

LEK SECURITIES CORPORATION

and

(Insert name of Broker Dealer)

BROKER DEALER PROPRIETARY TRADING AGREEMENT

In order to fight the funding of terrorist activity and money laundering, Lek Securities like other financial institutions is required by law to obtain, verify, and record information that identifies each person who opens an account, including legal persons such as corporations and partnerships. When an account is opened, Lek Securities asks for information to identify the person opening the account and in some cases the persons controlling the account. We may also ask for identifying documentation.

This Agreement contains the terms and conditions upon which Lek Securities Corporation (“**LSC**”) agrees to provide services to the Broker Dealer / Proprietary Trader specified on the signature page of this Agreement (the “**Proprietary Trader**”). Each of LSC and the Proprietary Trader is referred to as a “**Party**”, and, together as the “**Parties**”, for purposes of this Agreement.

Terms and Conditions

1 Services

LSC shall establish one or more cash or margin accounts (the “**Account**”) in which credit may be extended, designated by the name of the Proprietary Trader. The Proprietary Trader shall make available for delivery from the Account, or provide to LSC, such cash and/or securities as may be required by LSC to settle and clear transactions effected by or on behalf of the Proprietary Trader and for such other purposes as LSC may require. In addition, where the Proprietary Trader has sold securities “short” or otherwise has a delivery obligation with respect to securities that are not available for transfer from the Account, LSC may satisfy the Proprietary Trader’s obligation to deliver securities to the purchasers thereof by delivering securities on the Proprietary Trader’s behalf, subject always to LSC’s right to buy-in the relevant securities for the Account.

2 Applicable Law

The Proprietary Trader acknowledges that this Agreement is subject to all applicable laws, rules, and regulations, including, without limitation, those of all U.S. and, if applicable, non-U.S., federal, state and local governmental authorities, self-regulatory organizations, markets, exchanges and clearing facilities (collectively referred to herein as “**Applicable Law**”).

3 Margin

3.1 The Proprietary Trader agrees that it will, immediately upon demand by LSC, maintain in and furnish to the Account such securities and/or pay such monies to LSC for the credit of the Account as LSC may require in light of outstanding Contracts, Obligations, and potential Obligations (as defined in Section 10.2). Such Collateral requirements shall be set from time-to-time by LSC in its discretion and subject to Applicable Law. The securities that LSC will accept as margin, and their value, shall be as determined by LSC from time-to-time without notice in its commercially reasonable discretion and in light of, among other things, market conditions applicable to the relevant securities, including the size of any position.

3.2 The Proprietary Trader and LSC agree that, to the extent that collateral, credit support, or margin is not furnished by the Proprietary Trader pursuant to this Section 3, the provisions of each Contract entitling a party to request and requiring a party to delivery collateral, credit support, or margin shall remain in full force and effect and may be relied upon.

4 Collateral; Right to Rehypothecate

Any securities credited to the Account shall be held by LSC as custodian, subject to any rights or obligations imposed on LSC by Applicable Law. Proprietary Trader expressly grants LSC the right, subject to Applicable Law, without further notice to Proprietary Trader, to hold, register and re-register any Collateral (as defined in Section 10.1) in the name of LSC or in another name, and to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use any amount of the Collateral, separately or together with other amounts of Collateral, with all attendant rights of ownership (including the right to vote securities), for the sum due to LSC, or for a greater sum and for a longer time than the Obligations (as defined in Section 10.2) or Contracts (as defined in Section 10.2) with respect to which the Collateral was pledged and without retaining in their possession and/or control a like amount of similar Collateral, and to use or invest cash Collateral at its own risk. For the purposes of returning any Collateral to the Proprietary Trader, LSC’s obligations shall be satisfied by delivering securities of the same issuer, class and quantity as the Collateral initially transferred.

5 Fees and Costs

The Proprietary Trader shall pay to LSC, on demand, LSC's reasonable costs (including tax costs specifically related to a transaction) together with LSC's fees (including fees for lending securities to the Proprietary Trader and otherwise financing securities positions or strategies), in each case, in respect of the services contemplated by this Agreement. Such fees will be those as may be specified by LSC from time-to-time. The Proprietary Trader hereby acknowledges receipt of LSC's Truth in Lending disclosure statement (attached as Schedule I). In addition, LSC will charge the Proprietary Trader fees for any securities lent to the Proprietary Trader or delivered on behalf of the Proprietary Trader at such rate as LSC shall determine in light of the market conditions. LSC shall have the right to debit the Account for any payment due under this Agreement or any Contract.

6 Minimum Equity

6.1 The Proprietary Trader shall maintain minimum equity of \$300,000. The minimum equity requirement is subject to periodic review and may be adjusted at the sole and absolute discretion of Lek Securities Corporation based upon such review. The equity does not represent an ownership interest or any investment in Lek Securities Corporation.

6.2 Forthwith upon request of Lek Securities Corporation, Proprietary Trader will pay any margin requirement based on the Depository Trust and Clearing Corporation's (DTCC) "Value-At-Risk Volatility" calculation pertaining to Proprietary Trader insofar the margin requirement exceeds the Cash Available in the Account. This margin requirement is a measure of volatility risk for unsettled positions and is performed daily by the DTCC. All payments required to be made pursuant to this section will be paid by Proprietary Trader on same day as the margin call by means of an electronic wire transfer.

6.3 Within thirty (30) days after the termination of this Agreement, Lek Securities Corporation shall refund to the Proprietary Trader the equity in the account plus any accrued interest thereon less any unpaid charges, costs, and expenses and a reasonable reserve, if any, for any known or expected additional costs, expenses, or charges arising out of the clearing relationship. Lek Securities Corporation might withhold such a reserve related to any open dispute or balances owed after the Proprietary Trader has been notified previously of such amount(s) and has had an opportunity within a period during the thirty (30) days subsequent to termination to remedy such dispute or any necessary or negotiated payment.

7 Termination

Except where an Event of Default (as defined in section 11) occurs (in which case Section 12 shall apply with respect to termination): this Agreement may be terminated by either Party upon giving written notice to the other; provided, however, that this Agreement shall remain in effect as to any transactions, including unsettled transactions, or Obligations (as defined in Section 10.2) that remain outstanding. The Proprietary Trader shall pay to LSC all reasonable costs incurred by it in transferring any securities and money held by it under or in connection with the termination of this Agreement to the Proprietary Trader or to its order. No party shall incur a penalty upon termination.

8 Representations and Warranties

The Proprietary Trader represents and warrants to and for the benefit of LSC as of the date hereof, which representations and warranties will be deemed to be repeated on each date on which an Obligation is in existence or a transaction or Contract is effected for the Account, that:

8.1 the Proprietary Trader has full power and is duly authorized to execute and deliver this Agreement and each Contract, and this Agreement and each Contract has been, or, in the case of Contracts entered into after the date hereof, will be duly executed and delivered by the Proprietary Trader; and the execution, delivery and performance by the Proprietary Trader of this Agreement and each Contract and the fulfillment of the Obligations, do not and will not result in a breach or violation of any law, rule, regulation, order, or award

binding on the Proprietary Trader or its property, or the Proprietary Trader's organizational documents, or any material contract or other instrument binding on or affecting the Proprietary Trader or any of its property.

