

Account Documents

Additional Risk Disclosure

Cleared through Penson GHCO

Additional Risk Disclosure

1. You acknowledge that trading in commodity futures and options is speculative and involves a high degree of risk, and that no promises or representations regarding profits or limitation of losses have been made by Variance Futures LLC or its employees or agents (collectively, "Variance"). Because of the complexity, only genuine risk capital should be used for trading.
2. No representation is made that taking educational commodity courses, paper trading or online simulated trading will increase your chances of success in trading futures. Simply because a subscriber of the educational publication follows its methodologies does not mean that the customer's trading will be profitable or losses will be limited. As a result, customer acknowledges that the high degree of risk involved in commodity futures and options trading is not lessened by having subscribed to materials of any educational service or paper traded and does not guarantee or assure that the customer will make a profit or limit his losses.
3. You acknowledge that you shall not receive any trading recommendations by Variance or its agents and employees, and that any trading recommendations received shall not be relied upon by you for accuracy. You must make your own independent determination as to the advisability of a particular trade, or rely on the independent advice of a CTA or other account manager not affiliated with Variance.
4. It has been widely reported that most futures and options traders lose money. Variance, its agents and employees have no reason to believe that individuals who subscribe to educational commodity courses, attend seminars, and/or workshops perform any better than other futures and options traders.
5. You acknowledge that you have exercised independent judgment in selecting a futures brokerage firm, and that opening an account with Variance is purely optional and voluntary.
6. This additional risk disclosure document is supplemental to all other risk disclosure documents provided to you by Variance, but does not replace any other risk disclosures given to you when opening your account. In the event of a conflict of terms between this disclosure and your Customer Agreement or Risk Disclosure, the Customer Agreement or Risk Disclosure offered by your clearing firm controls.
7. Variance encourages you to check your equity runs daily to determine its accuracy or report any errors. You are limited to 24- hours in which you can report errors contained in the equity run. If you do not understand how to read your equity run, please contact your broker or our Customer Service Department for assistance. If your account is being traded by someone other than yourself, it is imperative that you check your equity runs as soon as possible to correct any errors. If you are not receiving or are unable to access your equity runs on a daily basis, even if someone else is trading your account, please contact us immediately; otherwise, we will assume you have correctly received it.
8. Most open outcry and electronic trading facilities are supported by computer-based systems for their order-routing, executing, matching, response times, security, registration, clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. In the event of a system or component failure, it is possible that you may not be able to enter new orders, execute existing orders, or

modify or cancel orders that were previously entered. You may also experience loss of orders or order priority. Your ability to recover certain losses as a result of such failures is limited by the system providers, the exchanges, the clearing firms, and Variance.

9. Accounts in which you have assigned someone else power of attorney to trade your account (“POA”), that account must only be traded by the POA and not by both you and your POA at the same time. This is to avoid confusion and mistakes between the two parties. If the Customer wants to trade his own account, he should open a second account and allow the POA to continue trading the first account, or remove the POA as having authority to trade the account. Variance is not responsible for trading errors or entries as a result of both parties trading the same account. POAs must be revoked by the account owner(s) in writing in order to be effective.
10. When you place an order through Variance’s trade desk, that order may NOT be entered into your online order execution platform. It is your responsibility to keep track of all orders, including all trades executed with the trade desk, and for knowing your positions at all times. Variance is authorized to rely solely on your representations and the information shown on our computer system. While this information is deemed reliable, Variance makes no guarantees as to the accuracy of the information provided. If you would like your trades placed with the trade desk to be shown on your online order execution platform, it is your responsibility to contact Variance and request an “external fill.”
11. Variance is authorized by you to accept oral telephonic orders as you or your authorized agent may give for transactions in your account(s). You hereby waive any defense that such order was not in writing or evidenced by a memorandum in writing as required by the Statute of Frauds or any other statute. Although authorized, Variance is not required to accept oral or telephonic orders. Variance is further authorized to record, whether by tape, wire or other method, with or without a periodic tone signal, any and all telephonic or other oral communications between Variance and you and/or your authorized agents, with or without notice thereof.
12. Trade Desk execution Service Fee: There will be a service fee of \$5.00 assessed to your account for each contract executed for your account by the Variance Trade Desk. This service fee will be waived for all contracts executed as a direct result of a system failure in either the FCM or exchange electronic order entry system.
13. By your signature below, you agree that in any action brought by you against Variance, its agents and employees, or its clearing firm, with which it has contractual and indemnification responsibilities, in which Variance or its clearing firm prevails, to reimburse Variance for all legal fees and costs, including attorneys’ fees, expended in conjunction with such matter, including indemnification cost between Variance and its clearing firm(s). By your signature below you are hereby waiving your right to contest this provision.
14. This brief statement does not disclose all of the risks associated with trading in futures and options. Customers should undertake commodity trading only if they fully understand the nature of the contract and contractual relationship into which they are entering and the extent of their capital exposure risk. Trading in futures and options is not suitable for everyone. Customers are advised to carefully consider

