

RISK DISCLOSURE STATEMENT

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

FUTURES

1. Effect of ‘Leverage’ or ‘Gearing’

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

2. Risk-reducing orders or strategies

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

OPTIONS

3. Variable degree of risk

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

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

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

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

ADDITIONAL RISKS COMMON TO FUTURES AND OPTIONS

4. Terms and conditions of contracts

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

5. Suspension or restriction of trading and pricing relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or 'circuit breakers') may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss.

Further, normal pricing relationships between the underlying interest and the future, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge 'fair' value.

6. Deposited cash and property

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

7. Commission and other charges

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

8. Transactions in other jurisdictions

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

9. Currency risks

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

10. Trading facilities

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

11. Electronic trading

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

12. Off-exchange transactions

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

ELECTRONIC TRADING DISCLOSURE STATEMENT

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and /or listing contracts you intend to trade.

DIFFERENCES AMONG ELECTRONIC TRADING SYSTEMS

Trading or routing orders through electronic systems varies widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic trading system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedures, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

RISKS ASSOCIATED WITH SYSTEM FAILURE

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority.

SIMULTANEOUS OPEN OUTCRY PIT AND ELECTRONIC TRADING

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or, listing the contract to determine how orders that do not designate a particular process will be executed.

LIMITATION OF LIABILITY

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of Futures Commission Merchants, and software and communication system vendors and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchange(s) in order to understand these liability limitations.

- Each exchange's relevant rules are available upon request from the industry professional with whom you have an account. Some exchange's relevant rules also are available on the exchange's internet home page.

NOTIFICATION REGARDING ACCESS TO EXCHANGE MARKET DATA

As a market user you may obtain access to exchange Market Data available through an electronic trading system, software or device that is provided or made available to you by a broker or an affiliate of such. Market Data may include, but is not limited to, "real time" or delayed market prices, opening and closing prices and ranges, high-low prices, settlement prices, estimated and actual volume information, bids or offers and the applicable sizes and numbers of such bids or offers.

You are hereby notified that Market Data constitutes valuable confidential information that is the exclusive proprietary property of the applicable exchange and is not within the public domain. Such Market Data may only be used for your internal use. You may not, without the authorization of the applicable exchange, redistribute, sell, license, retransmit or otherwise provide Market Data, internally or externally and in any format by electronic or other means, including, but not limited to the Internet.

You must provide upon request of the broker through which you have obtained access to Market Data, or the applicable Exchange, information demonstrating your use of the Market Data in accordance with this Notification. Each applicable exchange reserves the right to terminate a market user's access to Market Data for any reason. You also agree that you will cooperate with an exchange and permit an exchange reasonable access to your premises should an exchange wish to conduct an audit or review connection to the distribution of Market Data.

NEITHER THE EXCHANGE NOR THE BROKER, NOR THEIR RESPECTIVE MEMBERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, GUARANTEE THE TIMELINESS, SEQUENCE, ACCURACY OR COMPLETENESS OF THE DESIGNATED MARKET DATA, MARKET INFORMATION OR OTHER INFORMATION FURNISHED NOR THAT THE MARKET DATA HAVE BEEN VERIFIED. YOU AGREE THAT THE MARKET DATA AND OTHER INFORMATION PROVIDED IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS AN OFFER OR SOLICITATION WITH RESPECT TO THE PURCHASE OR SALE OF ANY SECURITY OR COMMODITY.