- 8.2** the Proprietary Trader is not in material default under any agreement to which it is a party or by which it or its material assets is or are bound and no litigation, arbitration, or administrative proceedings are current or pending which are material in the context of this Agreement.
- 8.3** the Proprietary Trader is the lawful owner of all Collateral, free and clear of all liens, claims, encumbrances and transfer restrictions, except such as are created under this Agreement and the Proprietary Trader will not cause or allow any of the Collateral, whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than those in favor of LSC. No person (other than LSC) has an interest in the Account or any Collateral or other assets or property held therein or credited thereto.
- 8.4** unless the Proprietary Trader otherwise informs LSC in writing, the Proprietary Trader is not an affiliate (as defined in Rule 144(a)(1) under the Securities Act of 1933) of the issuer of any Collateral and no Collateral is subject to any legal or contractual restrictions on sale for the account of the Proprietary Trader.
- 8.5** the Proprietary Trader agrees to comply with Applicable Law relating to short sales, including but not limited to the requirement that, unless exempted by Applicable Law, a short sale may not be effected through LSC unless the Proprietary Trader has first determined with LSC that the securities will be available for delivery. The Proprietary Trader, when placing with LSC any short sale order, will designate it as such, and when placing with LSC any sell order long for an account, will designate it as such. Any sell order which the Proprietary Trader shall designate as being "long" is for securities then owned by the Proprietary Trader and, if such securities are not then deliverable by the Proprietary Trader, the placing of such order shall constitute a representation by the Proprietary Trader that it is impracticable for the Proprietary Trader then to deliver such securities to LSC but that the Proprietary Trader will deliver them as soon as it is possible to do so.
- 8.6** Proprietary Trader represents to be a member firm in good standing of any and all exchanges of which it is a member. Proprietary Trader is not registered as a market maker or specialist in any stock and agrees to promptly notify LSC if this condition changes.
- 8.7** Proprietary Trader agrees to comply with LSC policies and margin maintenance requirements set by LSC from time to time.
- 8.8** The Proprietary Trader's financial statements and similar documents previously or hereafter provided to LSC: (a) do fairly represent the financial condition of the Proprietary Trader as of the date of such financial statements and the results of its operations for the period for which such financial statements are applicable; (b) have been prepared in accordance with generally accepted accounting principles and with its organizational and constituent documents; and (c) if audited, have been certified without reservation by a firm of independent public accountants. Since the date of its most recent audited financial statements, there has been no material adverse change in the business, financial condition, or results of operations of the Proprietary Trader, except as disclosed in writing (with notice of receipt) to LSC.
- 8.9** If required by Applicable Law or as otherwise required by LSC, the Proprietary Trader (i) has adopted and implemented anti-money laundering ("AML") policies, procedures, and controls (collectively, "AML Policies") that comply in all respects with the requirements of applicable AML laws (or if the Proprietary Trader is not subject to AML laws, it will comply as though it were subject to such laws), including the Bank Secrecy Act as amended by Title III of the United and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "USA PATRIOT Act"); (ii) will at all time adhere to its AML policies, and will update them as required by, and in order to continue to comply with, Applicable Law (or if the Proprietary Trader is not subject to AML laws, it will comply as though it were subject to the laws); (iii) has, in accordance with its AML Policies, verified the identity of,

and conducted reasonable, risk-based due diligence (and, where appropriate, enhanced due diligence) with regard to, persons having a beneficial interest in the Proprietary Trader of from whom the Proprietary Trader acts as agent or nominee in connection herewith and will provide LSC with information regarding such persons upon request; (iv) will monitor for, and when required by Applicable Law, make regulatory filings, including reports of unusual or suspicious activity; (v) maintains records of procedures used to verify the identity of its investors and updates such information on a regular basis; and (vi) will certify upon LSC's request as to the representations, warranties, covenants, and agreements contained in this Section 8.9 and Sections 8.10 and 8.11 and hereby agrees to advise immediately LSC of any changes that affect the representations, warranties, covenants, and agreements contained in this Section 8.9 and Sections 8.10 and 8.11.

8.10 To the best of the Proprietary Trader's knowledge and after conducting reasonable due diligence, all of the sources of the Proprietary Trader's funds, including those from its investors, are legitimate and the Proprietary Trader will maintain and make records of such due diligence available to LSC upon request.

8.11 Neither the Proprietary Trader, any person controlling or controlled by the Proprietary Trader, any person having a beneficial interest in the Proprietary Trader, nor any person for whom the Proprietary Trader acts as agent or nominee in connection herewith is: (a) an individual or entity that is named as a Specially Designated National or Blocked Person by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or an individual or entity that resides, is organized or chartered, or has a place of business, in a country or territory subject to the OFAC's various sanctions/embargo programs; (b) a resident in, or organized or chartered under the laws of (i) a jurisdiction that has been designated by the Secretary of the Treasury under section 311 of the USA PATRIOT Act as warranting special measures and/or as being of primary money laundering concern, or (ii) a jurisdiction that has been designated a non-cooperative with international money-laundering principles by a multinational or inter-governmental group such as the Financial Action Task Force on Money Laundering ("FATF") of which the United States is a member; (c) a financial institution that has been designated by the Secretary of the Treasury under Section 311 of the USA PATRIOT Act as warranting special measures and/or as being of primary money laundering concern; (d) a "senior foreign policy figure," or any "immediate family" member or "close associate" of a senior foreign political figure, in each case within the meaning of Section 5318(i) of Title 31 of the United States Code or regulations issued thereunder; or (e) a prohibited "foreign shell bank" as defined in Section 5318(i) of title 31 of the United States Code or regulations issued thereunder, or a U.S. financial institution that has established, maintains, administers, or manages an account in the U.S. for, or on behalf of, a prohibited "foreign shell bank".

8.12 The Proprietary Trader agrees that it will be solely and exclusively responsible for any prospectus delivery and notice obligations with respect to sales by the Proprietary Trader of securities registered under the Securities Act. The Proprietary Trader also agrees that, in respect of any securities purchased by the Proprietary Trader that are registered under the Securities Act, the seller of the executing broker, and not LSC, will be solely and exclusively responsible for any prospectus delivery or notice obligations to the Proprietary Trader. In either event, the Proprietary Trader agrees that LSC shall have no obligation to deliver any prospectus or notice to any purchaser from the Proprietary Trader nor to deliver or forward to the Proprietary Trader any prospectus or notice LSC may receive (via electronic means or otherwise) in any capacity.

9 ERISA

9.1 The Proprietary Trader represents and warrants (which representation and warranty will be deemed to be repeated at all times until the termination of this Agreement) that the Proprietary Trader is not (A) an "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), that is subject to Title I of ERISA, a "plan" as that term is used in Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), that is subject to Section 4975 of the Code, or an "employee benefit plan" or "plan" as so defined but which is not subject to Section 406 of ERISA or Section 4975 of the Code but is subject to another law, regulation, or restriction substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar Law") (each, a "plan"); (B) a

person or entity acting on behalf of a Plan; or (C) a person or entity the assets of which constitute assets of a Plan within the meaning of Section 4(42) of ERISA, U.S. Department of Labor Regulation 29 C.F.R. Section 2510.3-101, or, if applicable, for purposes of any Similar Law. The Customer will provide written notice to LSC in the event that it is aware that it is in breach of this representation and warranty or is aware that with the passing of time, giving of notice, or expiry of any applicable grace period it will be in breach of this representation and warranty.

- 9.2 The Proprietary Trader agrees to indemnify and hold harmless the Indemnified Parties (as defined in Section 13.1) from and against any cost, damage, or loss (including, without limitation, any excise taxes, fines, penalties, interest, profits disgorged, restitution and any related attorneys fees and expenses) incurred by the Indemnified Parties as a result of the representation and warranty in Section 9.1 being or becoming untrue or any breach of ERISA, Section 4975 of the Code or Similar Law caused by the Customer which exposes the Indemnified Parties to any cost, damage or loss (including, without limitation, any excise taxes, fines, penalties, interest, profits disgorged, restitution and any related attorneys fees and expenses). To the extent that any assets of the Proprietary Trader consist of “plan assets” of any benefit plan investor who may not, as a matter of law, be charged with or contribute to the indemnity provided by the Proprietary Trader hereunder, the Proprietary Trader shall not be excused from any portion of its obligation under the indemnity, but, rather, the Proprietary Trader and all other parties who may be charged with the indemnity shall continue to be jointly and severally liable.

10 Credit Protection

- 10.1 The term “**Collateral**” shall mean (i) the Account; (ii) any cash, securities, commodities, general intangibles, and other property which may from time-to-time be deposited, credited, held, or carried in the Account, that is due to the Proprietary Trader, or that is delivered to or in the possession or control of LSC or any of LSC’s agents and all security entitlements with respect to any of the foregoing; (iii) all of the Proprietary Trader’s right, title or interest in, to or under any Contract; and (iv) all income and profits on any of the foregoing, all dividends, interest and other payments and distributions with respect to any of the foregoing, all other rights and privileges appurtenant to any of the foregoing, including any voting rights and any redemption rights, and any substitutions for any of the foregoing and any proceeds of any of the foregoing, in each case whether now existing or hereafter arising (together with the accounts in which such property and financial assets are held).

