

## **Trader Account Letter**

**This is a legal contract between Capital Markets Group, Ltd ("CMG") its successors and assigns, and the party (or parties) executing this document.**

In connection with opening an account to speculate and/or purchase and/or sell Contracts For Difference (hereinafter referred to as "CFDs"), futures, indices, foreign exchange, and/or shares through the OTC market (hereinafter referred to as "OTC") with CMG, Customer (hereinafter referred to as Trader) acknowledges that Trader has been advised and understands the following factors concerning trading in leveraged OTC, in addition to those contained in the following Risk Disclosure Statement and the Bankruptcy Statement which have been provided to Trader.

1. OTC is not traded on a regulated exchange. There are no guarantees to the creditworthiness of the counter party of your Currency position. Every attempt has been made to deal with reputable creditworthy banks/clearing houses. Also, there may be certain cases in which trading liquidity decreases causing trading in a certain Currency to cease, thereby preventing the liquidation of an adverse position which may result in a substantial financial loss.
2. Trading in OTC is suitable only for those sophisticated institutions or sophisticated participants financially able to withstand losses which may equal the value of margins or deposits. OTC accounts are not available through CMG to non-sophisticated participants. By consenting to establish a CMG trading account, Trader warrants its financial position is sufficient to withstand any and all losses in its account.
3. The market recommendations of CMG are based solely on the judgment of CMG's personnel. These market recommendations may or may not be consistent with the market position or intentions of CMG, its affiliates, and employees. The market recommendations of CMG are based upon information believed to be reliable, but CMG cannot and does not guarantee the accuracy or completeness thereof or represent that following such recommendations will eliminate the risk inherent in trading currency. Any market recommendations of, or information provided by, CMG do not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any OTC transaction.
4. Trader understands that CMG does not permit its account executives to either exercise discretion or manage an OTC account, or hold a power of attorney over an OTC account, unless approved by an executive officer of CMG and only after proper documentation has been submitted and approved by CMG. If Trader's account is not being traded with Trader's authorization, Trader must notify a CMG compliance officer immediately.
5. CMG's margin policies and/or the policies of those banks/clearing houses through which trades are executed may require that additional funds be provided to properly margin Trader's account and that Trader is obligated to immediately meet such margin requirements. Failure to meet margin calls may result in the liquidation of any open positions with a resultant loss. CMG also reserves the right to refuse to accept any order at any time.
6. Trader understands that Trader must carefully review the reports relating to Trader's trading provided to Trader by CMG. Pursuant to the Trader Agreement, all reports of execution will be deemed final within twenty-four (24) hours and all statements of account will be deemed final within one (1) day, unless the Trader makes a written objection to these reports within this 24 hour period of time to an executive officer of CMG, at its principal place of business.
7. The Trader has read and understands the Trader's obligations and rights under the following Trader Agreement and agrees and acknowledges that the following Trader Agreement will control the Trader's relationship with CMG. The Trader agrees that Trader is fully responsible for making all final decisions as to transactions effected for Trader's account. Trader has considered the foregoing factors and in view of Trader's present and anticipated financial resources, Trader is willing and able to assume the substantial financial risks of OTC trading.
8. It is the Trader's responsibility to make sure he can legally trade CMG's products and services in his jurisdiction of domicile and/ or residence. CMG does not transact business with residents of certain jurisdictions including the United States of America, and does not transact business with entities that are beneficially-owned by residents of certain jurisdictions such as the United States of America. Please contact CMG directly to determine if your country of residence will necessarily disqualify CMG from transacting business with you.

## **Trader Agreement**

In consideration of CMG agreeing to carry one or more accounts of the undersigned ("Trader") and providing services to Trader in connection with the purchase and sale of Contracts For Difference (hereinafter referred to as

"CFDs"), futures, indices, foreign exchange, and/or shares through the OTC market (hereinafter referred to as "OTC"), which may be purchased or sold by or through CMG for Trader's account(s), Trader agrees as follows:

1. **AUTHORIZATION TO TRADE.** CMG is authorized to purchase and sell OTC for Trader's account(s) in accordance with Trader's oral or written or computer instructions.

2. **GOVERNMENTAL, COUNTER PARTY INSTITUTION AND INTERBANKING SYSTEM RULES.** All transactions under this Agreement shall be subject to the constitution, bylaws, rules, regulations, customs, usage, rulings and interpretations of the counter party institution or other interbank market (and its clearing organization, if any) where executed and to all applicable laws and regulations. If any statute shall hereafter be enacted or any rule or regulation shall hereafter be adopted by any governmental authority, or a contract market or clearing organization which shall be binding upon CMG and shall affect in any manner or be inconsistent with any of the provisions hereof, the affected provisions of this Agreement shall be deemed modified or superseded, as the case may be by the applicable provisions of such statute, rule or regulation, and all other provisions of this Agreement and provisions so modified shall in all respects continue in full force and effect. Trader acknowledges that all transactions under this Agreement are subject to the aforementioned regulatory requirements and Trader shall not thereby be given any independent legal or contractual rights with respect to such requirements.

