

DORMAN TRADING, LLC.

POLICY MANUAL FOR HOME OFFICE AND BRANCH OFFICE ASSOCIATED PERSONS AND PRINCIPALS

Effective: January 1, 2010

THE DISCLAIMER ON PAGE 3 IS AN INTEGRAL COMPONENT OF THIS MANUAL. ENSURE ALL PARTS OF THIS MANUAL ARE READ AND UNDERSTOOD COMPLETELY. NEWLY HIRED ASSOCIATED PERSONS WILL NOT BE PERMITTED TO OPERATE AS PART OF DORMAN TRADING, LLC. UNLESS THEY SIGN THE AML ACKNOWLEDGEMENT (ATTACHMENT I), AML ATTESTATION (ATTACHMENT J), AND THE MANUAL ACKNOWLEDGMENT ON THE LAST PAGE OF THIS MANUAL (ATTACHMENT L) AND PROVIDE DORMAN TRADING, LLC.'S COMPLIANCE DEPARTMENT WITH THE ORIGINAL SIGNED COPY. EXISTING ASSOCIATED PERSONS AND ACTIVE PRINCIPALS OF DORMAN TRADING, LLC. MUST SIGN THE ACKNOWLEDGMENT AND PROVIDE DORMAN TRADING, LLC.'S COMPLIANCE DEPARTMENT WITH THE ORIGINAL SIGNED COPY WITHIN FIVE (5) BUSINESS DAYS FROM RECEIPT.

DORMAN TRADING, LLC.
141 W. Jackson Blvd.
Suite 2070
Chicago, Illinois 60604

NFA I.D. # 0002569

THIS MANUAL IS A CONFIDENTIAL AND PRIVILEGED DOCUMENT. DISCLOSURE OR REPRODUCTION OF ANY PART OF THIS MANUAL IS STRICTLY PROHIBITED WITHOUT THE PRIOR WRITTEN CONSENT OF DORMAN TRADING, LLC. THE HOLDER OF THIS MANUAL SHALL PROMPTLY RETURN IT TO DORMAN TRADING, LLC., AFTER A REQUEST THEREFORE.

This manual belongs to: _____ Provided on _____

TABLE OF CONTENTS

DISCLAIMER	3
INTRODUCTION	4
CUSTOMER ORDERS	5
PROPRIETARY TRADING	8
CUSTOMER ACCOUNT DOCUMENTATION	9
A. POLICIES	9
B. KNOW YOUR CUSTOMER	10
C. RISK DISCLOSURE	11
D. THIRD PARTY DISCRETIONARY ACCOUNTS	11
E. POWER OF ATTORNEY	
MARGINS	13
OPTION PROCEDURES	14
OPTION EXERCISES AND ASSIGNMENTS	15
ETHICS AND AML TRAINING	16
SELF- EXAMINATION QUESTIONNAIRE	17
COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL MATERIAL	17
CUSTOMER COMPLAINTS	23
SALES PRACTICE	23
ANTI-MONEY LAUNDERING	23
REGISTRATION	40
DOING BUSINESS WITH NON-NFA MEMBERS	42
BRANCH OFFICE OPERATIONS	42
CUSTOMER FUNDS/CASH TRANSACTIONS	43
OTHER	43
ATTACHMENT A	44
LETTER OF DIRECTION	44
ATTACHMENT B	47
PROPRIETARY TRADING REPRESENTATION	47
ATTACHMENT C	48
PERSONAL TRADING ACCOUNT CONFIRMATION	48
ATTACHMENT D	49
NEW ACCOUNT QUESTIONNAIRE	49
ATTACHMENT E	50
ADDITIONAL RISK DISCLOSURE STATEMENT	50
ATTACHMENT F	51
EXEMPTION FROM COMMODITY TRADING ADVISOR REGISTRATION	51
ATTACHMENT G	52
PROMOTIONAL MATERIAL COVER PAGE	52
ATTACHMENT H	53
CUSTOMER COMPLAINT FORM	53
ATTACHMENT I	54
ADOPTION OF AML POLICY	54
ATTACHMENT J	55
ATTESTATION OF AML POLICY	55
ATTACHMENT K	56
RELIANCE AGREEMENT	56
ATTACHMENT L	57
ASSOCIATED PERSON/PRINCIPAL RECEIPT AND ACCEPTANCE OF DORMAN TRADING, LLC.S'HOME OFFICE AND BRANCH OFFICE POLICY MANUAL	57

DISCLAIMER

This policy manual is effective January 1, 2010 and is intended for associated persons and principals of Dorman Trading, LLC. home office and branch offices. The policies and procedures contained in this manual are subject to change or revocation at any time without prior notification. The user of this manual will be notified, in writing, of the changes once they become effective. It is the user's responsibility to ensure that the manual is updated once the changes become effective.