whether trading is appropriate for them in light of their experience, objectives, financial resources and other relevant circumstances.

15. Accounts are required to maintain a minimum account balance of \$1,000.00. Accounts that do not meet the minimum account balance at the close of the last business day of the month will incur a \$15.00 monthly maintenance fee.
16. You understand that Variance has the sole and absolute discretion and the right to limit positions in your account(s), to decline to accept any orders, and to require that your account(s) be transferred to another firm. You understand that if you do not promptly transfer your positions upon Variance's demand, Variance reserves the right to liquidate positions in your account(s) at its sole and absolute discretion.
17. You agree to maintain such margin as Variance may require in its sole and absolute discretion with respect to your account(s). Margin requirements may be increased without notice in Variance's sole and absolute discretion and may differ from those established by the exchange on which the transaction is executed and the clearing firm at which your account is held. Margin requirements are subject to change without notice and will be enforced retroactively and prospectively. You shall make deposits of margin as Variance requests within a reasonable time after such a request. It is agreed and understood that one hour may be deemed to be a reasonable time; provided, however, that Variance, in its sole and absolute discretion, may require that deposits be made in a lesser period of time. Variance's failure to require satisfaction of a margin call within one hour, or any lesser period, on any occasion shall not be deemed to be a waiver of its right to do so in the future. You shall provide Variance with any information deemed reasonable and prudent for immediate verification of wire transfers.
18. In the event you fail to deposit sufficient funds to pay for any futures and/or commodities and/or to satisfy any demands for initial and/or variation margin, or whenever, in Variance's sole and absolute discretion it considers it necessary, Variance may, without prior demand or notice and notwithstanding any rule of any exchange, liquidate and/or hedge the positions in your account(s). Such sale or purchase may be made without advertising or notice to you and in such a manner as Variance may, in its sole and absolute discretion, determine, and no demands, tenders or notices which Variance may make or give shall invalidate your aforesaid waiver. If liquidation is deemed necessary a liquidation fee of \$25.00 per contract will be assessed to your account and risk. You agree that Variance has no duty and is not required to liquidate positions in your account(s) and that the provisions of this paragraph are solely for the protection of Variance.
19. You acknowledge that you shall be liable for all losses in your account(s) whether or not your account(s) is liquidated for any debts and deficiencies, including, but not limited to, interest, costs, expenses, maintenance fees, exchange rates, margin call fees, liquidation fees, and attorneys' fees, including all debts and deficiencies resulting from a liquidation of your account(s).
20. Special Risk Disclosure Document for System Traders: [CFTC Rule 4.41(b)(1)(I)] Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not been executed, the results may have under or over compensated for the impact, if any, of certain market factors, such as lack of

liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses. There have been no promises, guarantees or warranties suggesting that any trading will result in a profit or will not result in a loss.

I have read, understood and consent the foregoing:

Print Name of Account: _____

Signature of Account Holder: _____ Joint Applicant's Signature: _____