE STATEMENT FOR FUTURES

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This statement is furnished to you because Rule 1.55 of the Commodity Futures Trading Commission requires it.

The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. You should be aware of the following points:

1. You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margins funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
2. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").
3. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since the market conditions on the exchange where the order is placed may make it impossible to execute such orders.
4. All futures positions involve risk, and a "spread" position may not be less risky than an outright "long" or "short" position.
5. The high degree of leverage (gearing) that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.
6. You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.

ALL OF THE POINTS NOTED ABOVE APPLY TO ALL FUTURES TRADING WHETHER FOREIGN OR DOMESTIC. IN ADDITION, IF YOU ARE CONTEMPLATING TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS, YOU SHOULD BE AWARE OF THE FOLLOWING ADDITIONAL RISKS:

7. Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarize yourself with the foreign rules which will apply to your particular transaction.
8. Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss results therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign futures contract is liquidated or the foreign option contract is liquidated or exercised.

THIS BRIEF STATEMENT CANNOT, OF COURSE, DISCLOSE ALL THE RISKS AND OTHER ASPECTS OF THE COMMODITY MARKETS.

**I hereby acknowledge that I have received and understood this risk disclosure statement.**

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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## RISK DISCLOSURE STATEMENT FOR OPTIONS

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This statement is furnished to you because Rule 33.7 of the Commodity Futures Trading Commission requires it.

BECAUSE OF THE VOLATILE NATURE OF THE COMMODITIES MARKETS, THE PURCHASE AND GRANTING OF COMMODITY OPTIONS INVOLVE A HIGH DEGREE OF RISK. COMMODITY OPTION TRANSACTIONS ARE NOT SUITABLE FOR MANY MEMBERS OF THE PUBLIC. SUCH TRANSACTIONS SHOULD BE ENTERED INTO ONLY BY PERSONS WHO HAVE READ AND UNDERSTOOD THIS DISCLOSURE STATEMENT AND WHO UNDERSTAND THE NATURE AND EXTENT OF THEIR RIGHTS AND OBLIGATIONS AND OF THE RISKS INVOLVED IN THE OPTION TRANSACTIONS COVERED BY THIS DISCLOSURE STATEMENT.

BOTH THE PURCHASER AND THE GRANTOR SHOULD KNOW WHETHER THE PARTICULAR OPTION IN WHICH THEY CONTEMPLATE TRADING IS AN OPTION WHICH, IF EXERCISED, RESULTS IN THE ESTABLISHMENT OF A FUTURES CONTRACT (AN "OPTION ON A FUTURES CONTRACT") OR RESULTS IN THE MAKING OR TAKING OF DELIVERY OF THE ACTUAL COMMODITY UNDERLYING THE OPTION (AN "OPTION ON A PHYSICAL COMMODITY"). BOTH THE PURCHASER AND THE GRANTOR OF AN OPTION ON A PHYSICAL COMMODITY SHOULD BE AWARE THAT, IN CERTAIN CASES, THE DELIVERY OF THE ACTUAL COMMODITY UNDERLYING THE OPTION MAY NOT BE REQUIRED AND THAT, IF THE OPTION IS EXERCISED, THE OBLIGATIONS OF THE PURCHASER AND GRANTOR WILL BE SETTLED IN CASH.

BOTH THE PURCHASER AND THE GRANTOR SHOULD KNOW WHETHER THE PARTICULAR OPTION IN WHICH THEY CONTEMPLATE TRADING IS SUBJECT TO A "STOCK-STYLE" OR "FUTURES-STYLE" SYSTEM OF MARGINING. UNDER A STOCK-STYLE MARGINING SYSTEM, A PURCHASER IS REQUIRED TO PAY THE FULL PURCHASE PRICE OF THE OPTION AT THE INITIATION OF THE TRANSACTION. THE PURCHASER HAS NO FURTHER OBLIGATION ON THE OPTION POSITION. UNDER A FUTURES-STYLE MARGINING SYSTEM, THE PURCHASER DEPOSITS INITIAL MARGIN AND MAY BE REQUIRED TO DEPOSIT ADDITIONAL MARGIN IF THE MARKET MOVES AGAINST THE OPTION POSITION. THE PURCHASER'S TOTAL SETTLEMENT VARIATION MARGIN OBLIGATION OVER THE LIFE OF THE OPTION, HOWEVER, WILL NOT EXCEED THE ORIGINAL OPTION PREMIUM. IF THE PURCHASER OR GRANTOR DOES NOT UNDERSTAND HOW OPTIONS ARE MARGINED UNDER A STOCK-STYLE OF FUTURES-STYLE MARGINING SYSTEM, HE OR SHE SHOULD REQUEST AN EXPLANATION FROM THE FUTURES COMMISSION MERCHANT ("FCM") OR INTRODUCING BROKER ("IB").

A PERSON SHOULD NOT PURCHASE ANY COMMODITY OPTION UNLESS HE OR SHE IS ABLE TO SUSTAIN A TOTAL LOSS OF THE PREMIUM AND TRANSACTION COSTS OF PURCHASING THE OPTION. A PERSON SHOULD NOT GRANT ANY COMMODITY OPTION UNLESS HE OR SHE IS ABLE TO MEET ADDITIONAL CALLS FOR MARGIN WHEN THE MARKET MOVES AGAINST HIS OR HER POSITION AND, IN SUCH CIRCUMSTANCES, TO SUSTAIN A VERY LARGE FINANCIAL LOSS.

A PERSON WHO PURCHASES AN OPTION SUBJECT TO STOCK-STYLE MARGINING SHOULD BE AWARE THAT, IN ORDER TO REALIZE ANY VALUE FROM THE OPTION, IT WILL BE NECESSARY EITHER TO OFFSET THE OPTION POSITION OR TO EXERCISE THE OPTION. OPTIONS SUBJECT TO FUTURES-STYLE MARGINING ARE MARKED TO MARKET, AND GAINS AND LOSSES ARE PAID AND COLLECTED DAILY. IF AN OPTION PURCHASER DOES NOT UNDERSTAND HOW TO OFFSET OR EXERCISE AN OPTION, THE PURCHASER SHOULD REQUEST AN EXPLANATION FROM THE FCM OR IB. CUSTOMERS SHOULD BE AWARE THAT IN A NUMBER OF CIRCUMSTANCES, SOME OF WHICH WILL BE DESCRIBED IN THIS DISCLOSURE STATEMENT, IT MAY BE DIFFICULT OR IMPOSSIBLE TO OFFSET AN EXISTING OPTION POSITION ON AN EXCHANGE.

THE GRANTOR OF AN OPTION SHOULD BE AWARE THAT, IN MOST CASES, A COMMODITY OPTION MAY BE EXERCISED AT ANY TIME FROM THE TIME IT IS GRANTED UNTIL IT EXPIRES. THE PURCHASER OF AN OPTION SHOULD BE AWARE THAT SOME OPTION CONTRACTS MAY PROVIDE ONLY A LIMITED PERIOD OF TIME FOR EXERCISE OF THE OPTION.

