

## Letter of Direction

To: \_\_\_\_\_

The undersigned hereby confirms that I have provided \_\_\_\_\_ (“Broker”) with a trading system as set forth below (referred to herein as the “system”) that I either developed myself; purchased from a third party; or received by subscription. Accordingly, I hereby direct and grant discretion to Broker to enter trades for my account in accordance with the trading signals and recommendations generated by the system. In consideration of your acceptance of my account that will be traded pursuant to this letter of direction, I acknowledge, represent and agree to the following terms and conditions:

1. I fully understand that the trading signals and recommendations are produced by the system and that Broker’s responsibility is to use commercially reasonable efforts to enter orders pursuant to the signals and recommendations generated by the system and as received by you. I warrant that I have fully paid for use of the system. I hereby authorize Transact Futures (“TAF”), the Futures Commission Merchant with whom my account is opened, to debit my account upon presentation of an invoice from the system provider, in the amount of the applicable fees, if any, which fees are to be paid to the provider/developer of the system. I confirm that Broker has not solicited, or in any way recommended, my participation in trading the system. I have made inquiries and conducted research into the system sufficient to make an informed investment decision. Broker cannot imply or guarantee that I will make a profit from trading the system and I agree that in my account as a result of my trading pursuant to the system. I understand that using the system to generate trading signals exposes me to the risks associated with the use of computers and data feeds systems relied upon by Broker. I agree to accept such risks, which may include, but are not limited to, failure of hardware, software or associated communication systems and/or inaccurate external data feeds provided by third party vendors and I further agree to hold Broker and TAF harmless from any losses in my account associated with these risks.
2. By signing below, I grant a limited power of attorney to Broker, his employees and agents, solely for the purpose of entering orders in accordance with the signals generated by the system as modified from time to time. If the system is a trade recommendation service or hotline, I have arranged for the originator of the service or hotline to transmit by facsimile, tape recorded telephone message or otherwise, the trading signals and recommendations to be executed for my account. If more than one of Broker’s clients is using the same system or service as the system, I acknowledge that Broker may enter block orders to enhance order execution, in which case fills will be allocated in accordance with instructions received by Broker from the originator of the system signals or pursuant to a fair and systematic fill allocation method employed by Broker. I understand and acknowledge that Broker will be responsible only for using commercially reasonable efforts to execute, in a timely fashion, signals generated by the system. Broker and TAF shall not be responsible for mechanical or communication line failure, or system errors, or any other cause beyond their control. I acknowledge that Broker can accept and transmit orders only if actually received or generated and the non a “not held” basis (i.e. Broker and TAF shall not be held responsible for the execution of the orders at the prices indicated or otherwise).
3. I am aware of the speculative nature and the high risks associated with commodity futures and options trading. I have provided the ideas, techniques and trading parameters used in my system or, if it is a third-party developed system, trade recommendation service or hotline and I understand its trading parameters. I have had the opportunity to ask questions on how my account will be handled. I acknowledge that I have not purchased my system from Broker or TAF. I understand that there is no trading system or trading advice free from risk of loss and that no one can guarantee profits or freedom from loss in commodity trading. Broker and TAF will not be held responsible for the performance of my system or trading losses in my account.

4. Specifically with regard to the markets and the number of contracts in each market to be traded pursuant to the trading signals and recommendations generated by the system, Broker is hereby authorized to place orders in accordance with instructions received by it from the system.
5. Broker may act upon the authority given by this letter of direction until I revoke this authority by written notice addressed and actually delivered to Broker and TAF. I understand that it is solely my responsibility to notify Broker and TAF if I wish to end the automatic trading done for my account pursuant to this letter of direction. I shall be responsible for any open positions in my account at the time that I revoke the authority and, in the absence of instructions to the contrary, I hereby authorize Broker to offset any open positions at his sole discretion. I agree to indemnify Broker for acting in accordance with this letter of direction to the same extent provided in the customer account agreement ("Customer Agreement") that I have signed and agree that this letter of direction supplements and forms a part of that Customer Agreement.

Name of System: \_\_\_\_\_

Name of System Provider: \_\_\_\_\_

Telephone Number of System Provider: \_\_\_\_\_

Account Number to be Traded: \_\_\_\_\_

Account Name to be Traded: \_\_\_\_\_

Name of Account Executive: \_\_\_\_\_

Account Commission Rate per Round-Turn: \_\_\_\_\_

\_\_\_\_\_  
Name of Customer

\_\_\_\_\_  
Name of Customer (If Joint account)

\_\_\_\_\_  
Customer's Signature

\_\_\_\_\_  
Joint Owner's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date