

**COMMODITY TRADING ADVISOR  
DISCLOSURE DOCUMENT**

For

**MARBLEHEAD DISCRETIONARY CURRENCY  
PROGRAM**

Of

**Marblehead Financial Group, Inc.**

300 N. State St., Suite 5704  
Chicago, Illinois 60610  
312-670 9700

**THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON  
THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM NOR HAS THE  
COMMISSION PASSED THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE  
DOCUMENT**

**October 20, 2001**

## **RISK DISCLOSURE STATEMENT**

**THE RISK OF LOSS IN TRADING COMMODITIES CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:**

**IF YOU PURCHASE A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.**

**IF YOU PURCHASE OR SELL A COMMODITY FUTURE OR SELL A COMMODITY OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.**

**UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE."**

**THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.**

**A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.**

**THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.**

**IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECTED TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS ON PAGE 5, A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.**

**THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, ON PAGE 3.**

**YOU SHOULD BE AWARE THAT THIS COMMODITY TRADING ADVISOR MAY ENGAGE IN TRADING FOREIGN FUTURES OR OPTIONS CONTRACTS. TRANSACTIONS ON MARKETS LOCATED OUTSIDE THE UNITED STATES, INCLUDING MARKETS FORMALLY LINKED TO A UNITED STATES MARKET MAY BE SUBJECT TO REGULATIONS WHICH OFFER DIFFERENT OR DIMINISHED PROTECTION. FURTHER, UNITED STATES REGULATORY AUTHORITIES MAY BE UNABLE TO COMPEL THE ENFORCEMENT OF THE RULES OF REGULATORY AUTHORITIES OR MARKETS IN NON-UNITED STATES JURISDICTIONS WHERE YOUR TRANSACTIONS MAY BE EFFECTED. BEFORE YOU TRADE YOU SHOULD INQUIRE ABOUT ANY RULES RELEVANT TO YOUR PARTICULAR CONTEMPLATED TRANSACTIONS AND ASK THE FIRM WITH WHICH YOU INTEND TO TRADE FOR DETAILS ABOUT THE TYPES OF REDRESS AVAILABLE IN BOTH YOUR LOCAL AND OTHER RELEVANT JURISDICTIONS.**

**THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH THE FUTURES COMMISSION MERCHANT.**

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**Marblehead Financial Group, Inc. intends to utilize this  
DISCLOSURE DOCUMENT beginning of October 20, 2001.  
This document is not to be used after July 20, 2002.**

**THE COMPANY**

Marblehead Financial Group, Inc. (“Marblehead” or “the Advisor”) is an Illinois corporation that was established in September 1999 and registered as a Commodity Trading Advisor (“CTA”) with the Commodity Futures Trading Commission (“CFTC”) and the National Futures Association (“NFA”) as of May 1, 2000.

As a CTA, Marblehead Financial Group, Inc. manages money for clients utilizing proprietary trading programs and money management programs.

The business office and mailing address of Marblehead is 300 N. State St., Suite 5704, Chicago, Illinois 60610. Its telephone number is 312-670 9700. The books and records of the Advisor will be maintained at that address.

**PRINCIPAL AND BACKGROUND**

Mr. S. Gottfried von Hase, born January 17, 1955 in Berlin, Germany, has been the President and sole principal of Marblehead Financial Group, Inc. since its formation.

Mr. von Hase graduated with a BA in Civil Law from Freie Universitaet Berlin, Germany, in 1982. From 1983 to 1988 he was the junior principal in a family owned and operated Real Estate Business in Berlin, Germany. From January 1988 to December 1988 he joined a Frankfurt based option-trading Firm as a junior sales Manager.

In December 1988 Mr. Von Hase joined Merrill Lynch and started a trainee program in New York and Princeton, New Jersey. In 1989 he joined with Merrill Lynch in Luxembourg as a Financial Consultant, servicing Institutional Clients and developing and implementing derivatives strategies in currencies and interest rate derivatives. From 1990 to 1994 he moved to Merrill Lynch International Bank Ltd. Berlin, initially as senior Financial Consultant. From 1994 to 1996 he was appointed as the resident manager of the Berlin Office. In 1996 he retired from Merrill Lynch to pursue personal investments and interests, and to sail the world.