THE PURCHASER OF A PUT OR CALL SUBJECT TO STOCK-STYLE OR FUTURES-STYLE MARGINING IS SUBJECT TO THE RISK OF LOSING THE ENTIRE PURCHASE PRICE OF THE OPTION—THAT IS, THE PREMIUM CHARGED FOR THE OPTION PLUS ALL TRANSACTION COSTS.

THE COMMODITY FUTURES TRADING COMMISSION REQUIRES THAT ALL CUSTOMERS RECEIVE AND ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE STATEMENT BUT DOES NOT INTEND THIS STATEMENT AS A RECOMMENDATION OR ENDORSEMENT OF EXCHANGE-TRADED COMMODITY OPTIONS.

### **1. Some of the risks of option trading.**

Specific market movements of the underlying future or underlying physical commodity cannot be predicted accurately.

The grantor of a call option who does not have a long position in the underlying futures contract or underlying physical commodity is subject to risk of loss should the price of the underlying futures contract or underlying physical commodity be higher than the strike price upon exercise or expiration of the option by an amount greater than the premium received from granting the call option.

The grantor of a call option who has a long position in the underlying futures contract or underlying physical commodity is subject to the full risk of a decline in price of the underlying position reduced by the premium received for granting the call. In exchange for the premium received for granting a call option, the option grantor gives up all of the potential gain resulting from an increase in the price of the underlying futures contract or underlying physical commodity above the option strike price upon exercise or expiration of the option.

The grantor of a put option who does not have a short position in the underlying futures contract or underlying physical commodity (e.g., commitment to sell the physical) is subject to risk of loss should the price of the underlying futures contract or underlying physical commodity decrease below the strike price upon exercise or expiration of the option by an amount in excess of the premium received for granting the put option.

The grantor of a put option on a futures contract who has a short position in the underlying futures contract is subject to the full risk of a rise in the price of the underlying position reduced by the premium received for granting the put. In exchange for the premium received for granting a put option on a futures contract, the option grantor gives up all of the potential gain resulting from a decrease in the price of the underlying futures contract below the option strike price upon exercise or expiration of the option. The grantor of a put option on a physical commodity who has a short position (e.g., commitment to sell the physical) is subject to the full risk of rise in the price of the physical commodity which must be obtained to fulfill the commitment reduced by the premium received for granting the put. In exchange for the premium, the grantor of a put option on a physical commodity gives up all the potential gain which would have resulted from a decrease in the price of the commodity below the option strike price upon exercise or expiration of the option.

### **2. Description of commodity options.**

Prior to entering into any transaction involving a commodity option, an individual should thoroughly understand the nature and type of option involved and the underlying futures contract or physical commodity. The futures commission merchant or introducing broker is required to provide, and the individual contemplating an option transaction should obtain:

- (i) An identification of the futures contract or physical commodity underlying the option and which may be purchased or sold upon exercise of the option or, if applicable, whether exercise of the option will be settled in cash;
- (ii) The procedure for exercise of the option contract, including the expiration date and latest time on that date for exercise. (The latest time on an expiration date when an option may be exercised may vary; therefore, option market participants should ascertain from their futures commission merchant or their introducing broker the latest time the firm accepts exercise instructions with respect to a particular option.);
- (iii) A description of the purchase price of the option including the premium, commissions, costs, fees and other charges. (Since commissions and other charges may vary widely among futures commission merchants and among introducing brokers, option customers may find it advisable to consult more than one firm when opening an option account.);
- (iv) A description of all costs in addition to the purchase price which may be incurred if the commodity option is exercised, including the amount of commissions (whether termed sales commissions or otherwise), storage, interest, and all similar fees and charges which may be incurred;
- (v) An explanation and understanding of the option margining system;
- (vi) A clear explanation and understanding of any clauses in the option contract and of any items included in the option contract explicitly or by reference which might affect the customer's obligations under the contract. This would include any policy of the futures commission merchant or the introducing broker or rule of the exchange on which the option is traded that might affect the customer's ability to fulfill the option contract or to offset the option position in a closing purchase or closing sale transaction (for example, due to unforeseen circumstances that require suspension or termination of trading); and
- (vii) If applicable, a description of the effect upon the value of the option position that could result from limit moves in the underlying futures contract.

### **3. The mechanics of option trading.**

Before entering into any exchange-traded option transaction, an individual should obtain a description of how commodity options are traded.

Option customers should clearly understand that there is no guarantee that option positions may be offset by either a closing purchase or closing sale transaction on an exchange. In this circumstance, option grantors could be subject to the full risk of their positions until the option position expires, and the purchaser of a profitable option might have to exercise the option to realize a profit.

For an option on a futures contract, an individual should clearly understand the relationship between exchange rules governing option transactions and exchange rules governing the underlying futures contract. For example, an individual should understand what action, if any, the exchange will take in the option market if trading in the underlying futures market is restricted or the futures prices have made a “limit move”.

The individual should understand that the option may not be subject to daily price fluctuation limits while the underlying futures may have such limits, and, as a result, normal pricing relationships between options and the underlying future may not exist when the future is trading at its price limit. Also, underlying futures positions resulting from exercise of options may not be capable of being offset if the underlying future is at a price limit.

#### **4. Margin requirements.**

An individual should know and understand whether the option he or she is contemplating trading is subject to a stock-style or futures-style system of margining. Stock-style margining requires the purchaser to pay the full option premium at the time of purchase. The purchaser has no further financial obligations, and the risk of loss is limited to the purchase price and transaction costs. Futures-style margining requires the purchaser to pay initial margin only at the time of purchase. The option position is marked to market, and gains and losses are collected and paid daily. The purchaser’s risk of loss is limited to the initial option premium and transaction costs.

An individual granting options under either a stock-style or futures-style system of margining should understand that he or she may be required to pay additional margin in the case of adverse market movements.

#### **5. Profit potential of an option position.**

An option customer should carefully calculate the price which the underlying futures contract or underlying physical commodity would have to reach for the option position to become profitable. Under a stock-style margining system, this price would include the amount by which the underlying futures contract or underlying physical commodity would have to rise above or fall below the strike price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing (offsetting) the commodity option position. Under a future-style margining system, option positions would be marked to market, and gains and losses would be paid and collected daily, and an option position would become profitable once the variation margin collected exceeded the cost of entering the contract position.

Also, an option customer should be aware of the risk that the futures price prevailing at the opening of the next trading day may be substantially different from the futures price which prevailed when the option was exercised. Similarly, for options on physicals that are cash settled, the physicals price prevailing at the time the option is exercised may differ substantially from the cash settlement price that is determined at a later time. Thus, if a customer does not cover the position against the possibility of underlying commodity price change, the realized price upon option exercise may differ substantially from that which existed at the time of exercise.