- 10.2 The Proprietary Trader hereby assigns and pledges to LSC all Collateral, and the Proprietary Trader hereby grants a first priority security interest therein, a lien thereon and a right of set-off against any Collateral, and all such Collateral shall be subject to a general lien and a continuing first security interest, in each case securing the discharge of all Obligations and liabilities of the Proprietary Trader to LSC, whether now existing or hereafter arising and irrespective of whether or not LSC has made advances in connection with such Collateral. For purposes of this Agreement, “**Obligations**” shall mean any and all obligations of the Proprietary Trader to LSC arising at any time and from time-to-time, whether or not mature or contingent, related to the purchase, sale or loan of securities or other property, or under or in connection with any and all Contracts. “**Contract**” means this Agreement as well as any other agreement, contract, instrument or document of any kind or nature, as to which, in each case, the Proprietary Trader is a party, has any obligations or holds any rights, and LSC is a party, has any obligations or holds any rights, regardless of how documented and whether written or oral, together with all such purchases and sales, agreements, instruments and other documents, including, without limitation, payment and delivery obligations, obligations relating to the extension of credit or to pay damages (including costs of cover) and payment of legal and other expenses incurred in connection with the enforcement of Contracts.

- 10.3 The Proprietary Trader and LSC hereto acknowledge and agree that the Account is a “securities account” within the meaning of Article 8 of the Uniform Commercial Code as in effect in the State of New York (the “**NYUCC**”) and all property and assets held in or credited from time-to-time to the Account shall be treated as a “financial asset” for purposes of Article 8 of the NYUCC; *provided* that, any such account may also be a “deposit account” (within the meaning of section 9-102(a)(29) of the NYUCC) or a “commodity account” (within the meaning of Section 9-102(a)(14) of the NYUCC). The following terms used in this Agreement

shall have herein the same meaning as set forth in the NYUCC: “bank”, “commodity contract”, “commodity intermediary”, “entitlement order”, “general intangible”, “investment property”, and “security entitlement”. LSC represents and warrants that it is a “securities intermediary” within the meaning of Article 8 of the NYUCC and is acting in such capacity with respect to the Account. In the event of a breach or default by the Proprietary Trader under this Agreement or any other Contract to which LSC is a party or under which LSC has any rights, LSC shall have all rights and remedies available to a secured creditor under any applicable law or under the NYUCC (whether or not the NYUCC is otherwise applicable in the relevant jurisdiction) in addition to the rights and remedies provided herein. In exercising its rights and remedies as a secured creditor, LSC shall have the absolute discretion to determine which Collateral to dispose of and which Contracts to terminate and/or accelerate. All Collateral delivered to LSC shall be free and clear of all prior liens, claims and encumbrances (other than liens solely in favor of LSC), and the Proprietary Trader will not cause or allow any of the Collateral, whether now owned or hereafter acquired, to be or become subject to any liens, security interests, mortgages or encumbrances of any nature other than security interests, liens and encumbrances solely in favor of LSC; further, Collateral consisting of securities shall be delivered in good deliverable form (or LSC shall have the power to place such securities in good deliverable form) in accordance with the requirements of the primary market or markets for such securities. The Proprietary Trader shall execute such documents and take such other action as LSC shall reasonably request in order to perfect and maintain LSC’s rights with respect to any such Collateral. The Proprietary Trader shall pay the fees for any filing, registration, recording or perfection of any security interest contemplated by this Agreement and pay, or cause to be paid, from the Account any and all taxes and levies imposed on the Collateral by any authority. In addition, the Proprietary Trader appoints LSC, as the Proprietary Trader’s attorney-in-fact to act on the Proprietary Trader’s behalf to sign, seal, execute, and deliver all documents, and do all such acts as may be required, to perfect the security interests created hereunder in, or to realize upon all rights in, the Collateral. Nothing in this Agreement providing for a security interest in Collateral pledged in connection with a particular Contract or Obligation shall affect any calculation of margin or right of LSC to require additional margin or other Collateral to secure any other Contract or Obligation.

- 10.4** Notwithstanding anything to the contrary herein or in any other Contract, (i) no cash or securities shall, during the continuance of this agreement and until all Obligations have been discharged in full, be capable of being withdrawn, assigned, used, transferred or otherwise disposed of or encumbered or settles on trust or otherwise have a trust declared over them by the Proprietary Trader except with the prior consent of LSC and LSC shall not pay any net sum due to the Proprietary Trader following the application of the close-out and netting or enforcement provisions except with the prior written consent of LSC; and (ii) the Proprietary Trader may not assign, transfer, or otherwise dispose of or encumber or settle on trust any rights under any Contract except with the prior written consent of LSC. Any such consent given under (i) and (ii) shall operate as a release of the relevant Collateral from the security interest and the provisions of this agreement shall continue to apply to the remaining Collateral from time to time. If at any time LSC consents to such release, that consent shall in no way constitute a waiver of LSC’s rights to refuse to give consent.
- 10.5** LSC’s security interest in the Collateral shall (i) remain in full force and effect until the payment and performance in full of all of the Proprietary Trader’s Obligations and termination of this Agreement by the Parties, (ii) be binding upon the Proprietary Trader, its successors and permitted assigns, and (iii) inure to the benefit of, and be enforceable by, LSC and its successors, transferees and assigns.
- 10.6** The Proprietary Trader will notify LSC not less than thirty (30) days prior to any change in the Proprietary Trader’s type of organization, jurisdiction of organization, organizational identification number, place of business (if it has, or after such change will have, only one place of business) or chief executive office (if it has, or after such change will have, more than one place of business).
- 10.7** The security interest created by or pursuant to this Agreement shall be a continuing security interest notwithstanding any intermediate payment or settlement of account and, without prejudice to the generality of the foregoing, shall continue in full force and effect until such time as all of the Obligations are fully and finally discharged, provided that any withdrawal or other disposal by the Proprietary Trader, to the extent provided by Section 9.4, of any of the property subject to the security interest created by or pursuant to this

agreement shall operate as a release of such property and the provisions of this Agreement shall continue to apply to the remainder thereof. The security interest created by or pursuant to this Agreement shall be in addition to and shall be without prejudice of any other security interest, guarantee, indemnity, right, or remedy of whatever nature which LSC may now or at any time have in respect of any Obligation.

10.8 The Proprietary Trader, at its own expense, will execute or cause to be executed all such documents, and will do or cause to be done all such things, which are reasonably requested by LSC (i) to enable LSC to enjoy, exercise, or enforce their rights as secured parties and (ii) to evidence, and to establish and maintain the perfection and first priority, of LSC's security interest in any Collateral. Without limiting the generality of the foregoing, the Proprietary Trader, at its own expense, will execute and give or file, or both, all notices and documents (including, but not limited to, notice of the security interest created by or pursuant to this Agreement) in such manner, to such persons, and at such places as may be reasonable requested by LSC concerning said security interest. The Proprietary Trader irrevocably and by way of security authorizes and appoints LSC as its attorney (with full power of substitution), on its behalf and in its name or otherwise, at such time in such manner as LSC thinks fit to do anything which the Proprietary Trader is obliged to do (but has not done) in respect of the collateral and to exercise any of the rights conferred on LSC in respect of the Collateral (but LSC shall not have any obligation to do so) and, if LSC does so, the Proprietary Trader shall on demand indemnify LSC against such step or act. The Proprietary Trader ratifies and confirms and agrees to ratify and confirm whatever LSC, as its attorney, shall do in the exercise or purported exercise of the power of attorney granted by this Section 9.8

11 Events of Default

11.1 It shall be an Event of Default by the Proprietary Trader (without regard to whether the relevant event is continuing) if:

11.1.1 the Proprietary Trader fails to fulfill or discharge any Obligation or breaches, repudiates, misrepresents, or defaults (for this purpose, the occurrence of an Additional Termination Event with respect to the Proprietary Trader under any swap agreement or similar contract shall be considered a default) under any provision of this Agreement, any Contract, or any other agreement as to which the Proprietary Trader, LSC, or any affiliates of LSC is a party, or has any obligations or holds any rights, including but not limited to the failure to pay any sum payable or to deliver any securities required to be delivered under or in connection with this Agreement or any such Contract or any such other agreement between Proprietary Trader and any affiliates of LSC, in each case, on the due date thereof;

