

LETTER OF DIRECTION

Customer has entered into a Customer Agreement with Peregrine Financial Group, Inc. ("PFGBEST") to carry one or more accounts of Customer and to provide services to Customer in connection with the purchase and sale of cash commodities (including financial instruments), commodity futures contracts, options on cash commodities, options on futures contracts, off-exchange foreign currency ("FOREX") contracts, options on FOREX contracts and forward or leverage contracts and any similar instruments which may be purchased or sold by or through PFGBEST for Customer's account. All provisions of the Customer Agreement shall remain in full force and effect.

Customer has provided PFGBEST or its Introducing Broker ("IB") with a trading system and/or trading newsletters that is of Customer's own devise, or that Customer has purchased one or more trading systems developed by an independent third-party system developer, or alternatively Customer subscribes to one or more independent trading newsletters (collectively referred to as the "System"). Customer has relied on his/her own judgement to choose the System and acknowledges that neither PFGBEST nor its agents, brokers, IBs, affiliates or employees have analyzed the System in any way.

Customer hereby direct and grant discretion to PFGBEST or IB to enter trades for Customer's account in accordance with trading signals generated by the System. In consideration of PFGBEST accepting Customer's Letter of Direction, Customer acknowledges and agrees to the following terms and conditions:

1. PFGBEST and/or its IB will accept limited power of attorney for Customer's account and thereon to enter orders for Customer's account in accordance with the trading signals generated by the System. Customer authorizes PFGBEST to enter orders pursuant to the System. Customer understands that futures, options on futures, FOREX and options on FOREX in any contract market, as designated by the System, may be traded in Customer's accounts in accordance with Customer's grant of limited power of attorney.

2. If the System is a third-party developed system, Customer authorizes PFGBEST and/or its IB to incorporate revisions, upgrades or enhancements provided to it by the system developer. If the System is a trade recommendation service or hotline, Customer has arranged for the originator of the service or hotline to transmit by facsimile, tape-recorded telephone message or otherwise, the trade signals to be executed for Customer's account.

3. If more than one PFGBEST client is using the same System, Customer authorizes and acknowledges that PFGBEST either or its IB may enter block orders to enhance order execution, in which case a fair and systematic fill allocation method will be employed. Customer understands and acknowledges that PFGBEST will be responsible only for using its best efforts to execute, in a timely fashion, signals generated by the System.

4. Neither PFGBEST nor IB shall be responsible for mechanical or communication line failure, system errors, or any other cause beyond its control. Such breakdown in communication and/or equipment might result in missed signals or the inability to place an order for execution or liquidation. Customer agrees to hold PFGBEST harmless for missed signals or other errors that occur in the administration of the System. Further, Customer acknowledges that PFGBEST can accept and transmit orders only if actually received or generated and then on a "not held" basis, i.e., PFGBEST shall not be held responsible for the execution of the order at the price indicated or otherwise.

5. Customer understands and agrees that the System might generate more trades in any given day than would normally be acceptable in accordance with National Futures Association's guidelines concerning account equity to commission ratios. Customer further acknowledges that he/she has been apprised of the volume of trading and resulting commissions to be generated by the System and the impact this may have on the System's performance. Customer fully understands the limitations of hypothetical back-testing and real-time track records in predicting future performance and acknowledges that PFGBEST and its agents, brokers, introducing brokers, affiliates or employees do not prepare and cannot be responsible for representations made in promotional materials provided to Customer by third parties.

6. Customer acknowledges that he/she is aware of the speculative nature and the high risks associated with commodity and/or FOREX trading in general and options trading in particular. Customer has provided the ideas, techniques and trading parameters used in the System, or alternatively, if it is an independent third-party developed system, trade recommendations service or hotline, Customer understands the System's trading

parameters. Customer agrees that he/she have had the opportunity to ask questions on how Customer's account will be handled. Neither PFGBEST nor any of its agents, brokers, IBs, affiliates or employees recommend or gauge the ability of the System.

7. Customer acknowledges that neither PFGBEST nor its IB can guarantee that the trades made pursuant to the System will parallel trades shown by the system creator on his track record. In some instances, trades reflected on a track record may, in fact, have been unable to be executed due to market conditions. Customer acknowledges that he/she has not purchased the System from PFGBEST or any of its agents, brokers, introducing brokers, affiliates or employees. Customer understands that there is no trading system or trading advice free from the risk of loss and that no one can guarantee profits or freedom from loss in commodity and/or FOREX trading. Neither PFGBEST nor any of its agents, brokers, introducing brokers, affiliates or employees can imply or guarantee that Customer will make a profit. Customer agrees that neither PFGBEST nor its agents, brokers, introducing brokers, affiliates or employees will be held responsible for the performance of the System or trading losses in Customer's account.