#### **6. Deep-out-of-the-money options.**

A person contemplating purchasing a deep-out-of-the-money option (that is, an option with a strike price significantly above, in the case of a call, or significantly below, in the case of a put, the current price of the underlying futures contract or underlying physical commodity) should be aware that the chance of such an option becoming profitable is ordinarily remote.

On the other hand, a potential grantor of a deep-out-of-the-money option should be aware that such options normally provide small premiums while exposing the grantor to all of the potential losses described in section (1) of this disclosure statement.

#### **7. Glossary of terms.**

- (i) Contract market – Any board of trade (exchange) located in the United States which has been designated by the Commodity Futures Trading Commission to list a futures contract or commodity option for trading.
- (ii) Exchange-traded option; put option; call option – The options discussed in this disclosure statement are limited to those which may be traded on a contract market. These options (subject to certain exceptions) give an option purchaser the right to buy in the case of a call option, or to sell in the case of a put option, a futures contract or the physical commodity underlying the option at the stated strike price prior to the expiration date of the option. Each exchange-traded option is distinguished by the underlying futures contract or underlying physical commodity, strike price, expiration date, and whether the option is a put or call.
- (iii) Underlying futures contract – The futures contract which may be purchased or sold upon the exercise of an option on a futures contract.

- (iv) Underlying physical commodity – The commodity of a specific grade (quality) and quantity which may be purchased or sold upon the exercise of an option on a physical commodity.
- (v) Class of options – A put or call covering the same underlying futures contract or underlying physical commodity.
- (vi) Series of options – Options of the same class having the same strike price and expiration date.
- (vii) Exercise price – See strike price.
- (viii) Expiration date – The last day when an option may be exercised.
- (ix) Premium – The amount agreed upon between the purchaser and seller for the purchase or sale of a commodity option.
- (x) Strike price – The price at which a person may purchase or sell the underlying futures contract or underlying physical commodity upon exercise of a commodity option. This term has the same meaning as the term “exercise price”.
- (xi) Short option position – See opening sale transaction.
- (xii) Long option position – See opening purchase transaction.
- (xiii) Types of options transactions
  - A. Opening purchase transaction – A transaction in which an individual purchases an option and thereby obtains a long option position.
  - B. Opening sale transaction – A transaction in which an individual grants an option and thereby obtains a short option position.
  - C. Closing purchase transaction – A transaction in which an individual with a short option position liquidates the position. This is accomplished by a closing purchase transaction for an option of the same series as the option previously granted. Such a transaction may be referred to as an offset transaction.
  - D. Closing sale transaction – A transaction in which an individual with a long option position liquidates the position. This is accomplished by a closing sale transaction for an option of the same series as the option previously purchased. Such a transaction may be referred to as an offset transaction.
- (xiv) Purchase price – The total actual cost paid or to be paid, directly or indirectly, by a person to acquire a commodity option. This price includes all commissions and other fees, in addition to the option premium.
- (xv) Grantor, writer, seller – An individual who sells an option. Such a person is said to have a short position.
- (xvi) Purchaser – An individual who buys an option. Such a person is said to have a long position.

**I hereby acknowledge that I have received and understood this risk disclosure statement.**

Date:\_\_\_\_\_ Signature:\_\_\_\_\_

Date:\_\_\_\_\_ Signature:\_\_\_\_\_

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## CUSTOMER AGREEMENT

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In consideration of Farr Financial, Inc. ("Farr") acting as broker and accepting one or more accounts for the undersigned in the purchase and sale of commodity futures contracts, commodity option contracts, cash commodities and all other transactions related thereto (hereinafter "futures contracts") for the undersigned ("Customer"), it is agreed with respect to all accounts, whether upon margin or otherwise, which the undersigned now has or may at any future time have with Farr, including accounts from time to time closed and then reopened, as follows:

**1. Authorization** – Customer authorizes Farr to purchase and sell futures contracts for Customer's account in accordance with Customers' oral, written, or electronic instructions. Customer hereby waives any defense that any such instructions were not in writing as may be required by any law, rule, or regulation. Each Customer having an interest in a joint account shall have the authority to issue such instructions and generally to deal with Farr as fully and completely as if the other person had no interest therein. Farr shall be under no duty or obligation to inquire into the purpose or propriety of any instruction given by any Customer in the case of a joint account and shall be under no obligation to see the application of any funds delivered to any Customer upon his order.

**2. Governmental and Exchange Rules** – All transactions shall be subject to the applicable constitution, by-laws, rules, regulations, customs, usages, rulings and interpretations of the exchanges or markets on which such transactions are executed by Farr for Customer's account and, where applicable, to the provisions of the Commodity Exchange Act, as amended, and the rules and regulations promulgated there under and to any other applicable government statutes, rules and regulations, and to the rules and regulations of the National Futures Association.

**3. Margins** – Customer shall provide to and maintain with Farr margin in such amounts and in such form as Farr, in its sole discretion, from time to time may determine. Such margin requirements established by Farr may exceed the margin required by Farr by an exchange. Farr may change margin requirements in its sole discretion at any time. If Farr determines that additional margin is required, Customer agrees to deposit with Farr such additional margin when and as required and demanded by Farr, and will promptly meet all margin calls in such manner as Farr shall designate in its sole discretion. Notwithstanding any demand for additional margin, Farr at any time may proceed in accordance with paragraph 5 below, and any failure to proceed shall not be deemed a waiver of any rights by Farr. No previous margin shall establish any precedent. Farr shall not be liable to Customer for the loss of any margin deposits which is the direct or indirect result of the bankruptcy, insolvency, liquidation, receivership, custodianship, or assignment for the benefit of creditors of any bank, another clearing broker, exchange, clearing organization, or similar entity.

**4. Security Agreement and Transfer Authorization.**

(a) All funds, securities, commodities, futures contracts, and other property of the Customer which Farr at any time may be carrying for Customer (either individually, jointly with others, or as a guarantor of the account of another person) or which at any time may be in Farr's possession or control or carried on its books for any purpose, including safekeeping, are to be held by Farr as security and subject to a general lien and right of set-off for all liabilities of Customer to Farr or any affiliate of Farr. From time to time, Farr in its sole discretion, without prior notice to Customer may, apply or transfer any funds (including segregated funds) or other property interchangeably between any of Customer's accounts at Farr or an affiliate of Farr as may be necessary for margin or to satisfy or reduce any deficit or debit balance in any such account. Within a reasonable time after any such transfer, Farr will confirm the transfer in writing to Customer.