NEITHER THE EXCHANGE NOR THE BROKER NOR THEIR RESPECTIVE MEMBERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL BE LIABLE TO YOU OR TO ANY OTHER PERSON, FIRM OR CORPORATION WHATSOEVER FOR ANY LOSSES, DAMAGES, CLAIMS, PENALTIES, COSTS OR EXPENSES (INCLUDING LOST PROFITS) ARISING OUT OF OR RELATING TO THE MARKET DATA IN ANY WAY, INCLUDING BUT NOT LIMITED TO ANY DELAY, INACCURACIES, ERRORS OR OMISSIONS IN THE MARKET DATA OR IN THE TRANSMISSION THEREOF OR FOR NONPERFORMANCE, DISCONTINUANCE, TERMINATION OR INTERRUPTION OF SERVICE OR FOR ANY DAMAGES ARISING THEREFROM OR OCCASIONED THEREBY, DUE TO ANY CAUSE WHATSOEVER, WHETHER OR NOT RESULTING FROM NEGLIGENCE ON THEIR PART. IF THE FOREGOING DISCLAIMER AND WAIVER OF LIABILITY SHOULD BE DEEMED INVALID OR INEFFECTIVE, NEITHER THE EXCHANGE NOR THE BROKER, NOR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS SHALL BE LIABLE IN ANY EVENT, INCLUDING THEIR OWN NEGLIGENCE, BEYOND THE ACTUAL AMOUNT OF LOSS OR DAMAGE, OR THE AMOUNT OF THE MONTHLY FEE PAID BY YOU TO BROKER, WHICHEVER IS LESS. YOU AGREE THAT NEITHER THE EXCHANGE NOR THE BROKER NOR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, SHALL BE LIABLE TO YOU OR TO ANY OTHER PERSON, FIRM OR CORPORATION WHATSOEVER FOR ANY INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST PROFITS, COSTS OF DELAY, OR COSTS OF LOST OR DAMAGED DATA.

REGULATION 190.10 NON-CASH MARGIN DISCLOSURE

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.

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.

NOTICE CONCERNING THE TERMS FOR THE RETURN OF SPECIFICALLY IDENTIFIABLE PROPERTY WILL BE BY PUBLICATION IN A NEWSPAPER OF GENERAL CIRCULATION.

THE COMMISSION'S REGULATIONS CONCERNING BANKRUPTCIES OF COMMODITY BROKERS CAN BE FOUND AT 17 CODE OF FEDERAL REGULATIONS PART 190.

NOTICE TO FOREIGN BROKERS AND FOREIGN TRADERS

The Commodity Futures Trading Commission (“CFTC”) has issued regulations which require the designation of Futures Commission Merchants (“FCM”) as the agents of foreign brokers and foreign traders. CX Capital Markets, LLC (“CX Capital”) is required to notify all foreign brokers and foreign traders of the requirements of these regulations.

CFTC Regulation 15.05 provides that upon execution by an FCM of commodity transactions on a United States contract market for the account of a foreign trader or foreign broker, the FCM will be considered to be the agent of the foreign trader or foreign broker, as well as of Customers of the foreign brokers who have positions in the foreign broker’s accounts carried by the FCM, for purposes of accepting delivery and service of communications and legal process issued by or on behalf of the CFTC. CX Capital is required under such regulation to retransmit any such communications or process to the foreign broker or trader that is its Customer. A foreign broker or trader should be aware that this regulation also permits the foreign broker or trader to designate an agent other than CX Capital. Such alternate designation of agency must be evidenced by written agreement which the foreign broker or trader must provide to CX Capital and which CX Capital must forward to the CFTC. If the foreign broker or trader wishes to designate an agent other than CX Capital, you must notify CX Capital in writing. In the event another agent is not so designated, CX Capital will be the foreign broker’s or foreign trader’s designated agent for CFTC communications. CFTC Regulation 15.05 is available upon request from CX Capital.

In addition the CFTC has issued Regulation 21.03 requiring FCMs, foreign brokers and foreign traders to respond to special calls made by the CFTC for information regarding their futures and options trading. CX Capital is also required by this regulation to notify all foreign brokers and foreign traders of the requirements of this regulation.

CFTC Regulation 21.03 provides for the issuance of a special call by the CFTC for information from foreign brokers or traders for whom an FCM makes or causes to be made a futures or option on futures transaction, including any foreign futures and foreign options. These special calls are generally limited to instances where the CFTC requires information and where the books and records of the FCM, trader or broker upon whom the special call is made are not open at all times to inspection in the United States by any representative of the CFTC. For the purposes of this regulation, CX Capital will be considered the agent of the Customer and may be required to submit such special call by telex or a similarly expeditious means of communication, unless the Customer has made an alternative designation as above for CFTC Regulation 15.05. Foreign brokers and traders are required to provide the CFTC with the information requested in such special call. The regulation permits the CFTC to prohibit the foreign broker or trader from further trading in the contract market and in the delivery months or option expiration dates specified in the call, except for liquidation if the special call is not responded to at the place and within the time required by the CFTC. The special call shall be limited to information relating to futures or options positions of the foreign broker or trader in the United States.