11.1.2 the Proprietary Trader fails to fulfill or discharge any Obligation other than the obligations set forth in Section 10.1.1 above or breaches, repudiates, or defaults (for this purpose, the occurrence of a termination event, an additional termination event, or similar event with respect to the Proprietary Trader under any swap agreement, similar contract, or any Contract shall be considered a default) under any provision of this Agreement, any Contract or any other agreement or any contract as to which the Proprietary trader is a party, or has any obligations or holds any rights and such failure is not remedied on the due date thereof;

11.1.3 any representation, warranty, covenant, agreement, or statement by the Proprietary Trader in this Agreement or in any document delivered under or in relation to this Agreement, any Contract or any Obligation is not complied with or proves to have been incorrect in any material respect when made or, if it had been made on any later date by reference to the circumstances then existing, would have been incorrect in any material respect on that later date;

11.1.4 LSC reasonably determines that, in its reasonable opinion, any security interest intended to be created by or pursuant to this Agreement is not in full force and effect or does not have the priority stated herein;

11.1.5 The Proprietary Trader (or any guarantor guaranteeing the obligations of the Proprietary Trader) admits in writing its inability, or becomes generally unable, to pay its debts as such debts become due, as determined by LSC in its sole and absolute discretion, or any step is taken or legal proceeding started by any person seeking a levy of attachment against any property or Accounts of the Proprietary Trader (or against any

guarantor guaranteeing the obligations of the Proprietary Trader) or a determination of the bankruptcy or insolvency of the Proprietary Trader or for the appointment of a receiver, administrator, trustee, or similar person is made in respect of the Proprietary Trader (or in respect of any guarantor guaranteeing the obligations of the Proprietary Trader) or for the liquidation, winding up, administration, dissolution, or reorganization of the Proprietary Trader (or any guarantor guaranteeing the obligations of the Proprietary Trader) or its merger with or into any other person(s) and LSC believes that such step or proceeding has a reasonable basis;

- 11.1.6 if the Proprietary Trader is a partnership, any person, legal or natural, becomes a partner of the Proprietary Trader after the date hereof (a) without the assignment and transfer of the rights and obligations under this Agreement, and each Contract and each transaction thereunder, to, and the corresponding assumption of such rights and obligations by, the incoming partner, as partner, and (b) without LSC's prior written consent (and event under this subsection, a **"Change of Partner Event"**);
- 11.1.7 The Proprietary Trader's investment manager or advisor on the date hereof ceases to act as such;
- 11.1.8 the Proprietary Trader fails to comply with the policies and margin requirements set by LSC from time to time;
- 11.1.9 an event of default, a termination event, an additional termination event or other similar event occurs in relation to any guarantor guaranteeing the obligations of the Proprietary Trader under any agreement where such guarantor is a party;
- 11.1.10 the Proprietary Trader shall suspend or delay the redemption of all or any portion of its shares or the Proprietary Trader shall fail to timely pay, or suspends the payment of, any redemption proceeds with respect to such shares; or
- 11.1.11 LSC, in its sole and absolute discretion, considers it necessary or desirable for its protection to exercise the rights described in Section 12.
- 11.2 The Proprietary Trader shall notify LSC immediately in writing if any of the above Events of Default occur (or if any event occurs that with the passage of time or the giving of notice would become an Event of Default).
- 11.3 If at any time LSC has reasonable grounds for insecurity with respect to the Proprietary Trader's performance of any of the Contracts or of any Obligations, LSC may demand, and the Proprietary Trader shall give, adequate assurance of due performance by the Proprietary Trader within twenty-four (24) hours, or within any reasonable shorter period of time LSC demands. The adequate assurance of due performance may include, but shall not be limited to, the delivery by the Proprietary Trader to LSC of additional property as Collateral. Any failure by the Proprietary Trader to give such adequate assurance of due performance shall constitute an independent, material Event of Default under the terms of this Agreement and each other Contract.

12 Default Provisions

- 11.1 For the purposes of this Section 11, all sums not denominated in dollars shall be converted into dollars at the rate that LSC shall determine in its commercially reasonable discretion.
- 11.2 At any time on or after the occurrence of an Event of Default, LSC may, without further notice to the Proprietary Trader, terminate, close, liquidate, and accelerate any and all Contracts and exercise any right under any security relating to any Contract and any right to net or set off payments which may arise under any Contract or other agreement or under Applicable Law, cancel any outstanding orders for the purchase or sale or borrowing or lending of any securities or other property, or sell any or all of the Collateral (either individually or jointly with others), or buy-in any securities, commodities, or other property of which the Account may be short, after which the Proprietary Trader shall remain liable for any remaining deficiency,

loss, costs, or expenses incurred or sustained by LSC in connection therewith. Such sale, purchase, or cancellation may be made on the exchange or other market where such business is then usually transacted, or at public auction or at private sale, without advertising the same and without any notice of the time or place of sale to the Proprietary Trader or to the personal representatives of the Proprietary Trader, and without prior tender, demand, or call of any kind upon the Proprietary Trader or upon the personal representatives of the Proprietary Trader, all of which are expressly waived. LSC may purchase the whole or any part thereof free from any right of redemption, and the Proprietary Trader shall remain liable for any deficiency. A prior tender, demand, or call of any kind from LSC, or prior notice from LSC, of the time and place of such sale or purchase shall not be considered a waiver of LSC's right to sell or buy any Collateral at any time as provided herein.

- 11.3** At any time or after the occurrence of an Event of Default, LSC shall have all of the rights and remedies available to a secured party under the NYUCC with respect to the Collateral. In addition, at any time on or after the occurrence of an Event of Default, LSC shall have the right, at any time on or after the occurrence of an Event of Default, (i) to net, set off, and/or recoup any and all of the obligations of LSC to the Proprietary Trader (whether matured or unmatured, fixed or contingent, liquidated or unliquidated) against any and all Obligations of the Proprietary Trader then due to LSC, and (ii) to foreclose on, liquidate, sell, or collect on any Collateral and apply to proceeds thereof to satisfy any and all Obligations of the Proprietary Trader to LSC. The Proprietary Trader hereby agrees that the fulfillment of the obligations of LSC to the Proprietary Trader under any Contract is contingent upon there being no breach, repudiation, misrepresentation, or default (however characterized) by the Proprietary Trader which has occurred and is continuing under any Contract.

13 Indemnity and Liability

- 13.1** The Proprietary Trader agrees to indemnify and hold LSC, and each of its directors, officers, agents, employees (collectively, the "Indemnified Parties") and permitted assigns, harmless from any loss, claim or expense, including reasonable attorneys' fees and expenses, when and as incurred by LSC in connection with its acting or declining to act in any capacity under this Agreement for the Proprietary Trader or resulting from or arising out of or related to statements made or omitted by the Proprietary Trader in its offering documents or any action taken or not taken by LSC in accordance with this Agreement or pursuant to instructions received by LSC from the Proprietary Trader or its agents, and to fully reimburse LSC for any reasonable legal or other expenses (including the cost of any investigation and preparation) when and as incurred by LSC in connection with any claim, action, proceeding, or investigation arising out of or in connection with this Agreement or any transactions hereunder or Contracts or any activities of LSC in connection with this Agreement. In case of the sale of any security, commodity, or other property by LSC at the discretion of the Proprietary Trader and LSC's inability to deliver the same to the purchaser by reason of failure of the Proprietary Trader to supply LSC therewith, the Proprietary Trader authorizes LSC to borrow or purchase any such security, commodity, or other property necessary to make delivery thereof. The Proprietary Trader hereby agrees to be responsible for any loss which LSC may sustain thereby and any premiums which LSC may be required to pay thereon, and for any loss which LSC may sustain in connection with this delivery obligation.
- 13.2** In no event shall LSC be held liable for damages or for any loss of any kind caused, directly or indirectly, by government restrictions, exchange or market rulings, suspension of trading, war (whether declared or undeclared), terrorist acts, insurrection, riots, fires, flooding, strikes, failure of utility services, accidents, adverse weather or other events of nature, including but not limited to earthquakes, hurricanes and tornadoes, or other conditions beyond LSC's control. In the event that any communications network, data processing system, or computer system LSC uses or which is used by the Proprietary Trader, whether LSC owns it or not, is rendered inoperable in whole or in part or is subject to delay or error, except if caused by the gross negligence or willful misconduct of LSC, LSC shall not be liable to the Proprietary Trader for any loss, liability, claim, damage or expense resulting, either directly or indirectly, therefrom.
- 13.3** In case any proceeding (including any arbitration and any governmental investigation) shall be instituted involving any Indemnified Party, such Indemnified Party shall promptly notify Proprietary Trader in

writing and the Indemnified Party shall be permitted to retain its own counsel, notwithstanding Proprietary Trader's duty to indemnify. It is understood that Proprietary Trader shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one law firm (in addition to local counsel) for all Indemnified Parties, and that all such fees and expenses shall be reimbursed as they are incurred. Proprietary Trader shall not be liable for any settlement of any proceeding affected without its written consent, but if settled with such consent, or if there shall be a final judgment for the plaintiff, Proprietary Trader agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested Proprietary Trader to reimburse the Indemnified Party for fees and expenses of counsel as contemplated in this Section, Proprietary Trader agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than thirty (30) days after receipt by Proprietary Trader of the aforesaid request, or (ii) Proprietary Trader shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. Proprietary Trader shall not, without the prior written consent of the Indemnified Party, affect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such proceeding.