(b) All property carried for Customer by Farr shall be segregated as required by the Commodity Exchange Act and the rules of the Commodity Futures Trading Commission (CFTC). Subject to such segregation requirements, Customer hereby grants to Farr the right to pledge, re-pledge, hypothecate, re-hypothecate, or invest, either separately or with the property of other Customers, any securities or other property held by Farr for the accounts of Customer or as collateral therefore, including without limitation to any exchange or clearing house through which trades of Customer are executed. Farr shall be under no obligation to pay Customer or account for any interest, income or benefit derived from such property and funds or to deliver the same securities or other property deposited with or received by Farr for the account of Customer. Farr may deliver securities or other property of like or equivalent kind or amount.

**5. Liquidation of Accounts** - In the event of (a) death or judicial declaration of incompetency of Customer, (b) the filing of a petition in bankruptcy, or a petition for the appointment of a receiver, by or against Customer, or any one of the Customers if this is a joint account, (c) the filing of an attachment against any of Customer's accounts carried by Farr, (d) insufficient margin, or Farr's determination that any collateral deposited to protect one or more accounts of Customer is inadequate, regardless of current market quotations, to secure the account, or (e) any other circumstances or developments that Farr deems to require action necessary for its protection, Farr is hereby authorized, according to its judgment and in its sole discretion, to take one or more or any portion of the following actions: (1) satisfy any obligation Customer may have to Farr, either directly or by way of guaranty or suretyship, out of any of Customer's funds or property in the custody or control of Farr; (2) sell any or all futures contracts,

commodities, or securities held or carried for Customer or purchase any or all futures contracts, commodities or securities held or carried as a short position for Customer; and (3) cancel any or all outstanding orders, contracts, or any other commitments made on behalf of Customer. Any of the above actions may be taken without demand for margin or additional margin, without prior notice of sale or purchase or other notice or advertisement to Customer, his personal representatives, heirs, executors, administrators, legatees, or assigns, and regardless of whether the ownership interest shall be solely Customer's or held jointly with others. In liquidating Customer's long or short position, Farr in its sole discretion may sell or purchase in the same contract month or initiate new long or short positions in order to establish a spread or straddle which in Farr's judgment may be necessary or advisable to protect existing positions in Customer's account. Any sales or purchases hereunder may be made according to Farr's judgment and at its discretion on any exchange or other market where such business is then usually transacted or at public auction or at private sale, and Farr may purchase the whole or any part thereof free from any right of redemption. It is understood that, in all cases, a prior demand, call, or notice of the time and place of a sale or purchase shall not be considered a waiver of Farr's right to sell or buy without demand or notice as herein provided. Customer at all times shall be liable for the payment of any debit balance upon demand by Farr, and shall be liable for any deficiency remaining in Customer's account(s) in the event of the liquidation thereof in whole or in part by Farr or by Customer. In the event the proceeds realized pursuant to this authorization are insufficient for the payment of all liabilities of Customer due to Farr, Customer promptly shall pay, upon demand, the deficit and all unpaid liabilities, together with interest thereon and all costs of collection including reasonable attorneys' fees. In the event Farr incurs expenses, including legal fees, with respect to any account of Customer, Customer agrees to be liable therefore.

#### **6. Delivery Month Liquidation Instructions**

(a) Liquidating instructions on open positions maturing in a current delivery month must be given to Farr at least five (5) business days prior to the first notice day in the case of long positions and, in the case of short positions, at least five (5) business days prior to the last trading day. Alternatively, sufficient funds to take delivery or the necessary delivery documents must be delivered to Farr within the same periods described above. If neither instructions, funds, nor documents are received, Farr without notice, may, either liquidate Customer's position or make or receive delivery on behalf of Customer upon such terms and by such methods which Farr deems feasible.

(b) If at any time Customer fails to deliver to Farr any property previously sold by Farr on Customer's behalf or fails to deliver property, securities or financial instruments in compliance with futures contracts, or Farr shall deem it necessary (whether by reason of the requirements of any exchange, clearing house or otherwise) to replace any securities, futures contracts, financial instruments, or other property previously delivered by Farr for the account of Customer with other property of like or equivalent kind or amount. Customer authorizes Farr in its judgment to borrow or to buy any property necessary to make delivery thereof or to replace any such property previously delivered and to deliver the same to such other party to whom delivery is to be made. Farr may repay subsequently any borrowing thereof with property purchased or otherwise acquired for the account of Customer. Customer shall pay Farr for any cost, loss and damage from the foregoing (including consequential damages, penalties and fines) which Farr may be required to incur or which Farr may sustain from its inability to borrow or buy any such property.

**7. Charges.** Customer agrees to pay such brokerage and commission charges and fees as Farr may establish and change from time to time. Customer agrees to be liable to Farr for interest on amounts due from Customer to Farr at the rates customarily charged by Farr.

**8. Statements and Confirmations.** Reports of the confirmation of orders and statements of the accounts of Customer shall be deemed correct and shall be conclusive and binding upon Customer if not objected to in writing immediately after transmittal to Customer by mail or otherwise. Such written objection on Customer's part shall be directed to Farr's Compliance Officer at Farr's main office in Santa Clara, California, and shall be deemed received only if actually delivered or mailed by registered mail, return receipt requested. Failure to so object shall be deemed ratification of all actions taken by Farr or Farr's agents prior to such reports being furnished to Customer.

**9. Communications.** Reports, statements, notices and any other communications may be transmitted to Customer at the address given in the Account Application, or to such address as Customer may from time to time designate in writing. All communications so sent, whether by mail, telegraph, telex, air courier, messenger or otherwise, shall be deemed transmitted when deposited in the United States mail, or when received by a transmitting agent, and deemed delivered to Customer personally, whether actually received by Customer or not.

**10. Events Beyond Control of Farr.** Farr shall not be held responsible for any loss or damage caused directly or indirectly, by any events, actions or omissions beyond the control of Farr, including without limitation, loss or damage resulting, directly or indirectly, from any delays or inaccuracies in the transmission of orders or other information due to a breakdown in or failure of any transmission or communication facilities.

**11. Currency Fluctuation Risk.** If Customer directs Farr to enter into any transaction to be effected in a foreign currency: (a) 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; (b) all initial and subsequent deposits for margin purposes shall be made in U.S. dollars in such amounts as Farr

in its sole discretion may require; and (c) Farr is authorized to convert funds in Customer's account into and from such foreign currency at an exchange rate determined by Farr in its sole discretion on the basis of then prevailing exchange rates.

**12. Risk Acknowledgment.** Customer acknowledges that investment in futures contracts is speculative, involved a high degree of risk and is suitable only for persons who can assume risk of loss in excess of their margin deposits. Customer understands that because of the low margin normally required in futures trading, price changes in futures contracts may result in significant losses, which losses may substantially exceed Customer's margin deposits. Customer represents that he is willing and able, financially and otherwise, to assume the risks of futures trading and in consideration of Farr's carrying his account(s), Customer agrees not to hold Farr responsible for losses incurred through following its trading recommendations or suggestions or those of its employees, agents or representatives. Customer recognizes that guarantees of profit or freedom from loss are impossible of performance in futures trading, acknowledges that he has received no such guarantees from Farr or from any of its representatives, and has not entered into this agreement in consideration of or in reliance upon any such guarantees or similar representations.

