

Notice to Traders

This Notice Is a Legal Contract, Please Read It Carefully.

This is a legal contract between EFX FINANCIAL Ltd, (hereinafter referred to as EFX) a limited liability corporation organized under the laws of New Zealand, its successors and assigns, and the party (or parties) executing this document.

In connection with opening an account to speculate and/or purchase and/or sell cash or spot foreign currency (hereinafter referred to as "Currency" or "Spot") through the OTC foreign exchange markets (hereinafter referred to as "OTCFX") with EFX, Customer (hereinafter referred to as "Trader" or "Client") acknowledges that Trader has been advised and understands the following factors concerning trading in leveraged OTCFX, in addition to those contained in the Risk Disclosure Statement which has been provided to Trader. More specifically, the terms OTCFX and Spot as used herein shall mean the purchase or sale of a foreign currency in such amounts and under such conditions that the parties may negotiate.

1. There are no guarantees to the credit worthiness of the counterparty of your Spot position. Every attempt has been made to deal with reputable creditworthy banks/clearing houses. Also, there may be certain cases in which trading liquidity decreases causing trading in a certain currency to cease, thereby preventing the liquidation of an adverse position that may result in a substantial financial loss.

2. EFX's margin policies and/or the policies of those banks/clearing houses through which trades are executed may require that additional funds be provided to properly margin Trader's account and that Trader is obligated to immediately meet such margin requirements. Failure to meet requirements may result in the liquidation of any open positions with a resultant loss. EFX also reserves the right to refuse to accept any order or guarantee a market in which to offset.

3. OTCFX business is not traded on an organized exchange and therefore does not require open-outcry. Even though quotations or prices are afforded by many computer-based component systems, the quotations and prices may vary due to market liquidity. Many electronic trading facilities are supported by computer-based component systems for the order-routing, execution or matching of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the bank and/or financial institution. Such limits may vary; you should ask the firm with which you deal for details in this respect.

4. Trading on an electronic trading system may differ not only from trading in the interbank market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that your order is either not executed according to your instructions or is not executed at all. Given the high leverage, fast-moving nature of the OTCFX market, and the risks associated with electronic trading, any discrepancies on account statement must be reported to EFX, in writing, within 24 hours of its occurrence.

Disclaimers:

a) Internet or Wireless failures:

Since EFX does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading on-line (via Internet or Mobile services).

b) Market risks and on-line trading:

Trading currencies involves substantial risk that is not suitable for everyone. See Trader Agreement for more detailed description of risks. Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

c) Password protection:

The Trader is obligated to keep passwords secret and ensure that third parties do not obtain access to the trading facilities. The Trader will be liable to EFX for trades executed by means of the Trader's password even if such use may be wrongful.

d) Quoting and Execution Errors:

Should quoting and/or execution errors occur, which may include, but are not limited to, a dealer's mistype of a quote, a quote or trade which is not representative of fair market prices, an erroneous price quote from a Trader, such as but not limited to a wrong big figure quote or an erroneous quote due to failure of hardware, software or communication lines or systems and/or inaccurate external data feeds provided by third-party vendors, EFX will not be liable for the resulting errors in account balances. In addition, orders must be placed allowing sufficient time to execute, as well as, sufficient time for the system to calculate necessary margin requirements. The execution of orders placed too close to prices, which would trigger other orders (regardless of order type) or a margin call, cannot be guaranteed. EFX will not be liable for the resulting margin call, resulting balance, and/or positions in the account due to the system not having been allowed sufficient time to execute and/or calculate accordingly. The foregoing list is not meant to be exhaustive and in the event of a quoting or execution error, EFX reserves the right to make the necessary corrections or adjustments on the account involved. Any dispute arising from such quoting or execution errors will be resolved by EFX in its sole and absolute discretion. Trader agrees to indemnify and hold EFX harmless from all damages or liability as a result of the foregoing.

e) Arbitrage:

Internet, connectivity delays, and price feed errors sometimes create a situation where the prices displayed on EFX's Trading Station and any other licensed trading platforms (hereinafter referred to collectively as "EFX Trading Station"), do not accurately reflect the market rates. The concept of arbitrage and "scalping", or taking advantage of these Internet delays, cannot exist in an OTC market where the client is buying or selling directly from the market maker. EFX does not permit the practice of arbitrage on the EFX Trading Station. Transactions that rely on price latency arbitrage opportunities may be revoked. EFX reserves the right to make the necessary corrections or adjustments on the account involved. Accounts that rely on arbitrage strategies may at EFX's sole discretion, without prior notification, be subject to dealer intervention and dealer approval of any orders and/or termination of trader's account. Any dispute arising from such arbitrage and /or manipulation will be resolved by EFX in its sole and absolute discretion. EFX reserves the right to withhold withdrawal until such matters are resolved. Any action or resolution stated herein shall not waive or prejudice any rights or remedies which EFX may have against you,

your company and its officers, all of which are expressly reserved

f) Price, Execution, and Platform Manipulation:

EFX strictly forbids any form of manipulation of its prices, execution, and trading platforms. EFX reserves the right to investigate and review any account EFX suspects of manipulation and withhold funds suspected of being derived from such activity. EFX reserves the right to make the necessary corrections or adjustments on the account involved. Accounts that are suspected of manipulation may at EFX's sole discretion be subject to dealer intervention and dealer approval of any orders and/or termination of trader's account. Any dispute arising from such arbitrage and/or manipulation will be resolved by EFX in its sole and absolute discretion. EFX at its own discretion may report such incidents to any relevant regulatory and law enforcement authority. Any action or resolution stated herein shall not waive or prejudice any rights or remedies which EFX may have against you, your company and its officers, all of which are expressly reserved.

g) Trade Execution:

All accounts of Trader will be set to either the "No Dealing Desk" ("NDD") execution or "Dealing Desk" ("DD") execution in EFX's sole and absolute discretion. Additionally, EFX exclusively reserves the right to transfer accounts from one option to the other at any time with or without notice to Trader. Traders on both DD and NDD execution may experience widened spreads and slippage under certain market conditions. NDD Orders are executed at the next best market-price available, and may involve circumstances under which the full order gets executed, and other circumstances under which only part, or perhaps even none, of the order gets executed. The NDD platform offers Trader the ability to trade directly on prices that are streaming from the multiple banks and financial institutions that provide liquidity for EFX.