3. **MARGINS AND DEPOSIT REQUIREMENTS.** Trader shall provide to and maintain with CMG margin in such amounts and in such forms as CMG, in its sole discretion, may require. Such margin requirements may be greater or less than margins required by a counterparty bank. CMG may change margin requirements at any time. Trader agrees to deposit by immediate wire transfer such additional margin when and as required by CMG and will promptly meet all margin calls in such mode of transmission as CMG in its sole discretion designates. CMG may at any time proceed to liquidate Trader's account in accordance with paragraph 7 below and any failure by CMG to enforce its rights hereunder shall not be deemed a waiver by CMG to enforce its rights thereafter. CMG retains the right to limit the amount and/or total number of open positions which Trader may acquire or maintain at CMG. CMG will attempt to execute all orders which it may, in its sole discretion, choose to accept in accordance with the oral or written or computer instructions of Trader's. CMG reserves the right to refuse to accept any order. However, CMG shall not be responsible for any loss or damage caused, directly or indirectly, by any events, actions or omissions beyond the control of CMG including, without limitation, loss or damage resulting, directly or indirectly, from any delays or inaccuracies in the transmission of orders and/or information due to a breakdown in or failure of any transmission or communication facilities.

4. **ROLLOVERS AND DELIVERY.** With respect to purchases or sales of Currencies through an OTC account, Trader agrees to instruct CMG as to the offset or rollover of a Currency position. Except as provided herein, during the term of the Currency position, Trader shall give CMG instructions for rolling the Currency position no later than two hours prior to the settlement of trading in the Currency contract on the day Trader intends to rollover a Currency position. In addition, Trader, by noon of the business day before the settlement date of the contract of the Currency contract, shall instruct CMG whether to deliver, offset or rollover the Currency position. In the absence of timely instructions from Trader, CMG is authorized, at CMG's absolute discretion, to deliver, rollover or offset all or any portion of the Currency positions in the OTC account(s) for Trader's Account(s) and at Trader's risk. Trader's account(s) may be charged commissions, at brokers' rates, upon the rollover or offset of a Currency position. Unless an account is designated for physical delivery, currency transactions entered into with CMG will be cash settled only.

5. **COLLATERAL AND LENDING AGREEMENT.** All funds, securities, currencies, and other property of Trader which CMG or its affiliates may at any time be carrying for Trader (either individually, jointly with other, or as a guarantor of the account of any other person,) or which may at any time be in its possession or control or carried on its books for any purpose, including safekeeping, are to be held by CMG as security and subject to a general lien and right of set-off for liabilities of Trader to CMG whether or not CMG has made advances in connection with such securities, commodities, currencies or other property, and irrespective of the number of accounts Trader may have with CMG. CMG may in its discretion, at any time and from time to time, without notice to Trader, apply and/or transfer any or all funds or other property of Trader between any of Trader's accounts. Trader hereby also grants to CMG the right to pledge, re-pledge, hypothecate, invest or loan, either separately or with the property of other Traders, to itself as broker or to others, any securities or other property of Trader held by CMG as margin or security. CMG shall at no time be required to deliver to Trader the identical property delivered to or purchased by CMG for any account of Trader. This authorization shall apply to all accounts carried by CMG for Trader and shall remain in full force until all accounts are fully paid for by Trader or notice of revocation is sent by CMG from its home office.

6. **LIQUIDATION OF ACCOUNTS AND PAYMENT OF DEFICIT BALANCES.** In the event of (a) the death or judicial declaration of incompetence of Trader; (b) the filing of a petition in bankruptcy, or a petition for the appointment of a receiver, or the institution of any insolvency or similar proceeding by or against Trader; (c) the filing of an attachment against any of Trader's accounts carried by CMG, (d) insufficient margin, or CMG's determination that any collateral deposited to protect one or more accounts of Trader is inadequate, regardless of current market quotations, to secure the account; (e) Trader's failure to provide CMG any information requested pursuant to this agreement; or (f) any other circumstances or developments that CMG deems appropriate for its protection, and

