

## Risk Disclosure

- 1) You acknowledge that trading in Forex Indexes, Contract for Differences (CFDs) and options are speculative and involve a high degree of risk, and that no promises or representations regarding profits or limitation of losses have been made by VERTIFX (VFX) or its employees or agents. Because of the complexity, only genuine risk capital should be used for trading.
- 2) No representation is made that taking educational trading courses, paper trading or online simulated trading will increase your chances of success in trading Forex. Simply because a subscriber of the educational publication follows its methodologies does not mean that the customer's trading will be profitable or losses will be limited. As a result, customer acknowledges that the high degree of risk involved in Forex Indexes, CFDs trading is not lessened by having subscribed to materials of any educational service or paper traded and does not guarantee or assure that the customer will make a profit or limit his losses.
- 3) You acknowledge that you shall not receive any trading recommendations by VERTIFX or its agents and employees, and that any trading recommendations received shall not be relied upon by you for accuracy. You must make your own independent determination as to the advisability of a particular trade, or rely on the independent advice of a CTA or other account manager not affiliated with VERTIFX.
- 4) It has been widely reported that most traders lose money. VERTIFX, its agents and employees have no reason to believe that individuals, who subscribe to educational courses, attend seminars, and/or workshops perform any better than other futures and options traders.
- 5) You acknowledge that you have exercised independent judgment in selecting a brokerage firm, and that opening an account with VERTIFX is purely optional and voluntary.
- 6) This additional risk disclosure document is supplemental to all other risk disclosure documents provided to you by VERTIFX, but does not replace any other risk disclosures given to you when opening your account. In the event of a conflict of terms between this disclosure and your Customer Agreement or Risk Disclosure, the Customer Agreement or Risk Disclosure offered by your clearing firm controls.
- 7) VERTIFX encourages you to check your equity runs daily to determine its accuracy or report any errors. You are limited to 24 hours in which you can report errors contained in the equity run. If you do not understand how to read your equity run, please contact your broker or our Customer Service Department for assistance. If your account is being traded by someone other than yourself it is imperative that you check your equity runs as soon as possible to correct any errors. If you are not receiving or are unable to access your equity runs on a daily basis, even if someone else is trading your account, please contact us immediately, otherwise, we will assume you have correctly received it.
- 8) Most open outcry and electronic trading facilities are supported by computer-based systems for their order-routing, executing, matching, response times, security, registration, clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. In the event of a system or component failure, it is possible that you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. You may also experience loss of orders or order priority. Your ability to recover certain losses as a result of such failures is limited by the system providers, the exchanges, the clearing firms, and VERTIFX.
- 9) Accounts in which you have assigned someone else power of attorney to trade your account ("POA") must only be traded by the POA and not by both you and your POA at the same time. This is to avoid confusion and mistakes between the two parties. If the Customer wants to trade his own account, he should open a second account and allow the POA to continue trading the first account, or remove the POA as having authority to trade the account. VERTIFX is not responsible for trading errors or entries as a result of both parties trading the same account. POAs must be revoked by the account owner(s) in writing in order to be effective. VERTIFX does not accept funds for any trading account via a third party, unless Power of Attorney is granted by the beneficiary of the funds to the depositor. Restrictions on third party payments are set by banks and their respective authorities, which have developed extensive procedures, regulations, and laws to stop the transfer of illegal funds, commonly known as money laundering. Customer Identification Program (CIP) and Anti-money laundering (AML) Policies and Procedures: It is the Customer's duty to submit by scanned email/fax one valid form of government issued ID or Passport, along with Bank Statement and/or Utility Bill proving residence, within three business days of real trading account becoming activated. According to regulations implemented in 2003 by the USA Patriot Act, all financial institutions must verify the identity of individuals wishing to conduct financial transactions through a custom Customer Identification Program (CIP) appropriate to the size and type of its business. VERTIFX's due diligence requires the hereto forth mentioned ID and Utility Bill in order to abide by our CIP as well as to adhere to the guidelines for Anti-money laundering (AML) set forth by the Bank Secrecy Act and USA Patriot Act.