**13. Trading Recommendations.** Customer acknowledges that (a) any market recommendations and information communicated to Customer by Farr do not constitute an offer to sell or the solicitation of an offer to buy any commodity or futures contract; (b) such recommendations and information, although based upon information obtained from sources believed by Farr to be reliable, may be incomplete and may not be verified; and (c) Farr makes no presentation, warranty or guaranty as to and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to Customer. Customer understands that Farr's officers, directors, affiliates, stockholders employees, or representatives may have a position in and may intend to buy or sell commodities or futures contracts which are the subject of market recommendations furnished to Customer, and that the market position of any such officer, director, affiliate, stockholder, employee, or representative may or may not be consistent with the recommendations furnished to Customer by Farr. Farr makes no representation, warranty, or guaranty with respect to tax consequences of Customer's transactions.

**14. Customer Representations.** Customer represents that the information contained in the Account Application is true, correct, and not misleading in any respect, and agrees that he will promptly notify Farr in writing if any of the representations contained therein materially changes or ceases to be true and correct in any material respect. Customer further represents that he is of legal age and sound mind and that, except as disclosed in writing to Farr, no one except Customer has an interest in any account or accounts carried for Customer by Farr. Customer further represents that he is not an employee of any exchange, any corporation in which any exchange owns a majority of the capital stock, any member of any exchange, any firm registered on any exchange, any futures commission merchant, any introducing broker, or any bank, trust, or insurance company. In the event that Customer becomes so employed, he will promptly notify Farr in writing of such employment.

**15. Trading Limitations.** Farr at anytime in its sole discretion may limit the number of positions which Customer may maintain or acquire through Farr. Customer agrees not to exceed the position limits established by the CFTC or any contract market, whether acting alone or with others, and to promptly advise Farr if Customer is required to file any reports on positions.

#### **16. Options Trading**

(a) Customer understands that some exchanges and clearing houses have established cut-off times for the tender of exercise instructions and that an option will become worthless if instructions are not delivered before such expiration time. Customer also understands that certain exchanges and clearing houses automatically will exercise some "in-the-money" options unless instructed otherwise. Customer acknowledges full responsibility for taking action either to exercise or to prevent the exercise of an option contract, as the case may be; Farr is not required to take any action with respect to an option contract, including without limitation any action to exercise a valuable option prior to its expiration date or to prevent the automatic exercise of an option, except upon Customer's express instructions. Customer further understands that Farr has established exercise cut-off times which may be different from the times established by exchanges and clearing houses. (b) Customer understands that (i) all short option positions are subject to assignment at any time, including positions established on the same day that exercises are assigned, and (ii) exercise assignment notices are allocated randomly from among all Farr customers' short options positions which are subject to exercise. A more detailed description of Farr's allocation procedure is available upon request.

**17. No Waiver or Amendment.** No provision of this agreement may be waived or amended unless the waiver or amendment is in writing and signed by an authorized officer of Farr. No waiver or amendment of this agreement shall be implied from any course of dealing between the parties or from any failure by Farr or its agents to assert its rights under this agreement on any occasion or series of occasions. No oral agreements or instructions to the contrary shall be recognized or enforceable.

**18. Governing Law.** This agreement and its enforcement shall be governed by the laws of the State of California. No action, regardless of form, arising out of transactions under this agreement may be brought by Customer more than one year after the cause of action arose. Wherever possible, each provision of this agreement shall be interpreted in such a manner as to be valid and effective under applicable law, but if any provision of this agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

**19. Binding Effect.** This agreement shall be continuous and shall cover, individually and collectively, all accounts of Customer at any time opened or reopened with Farr, irrespective of any change or changes at any time in the personnel of Farr or its successors, assigns, or affiliates, for any cause whatsoever; shall inure to the benefit of Farr and its successors and assigns, whether by merger, consolidation or otherwise; and shall be binding upon Customer and the estate, executors, administrators, legal representatives, successors and assigns of Customer. Customer hereby ratifies all transactions with Farr effected prior to the date of this agreement, and agrees that the rights and obligations of Customer in respect thereto shall be governed by the terms of this agreement, which supersedes all other Customer Agreements between Farr and Customer.

**20. Termination.** This agreement shall continue in effect until terminated and may be terminated by Customer at any time when Customer has no positions and no liabilities held by or owed to Farr or at any time whatsoever by Farr; provided, however, that any such termination shall not affect any transactions theretofore entered into and shall not relieve either party of any obligations in connection with any debit or credit balance or other liability or obligation incurred prior to such termination.

**21. Indemnification.** Customer agrees to indemnify Farr and hold Farr harmless from and against any and all liabilities, losses, damages, costs and expenses, including attorneys' fees, incurred by Farr because any of the Customer's representations and warranties shall not be true and correct or the agreements made herein by Customer shall not be fully and timely performed. Customer also agrees to pay promptly to Farr all damages, costs and expenses, including attorneys' fees, incurred by Farr in the enforcement of any of the provisions of this agreement.

**22. Recording.** Customer understands that Farr in its sole discretion may record, on tape or otherwise, any telephone conversation between Farr and Customer. Customer hereby agrees and consents to such recording and waives any right Customer may have to object to the admissibility into evidence of such recording in any legal proceeding between Customer and Farr or in any other proceeding to which Farr is a party or in which Farr's records are subpoenaed. Customer agrees that Farr may erase such recordings and the rights in this paragraph extend to any introducing broker or account controller.

**23. Assignment.** Farr may assign the Customer's account or accounts to another registered Futures Commission Merchant ("FCM") by notifying the Customer of the date and name of the intended assignee FCM prior to the assignment. Unless the Customer objects to the assignment in writing prior to the scheduled date for the assignment, the assignment will be binding on the Customer.

**24. Introducing Broker.** If customer's account is carried by Farr only as a Futures Commission Merchant, Customer acknowledges that Farr is not responsible for the conduct, representations, and statements of the Introducing Broker or its Associated Persons in the handling of Customer's account. Customer agrees to waive any claims against Farr, and to indemnify and hold Farr harmless, for any actions or omissions of the introducing broker or its associated persons. Customer hereby agrees that any Introducing Broker utilized by the Customer shall be a third-party beneficiary to this contract and that the obligations of the Customer under this agreement as they relate to Farr or Introducing Broker shall be directly enforceable by Introducing Broker as against Customer.