CX Capital would also like to inform you of certain additional regulations regarding FCMs and foreign brokers and traders. In Regulation 15.03 the CFTC has established specific reportable position levels for all futures contracts. These levels are subject to change at any time and you should consult your account executive to determine the present levels.

Part 17 of CFTC Regulations require FCMs and foreign brokers to submit a report to the CFTC with respect to each account carried by such FCM or foreign broker which contains a reportable futures position. In addition, Part 18 of CFTC Regulations requires all traders, including foreign traders, who own or control a reportable futures or options position and who have received a special call from the CFTC to file a Large Trader Reporting Form (Form 102) with the CFTC within one day after the special call upon such trader by the CFTC. A foreign broker or trader should review Parts 17 and 18 of the CFTC Regulations for more complete information.

AVERAGE PRICE SYSTEM DISCLOSURE

The following questions and answers are being provided to you as required by Chicago Mercantile Exchange (“CME”) Rule 553 – Average Price System.

1. What is the Average Price System (“APS”)?

APS will enable a clearing member to confirm to customers an average price when multiple prices are received on an order or series of orders for the same accounts. For example, if any order transmitted by an account manager on behalf of several customers is executed at more than one price, those prices may be averaged and the average may be confirmed to each customer. Customers will have the choice of participating in APS.

2. Does an order subject to APS have to be for the same commodity?

Yes. An APS order may be used for futures, options or combination transactions. An APS order for futures must be for the same commodity and month and for options, it must be for the same commodity, month, put/call and strike.

3. Does the clearing firm calculate the average? How is the average calculated?

The CME computes the average by multiplying the price by the quantity executed at each price divided by the total quantity.

4. Is the APS process limited to discretionary accounts?

No. APS may also be used for a non-discretionary account upon request of a customer.

5. What will appear on a customer’s confirmation and monthly statement for a position that has been confirmed at an average price?

An APS indicator will appear on the confirmation and monthly statement. This indicator will notify the customer that the confirmed price represents an average price or rounded average price.

6. Is a clearing firm required to provide any specific disclosure to a customer prior to entering an APS order for a customer?

A firm should describe certain features of APS to customers. For example, a firm should inform a customer that the average price is not the actual execution price and that APS will calculate the same price for all customers that participate in the order.

Each clearing firm should decide how to communicate this information to the customer. If the firm or account controller provides the information in these Questions and Answers to the customer, the CME believes that will satisfy any disclosure obligation. Similarly, if the firm provides the information to the pool operator, the CME believes this will satisfy any disclosure obligation to a commodity pool. A firm may choose to provide the information orally rather than providing a written copy of these Questions and Answers.

7. Can APS be used when a series of orders are entered for a group of accounts?

Yes. For example, a bunched APS order (an order that represents more than one customer account) executed at 10:00 a.m. could be averaged with a bunched APS order executed at 12:00 p.m. provided that each of the bunched orders is for the same accounts. In addition, market orders and limit orders may be averaged, as may limit orders at different prices, provided that each order is for the same account.

8. What will happen if an APS order is only partially executed? For example, at 10:00 a.m. a buy 100 APS DEC S&P 500 futures order is transmitted at a limit price of 376.00; 50 are executed at 376.00 and the balance was not filled. At 12:00 p.m. a buy 100 APS DEC S&P futures order is transmitted at a limit price

of 375.00; 50 are executed at 375.00, and the balance was not filled. Both orders are part of a series for the same group of accounts.

In the above example, the two prices will be averaged. If the order was placed for more than one account, the account controller must rely on pre-existing allocation procedures to determine the proportions in which each account will share in the partial fill.

9. Is there a requirement that a firm confirm the average price rather than the rounded average price?

No. Each firm will have the choice of confirming the actual average price or the rounded to the next price increment. If a clearing firm confirms the rounded average price, the firm must round the average price up to the next price increment for a buy order or down to the next price increment for a sell order. The rounding process will create a cash residual of the difference between the actual average price and the rounded average price that must be paid to the customer.