14 Successors and Assigns

LSC may at any time assign or transfer all or part of its rights and/or obligations under this Agreement or any transaction effected pursuant to this Agreement or under any other Contract to any affiliate that is a broker-dealer registered with the Securities and Exchange Commission or as part of a transfer of all or part of its business or, with the prior written consent of the Proprietary Trader (such consent not to be unreasonably withheld or delayed), to any other person. LSC shall after any such assignment or transfer and to the extent (if at all) appropriate or required hold the security interests created by or pursuant to this Agreement or any other Contract for itself and as trustee for each assignee or transferee. Any reference in this Agreement to LSC shall be construed accordingly and shall also include its successors, permitted transferees, or assignees. The Proprietary Trader may not assign its rights hereunder or any interest herein or under any other Contract without the prior written consent of LSC. Any attempted assignment by the Proprietary Trader in violation of this Agreement shall be null, void, and without effect. Any permitted assignee of a Party's rights and obligations hereunder in accordance with the terms hereof shall become vested with all the benefits and obligations in respect of the assigning Party.

15 Suitability; LSC not an Adviser or Fiduciary

15.1 The Proprietary Trader is knowledgeable and experienced in connection with any transactions (including any receipt of credit) that it enters into pursuant to this Agreement and has or will seek any requisite independent advice in respect of such transactions. In particular, the Proprietary Trader has determined, based on its own independent review of this Agreement and each Contract, the transactions contemplated hereby and thereby and such independent advice (investment, legal, regulatory, tax, accounting or otherwise), that this Agreement, the Contracts and the transactions contemplated hereby and thereby are fit, proper and suitable for it and that it is capable of bearing any losses that may result from the transactions.

15.2 The Proprietary Trader acknowledges and agrees that it shall not receive, and has not received, any advice (investment, legal, regulatory, tax, accounting or otherwise) from LSC in connection with this Agreement or any Contract or any transaction hereunder or thereunder, and no communication shall be construed as such advice. If LSC undertakes to provide any advice or opinions from time-to-time, LSC will not be obligated to provide further advice or opinions on an ongoing basis. Notwithstanding any of its rights and duties under this Agreement, nothing in this Agreement shall make LSC a manager or adviser in respect of any securities or cash and LSC is not required to abide by any particular investment objectives, policies, guidelines or restrictions of the Proprietary Trader. LSC will not be subject to any fiduciary duties towards the Proprietary Trader and will not incur any duty of disclosure towards the Proprietary Trader or be subject to any restriction in dealing for LSC's own account or that of its Proprietary Traders by reason of

any services provided to the Proprietary Trader pursuant to this Agreement. If and to the extent that LSC conducts any monitoring of positions, margin leverage or risk in respect of the Proprietary Trader, LSC shall, unless expressly agreed in writing to the contrary, do so for its own purpose and not for, or for the benefit of, any other person.

16 Remedies and Waivers

No failure by LSC to exercise, and no delay by LSC in exercising, any right or remedy will operate as a waiver thereof, nor will any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The authority to debit and charge and the right of set-off and other rights and remedies provided in this Agreement are separate, independent, and cumulative and not exclusive of any rights or remedies (including any other security, right of set-off, lien, right to combine or consolidate accounts or similar right) to which LSC is at any time entitled anywhere, whether by operation of law or otherwise.

17 Severability

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement, nor the legality, validity or enforceability of such provisions under the law of any other jurisdiction shall in any way be affected or impaired thereby.

18 Notices and Statements

Each notice required to be given under this Agreement shall be directed, if to LSC, to such of its officer(s) as may be notified by LSC to the Proprietary Trader from time-to-time, and if to the Proprietary Trader, to such of its representative(s) as may be notified to LSC from time-to-time. Each written communication under this Agreement shall be either mailed, faxed, or delivered to the addresses specified below or at such other address as the Party may provide, provided that, solely with respect to written communications from LSC to the Proprietary Trader, including transaction confirmations and periodic account statements, LSC may instead post such communications onto the internet with the Proprietary Trader's consent. All communications sent to the Proprietary Trader, whether through the internet, or by mail, facsimile, messenger or otherwise, shall be deemed given to the Proprietary Trader personally as of the date sent or posted. The Proprietary Trader shall review promptly all such communications and shall promptly advise LSC of any error, omission or inaccuracy in the transactions or positions reported. Failure by the Proprietary Trader to object in writing to any communication within 2 Business Days as of the date sent or posted shall be deemed evidence, in the absence of manifest error, that such communication is complete and correct.

If to LSC:

Lek Securities Corporation
One Liberty Plaza – 52nd Floor
New York, NY 10006
Telephone: (212) 509-2300
Fax: (212) 509-3540
Email: SamL@LekSecurities.com

If to the Proprietary Trader:

Name

Address

Telephone

Fax

Email

19 Governing Law and Forums

THIS AGREEMENT, ITS ENFORCEMENT, ANY CONTRACT, AND ANY DISPUTE BETWEEN LSC AND THE PROPRIETARY TRADER, WHETHER ARISING OUT OF OR RELATING TO THE PROPRIETARY TRADER'S ACCOUNT OR OTHERWISE, (INCLUDING, WITHOUT LIMITATION, THE ESTABLISHMENT AND MAINTENANCE OF THE ACCOUNT AND ALL INTERESTS, DUTIES, AND OBLIGATIONS RELATED THERETO) SHALL BE GOVERNED BY THE LAW OF THE STATE OF NEW YORK AND THE EXCLUSIVE JURISDICTION OF THE COURTS AND ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK. IF ANY PROCEEDING ARISING FROM, RELATING TO, OR CONCERNING THIS AGREEMENT IS BROUGHT IN ANY FORUM OTHER THAN THE COURTS OR ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK, THE PARTIES AGREE THAT THAT PROCEEDING WILL BE TRANSFERRED TO THE COURTS OR ARBITRATION FORUMS LOCATED IN NEW YORK COUNTY, NEW YORK. The Parties agree that the securities intermediary's jurisdiction, within the meaning of Section 8-110(e) of the NYUCC, in respect of any Account in which any Collateral is deposited or held and in respect of the Collateral is the State of New York and agree that none of them has or will enter into any agreement to the contrary. The Parties further agree that, in respect of any Account in which any Collateral is deposited or held, the law applicable to all the issues in Article 2(1) of the "Hague Convention on the law applicable to certain rights in respect of securities held with an intermediary (PRIMA Convention)" is the law in force in the State of New York and agree that none of them has or will enter into any agreement to the contrary. The Parties acknowledge that this Agreement and each Contract entered into pursuant to this Agreement is a "securities contract" within the meaning of the United States Bankruptcy Code (11 U.S.C. Section 741(7)).

