

LETTER OF DIRECTION

Customer has entered into a Customer Agreement with Peregrine Financial Group, Inc. ("PFG") 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 and forward or leverage contracts and any similar instruments which may be purchased or sold by or through PFG for Customer's account. All provisions of the Customer Agreement shall remain in full force and effect.

Customer has provided PFG 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 PFG nor its agents, brokers, IBs, affiliates or employees have analyzed the System in any way.

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

1. PFG 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 PFG to enter orders pursuant to the System. Customer understands that futures and options on futures 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 PFG 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 PFG client is using the same System, Customer authorizes and acknowledges that PFG 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 PFG will be responsible only for using its best efforts to execute, in a timely fashion, signals generated by the System.

4. Neither PFG 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 PFG harmless for missed signals or other errors that occur in the administration of the System. Further, Customer acknowledges that PFG can accept and transmit orders only if actually received or generated and then on a "not held" basis, i.e., PFG 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 PFG 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 the commodity 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 PFG nor any of its agents, brokers, IBs, affiliates or employees recommend or gauge the ability of the System.