in CMG's sole discretion, it may take one or more, or any portion of, the following actions: (1) satisfy any obligation Trader may have to CMG, either directly or by way of guaranty of suretyship, out of any of Trader's funds or property in its custody or control; (2) sell any or purchase any or all Currency contracts, securities held or carried for Trader; and (3) cancel any or all outstanding orders or contracts, or any other commitments made on behalf of Trader. 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 to Trader, Trader's personal representatives, heirs, executors, administrators, trustees, legatees or assigns and regardless of whether the ownership interest shall be solely Trader's or held jointly with others. In liquidation of Trader's long or short positions, CMG may, in its sole discretion, offset in the same settlement or it may initiate new long or short positions in order to establish a spread or straddle which in CMG's sole judgment may be advisable to protect or reduce existing positions in Trader's account. Any sales or purchases hereunder may be made according to CMG's judgment and at its discretion with any interbank or other exchange market where such business is then usually transacted or at a public auction or private sale, and CMG may purchase the whole or any part thereof free from any right of redemption. Trader shall at all times be liable for the payment of any deficit balance of Trader upon demand by CMG and in all cases, Trader shall be liable for any deficiency remaining in Trader's account(s) in the event of the liquidation thereof in whole or in part by CMG or by Trader. In the event the proceeds realized pursuant to this authorization are insufficient for the payment of all liabilities of Trader due to CMG, trader shall promptly pay upon demand, the deficit and all unpaid liabilities, together with interest thereon equal to three (3) percentage points above the then prevailing prime rate at CMG's principal bank or the maximum interest rate allowed by law, whichever is lower, and all costs of collection, including attorney's fees, witness fees, travel expenses and the like. In the event CMG incurs expenses other than for the collection of deficits, with respect to any of the account(s) of Trader, Trader agrees to pay such expenses.

7. STATEMENT AND CONFIRMATION. Reports of the confirmation of orders and statements of accounts for Trader shall be deemed correct and shall be conclusive and binding upon Trader if not objected to immediately upon receipt and confirmed in writing within (1) day after transmittal to Trader by mail or otherwise. Margin calls shall be conclusive and binding unless objected to immediately in writing. Written objections on Trader's part shall be directed to CMG at its home office located in the Lake Victoria Free Trade Zone and shall be deemed received only if actually delivered or mailed by registered mail, return receipt requested. Failure to object shall be deemed ratification of all actions taken by CMG or CMG's agents prior to Trader's receipt of said reports. Trader's failure to receive a trade confirmation shall not relieve Trader of the obligation to object as set out herein.

8. COMMUNICATIONS. Reports, statements, notices and any other communications may be transmitted such address as Trader may from time to time designate in writing to CMG. All communications so sent, whether by mail, telegraph messenger or otherwise, shall be deemed transmitted by CMG when deposited in the mail, or when received by a transmitting agent, and deemed delivered to Trader personally, whether actually received by Trader or not.

9. CMG RESPONSIBILITIES. CMG will not be responsible for delays in the transmission of orders due to a breakdown or failure of transmission or communication facilities, electrical power outage or for any other cause beyond CMG's control or anticipation. CMG shall only be liable for its actions directly attributable to negligence, willful default or fraud on the part of CMG. CMG shall not be liable for losses arising from the default of any agent or any other party used by CMG under this agreement. As OTC is not an exchange traded market, prices at which CMG deals at or quotes may or may not be similar to prices at which other OTC market makers deal at or quote.

10. CURRENCY FLUCTUATION RISK. If Trader directs CMG to enter into any currency forex transaction: (a) any profit or loss arising as a result of a fluctuation in the exchange rate affecting such currency will be entirely for Trader's account and risk; (b) all initial and subsequent deposits for margin purposes shall be made in U.S. dollars, in such amounts as CMG may in its sole discretion require; and (c) CMG is authorized to convert funds in Trader's account for margin into and from such foreign currency at a rate of exchange determined by CMG in its sole discretion on the basis of the then prevailing money market rates.

11. RISK ACKNOWLEDGMENT. Trader acknowledges that investment in leveraged and non-leveraged transactions are speculative, involves a high degree of risk, and is appropriate only for persons who can assume risk of loss of their entire margin deposit. Trader understands that because of the low margin normally required in OTC trading, price changes in OTC may result in significant losses. Trader warrants that Trader is willing and able, financially and otherwise, to assume the risk of OTC trading, and in consideration of CMG's carrying his/her account(s), Trader agrees not to hold CMG responsible for losses incurred through following its trading recommendations or suggestions or those of its employees, agents or representatives. Trader recognizes that guarantees of profit or freedom from loss are impossible of performance in OTC trading. Trader acknowledges that Trader has received no such guarantees from CMG or from any of its representatives or any introducing agent or other entity with whom Trader is conducting his/her CMG account and has not entered into this agreement in consideration of or in reliance upon any such guarantees or similar representations.