In January 1998 he joined Professional Market Brokerage, Inc. (FCM) as its international sales Manager.

## **THE MARBLEHEAD DISCRETIONARY TECHNICAL TRADER PROGRAMS**

### **GENERAL**

Commodity futures contracts are standardized contracts made on domestic or foreign commodities exchanges which call for future delivery of specific quantities of various agricultural commodities, industrial commodities, currencies financial instruments and metals of a specified grade, at a fixed time and place. The size and term of futures contracts on specific commodities are identical and are not subject to negotiation between buyer and seller. The contractual obligations of the buyer and seller may be satisfied by off setting their respective positions or by making or taking delivery of the commodity.

An option on a futures contract gives the purchaser the right but not the obligation, for a limited period of time to take a position at a specified price in the underlying futures contract. The seller of the option is obligated to take the opposite futures position at the same specified price if the option is exercised.

### **THE PROGRAM**

The Marblehead Discretionary Currency Program

The Advisor intends to trade futures and options on futures on all major exchanges in the currency market. The Advisor may also trade or use the cash markets. Trading decisions will be made by the advisor on a discretionary basis.

### **PRINCIPAL RISK FACTORS**

Before investing in futures, a prospective investor should carefully consider the risks. The investor should consult with his financial advisor to determine that futures trading is suitable for his investment portfolio, and that only risk capital is being invested, the loss of which will neither affect his standard of living or retirement plans.

The transactions in which the Advisor generally will engage involve significant risks. No assurance can be given that the investor will realize a profit on his investment or that he will not lose some or all of his investment or that the investor will not incur substantial additional losses. Due to the nature of the markets and the trading activities, the results of the Advisor's activities may fluctuate from month to month or period to period. Accordingly investors should

understand that the results of a particular period will not necessarily be indicative of the result in future periods.

Futures trading is speculative and highly volatile. Price movements for futures are influenced by government trade, fiscal, monetary and exchange control programs and policies, weather and climate conditions, changing supply and demand relationships, national and international political and economic events, changes in interest rates, and the psychological emotions of the market place. The foregoing factors are considered “fundamental” factors in the movement of market prices. The Advisor does not generally consider these fundamental factors in making trading decisions. Rather, the Advisor’s program is “technical” in nature since the trading signals are based on an analysis of the markets themselves (e.g., price patterns, open interest, volume, etc.).

The low margin requirements in futures trading permit an extremely high degree of leverage. Accordingly, a relatively small price movement in the price of a futures contract may result in an immediate and substantial loss or gain

The markets may become illiquid making it impossible for the Advisor to exit a position even though the program may call for such a trade. United States futures exchanges limit fluctuations in futures contract prices during a trading session by regulations referred to as “daily fluctuation limits” or “daily limits”. During a trading session no trade prices may exceed the daily price limit. Once the daily limit has been reached, trading will stop unless traders are willing to trade within the limits, which would be unlikely if the underlying market prices moved beyond the limit. Futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Even if futures prices have not moved the daily limit the Advisor may not be able to execute trades at favorable prices.

The Commodity Futures Trading Commission and U. S. Futures Exchanges have established limits on some commodities referred to as “speculative position limits”. The Advisor will also be subject to position limits on the basis of all accounts (clients and proprietary) under management. U. S. Securities and Futures markets are regulated and it is impossible to predict changes in regulations and/or their effects on the futures markets.

Under CFTC regulations, FCMs are required to maintain client’s assets in a segregated account. If a client’s FCM fails to do so, the client may be subject to risk of loss of his funds on deposit with his FCM in the event of its bankruptcy. In addition, under certain circumstances, such as the inability of another client of the FCM or the FCM itself to satisfy substantial deficiencies in such other client’s account, a client may be subject to a risk of loss of his funds on deposit with his FCM, even if such funds are properly segregated. In the case of any such bankruptcy or client loss, a client might recover, even in respect of property specifically traceable to the client, only a pro rata share of all property available for distribution to all the FCM’s clients.

