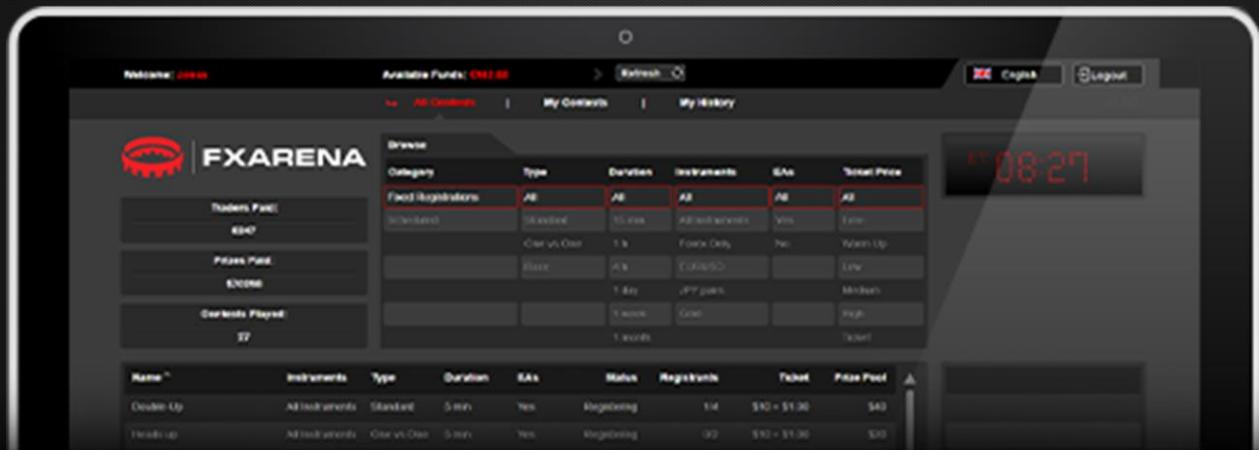


FXARENA



Risk Disclosure Statement



Risk Disclosure Statement

In consideration of FXARENA agreeing to enter into Over-the-Counter (“OTC”) Foreign exchange Contracts with the undersigned (hereinafter referred to as the “Customer”), Customer acknowledges, understands and agrees that:

1. Trading Is Very Speculative and Risky. Foreign Exchange Trading is highly speculative and suitable only for those customers who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume losses significantly in excess of Margin or deposits. Foreign Exchange is not an appropriate investment for retirement funds. Customer represents, warrants and agrees that Customer understands these risks; that Customer is willing and able, financially and otherwise, to assume the risks of Foreign Exchange Trading and that loss of Customer’s entire Account Balance will not change Customer’s life style.

2. High Leverage And Low Margin Can Lead To Quick Losses. The high leverage and low Margin associated with Foreign Exchange Trading can result in significant losses due to price changes in Foreign Exchange Contracts, Cross Currency Contracts. Customers must maintain the Minimum Margin Requirement on their Open Positions at all times. It is the customer’s responsibility to monitor his/her Account Balance. FXARENA has the right to liquidate any or all Open Positions whenever the Minimum Margin Requirement is not maintained. Increasing leverage increases risk.

3. Prices, Margin And Valuations Are Set By FXARENA And May Be Different From Prices Reported Elsewhere. FXARENA will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements. Although FXARENA expects that these prices will be reasonably related to prices available in the interbank market, prices reported by FXARENA may vary from prices available to banks and other participants in what is known as the interbank market. FXARENA will exercise considerable discretion in setting and collecting Margin. FXARENA is authorized to convert funds in Customer’s Account for Margin into and from such Foreign Currency at a rate of exchange determined by FXARENA in its sole discretion on the basis of then-prevailing money market rates.

4. Telephone Orders And Immediate Execution. Market Orders executed through the FXARENA Trading Desk are completed when FXARENA says “deal” or “done.” At that point Customer has bought or sold and cannot cancel the Market Order. By placing Market Orders through the FXARENA Trading Desk, Customer agrees to such immediate execution and accepts the risk of this immediate execution feature.