10. What will happen if the actual average or the residual is a price that does not conform to a whole cent increment?

APS may produce prices that do not conform to whole cent increments. In such cases, any amount less than one cent may be retained by the clearing member. For example, if the total residual to be paid to a customer on a rounded average price for 10 contracts is \$83.333333, the clearing firm may pay to the customer \$83.33.

11. Will a customer be able to obtain information regarding the actual execution prices of a trade that has been confirmed at an average price?

Yes. The customer should contact the firm carrying the customer's account to obtain the actual execution prices. If the firm did not execute the trade, the firm will have to contact the executing firm to obtain the information.

NYMEX ACCESS RULES 6.26 AND 6.27

NYMEX Rule 6.26

Rule 6.26 LIMITATION OF LIABILITY

- (A) Except as provided in Rule 6.27, and except in instances where there has been a finding of willful or wanton misconduct, in which case the party found to have engaged in such conduct cannot avail itself of the protections of this rule, neither the Exchange, American Telephone and Telegraph Company (“AT&T”), except as otherwise provided by any agreement with AT&T, Task Management, Inc. (“TMI”), Members, Member Firms, Clearing Members, Electronic Traders, NYMEX ACCESS Operators or other persons acting as agents in causing the orders of others to be entered into NYMEX ACCESS, nor any of their respective officers, directors, employees, agents, or designees shall be liable to any person, including a customer, for any losses, damages, costs or expenses (including, but not limited to, loss of profits, loss of use, direct, incidental, or consequential damages) arising from:
- (1) any failure or malfunction, including any inability to enter or cancel orders, of NYMEX ACCESS or any Exchange AT&T or TMI Services or facilities used to support NYMEX ACCESS; or
 - (2) any fault in delivery, delay, omission, suspension, inaccuracy or termination, or any other cause in connection with the furnishing, performance, maintenance, use of or inability to use all or any part of NYMEX ACCESS or any services or facilities used to support NYMEX ACCESS.

The foregoing shall apply regardless of whether a claim arises in contract, tort, negligence, strict liability or otherwise; furthermore, it shall not limit the liability of any Member, Member Firm, Clearing Member, Electronic Trader, NYMEX ACCESS Operator or other person acting as an agent in causing the orders of other to be entered into NYMEX ACCESS or any of their respective officers, directors, employees, agents, or designees for any act, incident or occurrence within their control.

- (B) There are no express or implied warranties or representations provided by the Exchange, AT&T or TMI relating to NYMEX ACCESS or any Exchange. AT&T or TMI Services or facilities used to support NYMEX ACCESS, including, but not limited to, warranties of merchantability and warranties of fitness for a particular purpose or use.
- (C) Any dispute arising out of the use of NYMEX ACCESS or Exchange, AT& T or TMI services or facilities used to support NYMEX ACCESS in which the Exchange or any of its officers, Directors, employees, agents, or designees is a party shall be construed and enforced in accordance with the laws of the state of New York without regard to conflict of laws, rules or procedures. Any actions, suits, or proceedings against any of the above must be brought within two years from the time that a cause of action has accrued, and any party bringing such action consents to jurisdiction in the U.S. District Court for the Southern District of New York and waives any objection to venue. This provision shall in no way create a cause of action and shall not authorize an action that would otherwise be prohibited by NYMEX Rules.
- (D) Notwithstanding any of the foregoing provisions, this rule shall in no way limit the applicability of any provision of the Commodity Exchange Act or the CFTC’s regulations.

NYMEX Rule 6.27

Rule 6.27. NYMEX PERSONNEL - LIMITATION OF LIABILITY

- (A) The Exchange shall provide employees in the NYMEX ACCESS Control Center (“NACC”) and elsewhere to perform certain services for Members, Member Firms, Clearing Members, Electronic Traders and NYMEX ACCESS Operators with respect to NYMEX ACCESS. Such employees may not always be available to assist Members, Member Firms, Clearing Members, Electronic Traders and NYMEX ACCESS Operators. The Exchange shall be liable when such employees negligently: (1) cancel, or fail to cancel,

orders resting in NYMEX ACCESS; (2) deactivate a NYMEX ACCESS terminal, in which case only those orders that were resting in the system at the time of deactivation may be basis for an allowable claim; (3) fail to deactivate a NYMEX ACCESS terminal pursuant to valid instructions, in which case those orders that were entered or matched after the instruction was received by the NACC, but before the NACC has had a reasonable period of time to act upon such instruction, shall not form the basis for an allowable claim; and (4) issue passwords to unauthorized persons.

