

## Secondary Risk Disclosure Document



Our review of the financial data you provided on your application suggests that Foreign Exchange **may not** be a suitable investment vehicle for you.

Our assessment is based on one of the following:

- (a) You have not disclosed certain financial information which may include Risk Capital, Income or Net Worth.
- (b) Your intended deposit amount is higher than your risk capital.
- (c) Information you provided, including Risk Capital, Income or Net Worth, might imply that the risks of Foreign Exchange trading are not suitable for your financial condition.

Please carefully read our risk disclosure document in the customer agreement. In addition, pay careful attention to the following:

Trading is very speculative and risky. Foreign Exchange trading is highly speculative and is 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. 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.

The high leverage and low margin associated with Foreign Exchange trading can result in quick and significant losses due to price changes in Foreign Exchange Contracts and Cross Currency Contracts. FOREX.com's margin policies may require that additional funds be provided to properly margin Customer's Account and that Customer must immediately meet such margin requirements. Failure to maintain Margin Balance in an amount equal to or exceeding 100% of initial margin requirement may result in the liquidation of any open positions with resultant loss to customer.

**Please understand that all of your capital may be at risk.**

FOREX IS AN OVER THE COUNTER (OTC) MARKET, MEANING THE FOREIGN CURRENCY TRADING YOU ARE ENTERING INTO IS NOT CONDUCTED ON AN EXCHANGE. AS A MARKET MAKER, FOREX.COM IS THE COUNTERPARTY IN THESE TRANSACTIONS AND, THEREFORE, ACTS AS THE BUYER WHEN YOU SELL AND THE SELLER WHEN YOU BUY. AS A RESULT, FOREX.COM'S INTERESTS MAY BE IN CONFLICT WITH YOURS. UNLESS OTHERWISE SPECIFIED IN YOUR WRITTEN AGREEMENT OR OTHER WRITTEN DOCUMENTS FOREX.COM ESTABLISHES THE PRICES AND WHICH IT OFFERS TO TRADE WITH YOU. THE PRICES OFFERED MIGHT NOT BE THE BEST PRICES AVAILABLE AND DIFFERENT PRICES MAY BE OFFERED TO DIFFERENT CUSTOMERS.

IF FOREX.COM ELECTS NOT TO COVER ITS OWN TRADING EXPOSURE, THEN YOU SHOULD BE AWARE THAT FOREX.COM MAY MAKE MORE MONEY IF THE MARKET GOES AGAINST YOU. ADDITIONALLY, SINCE FOREX.COM ACTS AS THE BUYER OR SELLER IN THE TRANSACTION, YOU SHOULD CAREFULLY EVALUATE ANY TRADE RECOMMENDATIONS YOU RECEIVE FROM FOREX.COM OR ANY OF ITS SOLICITORS.

I have read, and understand the Risk Disclosure information on the Customer Agreement and the additional information above and;

(Choose one)

I would like to proceed

I would like to withdraw my application

Customer Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Please complete, sign and fax to 908.731.0777.**

Last modified: 6/01/08