

LIMITED POWER OF ATTORNEY FOR
FOREIGN EXCHANGE TRANSACTIONS

This Limited Power of Attorney for Foreign Exchange Transactions (“LPOA”) is made by _____ (hereinafter referred to as “Customer”) to Peregrine Financial Group, Inc. (“PFG”) this ___ day of _____, 200_.

WHEREAS, the Customer desires and is permitted to engage in speculative trading in over-the-counter foreign exchange (currencies) on a cash, spot, or forward basis (“Foreign Exchange”).

WHEREAS, the Customer represents that he has speculative capital for the principal purpose of trading in Forex Transactions and has been informed and is fully cognizant of the possible high risks associated with such investments. As used in this LPOA, “Forex Transaction” shall mean any transaction involving the purchase and sale of foreign currencies for spot or forward delivery or a currency option in the interbank market.

WHEREAS, the Customer desires to grant PFG the limited power of attorney to retain trading advisors (individually, an “Advisor” and collectively the “Advisors”) to direct transactions on behalf of the Customer involving the purchase and sale of foreign currencies for spot or forward delivery and currency options subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the above recitals, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Customer’s Account. Customer will open a Foreign Exchange trading account (“the Account”) with PFG with an initial deposit of _____ U.S. dollars (\$_____). Such Account may be subject to one or more prime brokerage or give-up agreements. The initial deposit, all subsequent deposits to and withdrawals from the Account, and all transactions effected in the Account shall be subject to this LPOA. Customer agrees to give at least seventy-two hours written notice of any change in allocation and that additions, as well as withdrawals, are subject to the policies of PFG and the Advisors. All provisions of the Customer Agreement between PFG and Customer shall remain in full force and effect and shall control.
2. Authorization of PFG and Advisors. Customer authorizes PFG to: (i) retain (and dismiss) Advisors to enter orders on behalf of the Account for Forex Transactions; (ii) determine and modify allocations made to the Advisors on a continuing basis from time to time and without prior consultation with Customer and without prior notice to or approval from Customer; and (iii) execute documents with Advisors on Customer’s behalf in connection with the foregoing. All of PFG’s acts pursuant to this LPOA shall be in the name of and for the sole account and risk of Customer. The Parties acknowledge that the Advisors are independent third parties and not owned by or affiliated with PFG. All Forex Transactions that are entered by the Advisor may be entered in the Advisor’s sole discretion, without prior notice to, or consent of, the Customer. An

Advisor shall have the power and authority to: (i) issue instructions to purchase or sell or otherwise deal in Forex Transactions for the account and risk, and in the name of, the Customer; (ii) purchase from or sell to PFG the specified foreign currencies for the account and risk, and in the name of, the Customer; and (iii) generally perform any other act incidental to the foregoing; provided, however, that such authority shall not include the power to order any payment, in U.S. dollars, any foreign currency, or otherwise, to the Advisor not otherwise agreed to herein.

3. Risk of Loss and Stop-Loss Orders. The parties agree that the Customer shall bear all risk of gain or loss in the Account and all expenses of the Account. No assurance can be given that either PFG's limited discretion or that advice of the Advisors will result in profits or will not result in losses for the Customer. If the realized and/or unrealized losses exceed 50% of the Customer's deposit(s) to the Account, as of the end of any business day, PFG will instruct the Advisors to cease trading in the Account immediately and contact Customer for additional instructions. The Advisors may use stop-loss orders; however, in the event that a stop-loss order is placed, there can be no assurance that the stop-loss order will protect the Account against losses.

4. Reports and Records. PFG shall furnish to the Customer monthly reports detailing the trading activity and balance of the Account and the Trading Profits (as defined below) experienced by the Account.