## **MAINTENANCE OF ACCOUNTS**

The minimum initial account for the Discretionary Currency Program is \$10,000.00, subject to the advisor's discretion. An account with less will not be able to take advantage of diversification that can be achieved with a fully funded account nor will smaller accounts be able to withstand market fluctuation.

Clients may select any futures commission merchant ("FCM"). Clients may choose to use an introducing broker ("IB") to introduce their account to the FCM or to the Advisor. Brokerage commissions and other fees charged to the client's account by the FCM or IB may vary significantly and are negotiated between the client and the FCM or IB. The Advisor may reject a client account if the negotiated commission rate is too high and therefore will adversely affect the Advisor's performance. In the absence of another firm, the Advisor can arrange a relationship between the client and Professional Market Brokerage, Inc., an FCM located in Chicago, Illinois.

The Advisor may engage in the use of "give-ups." A give-up is a process when a firm or individual other than the client's FCM executes a trade. Give-up fees may or may not be included in the commission. Currently give-up fees are approximately \$4.00 per contract per round turn. The Advisor will monitor the activity in the client's account closely to ensure that errors are corrected in a timely manner, however, the Advisor will not be responsible for trading errors and poor executions.

All daily and monthly trade confirmations and month-end statements are mailed to each client by the FCM.

## **FEES**

The Advisor charges clients a monthly management fee and a monthly incentive fee. Management fees will be paid whether or not the account is profitable. However, the incentive fee is payable only on new cumulative profits to the extent that any such profit exceeds an all time high at the end of the previous calendar month or any other incentive period agreed upon between the Advisor and each client. For example if an account incurs losses after an incentive fee has been paid the Advisor will retain the payment but will receive no further incentive fee payments in subsequent periods until trading profits have exceeded the all time high at the end of a previous incentive fee period. Incentive fees will be payable on a pro rata basis in case of a withdrawal prior to the end of the month. Incentive fees once paid are not refunded even though the account may suffer losses in the future.

The management fee is a monthly fee of 0.5% of client equity as of the end of each month (6 % per year). Client equity is the net assets (total assets minus total liabilities, including unrealized gains and losses) in the brokerage accounts of the client that the client has directed the Advisor to manage.

The fees expressed as a percentage of actual dollars deposited in the account will be higher for a notional funded account, e.g. if you choose to deposited only \$5,000 instead of the \$10,000 required for a fully funded account, your management fee expressed as a percentage of actual dollars deposited will increase from 6% per year to 12% per year.

The incentive fee on new net monthly profit is based on the following schedule, calculated at each quarter-end.

<u>Annualized Rate of Return</u>	<u>Incentive Fee</u>
Up to 50%	25%
+50% to 75%	30%
+75% to 100%	35%
More than 100%	40%

Net profits are calculated as of the last day of the month and are defined as the sum of (i) the net profits and losses resulting from all trades closed out during the month, (ii) the net profits and losses on open trades as of the close of the month, and (iii) the amount of interest and other investment income earned during the month minus: (I) the net of any profits or losses carried forward on open trades from the preceding month, (II) the management fee, and (III) the net loss (except those attributable to withdrawn capital).

Annualized Rate of Return is the monthly rate of return multiplied by 12. This description of calculating the monthly incentive fee does not imply that the client will likely achieve the annualized rate of return.

### **PAYMENT OF FEES**

The management and incentive fees are due and payable on the last business day of each calendar month. Every client is required to sign an Authorization to pay fees, which will authorize the futures commission merchant to deduct fees from the client's account and remit them directly to the Advisor. The Advisor may waive the payment of Management Fees in its discretion or have such fees applied against the incentive fees of a particular account based upon the size of the managed account and other relevant factors. Management Fees will be paid regardless of the profitability of the account.

## **CONFLICTS OF INTEREST**

The Advisor and its principal may trade for their own account. However, because the Advisor is required to enter its orders after customer orders, it is expected that any adverse affect will be minimal or non-existent. Clients will not be permitted to inspect the personal trading records of the Advisor.