(B) The liability of the Exchange for the above shall be limited as follows:

- (1) \$10,000 for any single claim; and
- (2) \$100,000 for all claims arising out of the negligent actions or failures to act of all NYMEX employees on any single day.

(C) A single claim shall mean a loss resulting from all actions or failures to act as described above that were performed negligently by all NYMEX employees with respect to a single order entered through NYMEX ACCESS, or multiple orders entered through NYMEX ACCESS for a single customer. Such claim may be brought by the Member, Member Firm, Clearing Member, or Electronic Trader who (or whose customer) was damaged.

(D) If the number of allowed claims arising out of the negligent actions or failures to act of all NYMEX employees on a single day cannot be fully satisfied because of the above limitations, all such claims shall be limited to a pro share of the maximum per day amount.

(E) **Arbitration of claims** - A claim against the Exchange for the negligent actions or failures to act enumerated above of the NACC employees shall only be allowed if such claim is brought pursuant to and in accordance with this Rule.

1. Notice of Claim

- (a) A written notice of the claim, including the amount of the loss incurred as a result of the alleged negligent action, must be presented to the Exchange within ten days following the NYMEX ACCESS trading session during which the negligent action allegedly occurred.
- (b) The Exchange shall have twenty days from receipt of such notice to satisfy, agree to pay subject to the limits in this Rule or dispute the claim. No payment in satisfaction of a claim may exceed the limits in this Rule. The Exchange shall notify the Member, Member Firm, Clearing Member or Electronic Trader if the Exchange disputes the claim.

2. Filing a Claim/Answer

- (a) A Member, Member Firm, Clearing Member, or Electronic Trader shall file a formal claim, on behalf of itself or a customer, within twenty days of notification that the Exchange disputes the claim. Failure to file a formal claim shall result in dismissal of the claim.
- (b) The Exchange shall file an answer within twenty days of receipt of a normal claim. Failure to file an answer shall constitute an admission of liability, and the Exchange shall be required to pay the amount of the claim; provided however, that no such payment may exceed the limits in this Rule.

3. Arbitration Panel

- (a) All disputed claims shall be submitted to an arbitration panel for binding arbitration. The panel shall consist of three panelist selected from a list of arbitrators maintained by the National Futures Association ("NFA"). The claimant and the Exchange shall each select one panelist. The President of NFA shall choose the third panelist.

- (b) No person shall serve as a panelist unless and until he has first pledged to the Exchange that he will not publish, divulge, or make known in any manner, any facts or information regarding the business of any person or any other information which may come to his attention in his official capacity as a member of the panel, except when called upon to testify in any judicial or administrative proceeding.
- (c) Each person serving on the panel shall comply with the standards of the American Bar Association – American Arbitration Association’s “Code of Ethics for Arbitrators in Commercial Disputes”, incorporated herein by reference.
- (d) No person shall serve on an arbitration panel if he has a personal or financial interest in the matter under consideration.

4. Hearing

- (a) The panel shall consider all relevant testimony and documents submitted by the claimant and the Exchange. Each party has the right to be present at the hearing, to be represented by counsel at his own expense, to examine all relevant documents prior to and during the hearing, to present all relevant evidence in support of or as rebuttal to a claim or defense, and to question witnesses during the hearing. Testimony shall be taken under oath or affirmation.
- (b) The panel may require any Member, Member Firm, Clearing Member or Electronic Trader, or any person employed by or associated with a Member, Member Firm, Clearing Member or Electronic Trader, or persons employed by the Exchange or other persons having an interest in the claim, to appear, to testify or produce relevant documents. The panel shall have the power to issue and enforce subpoenas in accordance with the procedures of the American Arbitration Association. Whenever such production or appearance results from the request of a party, all reasonable costs incurred shall be borne by the party making the request, unless directed otherwise by the panel.
- (c) The panel shall be the sole judge of the law and the facts, but if the panel is in doubt as to any questions of law, it may refer the question to Exchange legal counsel for an opinion. The panel shall not be bound by the formal rules of evidence. Ex parte contracts by any of the parties with persons on the arbitration panel shall not be permitted.
- (d) An audio recording of the proceeding shall be made and maintained until the decision becomes final. A verbatim record of such recording shall not be transcribed unless requested by a party, who shall bear the costs of transcription.