- 10) When you place an order through VERTIFX's trade desk, that order may NOT be entered into your online order execution platform. It is your responsibility to keep track of all orders, including all trades executed with the trade desk, and for knowing your positions at all times. VERTIFX is authorized to rely solely on your representations and the information shown on our computer system. While this information is deemed reliable, VERTIFX makes no guarantees as to the accuracy of the information provided. If you would like your trades placed with the trade desk to be shown on your online order execution platform, it is your responsibility to contact VERTIFX and request an "external fill."
- 11) VERTIFX is authorized by you to accept oral telephonic orders as you or your authorized agent may give for transactions in your account(s). You hereby waive any defense that such order was not in writing or evidenced by a memorandum in writing as required by the Statute of Frauds or any other statute. Although authorized, VERTIFX is not required to accept oral or telephonic orders. VERTIFX is authorized to record, whether by tape, wire or other method, with or without a periodic tone signal, any and all telephonic or other oral communications between VERTIFX and you and/or your authorized agents, with or without notice thereof.
- 12) By your signature below, you agree that in any action brought by you against VERTIFX, its agents and employees, or its clearing firm, with which it has contractual and indemnification responsibilities, in which VERTIFX or its clearing firm prevails, to reimburse VERTIFX for all legal fees and costs, including attorneys' fees, expended in conjunction with such matter, including indemnification cost between VERTIFX and its clearing firm(s). By your signature below you are hereby waiving your right to contest this provision.
- 13) This brief statement does not disclose all of the risks associated with trading. Customers should undertake trading only if they fully understand the nature of the contract and contractual relationship into which they are entering and the extent of their capital exposure risk. Trading in Forex, Indexes, CFDs and options is not suitable for everyone. Customers are advised to carefully consider whether trading is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances.
- 14) You understand that VERTIFX has the sole and absolute discretion and the right to limit positions in your account, to decline to accept any orders, and to require that your account remains within any and all provision previously mentioned. You understand that if you do not promptly transfer your positions upon VERTIFX's demand, VERTIFX reserves the right to liquidate positions in your account at its sole and absolute discretion.
- 15) You agree to maintain such margin as VERTIFX may require in its sole and absolute discretion with respect to your account. Margin requirements may be increased without notice in VERTIFX's sole and absolute discretion and may differ from those established by the exchange on which the transaction is executed and the clearing firm at which your account is held. Margin requirements are subject to change without notice and will be enforced retroactively and prospectively. You shall make deposits of margin as VERTIFX requests within a reasonable time after such a request. It is agreed and understood that One hour may be deemed to be a reasonable time, provided, however, that VERTIFX, in its sole and absolute discretion, may require that deposits be made in a lesser period of time. VERTIFX's failure to require satisfaction of a margin call within one hour, or any lesser period on any occasion shall not be deemed to be a waiver of its right to do so in the future. You shall provide VERTIFX with any information deemed reasonable and prudent for immediate verification of wire transfers.
- 16) In the event you fail to deposit sufficient funds to pay for any financial transaction and/or to satisfy any demands for initial and/or variation margin, or whenever, in VERTIFX's sole and absolute discretion it considers it necessary, VERTIFX may, without prior demand or notice and notwithstanding any rule of any exchange, liquidate and or hedge the positions in your account. Such sale or purchase may be made without advertising or notice to you and in such a manner as VERTIFX may, in its sole and absolute discretion, determine, and no demands, tenders or notices which VERTIFX may make or give shall invalidate your aforesaid waiver. If liquidation is deemed necessary, a liquidation fee of \$25.00 will be assessed to your account and risk. You agree that VERTIFX has no duty and is not required to liquidate positions in your account and that the provisions of this paragraph are solely for the protection of VERTIFX.
- 17) You acknowledge that you shall be liable for all losses in your account whether or not your account is liquidated for any debts and deficiencies, including, but not limited to, interest, costs, expenses, maintenance fees, exchange rates, margin call fees, liquidation fees, and attorneys' fees, including all debts and deficiencies resulting from a liquidation of your account.
- 18) Special Risk Disclosure Document for System Traders: [CFTC Rule 4.41 (b)(1)](1) Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under or over compensated for the impact, if any, of certain market factors, such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses. There have been no promises, guarantees or warranties suggesting that any trading will result in a profit or will not result in a loss.

I HAVE READ AND UNDERSTAND THE FOREGOING AGREEMENT, AND I INTEND TO RELY UPON IT AND INURE INTEND TO BE BOUND THEREBY.