The Advisor will also trade the accounts of other clients and these accounts may compete for the same or similar positions in the commodity markets. The Advisor will allocate fills to client accounts in a manner that will be impartial. Different fill prices will be allocated with the highest account number receiving the highest fill price. In the event of a partial fill contracts will be distributed on a rotating basis, to assure that no individual account will be favored over other accounts.

Principals and employees at the Futures Commission Merchant (FCM) may trade for their own accounts. Clients of the advisor will not be permitted to inspect the personal trading records of employees of the FCM.

Since the Advisor and employees of the FCM may trade pursuant to different strategies from those employed by the Advisor for client accounts, trades for such accounts may occur before trades or be opposite of trades for client accounts.

If a client opens an account with PMB there will be a conflict of interest since the principal of Marblehead Financial Group, Inc., Stephan G. von Hase, is international sales manager of PMB. Stephan G. von Hase could receive commission rebates and thus a conflict exists between his incentive to generate trading income through excessive trading of contracts or attending his fiduciary duty to make profits for the client of Marblehead Financial Group, Inc.

## **INVESTORS USING NOTIONAL FUNDS**

IF YOU REQUEST A COMMODITY TRADING ADVISOR TO TRADE YOUR ACCOUNT WITH A DEGREE OF LEVERAGE THAT EXCEEDS THAT RECOMMENDED AS APPROPRIATE BY THE ADVISOR, YOU SHOULD BE AWARE OF THE FOLLOWING:

1. YOU WILL INCUR GREATER RISK BECAUSE YOU MAY EXPERIENCE GREATER LOSSES, AS MEASURED BY A PERCENTAGE OF ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN IN AN ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.
2. YOUR ACCOUNT WILL EXPERIENCE GREATER VOLATILITY, AS MEASURED BY RATES OF RETURN ACHIEVED IN RELATION TO ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN AN ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.

3. YOU WILL PAY HIGHER ADVISORY FEES AND BROKERAGE COMMISSIONS, AS MEASURED BY THE PERCENTAGE OF SUCH FEES AND COMMISSIONS IN RELATION TO ASSETS ACTUALLY DEPOSITED IN YOUR ACCOUNT, THAN A CLIENT'S ACCOUNT FUNDED AT THE LEVEL RECOMMENDED BY THE ADVISOR.

#### NOTIONALLY-FUNDED ACCOUNT RISK DISCLOSURE STATEMENT

YOU SHOULD REQUEST YOUR COMMODITY TRADING ADVISOR TO ADVISE YOU OF THE AMOUNT OF CASH OR OTHER ASSETS (ACTUAL FUNDS) WHICH SHOULD BE DEPOSITED TO THE ADVISOR'S TRADING PROGRAM FOR YOUR ACCOUNT TO BE CONSIDERED "FULLY-FUNDED". THIS IS THE AMOUNT UPON WHICH THE COMMODITY TRADING ADVISOR WILL DETERMINE THE NUMBER OF CONTRACTS TRADED IN YOUR ACCOUNT AND SHOULD BE AN AMOUNT SUFFICIENT TO MAKE IT UNLIKELY THAT ANY FURTHER CASH DEPOSITS WOULD BE REQUIRED FROM YOU OVER THE COURSE OF YOUR PARTICIPATION IN THE COMMODITY TRADING ADVISOR PROGRAM.

YOU ARE REMINDED THAT THE ACCOUNT SIZE YOU HAVE AGREED TO IN WRITING (THE "NOMINAL" OR "NOTIONAL" ACCOUNT SIZE) IS NOT THE MAXIMUM POSSIBLE LOSS THAT YOUR ACCOUNT MAY EXPERIENCE.