5. Decision

- (a) Within thirty days of a completed hearing, the panel shall issue a written decision. The amount of any award issued by the panel shall be limited to the lesser of the actual loss or the loss that would have occurred if the claimant had diligently taken all necessary actions to mitigate the loss. The decision of a majority of the panel shall be final, and there shall be no appeal.
- (b) An award shall be satisfied within three business days of receipt of the notice of decision. However, a party may, within three business days, request the arbitration panel to modify or correct its decision when there has been an obvious material miscalculation or misdescription or where the decision is imperfect in a matter of form not affecting the merits of the controversy.

6. Applicability of Commodity Exchange Act

Notwithstanding the foregoing, this Rule shall in no way limit the applicability of any provision of the Commodity Exchange Act or the CFTC’s regulations.

CX CAPITAL MARKETS, LLC ANTI-MONEY LAUNDERING POLICY STATEMENT

CX Capital Markets, LLC (“CX Capital”) recognizes that The International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001 (“Act”) imposes important new obligations on all financial firms for the detection, deterrence and reporting of money laundering activities. Under the Act, money laundering is defined as any financial transaction using income derived from criminal activity including, but not limited to, drug trafficking, fraud, illegal gambling and terrorism. CX Capital has established the following policies to ensure thorough compliance with all laws and regulations regarding money laundering.

Prior to the opening of any new account, CX Capital shall document the identity, nature of business, income, source of assets, and investment objectives of each prospective customer. Accounts for persons or entities from countries that do not cooperate with the Financial Action Task Force (FATF) guidelines on money laundering shall be subject to a heightened level of scrutiny. Accounts in the name of, or related to, any person or entity on the Office of Foreign Asset Control (OFAC) Specially Designated Nationals and Blocked Person list shall not be permitted.

On an on-going basis, CX Capital shall review account activity for evidence of suspicious transactions that may be indicative of money laundering activities. This review may include surveillance of: 1) money flows into and out of accounts, 2) the origin and destination of wire transfers, 3) non-economic transactions, and 4) other activity outside the normal course of business.

Every officer, employee, and associated person (“AP”) of CX Capital shall be responsible for assisting in the firm’s efforts to uncover and report any activity that might constitute, indicate or raise suspicions of money laundering. To this end, CX Capital shall provide continuing education and training of all such persons.

Should any officer, employee or AP of CX Capital have any knowledge, suspicions or information regarding potential money laundering activities, that individual shall immediately notify CX Capital’s Compliance Department. CX Capital’s Compliance Officer shall document the reported activity, investigate fully, and, if warranted, report such activity to the senior management of CX Capital.

CX Capital shall comply with all trade and economic sanctions imposed by OFAC against targeted foreign countries and shall cooperate fully with government agencies, self-regulatory organizations and law enforcement officials. As provided by the Act, CX Capital may supply information about former, current or prospective customers to such bodies.

Any officer, employee or AP who fails to comply with CX Capital’s policies and procedures on money laundering may be subject to disciplinary action, including termination of employment. In addition, such failure may expose the individual to civil and criminal penalties under the Act.

CONSENT TO ELECTRONIC DELIVERY OF STATEMENTS

By signing below, you consent to the electronic delivery of confirmation, purchase-and-sale, daily and monthly statements (collectively, "Statements"). You understand that no hard copy of such Statements shall be sent to you by regular mail. Your consent to electronic delivery of Statements shall be effective until further notice. You shall have the right to revoke such consent at any time. There is no special cost to you to receive Statements by electronic delivery. Unless otherwise specified below, delivery will be by e-mail to the e-mail address listed below.