5. Compensation. PFG shall receive a performance fee for its services equal to ___% of the Trading Profits experienced by each Advisor calculated for each month as set forth below. PFG will pay a portion of the performance fee to the Advisor as their performance fees. PFG may receive additional fees as disclosed in Exhibit A attached hereto. The term "Trading Profits" shall mean:

(a) Forex Transaction trading profits (realized and unrealized) net of losses (realized and unrealized) earned on the Account by each Advisor,

(b) decreased by all brokerage and other transaction costs and directly related expenses paid or payable by the Customer in connection with each Advisor's Forex Transaction trading for the Customer, but before reduction for accrued performance fees, with all such Forex Transaction trading profits, losses and items of decreased determined from the end of the last month at which a performance fee shall have been earned by the applicable Advisor on the Account (or if no performance fee shall have been earned previously on the Account, from the day that the applicable Advisor began directing Forex Transactions on behalf of the Customer) to the end of the month for which the performance fee calculation is being made. The Customer acknowledges that portions of the performance fees are calculated separately on the basis of each Advisor's trading performance and that fees may be payable even if the Account on an aggregate basis has not realized any Trading Profits.

(c) At any time upon a withdrawal from the Account other than at the end of a month, PFG will receive any accrued performance fee proportional to the amount of assets so withdrawn. Trading Profits will be correspondingly reduced for purposes of determining the performance fee due at the end of such month. For purposes of determining Trading Profits, if

there is a cumulative loss when a withdrawal is made from the Account, such loss shall be reduced by the proportionate amount of the loss attributable to the Account being withdrawn.

(d) Fees paid to PFG, once paid, are not subject to return, irrespective of subsequent losses. No subsequent payment based on Trading Profits shall be made to PFG, however, until the Account has again experienced Trading Profits. If this LPOA is terminated on a date other than a month-end, the performance fee described above will be determined as if such date were the end of a month.

(e) The Customer hereby authorizes PFG to withdraw the fees owed by the Customer from the Account upon receipt of an invoice from PFG. Customer acknowledges that PFG will also receive mark-up fees and/or commissions associated with each transaction entered in Customer account not to exceed \$200 per million USD Forex Transactions traded. Customer shall refer to Exhibit A outlining actual rates charged to Customer.

(f) The Customer acknowledges that PFG performs the services contemplated hereunder for other customers and may charge different fees than charged to the Customer under this LPOA.

6. Risks. All Forex Transactions directed by the Advisors hereunder shall be in the name and for the account and risk of the Customer. The Customer understands and acknowledges that Forex Transactions involve conflicts and a substantial risk of loss due to, among other factors, the fact that such transactions are executed through PFG acting as a principal; that Forex Transactions generally are not regulated by banking authorities or other U.S. regulatory agencies; that trading in Forex Transactions may be highly illiquid and an unusually wide spread may exist between the price at which a counterparty is willing to purchase and sell particular foreign currencies; and that credit controls may be imposed by governmental authorities or other actions taken by governmental authorities which may significantly increase the risk of loss to the Customer or affect the ability of any party to fulfill its obligations to the Customer. The Customer further acknowledges that PFG makes no guarantee whatsoever that the Forex Transactions contemplated hereunder will be profitable or will not result in losses.

7. Conflicts of Interest.

(a) The Advisors, and their respective principals, employees, agents and affiliates may manage the accounts of customers. If the Advisors place the same or similar orders at or about the same time for its customers' accounts, all such accounts may compete for the same or similar positions and, depending upon whose order is placed first, the difference in timing may result in some accounts receiving better prices than other accounts.

(b) In addition, the Advisors may have a conflict of interest in rendering advice to Customer because the financial benefit from managing other customers' accounts may be greater, which may provide an incentive to favor such other accounts. While the Advisors might have an incentive to favor another customer over Customer, the Advisors will not knowingly do so.

(c) A potential conflict of interest exists in that PFG earns profits from commissions generated by trading volume. As the clearing firm, PFG will charge commissions, including in the form of a mark up. However, PFG will not select Advisors based on its trading volume or on the likelihood that the Advisor will generate losing trades for customers, including Customer.

8. Representations and Warranties.

(a) PFG represents and warrants the following to the Customer:

(1) PFG is duly formed as a corporation under the laws of the State of Iowa, authorized to do business in Illinois.

(2) PFG has the power to execute and deliver this LPOA and any other documentation relating to this LPOA and to perform its obligations under this LPOA and has taken all necessary action to authorize such execution, delivery and performance. Such execution, delivery and performance do not violate or conflict with any law applicable to PFG, the constitutional documents of PFG, any order or judgment of any court or other governmental agency, or any contractual restriction binding on or affecting PFG.