20 ARBITRATION

- **ARBITRATION IS FINAL AND BINDING ON THE PARTIES;**
- **THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL;**
- **PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS;**
- **THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULINGS BY THE ARBITRATORS IS STRICTLY LIMITED; AND**
- **THE PANEL OF ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY.**

20.1 ARBITRATION SHALL BE CONDUCTED ONLY BEFORE THE PHILADELPHIA STOCK EXCHANGE, THE NEW YORK STOCK EXCHANGE, INC., THE AMERICAN STOCK EXCHANGE, INC., THE FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA), OR ANY OTHER SELF-REGULATORY ORGANIZATION OF WHICH LSC IS A MEMBER. THE PROPRIETARY TRADER HAS THE RIGHT TO ELECT ONE OF THE FOREGOING

ORGANIZATIONS, BUT IF THE PROPRIETARY TRADER FAILS TO MAKE SUCH ELECTION BY CERTIFIED LETTER ADDRESSED TO LSC AT ITS MAIN OFFICE BEFORE THE EXPIRATION OF TEN (10) DAYS AFTER RECEIPT OF A WRITTEN REQUEST FROM LSC TO MAKE SUCH ELECTION, THEN LSC MAY MAKE SUCH ELECTION. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS CONSENT BY LSC TO AN AWARD OF PUNITIVE DAMAGES. THE AWARD OF THE ARBITRATORS, OR THE MAJORITY OF THEM, SHALL BE FINAL, AND JUDGMENT UPON THE AWARD RENDERED MAY BE ENTERED IN ANY COURT, STATE OR FEDERAL, HAVING JURISDICTION.

20.2 NO PERSON SHALL BRING A PUTATIVE OR CERTIFIED CLASS ACTION TO ARBITRATION, NOR SEEK TO ENFORCE ANY PRE-DISPUTE ARBITRATION AGREEMENT AGAINST ANY PERSON WHO HAS INITIATED IN COURT A PUTATIVE CLASS ACTION OR WHO IS A MEMBER OF PUTATIVE CLASS WHO HAS NOT OPTED OUT OF THE CLASS WITH RESPECT TO ANY CLAIMS ENCOMPASSED BY THE PUTATIVE CLASS ACTION UNTIL:

(i) THE CLASS CERTIFICATION IS DENIED;

(ii) THE CLASS IS DECERTIFIED; OR

(iii) THE PROPRIETARY TRADER IS EXCLUDED FROM THE CLASS BY THE COURT.

20.3 SUCH FORBEARANCE TO ENFORCE AN AGREEMENT TO ARBITRATE SHALL NOT CONSTITUTE A WAIVER OF ANY SUCH RIGHTS UNDER THIS AGREEMENT EXCEPT TO THE EXTENT STATED HEREIN.

21 Proprietary Accounts of Introducing Broker ("PAIB")

Pursuant to the Securities and Exchange Commission ("Commission") No-Action Letter (the "No-Action" Letter), dated November 3, 1998, relating to the net capital treatment of assets in propriety accounts of introducing brokers ("PAIB"), the Proprietary Trader may treat assets in its PAIB as allowable assets for its net capital computation provided that it and Lek Securities Corporation agrees to comply with certain procedures and perform certain calculations, and that notification of this agreement is made to the Proprietary Trader's Designated Examining Authority ("DEA") within two (2) days of execution of the agreement.

21.1 Lek Securities Corporation will perform a separate computation for PAIB assets ("PAIB Reserve Computation") of the Proprietary Trader in accordance with the customer reserve computation set forth in Exchange Act Rule 15c3-3 ("Customer Reserve Formula") with certain modifications as outlined in the No-Action Letter.

21.2 The PAIB reserve computation will include the proprietary account(s) of the Proprietary Trader. All PAIB assets will be kept separate and distinct from customer assets under the Customer Reserve Computation set forth in Exchange Act Rule 15c3-3.

21.3 The PAIB Reserve Computation will be prepared within the same time frames as those prescribed by Exchange Act Rule 15c3-3 for the Customer Reserve Formula.

21.4 Lek Securities Corporation will establish and maintain a separate "Special Reserve Account for the Exclusive Benefit of PAIB Customers" with a bank in conformity with the standards of Exchange Act Rule 15c3-3 (I) ("PAIB Reserve Account"). Cash and/or qualified securities as defined in such Rule will be maintained in the PAIB Reserve Account in an amount equal to the PAIB reserve requirement.

- 21.5** A PAIB reserve deposit requirement can be satisfied by excess debits in the customer reserve formula of the same date. However, a customer reserve deposit requirement cannot be satisfied with excess debits from the PAIB reserve computation of the same date.
- 21.6** Proprietary Trader must notify its DEA in writing that it has entered into a PAIB Agreement with Lek Securities Corporation, within two (2) days of executing such agreement.
- 21.7** Commissions receivable and other receivables of Proprietary Trader from Lek Securities Corporation are not to be included in the PAIB reserve computation under certain conditions.
- 21.8** The proprietary account of Proprietary Trader that is a guaranteed subsidiary of the clearing broker, or who guarantees Lek Securities Corporation, is to be excluded from the PAIB reserve computation.
- 21.9** Upon discovery that any deposit to the PAIB Reserve Bank Account did not satisfy the deposit requirements, Lek Securities Corporation must immediately notify DEA and the Commission by facsimile or by telegram. In addition, notification to Proprietary trader is to be made unless certain conditions are met. Unless a corrective plan is found acceptable by the Commission and the DEA, Lek Securities Corporation must provide written notification within five (5) business days of the date of discovery to Proprietary Trader that PAIB assets held by LSC will not be deemed allowable assets for net capital purposes. The letter should also state that if Proprietary Trader wishes to continue to count its PAIB assets as allowable, it has until the last business day of the month following the month in which the notification was made to transfer all PAIB assets to another clearing broker. However, if the deposit deficiency is remedied before the time at which Proprietary Trader must transfer its PAIB assets to another clearing broker, Proprietary Trader may choose to keep its assets at Lek Securities Corporation.

22. The ROX System[®]

- 22.1** Proprietary Trader agrees to enter all orders into the ROX System[®], which will be licensed to Proprietary Trader in accordance with the following terms and conditions during the term of this Agreement. It shall be Proprietary Trader's responsibility to choose the place of execution for each order and to accordingly specify the route in ROX. Orders executed away from LSC must also be entered into ROX for recording purposes.
- 22.2** The following special conditions will apply to the ROX System[®]:
- 22.2.1** Proprietary Trader acknowledges that ROX is the property of ROX Systems Inc., a corporation organized under the laws of the State of Illinois ("RSI") and that RSI is the copyright holder of ROX and that "ROX" and "ROX Systems" are registered trademarks of RSI. LSC represents to Proprietary Trader that it has obtained the requisite authority from RSI to license ROX to Proprietary Trader under the terms of this Agreement.
- 22.2.2** Proprietary Trader is granted a non-exclusive, non-transferable, royalty free license to use the ROX System[®] for the benefit of Proprietary Trader's proprietary trading activities, to transmit orders to LSC for execution by LSC as executing broker, and to input and record trades executed away from LSC into the system for recording purposes. Any other use of the ROX System[®] is prohibited. By using the ROX System[®], Proprietary Trader warrants and agrees not to transfer the ROX System[®], or Proprietary Trader's right to use it, to any third party, and that Proprietary Trader will promptly return all copies of the ROX System[®] to LSC immediately upon termination of this Agreement.
- 22.2.3** Proprietary Trader agrees not to disclose any proprietary information or any trade secrets belonging to LSC to any third party and will not permit anyone else to do the same.
- 22.2.4** Proprietary Trader warrants compliance with State laws, Federal laws, and Exchange Rules and Regulations as a condition precedent to LSC's grant to Proprietary Trader of a license in and access to the ROX System[®]. Proprietary Trader agrees to comply with applicable state and federal laws and regulations

and to abide by the rules of all applicable Exchanges and of the SEC. Proprietary Trader specifically agrees to have the duty to supervise its employees' trading activities. PROPRIETARY TRADER'S DUTY TO SUPERVISE INCLUDES MONITORING OF SHORT SALE TRANSACTIONS, MARGIN TRANSACTIONS, MARKET-ON-CLOSE TRANSACTIONS AND LIMIT-ON-CLOSE TRANSACTIONS, AND COMPLIANCE WITH ALL RULES AND REGULATIONS GOVERNING SAME. By using the ROX System[®], Proprietary Trader agrees to be responsible for any rule violation(s) by its traders, and to indemnify and hold LSC harmless for any costs, expenses, or damages (including reasonable attorney's fees) caused by Proprietary Trader on account of any breach of this warranty and duty.