Independent contractors and consultants, with the exception of registered associated persons, who may from time to time perform work for Dorman Trading, LLC., are expressly excluded from these policies and procedures. It is the responsibility of Dorman Trading, LLC.'s management to do its best to ensure that the independent contractors and consultants' work does not violate or cause violation of Commodity Futures Trading Commission ("CFTC") Regulations or National Futures Association ("NFA") Rules.

The provisions of this manual are intended to be guidelines and are provided to help you understand the policies and procedures implemented by Dorman Trading, LLC., and understand the Regulations of the CFTC and NFA. It is your responsibility to become familiar with and adhere to Dorman Trading, LLC.'s policies and procedures. Once you have completely read the manual, you must sign the accompanying acknowledgment on the last page of the manual indicating that you have received this manual and that you understand the policies set forth in it. Newly hired Associated Persons and active principals will not be permitted to transact any business until they have signed this acknowledgment and provided the original to Dorman Trading, LLC.'s compliance department. Existing Associated Persons and active principals of Dorman Trading, LLC. must sign the acknowledgment and provide the original to Dorman Trading, LLC.'s compliance department within five (5) business days from receipt.

If it is discovered that the user of this manual is not adhering to the policies and procedures set forth in it, Dorman Trading, LLC.'s management will take the necessary action to ensure this type of occurrence does not reoccur. Dorman Trading, LLC. will have the right to suspend the user from conducting business as an associated person of Dorman Trading, LLC. until the user can demonstrate to management that full compliance can and will be accomplished. To ensure the operating effectiveness of Dorman Trading, LLC. and to ensure the integrity of the futures industry is maintained at all times, Dorman Trading, LLC. may deem it necessary to terminate the user's association. Although Dorman Trading, LLC. maintains responsibility for ensuring that all users of this manual are adhering to the policies and procedures set forth in it, the user will be held ultimately responsible for his actions and will be responsible for covering any legal costs or any other costs incurred by Dorman Trading, LLC. as a direct result of the users non-compliance with this manual.

INTRODUCTION

Dorman Trading, LLC., subsequently referred to as "Dorman", is registered with the Commodity Futures Trading Commission ("CFTC") as a Futures Commission Merchant (FCM) and is a Member of National Futures Association ("NFA"). Dorman is subject to rigorous compliance Rules and Regulations adopted and enforced by NFA and the CFTC. Compliance and awareness are needed at all levels within Dorman and are necessary to ensure customer funds are protected, the integrity of the futures industry is maintained at its highest levels at all times, and the efficient, legal and professional operation of Dorman is present at all times. Therefore, in order to achieve its objectives and ensure that this awareness is present, Dorman has prepared this procedures manual for your use during your association with Dorman . Since commodity futures and options trading may be unfamiliar to some of our customers, it is incumbent upon the APs and their supervisors to carefully read this manual and request assistance from the compliance department if a particular rule or regulation is unclear.

This manual does not contain all of the Rules and Regulations of the CFTC, NFA, or the commodity exchanges governing the business of Dorman. This procedures manual is designed to provide a framework for internal controls to assist Dorman's associated persons and principals in following relevant CFTC Regulations and NFA Rules. This manual should be referred to on all matters of policy. Specific issues not addressed in this manual should be discussed with Dorman ' compliance department.

CUSTOMER ORDERS

According to CFTC Regulation 1.35 and NFA Compliance Rule 2-10, Dorman is required to maintain a written record(order ticket) of all orders received for customer accounts. The following policies and procedures must be adhered to at all times when an order is initiated for a customer:

A. Orders for proprietary accounts cannot be included (i.e. blocked) with those belonging to customers. Proprietary accounts consist of, but are not necessarily limited to, accounts in the firm's name, accounts of principals and associated persons, and accounts belonging to a principal's or AP's spouse or dependent living in the same household. Customer orders must be placed before proprietary orders.

