SHORT SELLING STRATEGY
DISCLOSURE STATEMENT

"**Short Selling**" is a strategy that means to sell something that you do not already own. An investor may short a security if he/she believes the price of that stock will go down, and he/she can soon buy it back at a lower price than he/she sold it at. When you buy back a short position, you "close your short position."

It is important that you consider the following points before engaging in "Short Selling" activities:

Short Selling is extremely risky. You should be prepared to lose all of the funds that you use for "Short Selling", as the downside is limitless. In particular, you should not fund short selling activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required for current income to meet your living expenses.

Be cautious of claims of large profits from "Short Selling". You should be wary of advertisements or other statements that emphasize the potential for large profits in "Short Selling". "Short Selling" can also lead to large and immediate financial losses.

"Short Selling" requires knowledge of securities markets. "Short Selling" requires in-depth knowledge of the securities markets and trading techniques and strategies in attempting to profit through "Short Selling"; you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in "Short Selling".

"Short Selling" requires knowledge of a firm's operations. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. You should confirm that a firm has adequate systems capacity to permit customers to engage in short selling activities.

"Short Selling" may result in your paying larger commissions. "Short Selling" may require you to trade your account aggressively, and you may pay commissions on each trade. The total daily commissions that you pay on your trades may add to your losses or significantly reduce your earnings.

"Short Selling" on margin may result in losses beyond your initial investment:
When you engage in "Short Selling" with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your short term strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

My current annual income is _____ My net worth (exclusive of home is_____

I have short selling experience of _____ years My total assets invest in the market are_____

I/We have read and fully understand the above disclosure and accept the risks associated with "Short Selling" and state that I/We have significant income, net worth and investment experience in order to participate in "Short Selling" technique.

_____ _____ _____
Client Signature Date Account Number

_____ _____
Joint Signature Date

_____ _____
Compliance Approval Date