- 22.2.5** Proprietary Trader alone bears risk of communications failure. By using the ROX System[®], Proprietary Trader warrants and agrees to bear the all risk of communications failure, erroneous data transmission, and hardware and software failure, regardless of the cause of such failure or error, except if caused by LSC's willful misconduct or gross negligence. Proprietary Trader understands that communication channels can fail at any point in time. By using the ROX System[®], Proprietary Trader agrees not to rely upon any instruction having been received by a target exchange unless and until an acknowledgment is received in the form of an order acknowledgement or "Order Ack." By using the ROX System[®], Proprietary Trader agrees to advise LSC promptly if such an acknowledgment is not received within one (1) minute of submitting the order. Upon being so advised, LSC will undertake its best efforts to assist in minimizing any loss or inconvenience that might be caused by the lack of acknowledgment. However, LSC cannot and does not warrant that the ROX System[®] or the hardware upon which Proprietary Trader might rely will function properly.
- 22.2.6** Proprietary Trader understands and agrees that LSC will provide no tax, legal, or investment advice of any kind, nor does LSC give any advice or offer any opinion with respect to the nature, potential value, or suitability of any particular securities transaction or investment strategy.
- 22.2.7** Proprietary Trader understands and agrees that all orders entered electronically or otherwise, must be pursuant to an order of an authorized individual with power of the attorney to bind the Proprietary Trader in business dealings.
- 22.2.8** Proprietary Trader will not hold, nor seek to hold, LSC liable for any trading losses or other losses incurred by Proprietary Trader. Proprietary Trader agrees that entering an order on the ROX System[®], including market orders, does not guarantee execution of the order and Proprietary Trader agrees not to hold LSC responsible for any order that is not executed. Proprietary Trader agrees that LSC and the exchanges have the right to break any executed transaction on the grounds that it was, in their opinion, 'clearly erroneous.' Proprietary Trader agrees that LSC shall not be deemed to have received any electronically transmitted order unless LSC has actual knowledge of such order and returns an order acknowledgment.
- 22.2.9** Proprietary Trader agrees that cancellation requests are not guaranteed and that orders will be cancelled only if the request is received in the marketplace and matched with the order before the order is executed. During market hours, it is rarely possible to cancel a market order. Proprietary Trader agrees not to assume that an order is cancelled or executed unless and until a confirmation to that effect has been received from LSC. Proprietary Trader is aware that reports to LSC from Exchanges and market makers are occasionally late, and that orders, cancellations, and executions may be affected by such late reports even though previously unreported to or reported to you differently. Proprietary Trader agrees that any reporting, posting, or confirmation errors, including errors in execution prices, will be corrected to reflect what actually occurred in the marketplace.
- 22.2.10** Proprietary Trader understands that the exchanges assert proprietary interests in market data and information, and that neither LSC nor any Exchange guarantees the timeliness, sequence, accuracy, completeness, reliability, or content of market information, or messages disseminated to or by any party. Proprietary Trader agrees to pay and to reimburse LSC for any fees assessed by any exchange or vendor associated with an exchange for such market data and information. Proprietary Trader understands that neither LSC nor any exchange warrants that service or information is uninterrupted or error free.

Proprietary Trader agrees that LSC shall not be liable, and that Proprietary Trader will indemnify LSC, for any inaccuracy, error or delay in, or omission of, (1) any such data, information or message, or (2) the transmission or delivery of any such data, information or message; or any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay, or omission, (ii) non performance, or (iii) interruption of any such data, information or message, due either to any act or omission by LSC or any Exchange or to any “force majeure” (such as, for example, flood, extraordinary weather condition, earthquake or other act of God, fire, war, insurrection, riot, labor dispute, accident, action of government, communications failure, power failure, equipment failure, or software malfunction) or any other cause beyond the reasonable control of LSC or Exchange. Proprietary Trader understands that the terms of this agreement may be enforced against Proprietary Trader by LSC and any Exchange, and that Proprietary Trader will use real-time quotes for its own use only and shall not furnish such data to any other individual or entity. Proprietary Trader agrees to abide by and be bound by all Subscriber Agreements or other Terms and Conditions as may be placed upon such Information by the Exchange or other person, including, without limitation, the NASDAQ Consolidated Subscriber Agreement.

22.2.11 ROX SYSTEM[®] IS PROVIDED “AS IS,” WITHOUT WARRANTY OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TRADE USAGE, COURSE OF DEALING, OR COURSE OF PERFORMANCE, TITLE, OR THE CORRECTNESS, QUALITY, ACCURACY, SECURITY, COMPLETENESS, RELIABILITY, PERFORMANCE, TIMELINESS, PRICING, OR CONTINUED AVAILABILITY OF ROX OR ANY PART OF ROX. THERE IS NO GUARANTEE THAT SUCH SERVICES PROVIDED BY LSC WILL MEET USER REQUIREMENTS, BE ERROR-FREE, OR OPERATE WITHOUT INTERRUPTION. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN THIS AGREEMENT, LSC SHALL HAVE NO DUTY OR OBLIGATION TO MAINTAIN ROX, OR ANY PART OF ROX, OR TO SUPPLY ANY CORRECTIONS, UPDATES, OR RELEASES CONCERNING ROX, OR TO VERIFY, CORRECT, COMPLETE, OR UPDATE ANY INFORMATION DISPLAYED ON ROX.

22.2.12 LSC’s liability for substantiated damages proximately caused by unavailability, interruption, delay, malfunction, error, or failure of the ROX System[®] to perform as expected or desired shall be limited to the greater of (a) return of commissions paid for the trades affected by such unavailability, interruption, delay, malfunction, error, or failure of the ROX System[®] to perform as expected or desired, or (b) \$50.00. LSC shall not be liable for any indirect, special, punitive, consequential, or incidental loss or damage (including but not limited to trading losses, loss due to failure of execution, loss due to delayed execution, loss of anticipated profits, loss by reason of shutdown in operation, loss by reason of increased cost of operation, cost of cover, lost opportunity costs, or other indirect loss or damage) of any nature arising from any cause whatsoever, even if LSC has been advised of the possibility of such damages.

22.2.13 By using the ROX System[®], Proprietary Trader agrees to have no greater rights against LSC than against the exchange and that, if a claim against the exchange would be barred or limited by exchange rule, regulation, constitution, or other applicable provision such bar or limitation will apply with equal force and effect to any claim against LSC.

23 Communications

23.1 Proprietary Trader authorizes LSC to treat any communication which LSC reasonably believe is made (whether over the telephone, by electronic mail, posting on the LSC website, or other electronic device or otherwise) by Proprietary Trader as having been made by Proprietary Trader without further inquiry. LSC may act upon any such communication which purports to be an instruction to deal on Proprietary Trader’s behalf. Proprietary Trader releases LSC from any liability in relation to LSC’s reliance on the authenticity of any such communication and from any liability in relation to communications sent by Proprietary Trader but not received by LSC. Proprietary Trader acknowledges that where LSC receives from Proprietary Trader an electronic instruction, this will have legal consequences as set out in these Terms;