B. Discretionary and non-discretionary customer orders must be placed separately (i.e. they cannot be blocked). Non-discretionary orders must be placed before discretionary orders.

C. APs must identify block orders as a block order at the time it is placed and provide all customer account numbers and the corresponding number of contracts to be allocated.

D. Block orders should not be placed for non-discretionary customer accounts. Block orders should only be placed for discretionary accounts or accounts that have granted Dorman a Letter of Direction (See Attachment A for a copy of a sample Letter of Direction). A Letter of Direction indicates that the customer has developed its own program or is following the program of a third party for which the customer grants Dorman authority to place orders in accordance with the signals generated from the program.

E. Only registered APs are permitted to solicit and accept customer orders;

F. All order tickets must be prepared in non-erasable ink;

G. Once an order has been received, the AP should read the entire order back to the customer to ensure that the customer's instructions have been correctly taken and written on the order ticket;

H. All APs are to record futures, options and ex-pit orders on standard order tickets. Order tickets used must remain consistent;

I. Pre-numbered order tickets must be used;

J. At the time the AP receives the order, the AP must write up an order ticket. All order tickets must include the following information:

- 1) Account number or customer's name;
- 2) An indication on whether the order is a futures or option contract;

- 3) Trade date (As indicated by the time stamp);
- 4) Commodity;
- 5) Future;
- 6) Quantity bought/sold;
- 7) Strike price (Options);
- 8) Put or call (Options);
- 9) Individual premium (Options)
- 10) Open or Close (Options)
- 11) Requested price;
- 12) Fill price;
- 13) Applicable time stamps. See K. below;
- 14) Discretionary orders must be designated as such with a "D";
- 15) If discretion is not exercised on a discretionary account, then write "DNE" (Discretion not exercised) to indicate that the customer made the trading decision.

K. Orders are to be mechanically time stamped three times in the following sequence:

- 1) Immediately upon receipt of the order from the customer, or when the trading decision as made for discretionary customer orders;
- 2) Immediately upon transmission of the order; and
- 3) Immediately upon receiving the fill price.
- 4) See "L" below for additional time stamps.

L. For outstanding orders which the customer requests to cancel, the AP must locate the order and write "Canceled" or "CXL" on the front of the previously submitted order ticket. The order ticket must be time stamped on the face of the ticket upon receipt of the cancellation instructions. The AP must immediately telephone the instructions to the order desk clerk or the floor, and time stamp the ticket a second time. The AP must ensure that it informs the order desk that this is a "CANCEL" order.

M. Open orders should be monitored closely by a designated firm employee to prevent adverse market exposure during periods of rapidly changing market conditions.

N. Once an order is filled, the fill price should be communicated to the customer;

O. APs and employees of Dorman are not permitted to disclose that a customer's order is being held by Dorman unless such disclosure is necessary to the effective execution of the order or is made at the request of the CFTC, the exchange on which the order is executed, or the NFA. Each AP must ensure that no customer order is given priority over any other customer order except in strict accordance with this manual and regulatory requirements;

P. Discretionary orders initiated by third party account controllers who choose to utilize Dorman brokerage services, must be recorded on order tickets. The order tickets must include documentation indicating that an employee reviewed the trade. This shall be accomplished by initialing the trade ticket in a clear and legible manner.

Q. At or before the time a block order is placed, the FCM must be provided with information which identifies the accounts included in the block order and which specifies the number of contracts to be allocated to each account. The foregoing information may be provided by:

- i. Verbally providing all of the information contemporaneously with the placement of the order, or
- ii. Pre-filing standing instructions which contain all of the necessary information, or
- iii. Contemporaneously filing allocation instructions via electronic transmission.

1) Any procedure for the general allocation of trades or the allocation of split or partial fills must be:

- i. Non-preferential such that no account or group of accounts receive consistently favorable or unfavorable treatment,
- ii. Sufficiently objective and specific that the appropriate allocation for any given trade can be verified in any audit, and
- iii. Consistently applied.