5. Market Recommendations Are Informational, Customer Makes Independent Decisions, And FXARENA Is Not An Adviser Or A Fiduciary To Customer. The market recommendations provided by FXARENA do not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any Foreign Exchange Contracts, Cross Currency Contracts. Each decision by Customer to enter into a Contract or other transaction with FXARENA and each decision whether a Contract or other transaction is appropriate or proper for Customer is an independent decision by Customer. FXARENA is not acting as an advisor or serving as a



fiduciary to Customer. Customer agrees that FXARENA has no fiduciary duty to Customer and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Customer following FXARENA trading recommendations or taking or not taking any action based upon any recommendation or information provided by FXARENA.

6. Recommendations Are Based On Personal Judgments And Are Not Guaranteed. The market recommendations of FXARENA are based solely on the judgment of FXARENA personnel. These market recommendations may or may not be consistent with the market positions or intentions of FXARENA, its affiliates and employees. The market recommendations of FXARENA are based upon information believed to be reliable, but FXARENA cannot and does not guarantee the accuracy or completeness thereof or represent that following such recommendations will reduce or eliminate the risk inherent in Foreign Exchange.

7. There is no Central Market or Clearinghouse Guarantee of Payment. Each Contract is a contract directly between FXARENA and the Customer. There is no clearinghouse and no guarantee by any other party of FXARENA payment obligations to the customer. Customer must look only to FXARENA for performance on all Contracts in Customer's Account and for return of any Margin or Collateral.

8. No Guarantees Of Profit. There are no guarantees of profit or freedom from loss in Foreign Exchange Trading. Customer has received no such guarantees from FXARENA or from any of its representatives. Customer is aware of the risks inherent in Foreign Exchange Trading and is financially able to bear such risks and withstand any losses incurred.

9. Customer May Not Be Able To Close Open Positions. Due to market conditions or other circumstances FXARENA may be unable to close out Customer's position at the level specified by Customer, and Customer agrees FXARENA will bear no liability for failure to do so.

10. Third Party Agents. In the event that Customer grants trading authority or control over Customer's Account to a third party (the "Trading Agent"), whether on a discretionary or non-discretionary basis, FXARENA shall in no way be responsible for reviewing Customer's choice of such Trading Agent or for making any recommendations with respect thereto. FXARENA makes no representations or warranties concerning any Trading Agent; FXARENA shall not be responsible for any loss to Customer occasioned by the actions of the Trading Agent; and FXARENA does not, by implication or otherwise, endorse or approve of the operating methods of the Trading Agent. If Customer gives the Trading Agent authority to exercise any of its rights over its Account, Customer does so at Customer's risk. Even though the undersigned grants authority to Trading Agent, client should be diligent and closely scrutinize all account activity.

11. Internet Trading. Since FXARENA does not control signal power, its reception or routing via Internet, configuration of Customer's equipment or reliability of its connection, FXARENA shall not be liable for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any breakdown or failure of any transmission or communication



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system or computer facility or trading software, whether belonging to FXARENA, Customer, any market, or any settlement or clearing system when Customer trades online (via Internet).

12. Telephone Orders. FXARENA is not responsible for disruption, failure or malfunction of telephone lines.

13. Quoting Errors. Should a quoting error occur due to a mistype of a quote or a misquote given by telephone and/or electronic means (including responses to Customer requests), FXARENA is not liable for any resulting errors in Account Balances and reserves the right to make necessary corrections or adjustments on the Account involved. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by FXARENA, in its sole discretion, of the relevant Currency at the time such an error occurred. In cases where the prevailing market represents prices different from the prices FXARENA has posted on our screen, FXARENA will attempt, on a best efforts basis, to execute trades on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer Statements. This may or may not adversely affect customer realized and unrealized gains and losses.