YOU SHOULD CONSULT THE ACCOUNT STATEMENTS RECEIVED FROM YOUR FUTURES COMMISSION MERCHANT IN ORDER TO DETERMINE THE ACTUAL ACTIVITY IN YOUR ACCOUNT, INCLUDING PROFITS, LOSSES AND CURRENT CASH EQUITY BALANCE. TO THE EXTENT THAT THE EQUITY IN YOUR ACCOUNT IS AT ANY TIME LESS THAN THE NOMINAL ACCOUNT SIZE YOU SHOULD BE AWARE OF THE FOLLOWING:

1. ALTHOUGH YOUR GAINS AND LOSSES, FEES AND COMMISSIONS MEASURED IN DOLLARS WILL BE THE SAME, THEY WILL BE GREATER WHEN EXPRESSED AS A PERCENTAGE OF ACCOUNT EQUITY.
2. YOU MAY RECEIVE MORE FREQUENT AND LARGER MARGIN CALLS.
3. THE DISCLOSURE WHICH ACCOMPANY THE PERFORMANCE TABLE MAY BE USED TO CONVERT THE RATES-OF-RETURN ("ROR") IN THE PERFORMANCE TABLE TO THE CORRESPONDING ROR'S FOR PARTICULAR PARTIAL FUNDING LEVELS.

**PERFORMANCE INFORMATION**

The Commodity Futures Trading Commission requires a commodity trading advisor to disclose to prospective clients the actual performance record of all accounts for which the trading advisor has had the authority to cause transactions to be effected without the clients’ specific authorization.

**NEITHER THIS TRADING ADVISOR NOR ANY OF ITS TRADING PRINCIPALS HAS PREVIOUSLY DIRECTED ANY ACCOUNTS.**

**ROR Conversion Table for Various Levels of Funding**

<b>Actual ROR (1)</b>	<b>ROR Conversion Table for Various Levels of Funding (3)</b>				
40.00%	40.00%	50.00%	66.67%	100.00%	200.00%
35.00%	35.00%	43.75%	58.33%	87.50%	175.00%
30.00%	30.00%	37.50%	50.00%	75.00%	150.00%
25.00%	25.00%	31.25%	41.67%	62.50%	125.00%
20.00%	20.00%	25.00%	33.33%	50.00%	100.00%
15.00%	15.00%	18.75%	25.00%	37.50%	75.00%
10.00%	10.00%	12.50%	16.67%	25.00%	50.00%
5.00%	5.00%	6.25%	8.33%	12.50%	25.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-5.00%	-5.00%	-6.25%	-8.33%	-12.50%	-25.00%
-10.00%	-10.00%	-12.50%	-16.67%	-25.00%	-50.00%
-15.00%	-15.00%	-18.75%	-25.00%	-37.50%	-75.00%
-20.00%	-20.00%	-25.00%	-33.33%	-50.00%	-100.00%
-25.00%	-25.00%	-31.25%	-41.67%	-62.50%	-125.00%
<b>Funded @ (2):</b>	<b>100.00%</b>	<b>80.00%</b>	<b>60.00%</b>	<b>40.00%</b>	<b>20.00%</b>

**Notes:**

To convert an Adjusted Monthly Rate of Return in Table A to a roughly comparable rate of return based on a different level of funding (3): From the bottom row, select the approximate level of funding for which the rate of return is being determined. The rate of return in the column above the selected level of funding (2) which is in the same row at the Actual Rate of Return (1), is the conversion of that Actual Rate of Return (1) based on the selected level of funding (2).

**Marblehead Financial Group, Inc.  
300 N. State St., Suite 5704  
Chicago, Illinois 60610  
Telephone: 312-670 9700**

### COMMODITY ADVISORY AGREEMENT

THIS AGREEMENT FOR ADVISORY SERVICES is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Marblehead Financial Group, Inc., hereinafter referred to as the "Advisor" and \_\_\_\_\_ hereinafter referred to as the "Client".

THIS AGREEMENT IS ENTERED INTO BASED UPON THE FOLLOWING REPRESENTATIONS:

**The Client has speculative capital for the principal purpose of investing in commodity futures and options markets, and has been informed and is fully cognizant of the high risks associated with such investments.**

IT IS MUTUALLY AGREED:

1. The Client shall open an account and/or deposit with a futures commission merchant, hereinafter called the "Broker", funds and/or securities in the amount of \$\_\_\_\_\_, of which \_\_\_\_% or \$\_\_\_\_\_ shall be actual funds, to be managed in accordance with the terms of this Agreement. Level of trading, risk, and advisory fees will be determined by the total account size, including notional funds, and profits and losses will be calculated for purposes of this Agreement based on such total account size.
2. The Advisor will cause commodity futures market contracts and/or options on such contracts to be bought, sold, or sold short, and will have the exclusive authority to issue all necessary instructions to the Broker. All transactions shall be for the account and risk of the Client.
3. The Advisor's services are not rendered exclusively for the Client, and the Advisor shall be free to render similar services to others.
4. This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. The Advisor or Client may terminate this Agreement for any reason. Upon termination of this Agreement, the open positions in the client's account will be liquidated by the Advisor in an orderly manner.