(b) The Customer represents and warrants the following to PFG:

(1) The Customer is aware of the highly speculative nature of, and risks of loss inherent in, Forex Transactions and is financially capable of engaging in such trading.

(2) The Customer has significant additional assets beyond the value of the Account and any funds that may in the future be committed to the Account. Further, Customer represents and warrants that he is financially able to accept the risks of Forex Transactions and to bear the loss of the funds deposited in the Account.

(3) The Customer acknowledges that it, and not PFG or the Advisors, is responsible for making any and all margin payments and paying all commissions and other fees, costs, and expenses charged to the Account.

(4) The Customer acknowledges that any losses from the transactions in the Account are the sole responsibility of Customer and not PFG or the Advisors.

(5) The Customer acknowledges that PFG makes no guarantee or representation that the Account will be profitable.

(6) The Customer acknowledges that the advice and transaction effected by Advisors may be subject to the Commodity Exchange Act, the regulations of the Commodity Futures Trading Commission, or the rules of the National Futures Association.

(7) The Customer, if an entity, is duly formed under the laws of the jurisdiction in which it is organized. The Customer, if an individual, is of legal age to be bound by this LPOA and is legally competent, and that no other person has, or will have as a result of any action of Customer, any interest in or right to the Account, except as fully disclosed to PFG in the Account Agreement.

(8) The Customer has the power to execute and deliver this LPOA and any other documentation relating to this LPOA and to perform its obligations under this LPOA and has taken all necessary action to authorize such execution, delivery, and performance. Such execution, delivery and performance do not violate or conflict with any law applicable to the Customer, the constitutional documents (if any) of the Customer, any order or judgment of any court or other governmental agency, or any contractual restriction binding on or affecting the Customer. All governmental and other consents that are required to have been obtained by the Customer with respect to this LPOA have been obtained and are in full force and effect.

(9) The Customer warrants that funds being deposited and traded have not originated from any illegal activity.

(10) The Customer acknowledges that PFG is not qualified to give, and has not given, any advice with respect to the tax treatment of profits or losses in the Account.

9. Relationship of the Parties. PFG is an independent contractor and this LPOA shall not be deemed to establish a joint venture between PFG and the Customer and nothing herein contained shall be construed as creating a general partnership or other similar relationship or as authorizing any party to act as general agent or to enter into any contract or other agreement on behalf of any other party except as otherwise expressly provided herein.

10. Standard of Liability and Indemnity. PFG shall not be liable to Customer or to any third party except by reason of acts that constitute gross negligence, bad faith or intent to defraud. Customer will indemnify, hold harmless, and defend PFG and its employees, officers, shareholders, affiliates and agents, from and against any liability, loss cost, damage, or expense (including attorney's fees) and any amount paid in settlement thereof to which any of them may become subject to in acting pursuant to or in furtherance of this LPOA or in connection with any transaction for the Account.

11. Term of LPOA. Either party may terminate this LPOA at any time upon at least three business days' prior written notice to the other. Upon receipt of a notice of termination from the Customer, or if PFG gives notice of termination to the Customer, PFG shall work with the Customer in good faith to use its best efforts to assure to the extent practicable that there is an orderly wind-down of positions in the Account. Once notice of termination is received, PFG shall liquidate or instruct the Advisors to liquidate all Account positions within thirty (30) days.

12. Notices. All notices or other communications shall be in writing and shall be delivered personally or sent by air courier, fax or registered mail, return receipt requested and shall be effective when delivered personally on the day delivered, or when given by fax or by registered or certified mail on the day of receipt. Notices intended for PFG shall be sent to the attention of PFG's Director of Compliance and addressed to Peregrine Financial Group, Inc., 311 W. Monroe, Suite 1300, Chicago, IL 60606. Notices intended for the Customer shall be sent to the address of the Customer in the records of PFG.

13. Waivers and Amendments. None of the provisions of this LPOA may be amended or waived except by a written instrument duly executed by the party to be charged therewith. No waiver of any right or remedy or any breach of or default under any provision of this LPOA shall constitute a waiver of any other right or remedy for any breach of or default under any other provision or of any other breach of or default under the same provision.