12. TRADING RECOMMENDATIONS. (a) Trader acknowledges that (i) any market recommendations and information communicated to Trader by CMG or by any person within the company, does not constitute an offer to sell or the solicitation of an offer to buy any OTC contract, (ii) such recommendation and information, although

based upon information obtained from sources believed by CMG to be reliable, may be based solely on a broker's opinion and that such information may be incomplete and may be unverified, and (iii) CMG makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of any information or trading recommendation furnished to Trader. Trader acknowledges that CMG and/or its officers, directors, affiliates, associates, stockholders or representatives may have a position in or may intend to buy or sell currencies, which are the subject of market recommendations furnished to Trader, and that the market position of CMG or any such officer, director, affiliate, associate, stockholder or representative may not be consistent with the recommendations furnished to Trader by CMG. Trader acknowledges that CMG makes no representations concerning the tax implications or treatment of contracts; and, (b) Trader further acknowledges that should Trader grant trading authority or control over Trader's account to a third party ("Trading Agent"), whether on a discretionary or non-discretionary basis, CMG shall in no way be responsible for reviewing Trader's choice of such Trading Agent nor making any recommendations with respect thereto. Trader understands that CMG makes no warranties nor representations concerning the Trading Agent, that CMG shall not be responsible for any loss to Trader occasioned by the actions of the Trading Agent and that CMG does not, by implication or otherwise, endorse or approve of the operating methods of the Trading Agent. If Trader gives Trading Agent authority to exercise any of its rights over Trader's account(s), Trader understands that Trader does so at Trader's own risk.

13. **TRADER REPRESENTATIONS AND WARRANTIES.** Trader represents and warrants that: (a) Trader is of sound mind, legal age and legal competence; and, (b) No person other than Trader has or will have an interest in Trader's account(s); and, (c) Trader hereby warrants that regardless of any subsequent determination to the contrary, Trader is suitable to trade OTC and is a sophisticated institution and/or institutional participant; and, (d) Trader is not now an employee of any exchange, any corporation in which any exchange owns a majority of the capital stock, any member of any exchange and/or firm registered on any exchange, or any bank, trust, or insurance company, and in the event that Trader becomes so employed, Trader will promptly notify CMG at its home office in writing of such employment; and, (e) All the information provided in the information portion of this booklet is true, correct and complete as of the date hereof and Trader will notify CMG promptly of any changes in such information.

14. **DISCLOSURE OF FINANCIAL INFORMATION.** The Trader represents and warrants that the financial information disclosed to CMG in this document is an accurate representation of the Trader's current financial condition. The Trader represents and warrants that the Trader has very carefully considered the portion of the Trader's assets which the Trader considers to be Risk Capital. The Trader recognizes that Risk Capital is the amount of money the Trader is willing to put at risk and if lost would not, in any way, change the Trader's lifestyle. The Trader agrees to immediately inform CMG if the Trader's financial condition changes in such a way to reduce the Trader's Net Worth, Liquid Assets and/or Risk Capital.

15. **NO GUARANTEES.** Trader acknowledges that Trader has no separate agreement with Trader's broker or any CMG employee or agent regarding the trading in Trader's CMG account, including any agreement to guarantee profits or limit losses in Trader's account. Trader understands that Trader must authorize every transaction prior to its execution unless Trader has delegated discretion to another party by signing CMG's limited trading authorization, and any disputed transactions must be brought to the attention of CMG's Compliance Officer pursuant to the notice requirements of this Trader Agreement. Trader agrees to indemnify and hold CMG harmless from all damages or liability resulting from Trader's failure to immediately notify CMG's Compliance Officer of any of the occurrences referred to herein. All notices required under this section shall be sent to CMG at its home office.

16. **JOINT ACCOUNTS.** All transactions correspond to the "Trader Account Letter" and "Trader Agreement". Each tenant has authority: a) To trade for the account with restraint to the agreements of the account, b) To receive all correspondence and documents in respect to the account, c) To receive or withdraw money from the account, d) To execute agreements relating to the account, and e) To deal with CMG fully. CMG has the authority to require joint action by the parties of the account in matters of the account. CMG has possession over the security of the account individually or jointly. If a death occurs to one or more of the tenants, CMG shall be notified in writing and shown proof of a death certificate. All expenses due at the date of notification shall be charged to the account. Unless Joint Account Allocation Addendum is completed, then each tenant is presumed to have equal share.