5. The Client may add funds to the Client's account at any time and withdraw funds from his account as long as the account's equity remains above the initial or minimum account size.
6. The Client's account shall be charged for all commissions and fees arising from transactions exercised in the administration of the account.
7. The Client agrees to inform the Advisor immediately if the Client is dissatisfied with the Advisor's decisions or actions, or if the Client is dissatisfied with the Broker's handling of the account.
8. The Advisor's recommendations and authorizations shall be for the account and risk of the Client. The Advisor makes no guarantee or representation that any of his services will result in a profit to the Client. The Client has discussed the risks of futures trading with the Broker and understands those risks. The Client assumes the responsibility for losses that may be incurred.
9. The Client agrees to execute a limited trading authorization authorizing the Advisor to enter orders for futures market contracts for the client's account. It is agreed and understood by the Client that the Advisor has no responsibility for the proper execution of orders by the Broker.
10. The Client agrees to authorize the Broker to make payments for the Client's account to the Advisor in compensation for services as set forth in the Disclosure Document.
11. The Client acknowledges that Client has read a copy of the Disclosure Document, including the Risk Disclosure Statement. The Advisor makes no guarantee that any of its services will result in a profit or will not result in a loss for the Client. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein.
12. In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of this Agreement shall, nevertheless, remain in full force and effect.
13. This Agreement constitutes the entire agreement between the parties, and no modifications or amendments of this Agreement shall be binding unless in writing and signed by the parties hereto.
14. When market conditions warrant, the Advisor may reduce the number of positions normally held.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written on the first page of this Agreement.

\_\_\_\_\_  
NAME

\_\_\_\_\_  
Client Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Appendix B-1

**ACKNOWLEDGMENT OF RECEIPT OF MARBLEHEAD FINANCIAL GROUP, INC.**  
**DISCLOSURE DOCUMENT**

This is to acknowledge that I have received a copy of the Disclosure Document of Marblehead Financial Group, Inc. dated October 20, 2001.

Read and Acknowledged by:

Date: \_\_\_\_\_ Customer Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Customer Signature: \_\_\_\_\_

Appendix C-1

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name of Brokerage Firm)

**FEE PAYMENT AUTHORIZATION**

In connection with my commodity trading account (number \_\_\_\_\_) carried by you, you are hereby authorized to deduct and pay to Marblehead Financial Group, Inc. such management and incentive fees (“Fees”) as Marblehead Financial Group, Inc. may specify in writing to you from time to time.

Marblehead Financial Group, Inc. shall be solely responsible for determining the amount of such fees and you are hereby directed to comply with the instructions that you receive from the Advisor without further direction or confirmation from the undersigned. This authorization shall remain in effect until terminated by the undersigned.

Marblehead Financial Group, Inc., whose principal address is

Marblehead Financial Group, Inc.  
300 N. State St., Suite 5704  
Chicago, Illinois 60610  
Telephone: 312-670 9700  
Telefax: 312-670 9775

Client(s)

Account Number: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name typed or printed: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name typed or printed: \_\_\_\_\_

## CONFIDENTIAL QUESTIONNAIRE

The Advisor is required by NFA Compliance Rule 2-30 to request the following information from each of its customers:

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Age: \_\_\_\_\_

Current estimated  
annual income:        under \$20,000  
                              \$20,000 to \$50,000  
                              \$50,000 to \$100,000  
                              over \$100,000

Current estimated  
net worth:            0 to \$50,000  
                              \$50,000 to \$100,000  
                              \$100,000 to \$200,000  
                              over \$200,000

Investment Experience:    Securities:     yes  no        years: \_\_\_\_\_  
                                                 Futures:         yes  no        years: \_\_\_\_\_