2) Block orders resulting in partial fills should be allocated to all customers in the original blocked trade. The number of contracts executed in the partial fill should be allocated based upon the percentage of contracts to be bought/sold by the customer, out of the total number of contracts to be bought/sold for all customers. (For example, if 10 contracts will be executed for Customer A, 40 contracts for Customer B, and 50 contracts for Customer C, and assuming there was a partial fill of only 50 contracts, then Customer A would be allocated 10% (10 out of 100) of the 50 contracts or 5 contracts, Customer B would be allocated 40% (40 out of 100) of the 50 contracts or 20 contracts, and Customer C would be allocated 50% (50 out of 100) of the 50 contracts or 25 contracts).

3) Block orders resulting in split fills should be allocated by the lowest account numbers being assigned the lowest fill prices (both buys and sells), and the highest account numbers being assigned the highest fill prices (both buys and sells).

4) Any other method to be implement must first be approved, in writing, by Dorman 's compliance department.

5) If customer accounts are being directed by third party CTAs pursuant to powers of attorney, then the blocked orders executed by the CTAs must be reviewed, no less frequently than monthly, to ensure that allocations are being made in conformity with the pre-filed instructions.

R. Each morning, associated persons will be provided with a preliminary trade listing from the prior day's activity. The AP must review the information, along with the customer equity run, to verify the accuracy of the trade information, to identify any discrepancies as soon as possible, and to allow sufficient time for correction. Any discrepancies must be brought to the attention of Dorman back office operations department immediately.

S. Trading is prohibited in customer accounts which are on margin call or which have debit balances.

PROPRIETARY TRADING

A. Dorman will permit principals and associated persons ("AP") to have personal trading accounts. However, prior to opening such an account, Dorman ' Compliance Department must first authorize the accounts in writing.

B. If a principal or AP does not maintain a personal trading account, then the principal and AP must represent such on the representation letter provided by Dorman (See Attachment B for a copy of the acknowledgment).

C. If a principal or AP is permitted to maintain a personal trading account with an FCM other than Dorman, then the principal or AP must confirm that it has instructed all FCMs to send duplicate copies of the daily confirmations and month end commodity statements to Dorman ' compliance department (See Attachment C for a copy of the confirmation).

D. A designated supervisor or branch office manager shall review proprietary trading for unusual trading patterns no less frequently than monthly. A record of this review must be made. This can be accomplished by initialing and dating the month end statements once the activity has been reviewed.

E. If proprietary orders are decided at the same time a customer order is received, the customer orders shall be transmitted for execution first.

F. No AP or employee shall knowingly trade for his or her own account in advance of a customer order or upon receiving knowledge of a customer order (regardless of the size of the order).

CUSTOMER ACCOUNT DOCUMENTATION

A. Policies

1) Before account documentation is sent to a potential customer, the AP must obtain the information required on Dorman New Account Questionnaire (See Attachment D). This questionnaire must be reviewed and approved by a designated supervisor, branch office manager, or principal prior to sending the account forms to the potential customer.

2) According to NFA Compliance Rules and CFTC Regulations, Dorman is subject to numerous disclosure and record keeping requirements. In order to ensure these requirements are being met, Dorman has established the following customer account documentation policies and procedures:

- i. Dorman carrying broker account forms must be utilized to open the customers' account.
 - ii. APs must apply due diligence to learn the essential facts relative to each potential customer.
 - iii. All customer account documents must be checked for completeness. If deficiencies are noted, only the deficient portion should be returned to the customer with a note requesting completion.
 - iv. Copies and/or facsimiles of customer account documentation will be accepted to open a new account, but account forms with original signature must be obtained from the customer within five business days..
 - v. Prior to submitting completed account documentation to Dorman ' compliance department to open an account, the customer account documents must be reviewed and approved in writing by a designated supervisor or branch office manager. Evidence of this review must be documented on the account documentation (i.e. Signature and date reviewed).
 - vi. The customer's first deposit of cash must be on the same day or subsequent to the signing date of the required documents. In no event should a trade be placed into a customer's account until the appropriate documents are signed and the customer's funds have been received by Dorman .
- 3) Accounts belonging to affiliated persons of another FCM or IB, commodity futures exchanges, or futures self-regulatory agencies, will not be accepted unless the prospective customer receives written authorization to maintain such an account from a supervisory individual at the FCM, IB, or regulatory agency.

