

Pull Out And Retain This Section For Your Records

Risk Disclosure Statements

Customer Copy

To open an account with ADM Investor Services, Inc. you acknowledge having read and understood the following RISK DISCLOSURE STATEMENT FOR FUTURES AND OPTIONS.

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Risk Disclosure Statement For Futures And Options

This statement is required to be furnished to you in accordance with Rule 1.55, Rule 30.6 and Rule 33.7 of the Commodity Futures Trading Act.

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 the 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 or 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 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 market (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 and 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 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 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 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.

Privacy Policy

ADM Investor Services (“ADMIS”) and its affiliated introducing broker that introduced your account to ADMIS, (hereafter jointly called the “Companies”) are committed to protecting the privacy, accuracy and reliability of any personal information you choose to provide and to safeguarding such information from loss, misuse, unauthorized access, disclosure and alteration. This privacy policy statement is provided to you on behalf of the “Companies” and addresses the “Companies” data collection, use and disclosure practices. This privacy policy may change from time to time and you will receive written notification of any such changes. If your account was introduced to ADMIS by an independent introducing broker or another Futures Commission Merchant, this privacy policy applies only to how your personal information is handled and protected by ADMIS, not how it is handled and protected by your independent introducing broker or Futures Commission Merchant.

Personal Information the “Companies” Collect and Why

The reason the “Companies” collect information is to create and foster ongoing customer relationships. In the normal course of this process, the “Companies” obtain and retain non-public (personal) information about you, which is transmitted to us either directly by you or via your broker. This information includes your name, address, tax identification number, approximate age and investment experience and other similar information. In addition, the “Companies” may obtain information about you from the “Companies” affiliates, credit reporting services, regulatory information providers and similar entities. The “Companies” limit such information to such facts as are necessary to establish a relationship with you as a customer and to offer accurate and superior service in the normal course of business as it relates to your account carried at the “Companies”.

Use of Personal Information

The “Companies” use your personal information for three general purposes:

- First, the “Companies” use the information to approve and activate an account for you and/or to make changes or additions to information previously provided to us to open an account for you.
- Second the “Companies” may use it to give you online access to your account information and the “Companies” proprietary information in a secured environment.
- Third, the “Companies” use the information in the normal course of business to transmit account activity statements and related documents to you relating to activity in your account with the “Companies”.

Disclosure of Personal Information

The “Companies” take very seriously their responsibilities to keep your personal information private. The “Companies” will not disclose non-public personal information about our customers unless as permitted by law and in the following instances:

- In processing or servicing of products or services offered by the “Companies” that have been consented to requested or authorized by the customer.
- The “Companies” may share your personal information with affiliates and subsidiaries and/or unaffiliated third parties only as is necessary to verify the accuracy of the information you have provided, to conduct identity, background and credit history checks, to process or collect payments, to service your account, or for audit purposes and to ensure regulatory compliance.
- The “Companies” may be required to disclose personal information by law or legal process for a variety of reasons, including protecting and defending the rights or property of the “Companies” and periodically reporting trading gains or losses as required by the Internal Revenue Service. The “Companies” may also be required to disclose personal information to the regulatory bodies whose jurisdiction it is subject to.

Except under the circumstances described above, The “Companies” will not disclose any of your personal information to unaffiliated third parties, unless specifically authorized by you in writing to do so. The confidentiality and conditions of this agreement will continue to be maintained even when you cease to do business with the “Companies”.

How the “Companies” Protect Personal Information

The “Companies” take reasonable measures to protect your personal information from unauthorized access through the use of physical security, and use and access policies for employees. The “Companies” safeguard customer information from unauthorized access by limiting the number of employees permitted to access such information through personalized staff passwords, and by having in place a process for disciplinary action where appropriate.

Information Sharing with Affiliates of the “Companies”

Although by law we are permitted to share information with our affiliates and subsidiaries related to our transactions and experiences with you, it is the policy of the “Companies” not to do so without your authorization, except in the limited circumstances referenced above. Accordingly, the “Companies” will not share any personal information either provided by you or obtained from third parties, unless it is necessary to do so for the purposes described above or required by law or regulation, or we have your specific written authorization.

Accuracy of Personal Information

On an ongoing basis the “Companies” evaluate their efforts to protect your personal information and ensure its accuracy. Should you identify any inaccuracy in the personal information included in any communication you receive from the “Companies”, **please notify the ADMIS Compliance Department immediately at 1/800/243-2649**. The “Companies” will take reasonable steps to ensure it is corrected on a timely basis.

ELECTRONIC TRADING AND ORDER ROUTING SYSTEMS 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 intent 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 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 procedure, 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 FCMs, 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 exchanges' relevant rules are available on the internet home page.