14. Services Non-Exclusive; Confidentiality. PFG's services provided hereunder are not exclusive and PFG, its principals and affiliates shall be free to render similar services to others, and to use the same or other information, which they obtain, produce or utilize in the performance of services for the Customer. The Customer recognizes that the results obtained by the Advisors from time to time for such other accounts may be more favorable than the results obtained for the Customer. The Customer acknowledges that PFG may charge fees for its services for other accounts different from those charged to the Customer and that trading for accounts other than the Customer's Account may increase the level of competition with respect to Forex Transactions. The Customer acknowledges that the allocation methods by PFG is the confidential property of PFG, and the Customer will not disclose the same to third parties without the prior written consent of PFG. The Customer will use any such confidential information solely to monitor PFG's performance on behalf of the Customer. Nothing in this LPOA shall require PFG to disclose the details of its allocation methods.

15. No Waiver. No provision of this LPOA may be waived or amended unless the waiver or amendment is in writing and signed by both Customer and an authorized officer of PFG. No waiver or amendment of this LPOA may be implied from any course of dealing between the parties or from any failure by PFG or PFG's agents to assert PFG's right under this LPOA on any occasion or series of occasions. No oral agreements or instructions to the contrary shall be recognized or enforceable. This instrument and the attachments hereto, and the Customer Agreement embody the entire agreement of the parties, superseding any and all prior written and oral agreements and there are no other terms, conditions or obligations other than those contained herein.

16. Assignability. This LPOA shall not be assignable by Customer. Any assignment by PFG to another entity shall be valid and enforceable. PFG shall also have the right to assign to any third party its right to collect and/or bring an action for any amounts owing to it under this LPOA.

17. Invalid Provisions; Governing Law; and Jurisdiction. This LPOA shall be governed by the substantive laws of the State of Illinois without regard to its internal conflict of laws provisions. The invalidity or unenforceability of any provision or any portion of any particular

provision herein shall not affect the validity of any other provision. In addition, if it shall be determined that any provision violates the public policy of the State of Illinois, or any Illinois or Federal statutes, then such provision shall be reconstructed or modified to allow such provision to be in conformity with Illinois public policy or such Federal statute. This LPOA or any section thereof shall not be construed against any party due to the fact that said LPOA or any section thereof was drafted by said party. The parties agree that all actions, disputes, claims or proceedings, including, but not limited to, any arbitrations proceeding, arising directly or indirectly in connection with, out of, or related to or from this LPOA, any other agreement between the Customer and PFG, whether or not initiated by PFG, shall be adjudicated only in courts or other dispute resolution forums whose sites is within the City of Chicago, State of Illinois. Customer hereby specifically consents and submits to the jurisdiction of any State or Federal Court, or arbitration proceedings located within the City of Chicago, State of Illinois.

18. LPOA Binding. This LPOA shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

19. Miscellaneous Provisions. Whenever necessary in this LPOA and where the context admits, the singular term and related pronoun shall include the plural and vice-versa, and the masculine and neuter terms shall be interchangeable. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this LPOA. Any captions appearing in this LPOA are inserted as a matter of convenience and for reference only and shall not define, limit, or describe the scope and intent of this LPOA or any of the provisions thereof. This LPOA may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.

20. Acceptance. The parties agree that this LPOA shall not be deemed to have been accepted by PFG or become a binding agreement between Customer and PFG until accepted at PFG's main office and signed by PFG's authorized representative.

IN WITNESS WHEREOF, the parties have caused this Limited Power of Attorney for Foreign Exchange Transactions to be duly executed and delivered as of the date first above written.

ACCEPTED BY:

[Customer]

PEREGRINE FINANCIAL GROUP, INC.

By: _____

Name: _____

Title: _____

Date: _____

Russell R. Wasendorf, Jr., President & COO

Exhibit A

Program Selection & Fee Disclosure

Customer approves the selection of the following:

Program Name: _____

Allocation Amount: \$_____

Additional Leverage Requested: _____

FEE DISCLOSURE:

Monthly Fee: _____% of Allocation Amount Annually payable monthly

Performance Fee: _____% of Net new High watermark as described in agreement

Commission or Mark Up Amount Per Mio USD traded: _____ pips or USD

Print Name

Date

Signature

Print Name

Date

Signature