B. Know Your Customer

1) NFA Compliance Rule 2-30 provides that certain information be obtained regarding each customer, and certain disclosures regarding the risks of trading commodities be given to each customer. Before opening an account, the AP and the designated supervisor must determine that the customer understands the risks involved in trading commodity futures and options and is financially able to undertake these risks. This means that the customer must know that they may lose all the funds deposited as initial margin and that they may actually lose significantly more money if the market runs against them so that variation margin calls or liquidations occur.

2) The information to be obtained from the customer shall include at least the following:

- i. The customer's true name and address (P.O. Boxes should not be accepted), and principal occupation or business;
- ii. The customer's current estimated annual income and net worth;
- iii. The customer's approximate age; and
- iv. An indication of the customer's previous investment and futures trading experience;

If a customer declines to provide the information in (i) through (iv), a written record should be maintained which indicates that the customer declined to provide the information. This record must be maintained with the customer's file.

3) Dorman . has adopted specific criteria that must be considered and evaluated before a prospective customer account will be opened. The criteria is as follows:

- i. Current annual income should be \$25,000 or more.
- ii. Current net worth should be \$50,000 or more.
- iii. Trading investment experience should be at least one year in futures or securities.
- iv. A prospective customer should be between the age of 21 and 65.

If a customer does not meet the aforementioned criteria, then the customer must be provided, and must acknowledge in writing, that he has received and understood Dorman ' Additional Risk Disclosure. (See Attachment E for a copy of the Additional Risk Disclosure)

4) For Institutional Accounts, a certified resolution or other document, authorizing such institution to transact in commodity futures and options, must be obtained. The corporate resolution must contain a raised corporate seal. These documents shall include designation of all persons authorized to act on behalf of the entity. Additionally, the documents shall indicate what type of trading the individual(s), who are authorized to trade for the account, are allowed to do. For corporate accounts, the articles or certificate of incorporation must be obtained.

5) For joint accounts, the joint account agreement or other agreements indicating joint ownership should be examined to ensure the agreement is properly signed and dated. It must be ascertained that the account is a bona fide joint account and not merely a discretionary account in which the individual exercising trading authority has a minimum interest. At a minimum, individuals who make the deposits and the individuals making the trading decisions should be reviewed.

(6) For partnership accounts, a copy of the certificate of limited partnership and the partnership agreement must be obtained. These documents must include a designation of all persons authorized to act on behalf of the partnership.

C. Risk Disclosure

The following risk disclosure statements must be provided to each customer and a signed and dated acknowledgment of receipt must be obtained from each customer prior to the commencement of trading:

1) The Risk Disclosure Statement for Futures permitted under CFTC Regulation 1.55.

2) The Risk Disclosure Statement for Options permitted under CFTC Regulation 33.7.

D. Third Party Discretionary Accounts

1) Customers are permitted to utilize third-party account controllers. However, prior to accepting an account, a copy of the account controller's written trading authorization, or a written acknowledgment from the customer that such authorization has been given, must be obtained.

2) An acknowledgment from the customer that he received a disclosure document from the account controller, or a written statement from the account controller explaining why he is not required to give the customer a disclosure document, must be obtained. (See Attachment F for a sample copy of an acknowledgment). If the third party controller is registered with the CFTC, a copy of the third party's Disclosure Document must be obtained to ensure that the customer's objectives meets the account controller's trading program.

E. Power of Attorney (Discretionary Accounts)

1) APs must be registered for two continuous years to be eligible to have power of attorney to trade customer accounts.

2) Each AP must maintain a current list of his discretionary accounts.

3) The AP must inform Dorman compliance department of every discretionary account so it can be identified as such on the equity run.

4) All discretionary trading must be periodically reviewed by a designated supervisor or branch office manager. Evidence of such review must include initialing and dating the equity run or customers' month end statements. The review must include, but is not necessarily limited to, checking for excessive commissions charged.

5) APs which have 50% or more discretionary customer accounts may be required to become registered as a CTA. Dorman ' compliance department should be consulted.

6) Terminations of Powers of Attorney must be received in writing from the customer. A copy of the termination notice must be submitted to Dorman compliance department.