If Individual or Joint Account:

If Individual or Joint Account:

Print Name: _____

Print Name: _____

X: _____
Signature Date

X: _____
Signature Date

Non-Individual Accounts:

Entity Name: _____

By: _____
(Sign above line) Date

Signatory Name: _____

Title: _____

Email Addresses for Electronic Delivery of Statements:

Email: _____

Email: _____

Email: _____

Email: _____

CX CAPITAL MARKETS, LLC PRIVACY POLICY STATEMENT

At CX Capital Markets, LLC (“CX Capital”) we value our customers, and maintaining customer trust and confidence is our highest priority. While it is necessary that we obtain accurate and current information about our customers in order to provide the highest level of customer service, we are dedicated to protecting the privacy and confidentiality of our customers’ information.

We promise that we will uphold the privacy policies and procedures as set forth below.

Information we collect about our Customers.

- The personal information we collect from you comes from information you supply to us in account opening applications (whether written or electronic), or in other forms you may provide to us. This information may include your name, address, social security number or tax identification number, and financial information about you.
- CX Capital can also amass information regarding your transactions with us, including your trading history at CX Capital, your history of meeting margin calls or your use of the various services and products that we provide.
- CX Capital may obtain information about your credit history, and information we may receive from your introducing broker or associated person and other consumer reporting agencies.
- “Cookies” are small text files consisting of encrypted information assigned to a computer’s browser. Cookies do not collect or transmit your personal information. For users of the non-public areas of our website or electronic trading platforms that require a User ID or password, CX Capital may use cookies to identify you so that you do not have to input your password multiple times as you navigate our site. CX Capital may also use cookies for administrative purposes, such as to maintain security on our site.

Information we may share about our Customers

- CX Capital will not sell personal information regarding our current or former customers.
- CX Capital does not disclose any nonpublic personal information about our customers or our former customers to anyone, except as permitted by law.
- To the extent that we may engage unaffiliated companies to assist in providing services on our web site, such providers will be subject to stringent contractual requirements to maintain the confidentiality of any personal information they may obtain in connection with the performance of their services for us. We will make every effort to make sure that they receive the minimum amount of personal information necessary and will be allowed to retain that information only for as long as necessary in order to provide such services. Such service providers will only be allowed to use personal information in the course of providing services to CX Capital and only for the purposes that we authorize.

Information we may disclose

- We may disclose information about current or former customers in order to cooperate with legal or regulatory authorities or pursuant to a court order or subpoena.
- We may also disclose personal information as necessary to perform credit checks, collect debts, enforce our legal rights or otherwise protect our interests and property.

Security

CX Capital is committed to protection of your personal information and to protecting your privacy.

- Only authorized CX Capital employees or agents will have access to your personal information. All of our employees, affiliates and service providers are held to the highest standards of privacy and security.

If this privacy policy changes you will be notified through the CX Capital web site or in other appropriate ways. If you have questions relating to this policy, please contact your CX Capital representative.

ACKNOWLEDGEMENT OF RECEIPT OF RISK DISCLOSURE STATEMENT

CUSTOMER ACKNOWLEDGEMENT:

Initial below to indicate that you have received and understand each of the items listed, and return this page to CX Capital Markets:

- _____ **Risk Disclosure Statement**
- _____ **Electronic Trading Disclosure Statement**
- _____ **Notification Regarding Access to Exchange Market Data**
- _____ **Regulation 190.10 – Non-Cash Margin Disclosure**
- _____ **Notice to Foreign Brokers and Foreign Traders**
- _____ **Average Price System Disclosure**
- _____ **NMEX ACCESS Rules 6.26 and 6.27**
- _____ **Anti-Money Laundering Policy Statement**
- _____ **Consent to Electronic Delivery of Statements**
- _____ **Privacy Policy Statement**

I hereby acknowledge that I have received and understand the Risk Disclosure Statement for Futures and Options (Appendix A to CFTC Rule 1.55(c)), and all other documents described above, provided to me by CX Capital Markets, LLC.

If Individual or Joint Account:

Print Name: _____

X: _____
Signature Date

If Individual or Joint Account:

Print Name: _____

X: _____
Signature Date

Non-Individual Accounts:

Entity Name: _____

By: _____
(Sign above line) Date

Signatory Name: _____

Title: _____