**25. Online/Electronic Trading.** Customer acknowledges all information received and orders placed through Farr via electronic or online means (hereinafter "System") are at Customer's sole risk. Farr disclaims any and all liability and responsibility for orders placed via the System or any other order entry system made available by and/or through Farr for any losses, direct, or indirect, consequential or incidental damages, which you may recognize or incur as a result of the use of the System. Farr does not guarantee and will not be held responsible as to the accuracy or reliability of the quotes, news, research, and other information or data contained in the System.

**26. Disclosure for Non-Cash Margin.** THIS STATEMENT IS FURNISHED TO YOU BECAUSE RULE 190.10(c) OF THE COMMODITY FUTURES TRADING COMMISSION REQUIRES IT FOR REASONS OF FAIR NOTICE UNRELATED TO THIS COMPANY'S CURRENT FINANCIAL CONDITION. 1.YOU SHOULD KNOW THAT IN THE UNLIKELY EVENT OF THIS COMPANY'S BANKRUPTCY, PROPERTY, INCLUDING PROPERTY SPECIFICALLY TRACEABLE TO YOU, WILL BE RETURNED, TRANSFERRED OR DISTRIBUTED TO YOU, OR ON YOUR BEHALF, ONLY TO THE EXTENT OF YOUR PRO RATA SHARE OF ALL PROPERTY AVAILABLE FOR DISTRIBUTION TO CUSTOMERS. 2.NOTICE CONCERNING THE TERMS FOR THE RETURN OF SPECIFICALLY IDENTIFIABLE PROPERTY WILL BE BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION. 3.THE COMMISSION'S REGULATIONS CONCERNING BANKRUPTCIES OF COMMODITY BROKERS CAN BE FOUND AT 17 CODE OF FEDERAL REGULATIONS PART 190.

**27. Verification.** Customer authorizes Farr to contact such banks, financial institutions and credit agencies as Farr shall deem appropriate from time to time to verify the information regarding Customer which may be provided by Customer from time to time. Customer understands that an investigation may be made pertaining to his personal and business credit standing.

**28. Terms and Headings.** The term “Farr” shall be deemed to include Farr Financial Inc., its successors and assigns; the term “Customer” shall be deemed to refer to the party or parties executing this agreement. All pronouns shall be deemed to refer to the feminine or the masculine, as the gender of Customer requires. If this is a joint account, the singular shall mean, where appropriate, all owners of an account and the statements, agreements, representations and warranties set forth herein shall be deemed to have been made by each owner of the account. The paragraph headings in this agreement are inserted for convenience of reference only and are not intended to limit the applicability or affect the meaning of any of its provisions.

**29. Joint Account Provision.** If this account is a joint account, in the event of the death of any of the Customers, the survivors shall immediately give Farr written notice thereof, and Farr, before or after receiving such notice, may take such action, institute such proceeding, require such papers, retain such portion of the account, and restrict transactions in the account as Farr may deem advisable to protect Farr against any tax, liability, penalty, or loss under any present or future laws or otherwise. The estate(s) of any of the Customers who shall have died shall be liable, and the survivors shall continue to be liable, to Farr for any debit balance or loss in the account in any way resulting from the completion of transactions initiated prior to the receipt by Farr of the written notice of the death of the decedent, or incurred in the liquidation of the account, or the adjustment of the interests of the respective parties. If Customer fails to select the joint account type below, Farr will designate the joint account as Joint Tenancy with Right of Survivorship.

**IF THIS IS A JOINT ACCOUNT, CHOOSE ONE OF THE FOLLOWING:**

- (a) **JOINT TENANCY WITH RIGHT OF SURVIVORSHIP.** It is the express intention of the undersigned to create an account as joint tenants with rights of survivorship and not as tenants-in-common in the account(s) hereunder. In the event of the death of any of the undersigned, the entire interest in the joint account(s) shall be vested in the survivor(s) on the same terms and conditions as theretofore held, without in any manner releasing the decedent’s estate from the liability provided for herein.
- (b) **TENANTS-IN-COMMON.** The account(s) hereunder of the undersigned are held by them as tenants-in-common. In the event of the death of any of the undersigned, the interest in the account shall vest in the undersigned in accordance with the instrument creating the co-tenancy or, in the absence thereof, in equal undivided shares to each of the undersigned, without in any manner releasing the decedent’s estate from the liability provided for herein.

**30. Jurisdiction, Venue and Waiver of Jury Trial.** Customer agrees that any controversy between Farr and Customer arising out of this agreement, regardless of the manner of resolution, shall be arbitrated, litigated (tried in a court of law), or otherwise resolved by a tribunal location in Santa Clara County, California. In addition, Customer hereby waives trial by jury in any such action or proceeding. Customer agrees to pay all expenses, including attorney’s fees, incurred by Farr: (a) to defend any successful claim Customer brings against Farr or; (b) to collect any debit balances in Customer account(s). Customer hereby expressly acknowledges that this Agreement is made in the State of California (upon acceptance by Farr), and further, that by virtue of trading futures contracts in the account established hereby, Customer is transacting business in the State of California; accordingly, Customer hereby submits and consents to jurisdiction of this person in the Courts of the State of California and, shall be amendable to service and summons and other legal process of, and emanating from, the State of California.

**31. Acceptance.** This agreement shall not be deemed to be accepted by Farr or become a binding contract between Customer and Farr until approved by Farr’s New Accounts Department.

**THIS IS A CONTRACTUAL AGREEMENT. DO NOT SIGN UNTIL YOU HAVE READ IT CAREFULLY.**

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

# INDIVIDUAL/JOINT ACCOUNT APPLICATION

CUSTOMER 1

Type of Account Requested:  Individual  Joint Account  Trust (If Trust, provide copy of Trust document)

**General Information** – Please print or type.

Full Name \_\_\_\_\_ Social Security \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Joint Tenant's Name \_\_\_\_\_ No. of Dependents \_\_\_\_\_ Telephone \_\_\_\_\_ Alternate Phone \_\_\_\_\_  
Address \_\_\_\_\_ Email Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Marital Status:  Never Married  Married  Divorced  Separated  Widowed

Years of Trading Experience: \_\_\_\_\_Futures \_\_\_\_\_Options on Futures \_\_\_\_\_Stocks \_\_\_\_\_Options on Stocks \_\_\_\_\_Other

Does any other person or entity have a financial interest in this account?  Yes  No (If yes, please list names.)

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

**Type of Account:**  Speculative  Hedge (If Hedge, please attach Hedge Form.)

Will this account be traded on your behalf by anyone other than you?  Yes  No (If yes, attach Discretionary Account Agreement.)