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 both Trader and an authorized officer of CMG. No waiver or amendment of this Agreement may be implied from any course of dealing between the parties or from any failure by CMG 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. This instrument and the attachments hereto embody the entire agreement of the parties, superseding any and all prior written and oral agreements and there are no other terms, conditions or obligations other than those contained herein.

18. **GOVERNING LAW AND JURISDICTION.** This Agreement, the rights and obligations of the parties hereto, and any judicial or administrative action or proceeding arising directly or indirectly hereunder or in connection with

the transactions contemplated hereby, whether brought by Trader or CMG, shall be governed by, construed and enforced in all respects by the laws regulations and ordinances of the Lake Victoria Free Trade Zone.

19. **BINDING EFFECT.** This Agreement shall be continuous and shall cover, individually and collectively, all accounts of Trader at any time opened or reopened with CMG irrespective of any change or changes at any time in the personnel of CMG or its successors, assigns, or affiliates. This Agreement including all authorizations, shall inure to the benefit of CMG and its successors and assigns, whether by merger, consolidation or otherwise, and shall be binding upon Trader and/or the estate, executor, trustees, administrators, legal representatives, successors and assigns of Trader. Trader hereby ratifies all transactions with CMG effected prior to the date of this Agreement, and agrees that the rights and obligations of Trader in respect thereto shall be governed by the terms of this Agreement.

20. **TERMINATION.** This Agreement shall continue in effect until termination, and may be terminated by Trader at any time when Trader has no open Currency position(s) and no liabilities held by or owed to CMG upon the actual receipt by CMG at its home office of written notice of termination, or at any time whatsoever by CMG upon the transmittal of written notice of termination to Trader; provided, that such termination shall not affect any transactions previously entered into and shall not relieve either party of any obligations set out in this agreement nor shall it relieve Trader of any obligations arising out of any deficit balance.

21. **INDEMNIFICATION.** Trader agrees to indemnify and hold CMG, its affiliates, employees, agents, successors and assigns harmless from and against any and all liabilities, losses, damages, costs and expenses, including attorney's fees, incurred by CMG arising out of Trader's failure to fully and timely perform Trader's agreements herein or should any of the representations and warranties fail to be true and correct. Trader also agrees to pay promptly to CMG all damages, costs and expenses, including attorney's fees, incurred by CMG in the enforcement of any of the provisions of this Agreement and any other agreements between CMG and Trader.

22. **TERMS AND HEADINGS.** The term "CMG" shall be deemed to include Capital Markets Group, Ltd, its divisions, its successors and assigns; the term "Trader" shall mean the party (or parties) executing the Agreement; and the term "Agreement" shall include all other agreements and authorizations executed by Trader in connection with the maintenance of Trader's account with CMG regardless of when executed. The paragraph headings in this Agreement are inserted for convenience of reference only and are not deemed to limit the applicability or affect the meaning of any of its provisions.

23. **RECORDINGS.** Trader agrees and acknowledges that all conversations regarding Trader's account(s) between Trader and CMG personnel may be electronically recorded with or without the use of an automatic tone warning device. Trader further agrees to the use of such recordings and transcripts thereof as evidence by either party in connection with any dispute or proceeding that may arise involving Trader or CMG. Trader understands that CMG destroys such recordings at regular intervals in accordance with CMG's established business procedures and Trader hereby consents to such destruction.

24. **INTEREST/PREMIUM.** Interest on open positions held past 1700 EST/EDT may be paid on a daily basis depending on the underlying position.

#### **Off Exchange Transaction Disclosure**

The acceptance of this Agreement gives acknowledgment that Trader has read, understands, and gives authorization to the following disclosure to trade currencies through the OTC foreign exchange market ("OTCFX"):

CMG may from time to time execute transactions as Trader's agent on OTCFX market to trade currencies, pursuant to an agreement between the interbank agent and CMG, and that a trade executed between one bank executes a trade onset by another banking agent.

Trader understands that Trader may be giving up the right to have arbitration through the above paragraph on foreign exchanges.

- All customer accounts will have their margin requirements established by the dealing desk at CMG.
- CMG establishes all rules and provisions for customer accounts, including but not limited to minimum account size, investment time period, commissions and incentive fees, or any other financial arrangements.

- It is the customer's responsibility to find out all necessary information about CMG and make sure that all arrangements are discussed and clearly understood prior to any trading activity.
- All customers should be aware that guaranteeing any return is illegal. In addition, CMG is not responsible for any claims or assurances made by CMG, its employees and/or associates.

Trader acknowledges having received, read and understood the foregoing Trader Account Letter and Trader Agreement. The undersigned agrees to be bound by all of the terms and conditions hereof.