- 23.2** Proprietary Trader accepts that LSC gives no undertaking that access will always be available by telephone or any means of electronic communication during normal operating hours. LSC shall have no liability for the unavailability of or for any fault in any loss or corruption of any such communication;
- 23.3** Proprietary Trader will not send any sensitive information, such as passwords, in an unencrypted e-mail;
- 23.4** Proprietary Trader agrees to electronic delivery and give informed consent to electronic delivery of all account communications, other than those Proprietary Trader have specifically requested be delivered in paper form. Electronic instructions must be sent to such electronic addresses and/or using such systems as LSC may specify. On receipt of electronic instructions, an acknowledgment of the instruction will be provided. LSC shall be deemed not to have received any order sent by Proprietary Trader electronically where LSC has not acknowledged the instruction. Proprietary Trader shall not receive a paper copy of an order confirmation or account statements unless Proprietary Trader requests such confirmation. If Proprietary Trader requests such paper confirmations, Proprietary Trader shall be billed for the appropriate amount;
- 23.5** Proprietary Trader agrees that LSC or our associates may contact Proprietary Trader with regard to our services in respect of which LSC reasonably believes Proprietary Trader wish to receive information from LSC. Proprietary Trader must review and consent to our electronic communications;
- 23.6** LSC may communicate with Proprietary Trader in person, by telephone, fax, letter, or by any other means. Proprietary Trader consents to receiving information from LSC by means of our website at www.LekSecurities.com;
- 23.7** Proprietary Trader agrees that the primary method of LSC's communication will be by posting information on servers accessible through the LSC website. Proprietary Trader agrees to check the LSC website regularly for up-to-date information to avoid missing time-sensitive information and to notify LSC immediately by telephone if unable to access the LSC Website. Furthermore, Proprietary Trader consents to be considered informed and up-to-date concerning all postings on the LSC website;
- 23.8** Proprietary Trader can download and save or print the account communications received via electronic delivery for internal record keeping. Proprietary Trader will have access through the LSC website to confirmations, account statements, and information affecting positions and money balances for at least the current year. Proprietary Trader will have access to specific underlying trade data for at least two months. Proprietary Trader may obtain copies of earlier documents on request;
- 23.9** Proprietary Trader agrees to promptly and carefully review all account communications as and when delivered and to notify LSC by telephone prior to the opening of the New York Stock Exchange on the business day immediately succeeding the posting if Proprietary Trader objects, questions, or disputes the accuracy of any trade related posting or failure by LSC to make such a trade related posting. Proprietary Trader agrees to notify LSC by telephone within two (2) business days if Proprietary Trader objects, questions, or disputes the accuracy of any non-trade related posting or failure by LSC to make such a non-trade related posting. LSC are entitled to treat all postings as accurate, complete, and conclusive unless Proprietary Trader objects within the above specified time periods; and
- 23.10** This consent will be effective immediately and will remain in effect unless and until either Proprietary Trader or LSC revoke it. Proprietary Trader understands that it may take up to three (3) days to process a revocation of consent to electronic delivery, and Proprietary Trader may receive electronic notifications in the interim.
- 24** **Miscellaneous**
- 24.1** This Agreement supersedes all prior agreements, both written and oral, as to matters within its scope. Except to the extent otherwise specifically provided in any other agreement between LSC and the

Proprietary Trader, if there is any conflict or inconsistency between this Agreement and any other such agreement, the terms of this Agreement shall prevail.

- 24.2 The Proprietary Trader agrees that LSC shall not be under any obligation to enter into any Contract with, or to effect or settle any trade or other transaction on behalf of, the Proprietary Trader.
- 24.3 The Proprietary Trader agrees that LSC may modify the terms of this Agreement from time-to-time upon prior written notice. If the modifications are unacceptable, the Proprietary Trader agrees to notify LSC in writing within thirty (30) days of the receipt of such written notice. LSC may then terminate the Account, after which the Proprietary Trader agrees to remain liable to LSC for all existing liabilities or Obligations. The Proprietary Trader further agrees that all transactions and Contracts entered into after such notification shall be subject to the modifications. Under no circumstances may a modification be made by the Proprietary Trader without LSC's written consent.
- 24.4 Parties agree not to solicit each other's officers, director, traders, or employees. This covenant will survive the termination of this agreement by six (6) months.
- 24.5 Nothing in this agreement shall prevent either party from doing business with any third party.

Please sign below to indicate your formal acceptance of the terms of this Agreement.

THIS AGREEMENT CONTAINS AN ARBITRATION PROVISION AT SECTION 20.

Lek Securities Corporation.

By: _____
Signature

Samuel F. Lek
Chief Executive Officer

___ / ___ / _____

and

By: _____
Signature

Name

Title

___ / ___ / _____
Date

Schedule I

TRUTH IN LENDING DISCLOSURE STATEMENT

Unless the terms under and conditions pursuant to which LSC extends credit to the Proprietary Trader have been otherwise amended, revised, modified or restated in another document(s) signed by the Proprietary Trader, the following shall be applicable to the Account:

Interest will be charged, for any credit extended to the Proprietary Trader for the purpose of buying, trading, or carrying any securities, or the Proprietary Trader may simply want to borrow cash on the collateral value of the Proprietary Trader's securities for a non-securities purpose. An interest charge will be made to the Account for each period during which credit was extended to the Proprietary Trader in the Account.

Rates

The "Base Financing Rate" which is reflective of competitive commercially recognized interest rates will be used for determining interest rates to be charged on credit extended to the Proprietary Trader. LSC will charge the Account a rate which is comprised of the Base Financing Rate, which will be adjusted from time-to-time, plus a spread. The rates at which interest is charged on funds borrowed are negotiated based on a number of factors including the size of the Proprietary Trader's debit balance.

The Proprietary Trader's statement of account will indicate the specific interest rate applied, the average daily interest-bearing debit balance of the Account, the number of days during which a interest-bearing debit balance was outstanding in the Account and the actual interest charge made for the charge period. The "interest-bearing debit balance" is determined by combining both debit and credit balances in the Account exclusive of the credit balance related to bona fide short positions after marking the short positions to market. For each charge period in which there is a change in the Base Financing Rate, the Proprietary Trader's statement of account will separately itemize that information with respect to each rate of interest that was applied to the Account during the charge period.

Adjustment of Rate Without Prior Notice

The rate of charge applicable to the Account is subject to change without prior notice in accordance with changes in the Base Financing Rate. If there is a change in the Base Financing Rate during the charge period, the rate of interest applied to the Account will automatically be increased or decreased accordingly for the remainder of the charge period or until another change in the Base Financing Rate occurs.

Charge Period

The period for which interest charges are made runs from the last Friday of each month up to and including the last Thursday of the current month. There are two variations to this: (1) If the last Friday of the month is a holiday, then the interest charge period will end one Business Day earlier; and (2) in December, the interest charge period will end on the next-to-last Business Day of the year (and the interest charge period for January of the following year will begin on the last Business Day of the year).

The interest charge period parallels the monthly statement period, except that interest for the final day of the statement period will be carried over and reflected on the next month's statement. The final day of the statement period is the last business Friday of the month, except (1) if that Friday is a holiday, the final day of the statement period is the prior Business Day, and (2) in December, when the final day of the statement period is the last Business Day.

The average daily interest-bearing debit balance entry that will appear on the Proprietary Trader's statement is calculated based upon the number of days on which there was a debit balance in the Account and not on the total number of days in either the charge period or the statement period.

Computation of Charges

At the close of each charge period during which credit was extended to the Proprietary Trader through the Account, an interest charge is computed by multiplying the average daily debit balance by the applicable rate and by the number of days during which a debit balance was outstanding, and then dividing by 360. If there has been a change in the Base Financing Rate, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the charge period. The interest charge for the charge period is due and payable at the close of the charge period. Any unpaid interest charge at the close of the charge period will be added to the opening debit balance for the next charge period.

Short Sales and Short Sales Against the Box

The market values of securities which are sold "short" by a client are adjusted daily for credit purposes by a process called "marking to the market." "Short sales against the box" are treated in exactly the same way as short sales. The market values of all securities sold short in the Account, including securities sold "short against the box," are treated as a debit for the purpose of calculating interest charges. In other words, the closing market value of the securities that were sold short is determined each Business Day and, depending upon whether the market value increased or decreased, the change in market value is either added to or subtracted from the net debit balance in order to calculate interest charges. The market value of long securities in the Account against which a short sale is made is not included in the computation of interest charges. If the total short market value increases, then the debit adjustment to the net balance will increase by the same amount for the calculation of interest charges. Conversely, if the total market value of the securities sold short decreases, then the debit adjustment to the net balance will also decrease by a like amount for the calculation of interest charges.

Please note that these upward or downward adjustments of balances are for credit calculation purposes only.

Sales Not Long

The Proprietary Trader may have the occasion to sell securities that the Proprietary Trader owns but have not yet placed into the Account. The securities must be delivered to LSC by the settlement date of the transaction. Any credit resulting from the proceeds of such a sale will not be used as an offset in computing interest charges until the securities the Proprietary Trader sold are actually received into the Account in good deliverable form.

Liens and Additional Collateral

Any securities or other property in any of the Accounts are Collateral for any debit balances in the Account. Further, at LSC's election, all debit balances in Proprietary Trader's account, including those resulting from extensions of margin credit, will be immediately due and payable. LSC reserves the right to require additional collateral at any time, or to initiate immediate liquidation procedures without notice under conditions described in the Lek Securities Corporation's Margin Agreement.