**Employment Information**

Name of Employer \_\_\_\_\_ Job Title, Occupation, and Nature of Business \_\_\_\_\_  
Address \_\_\_\_\_ Telephone \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**Bank Information:** Type of Account:  Savings  Checking Account Number \_\_\_\_\_

Name of Bank \_\_\_\_\_ Branch \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Accounts with other commodities or securities brokers:**

Name of Brokerage \_\_\_\_\_ Account Number \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Confidential Financial Information**

Annual income: \$ \_\_\_\_\_ Net worth: \$ \_\_\_\_\_ Approximate risk capital: \$ \_\_\_\_\_ Amount of Initial Deposit: \$ \_\_\_\_\_

The undersigned represents that the foregoing is true and correct. In the event of any material change in the information set forth herein, the undersigned agrees to notify Farr Financial, Inc.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

# INDIVIDUAL/JOINT ACCOUNT APPLICATION

CUSTOMER 2

Type of Account Requested:  Individual  Joint Account  Trust (If Trust, provide copy of Trust document)

**General Information** – Please print or type.

Full Name \_\_\_\_\_ Social Security \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Joint Tenant's Name \_\_\_\_\_ No. of Dependents \_\_\_\_\_ Telephone \_\_\_\_\_ Alternate Phone \_\_\_\_\_  
Address \_\_\_\_\_ Email Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Marital Status:  Never Married  Married  Divorced  Separated  Widowed

Years of Trading Experience: \_\_\_\_\_Futures \_\_\_\_\_Options on Futures \_\_\_\_\_Stocks \_\_\_\_\_Options on Stocks \_\_\_\_\_Other

Does any other person or entity have a financial interest in this account?  Yes  No (If yes, please list names.)

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

**Type of Account:**  Speculative  Hedge (If Hedge, please attach Hedge Form.)

Will this account be traded on your behalf by anyone other than you?  Yes  No (If yes, attach Discretionary Account Agreement.)

**Employment Information**

Name of Employer \_\_\_\_\_ Job Title, Occupation, and Nature of Business \_\_\_\_\_  
Address \_\_\_\_\_ Telephone \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**Bank Information:** Type of Account:  Savings  Checking Account Number \_\_\_\_\_

Name of Bank \_\_\_\_\_ Branch \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Accounts with other commodities or securities brokers:**

Name of Brokerage \_\_\_\_\_ Account Number \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**Confidential Financial Information**

Annual income: \$ \_\_\_\_\_ Net worth: \$ \_\_\_\_\_ Approximate risk capital: \$ \_\_\_\_\_ Amount of Initial Deposit: \$ \_\_\_\_\_

The undersigned represents that the foregoing is true and correct. In the event of any material change in the information set forth herein, the undersigned agrees to notify Farr Financial, Inc.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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## PARTNERSHIP ACCOUNT APPLICATION

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Type of Partnership Requested:    General       Limited       Trading

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**General Information** – Please print or type.

_____ Name of Partnership		_____ Federal Tax Identification Number
_____ Address		_____ Date of Partnership
_____ City	_____ Telephone	_____ Alternate Phone
_____ State	_____ Zip Code	_____ Email

\_\_\_\_\_  
Nature of Business / Purpose for which Partnership organized

\_\_\_\_\_  
Name of Individual Authorized to act with regard to this Account

Years of Trading Experience:   \_\_\_Futures   \_\_\_Options on Futures   \_\_\_Stocks   \_\_\_Options on Stocks   \_\_\_Other

Does any other person or entity have a financial interest in this account?    Yes    No   (If yes, please list names.)

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**Type of Account:**    Speculative    Hedge   (If Hedge, please attach Hedge Form.)

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Will this account be traded on your behalf by anyone other than you?    Yes    No   (If yes, attach Discretionary Account Agreement.)

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**Employment Information**

_____ Name of Employer	_____ Job Title, Occupation, and Nature of Business	
_____ Address	_____ Telephone	
_____ City	_____ State	_____ Zip Code

**Bank Information:**   Type of Account:    Savings    Checking      Account Number \_\_\_\_\_

_____ Name of Bank	_____ Branch	
_____ Address	_____ City	_____ State
		_____ Zip

**Accounts with other commodities or securities brokers:**

_____ Name of Brokerage	_____ Account Number	
_____ Address	_____ City	_____ State
		_____ Zip

**Confidential Financial Information** (If available, please attach copy of latest financial statement)

Annual income: \$ \_\_\_\_\_   Net worth: \$ \_\_\_\_\_   Approximate risk capital: \$ \_\_\_\_\_   Amount of Initial Deposit: \$ \_\_\_\_\_

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The undersigned represents that the foregoing is true and correct. In the event of any material change in the information set forth herein, the undersigned agrees to notify Farr Financial, Inc.

Date: \_\_\_\_\_   Signature: \_\_\_\_\_

Date: \_\_\_\_\_   Signature: \_\_\_\_\_

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## CORPORATE ACCOUNT APPLICATION

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**General Information** – Please print or type.

\_\_\_\_\_  
Name of Corporation

\_\_\_\_\_  
Federal Tax Identification Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date of Incorporation

\_\_\_\_\_  
City

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
Alternate Phone

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
Email

\_\_\_\_\_  
Nature of Business

\_\_\_\_\_  
Name of Contact Person

\_\_\_\_\_  
Name of Employee Authorized to Trade on Behalf of Corporation

Years of Trading Experience: \_\_\_\_Futures \_\_\_\_Options on Futures \_\_\_\_Stocks \_\_\_\_Options on Stocks \_\_\_\_Other

Does any other person or entity have a financial interest in this account?  Yes  No (If yes, please list names.)

**Type of Account:**  Speculative  Hedge (If Hedge, please attach Hedge Form.)

Will this account be traded on your behalf by anyone other than you?  Yes  No (If yes, attach Discretionary Account Agreement.)

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### Employment Information

\_\_\_\_\_  
Name of Employer

\_\_\_\_\_  
Job Title, Occupation, and Nature of Business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Telephone

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip Code

**Bank Information:** Type of Account:  Savings  Checking

Account Number \_\_\_\_\_

\_\_\_\_\_  
Name of Bank

\_\_\_\_\_  
Branch

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

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### Accounts with other commodities or securities brokers:

\_\_\_\_\_  
Name of Brokerage

\_\_\_\_\_  
Account Number

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

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### Confidential Financial Information (If available, please attach copy of latest financial statement)

Annual income: \$ \_\_\_\_\_ Net worth: \$ \_\_\_\_\_ Approximate risk capital: \$ \_\_\_\_\_ Amount of Initial Deposit: \$ \_\_\_\_\_

The undersigned represents that the foregoing is true and correct. In the event of any material change in the information set forth herein, the undersigned agrees to notify Farr Financial, Inc.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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## CORPORATE RESOLUTION AND INDEMNIFICATION

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I, \_\_\_\_\_ do hereby certify that I am the duly elected and acting Secretary of \_\_\_\_\_ (the "Corporation"), a corporation validly existing under the laws of the State of \_\_\_\_\_ and I do further certify that the following resolutions were duly adopted by the Board of Directors of the Corporation in accordance with applicable statutes and the Corporation's Charter and By-laws, and that such resolutions have not been rescinded or amended are now in full force and effect:

**WHEREAS**, the Corporation has full corporate power and authority under its charter, by-laws and the laws of its domicile to enter into contracts for the purchase, receipt, sale and delivery of commodity futures contracts, commodities, options on commodity futures contracts, including foreign commodity future contracts and foreign options on commodity futures contracts, and related investments;

**NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:**

**RESOLVED**, that this Corporation shall open and maintain a trading account with Farr Financial Inc. ("Farr") for the purpose of trading, and otherwise dealing in, commodities, commodity futures and options contracts and related investments;

**RESOLVED**, that the following officers have been duly elected or appointed and are authorized to execute and deliver any and all contracts, agreements, acknowledgments, disclosure statements and other necessary instruments on behalf of Corporation as required by Farr to open such account as well as any additional account, and to act on behalf of this Corporation in the trading of this account or authorize others to so act. Such officers are further authorized to act with regard to all matters concerning Farr Financial Inc.