All orders are subject to final approval by EFX and may be rejected at any time. EFX is compensated through the bid-ask spread regardless of whether an account is set to NDD or DD execution. In the event that EFX's liquidity providers are unable to provide such liquidity, then Trader may also lose access to streaming prices and be unable to place trades during this time. When such liquidity lapses occur, Trader agrees to indemnify EFX for any and all losses that may occur due to said volatility and/or movement in the market.

7. In OTCFX, firms are not restricted to effect exchange transactions. The firm with which you deal, such as EFX, may be acting as your counterparty to the transaction. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. For these reasons, these transactions may involve increased risks. Off-exchange transactions may be less regulated or subject to a separate regulatory regime. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks.

8. In the event that Trader grants trading authority or control over Trader's account to a third party (Trading Agent), whether on a discretionary or non-discretionary basis, EFX shall in no way be responsible for reviewing Trader's choice of such Trading Agent or for making any recommendations with respect thereto. EFX makes no representations or warranties concerning any Trading Agent; EFX shall not be responsible for any loss to Trader occasioned by the actions of the Trading Agent; and EFX does not, by implication or otherwise endorse or approve of the operating methods of the Trading Agent. If Trader gives the Trading Agent

authority to exercise any of its rights over its account, Trader does so at his own risk.

9. EFX does not control, and cannot endorse or vouch for the accuracy or completeness of any information or advice Trader may have received or may receive in the future from Referring Agent (hereby defined as the agent(s) that referred Client to EFX, and includes such referring agent, its employees, subsidiaries, sub-agents, referring agent(s) and affiliates) or from any other person not employed by EFX regarding Forex trading or the risks involved in such trading. If Referring Agent or any other third party provides Trader with information or advice regarding Forex trading, EFX shall in no way be responsible for any loss to Trader resulting from Trader's use of such information or advice. Trader understands that Referring Agent and many third party vendors of trading systems, courses, programs, research or recommendations may or may not be regulated by a government agency.

Referral Disclosure

EFX AND REFERRING AGENT ARE WHOLLY SEPARATE AND INDEPENDENT FROM ONE ANOTHER. THE AGREEMENT BETWEEN EFX AND REFERRING AGENT DOES NOT ESTABLISH A JOINT VENTURE OR PARTNERSHIP AND REFERRING AGENT IS NOT AN AGENT OR EMPLOYEE OF EFX.

1. EFX does not control, and cannot endorse or vouch for the accuracy or completeness of any information or advice Client may have received or may receive in the future from Referring Agent or from any other person not employed by EFX regarding foreign currency or exchange ("Forex") trading or the risks involved in such trading.

2. EFX provides risk disclosure information to all new Clients when they open accounts. Client should read that information carefully, and should not rely on any information to the contrary from any other source.

3. Client acknowledges that no promises have been made by EFX or any individual associated with EFX regarding future profits or losses in Client's account. Client understands that Forex trading is very risky, and that many people lose money trading.

4. If Referring Agent or any other third party provides Client with information or advice regarding Forex trading, EFX shall in no way be responsible for any loss to Client resulting from Client's use of such information or advice.

5. To the extent Client has previously been led to believe or believes that utilizing any third party trading system, course, program, research or recommendations provided by Referring Agent or any other third party will result in trading profits, Client hereby acknowledges, agrees and understands that all Forex trading, including trading done pursuant to a system, course, program, research or recommendations of Referring Agent or another third party involves a substantial risk of loss. In addition, Client hereby acknowledges, agrees and understands that the use of a trading system, course, program, research or recommendations of Referring Agent or another third party will not necessarily result in profits, avoid losses or limit losses.

6. Client understands that Referring Agent and many third party vendors of trading systems, courses, programs, research or recommendations are not regulated by a government agency.

7. Because the risk factor is high in foreign currency transactions trading, only genuine "risk" funds should be used in such trading. If Client does not have the extra capital the Client can afford to lose, Client should not trade in the foreign currency markets.

8. Client understands and acknowledges that EFX may compensate Referring Agent for

introducing Client to EFX and that such compensation may be on a per-trade basis or other basis. Such compensation to the Referring Agent may require the Customer to incur a mark-up, above and beyond the ordinary spread generally provided by EFX. Further, the Client has a right to be informed of the precise nature of such remuneration.

9. Client understands and agrees that if Client's account with EFX is introduced by Referring Agent that Referring Agent may be provided access to certain personal information about Client as well as certain information concerning trading activity in Client's EFX account. Referring Agent shall not have the right to enter into any trades on Client's EFX account unless specifically authorized by Client through execution of a limited power of attorney granting Referring Agent authority to make trading decisions for Client's account.

Should you have any questions regarding the risks of trading in foreign currency, please contact EFX representative.