8. Customer agrees that, in the absence of willful or wanton misconduct or gross negligence, neither PFGBEST nor any of its principals, officers, directors, employees, consultants, agents or affiliates will be liable for any act or omission in the course of or in connection with Customer's participation in the System. Customer shall indemnify PFGBEST, its principals, officers, directors, employees, consultants, agents or affiliates from all liability (including reasonable attorney's fees) incurred resulting from this letter of direction to execute the System and any activities taken in connection therewith.

9. PFGBEST and IB may act upon the authority given by this letter until Customer revokes the authority by tendering and delivering written notice to PFGBEST or IB. Customer agrees to accept responsibility for any and all open contracts in Customer's account at the time of revocation and authorizes PFGBEST to enter offsetting orders for such contracts at Customer's expense.

10. **FEE AUTHORIZATION:** Customer understands and agrees that PFGBEST shall not be required to pay any funds as a result of the system provider's instructions if there are not sufficient funds in the account. Additionally, PFGBEST is under no obligation to determine the accuracy or appropriateness of the invoice; rather, PFGBEST may rely and act upon the System Provider's statement without further inquiry. Customer authorizes PFGBEST to pay from Customer's account the following:

System Name: _____

Fee Amount: \$ _____

Payable (check one): ___ Monthly
 ___ Quarterly
 ___ One Time

11. ADDITIONAL RISK DISCLOSURE AND DISCLAIMER: The purpose of this risk disclosure is to inform you that, to the extent you have been solicited to trade futures contracts, options contracts or spot foreign currencies ("forex"), or you have been provided advertising and/or marketing materials to trade such products (collectively, the "Materials"), by a firm other than the IB or PFGBEST, you acknowledge and agree that you will not rely upon those Materials in opening an account with PFGBEST.

Rather, in opening an account through the IB through PFGBEST, you acknowledge and agree that you will rely solely upon the information that the IB and PFGBEST provides to you. Thus, all prior third-party Materials provided to you are superseded by the information and disclosures provided by the IB or PFGBEST. Further, you acknowledge that neither IB nor PFGBEST was involved in the preparation of the Materials and neither the IB nor PFGBEST approves or endorses any third-party Materials.

The providers of the Materials may not be registered to conduct business in futures, options or forex. As a result, their Materials may not satisfy the requirements established by the Commodity Futures Trading Commission ("CFTC") or the National Futures Association ("NFA"). By contrast, the IB and PFGBEST are registered with the CFTC and are members of the NFA, and thus their information and disclosures comply with the requirements of the

CFTC and NFA. In opening an account with the IB and PFGBEST, you are required to disregard any prior Materials provided to you by any firm other than the IB and PFGBEST.

Irrespective of any information that you may have been previously provided, the trading of futures, options and forex involves substantial risk of loss and may not be suitable for you. The valuation of futures, options and forex positions may fluctuate. As a result, you may lose more than your original investment. The high degree of leverage in futures, options and forex trading may work against you as well as for you. Leverage can lead to large losses as well as gains. Only funds that you can afford to lose should be used to trade futures, options and/or forex.

Customer acknowledges that he is aware of the additional risk in using a third party system developer and accepts such risk and agrees to hold PFGBEST and its IB harmless from any loss Customer incurs as a result of utilizing a third party system.

Customer Signature

Print Name

Date

Customer Signature

Print Name

Date

(Attach a copy of this page for additional Customer Signatures)

LETTER OF DIRECTION VENDOR INFORMATION

For each individual or entity that PFGBEST or IB is executing a Letter of Direction for Customer's account, please complete fully the following information:

Letter of Direction Vendor Name: _____

Letter of Direction Vendor's Address:

Street: _____ Apartment/Suite: _____

City: _____ State: _____ Zip: _____

Letter of Direction Vendor's Telephone Number: _____

Letter of Direction Vendor's E-Mail Address: _____

Letter of Direction Vendor's Website Address: _____

Contact Person at Letter of Direction Vendor: _____

Date of Birth of Contact Person at Letter of Direction Vendor: _____

Letter of Direction Vendor's Country of Organization: U.S. Yes, No. If no, list country where Vendor is incorporated: _____

Letter of Direction Vendor's Social Security Number or Tax ID Number: _____

List Registration Capacity of Letter of Direction Vendor with the CFTC or SEC:

(Please provide a list of the sponsors and date of such affiliations)

NFA ID# (if applicable): _____