

# R.J.O'Brien

222 South Riverside Plaza, Suite 900  
Chicago, IL 60606

The process of trading begins with your completing at least one set of account forms.

This Application contains a negotiable contract (the "Account Agreement") through which you agree to assume certain contractual obligations and contractually waive certain rights. Accordingly, this Account Application, including the Account Agreement, **MUST BE READ CAREFULLY** and signed by **EVERY** person or group trading contracts as defined by the account agreement through R.J. O'Brien ("RJO"). Original agreements must be completed and returned to your broker. Customers may print out account agreements from the Internet and send original signed documentation back to broker. However, customers utilizing Internet forms should pay particular attention to paragraph 13 of the Account Agreement.

Please be sure that you read and understand everything in this Application. Fill it out fully and legibly, signing and dating, in ink, where required. Otherwise, the opening of your account may be delayed. A new account can be traded only when the Application and initial funds are accepted in, and the Application is approved by, RJO's Chicago office.

**SINCE TRADES INVOLVE AN IMMEDIATE OBLIGATION BY RJO TO THE RESPECTIVE EXCHANGES, UNLESS OTHER ARRANGEMENTS HAVE BEEN MADE, YOUR TRADING CAN BEGIN ONLY WHEN CLEARED FUNDS ARE RECEIVED BY R.J. O'BRIEN, IN THE FORM OF:**

- A. A **bank wire** to the Harris Trust & Savings Bank of Chicago for the account of R.J. O'Brien, Customer Segregated Account 367-171-6. The ABA routing, if necessary, is 071-000-288. (Be sure to include your name as it appears on your account agreement and also your complete account number.);
- B. A **certified check or cashier's check** made payable to R.J. O'Brien. If this is a new account, personal checks, money market checks and savings and loan checks may require clearance before you can trade. In addition, the originating source of all funds coming into the account must match the name on the account;
- C. **TRANSFER of funds and/or existing positions** to your account from another firm. When transferring an account, please fill out the Account Transfer Form in the back of this booklet, return it to RJO with all other required documents (via your Introducing Broker, if any), and RJO will apply positions and funds to your account accordingly.

**WHEN YOUR ACCOUNT IS OPEN AND TRADING, READ YOUR STATEMENTS CAREFULLY, AS SOON AS THEY ARE RECEIVED.** If you plan to be away, check in with your broker as frequently as prudent! *Do not delay reviewing your trading status.* If you have ANY questions about an individual trade or your balance or position, either phone your account representative (broker) immediately, or if he or she is unavailable or a problem is not resolved at once, call the RJO Compliance staff in Chicago at 312-373-5000.

**ATTENTION:** Please make a copy of this entire account application for your records.

## RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS

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 ordinarily is 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 option 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 terms 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 to 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.

*Continued on next page.*

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 specific 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 clearinghouse 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 risks 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 firm 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.

**I hereby acknowledge that I have received and understood this Risk Disclosure Statement.**

If Individual or Joint Account:	
_____	
Print Customer Name	
X _____	_____
Customer Signature	Date
_____	
Print Joint Party Name	
X _____	_____
Joint Party Signature	Date

If Corporation, Partnership, or other entity: (All General Partners must sign)	
X _____	
Signature	Title
_____	
Date	
X _____	_____
Signature	Title
_____	
Date	

**PRIVACY POLICY**

R.J. O'Brien and American Futures Trading believe in respecting the privacy and security of your personal information. Please read this Privacy Policy carefully.  
(Name of Introducing Broker)

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

**Collection of Information**

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from a consumer reporting agency.

**Information Sharing with Nonaffiliated Third Parties as Permitted by Law**

We are permitted by law to share all the information we collect, as described above, with (1) companies that perform marketing services on our behalf and (2) other third parties that assist us with preparing and processing orders and statements.

**Confidentiality and Security**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that are designed to protect your nonpublic information.

**NOTICE TO CUSTOMERS**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

**INSTRUCTIONS FOR ACCOUNT FORMS**

**Risk Disclosure Statement for Futures and Options**..... 2-3  
(This CFTC Risk Disclosure must be signed by all customers.)

**Privacy Policy**..... 4  
(Please review)

**Notice to Customers**..... 4  
(Please review)

**Account Application**..... 6  
(All customers must complete.)

**Account Agreement**..... 7-13  
(Please review and sign where applicable.)

**Personal Guarantee**..... 14  
(All Corporate, LLC, and Partnership accounts must sign.)

**Hedge Representation**..... 15  
(All customers requesting bona fide hedge margins must complete and sign.)

**Introducing Broker Authorization**..... 16  
(Must be signed by all customers.)

**Corporate Resolution**..... 17  
(All Corporate and LLC account must sign.)

**Electronic Trading and Order Routing Disclosure Statement**..... 18  
(Must be reviewed by all customers.)

**Electronic New York Board of Trade Electronic Order Routing Systems Disclosure Statement**..... 18  
(Must be reviewed by all customers.)

**Addendum To Account Agreement Where Transactions Carried Out On LIFFE Administration And Management ("LIFFE")** .....19-20  
(Must be reviewed by all customers.)

**Additional Risk Disclosure**..... 21  
(All customers must review and sign if applicable.)

**Request for Electronic Transmission of Customer Statements**..... 22  
(Must be signed by all customers requesting statements be sent electronically.)

**Internal Revenue Code Substitute Form W-9**..... 23  
(Must be completed by all U.S.Citizens.)

**Account Transfer Form**..... 24





















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