Name \_\_\_\_\_ Title \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

**FURTHER RESOLVED**, that in order to induce Farr to accept an account in name of this Corporation, the Corporation agrees to indemnify and hold Farr, its successors and assigns, harmless against and from any and all loss, damages or liability incurred because any of the above representations or warranties shall, at any time, not be true and correct or the above Agreements shall not have been fully performed by the Corporation.

**Corporation Name** \_\_\_\_\_

**Authorized Officer's Signature and Title** \_\_\_\_\_ **Date** \_\_\_\_\_

I hereby certify that \_\_\_\_\_ is \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_ corporation, that he is duly authorized to execute this Agreement on behalf of the Corporation, and that the above signature is his genuine signature.

Secretary \_\_\_\_\_ Date \_\_\_\_\_

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## PERSONAL GUARANTEE

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(Each guarantor must complete and sign a separate copy of the page titled "Individual/Joint Account Application")

In order to induce Farr Financial, Inc. ("Farr") to enter into the Customer Agreement, to which this Guarantee is attached, with \_\_\_\_\_, referred to therein as Customer, and for other good and valuable consideration, the receipt and sufficiency which is hereby acknowledged, the undersigned hereby, jointly and severally in the case of multiple guarantors, personally guarantee(s) the prompt, full and complete performance of any and all of the duties and obligations of Customer and the payment of any and all damages, costs and expenses which may become recoverable by Farr from Customer.

This guarantee shall remain in full force and effect until the termination of the Customer Agreement; provided, however, that the undersigned shall not be released from his/their obligations hereunder so long as any claim of Farr against Customer which claim arises out of or relates to, directly or indirectly, said Customer Agreement is settled or discharged in full.

This guarantee is unconditional and is a guarantee of payment and not of collection. Accordingly, each of the undersigned, unconditionally guarantees immediate payment, upon demand, to Farr of all amounts guaranteed hereunder. Farr has no obligation to act against any other collateral before proceeding on this Guarantee. Each of the undersigned acknowledges the undersigned's understanding that Farr is allowing the Customer to open an account or accounts with Farr in reliance upon this Guarantee.

The undersigned hereby expressly waives notice of acceptance hereof, and of non-performance, in any respect, by Customer of any of its duties or obligations, as aforesaid.

This guarantee shall inure to the benefit of Farr, its successors and assigns and shall be binding on the undersigned, his/their heirs and assigns.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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**FORM W-9: TO BE SIGNED BY U.S. RESIDENTS ONLY**

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**Request for Taxpayer Identification Number and Certification**

Please provide your TIN (Taxpayer Identification Number) in the appropriate box. For individuals, this is your social security number (SSN). For other entities, it is your tax identification number or employer identification number (EIN).

**NOTICE:** For individual, joint, custodian, and sole proprietorship accounts, the social security number is to be used. Only the taxpayer's social security number is required. For custodial accounts, use Child's social security number, not custodian's.

**INSTRUCTIONS:** Place taxpayer identification number or social security number and sign below.

Social Security Number: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Tax ID # / EIN: \_\_\_\_\_ - \_\_\_\_\_

**Certification** – Under penalties of perjury, I certify that:

1. The number shown above is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding either because I have not been notified by the Internal Revenue Services (IRS) that I am subject to backup withholdings as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

**Certification Instructions** – You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to withholding, do not cross out item (2).

**CERTIFICATION** Under the penalties of perjury, I certify that the information provided on this form is true, correct, and complete for Section W-9.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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**FORM W-8: TO BE SIGNED BY NON-U.S. RESIDENTS ONLY**

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**Certificate of Foreign Status**

I certify that this is an account of an EXEMPT FOREIGN PERSON meeting each of the following requirements:

1. You are neither a citizen nor a resident of the United States of America;
2. You have not been nor plan to be in the U.S. for a period aggregating 183 or more days during the calendar year; and
3. You do not expect to engage in trade or business in the United States of America with respect to which any gain derived from transactions effected by the broker during the calendar year is effectively connected.

If your mailing address is within the United States, please provide your non-United States address below:

NAME: \_\_\_\_\_

STREET: \_\_\_\_\_

CITY AND POSTAL CODE: \_\_\_\_\_

COUNTRY: \_\_\_\_\_

**CERTIFICATION** – Under penalties of perjury, I certify that the information provided on this form is true, correct and complete for Form W-8.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

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**TRANSFER AUTHORIZATION LETTER**

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To: (The firm you are transferring FROM)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Account Number: \_\_\_\_\_

Gentlemen:

Please be advised that I hereby direct to transfer my account balances, margin, and open commodity positions to Farr Financial, Inc., 1073 S. Winchester Blvd, San Jose, California 95128. Accordingly, this letter will serve as a direction to you to close my account(s) with your company and to wire funds representing the net available amount in each of my accounts (regulated and non-regulated) as of the market close on this date. I further direct you to transfer said funds as follows:

To: Harris Trust and Savings Bank, Chicago, Farr Financial Inc. – 254-971-5  
For Further Credit: (Customer Name)

Account Name: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_



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## FARR FINANCIAL PAYMENT INSTRUCTIONS

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### **CHECKS**

- Please make all checks payable to **FARR FINANCIAL INC**
- Checks without the customer's name on it will NOT be accepted.
- Third party checks or wires will NOT be accepted.
- Please note: the name on the check must match the name on the Farr Financial account.

*Deliver all Forms & Checks to:*

Expo Futures & Options  
1361 S. Winchester Blvd. Suite 115  
San Jose, CA 95128

### **WIRES**

- Third party wires will not be accepted.
- Account name **MUST** match between bank account and Farr Financial account.

*Wire to:*

Harris Trust & Savings Bank  
Chicago, Illinois  
ABA#: 071-000-288  
Credit to Farr Financial, Inc.  
Account Number: 254-971-5  
For Further credit to: (Your name and account number, if assigned)