MARGINS

A. Dorman will generally follow the margin Rules of the applicable commodity exchanges. Exchange rules permit a clearing firm to require margin rates that are higher than the exchange minimum if the member firm determines that the higher rates are necessary for its financial protection or otherwise. Dorman reserves the right to adjust margin levels and to call for additional margin at any time.

B. Each AP can determine, from reviewing the customer equity run, the margin status in a customer's account. Customers must maintain a minimum equity balance in their account for each futures position that is opened (i.e., cash plus security on deposit plus unrealized profits or losses.) An initial margin call will be issued to the customer when a new account is opened and when a new futures position is established. If an adverse move in the market causes the equity balance to fall below the required level, (i.e., the maintenance margin requirement) a maintenance margin call will be made to restore the equity to the original margin requirement.

C. APs must review the equity run each day to determine if customers have received original or maintenance margin calls. The AP responsible for servicing the account must call the customer to request payment of additional funds. Each AP will maintain a log, which reflects the customer's name and account number, the date the phone call was made, and the amount of the margin call. The customer should be contacted each day the account is under margined until payment is received. Generally, margin calls must be satisfied within 5 business days. If an account has been on margin call for over 5 days, a final call should be made to the customer to determine the status of the payment. If reasonable assurance that funds will be received cannot be obtained, Dorman compliance department must be notified immediately to discuss possible liquidation of open positions.

D. Depending upon the type of margin call, requirements may be satisfied with cash, favorable market movement, or US Treasury Bills. Contact Dorman compliance department if you have any questions.

E. Except for day traded accounts which generally permit the deposit of at least 1/3ed of the initial margin required, Dorman requires deposit of the full minimum initial margin requirement every time a futures position is established. The full amount must be satisfied with cash or US Treasury Bills. Initial margin cannot be satisfied by profit resulting from a favorable market movement of the newly established position or from liquidation of that new position. However, profits from any previously existing positions, or excess funds on deposit may be used to establish a new position, if the funds are sufficient to cover the initial margin requirement for the new position.

F. Customers are precluded from initiating any new positions while the account is on margin call.

G. An option purchaser must pay the full amount of each option premium when the position is initiated.

H. Maintenance margin is the minimum amount that must be kept on deposit for each open position. Exchanges generally set the maintenance amount that must be kept on deposit for each open position. Total equity in the account must meet or exceed the maintenance level, or a margin call will be issued to bring the equity balance back to the initial level. Maintenance margin may be satisfied with cash or US Treasury Bills.

I. All financial accounting for accounts owned by foreign customers or for US customers trading in foreign markets will be based on US dollars. Foreign checks must clear as good funds before trading may begin.

J. Trading is prohibited in customer accounts which are on margin call or which have debit balances until sufficient funds are received by Dorman, from the customer, to cover the margin call or debit balance.

APs will be held responsible for payment of uncollected debits in their customers' accounts. The amount of any debit will be withheld from the APs commissions. Any subsequent recovery by Dorman, less expenses of collection and interest charges, will be credited to the APs.

OPTION PROCEDURES

A. APs should not promote the solicitation of deep-out-of-the-money options for customers. Deep-out-of-the-money options are call options with a strike price significantly above the underlying futures price or put options with a strike price significantly below the underlying futures price. If a customer wishes to trade deep-out-of-the-money options, APs must ensure that the customer is made well aware of the fact that if a deep-out-of-the-money option is bought, it is unlikely that the customer will recognize any profit. For granting deep-out-of-the-money options that are sold, customers will generally receive small premiums while being exposed to the possibility of substantial losses. In order to provide its APs with the necessary guidance, Dorman has established the following internal deep-out-of-the-money parameters. Commissions charged on deep-out-of-the-money-options should generally not exceed 30% of the options premium. Additionally, prior to such option transactions, the AP must make the following disclosure:

"THE OPTION THAT YOU HAVE AUTHORIZED US TO PURCHASE ON YOUR BEHALF IS KNOWN AS A DEEP-OUT-OF-THE-MONEY OPTION. IT IS CALLED THIS BECAUSE THE STRIKE PRICE OF THE OPTION YOU ARE PURCHASING IS SUBSTANTIALLY GREATER (IN THE CASE OF A CALL, LESSER IN THE CASE OF A PUT) THAN THE CURRENT MARKET PRICE. CONSEQUENTLY, THE LIKELIHOOD OF THE MARKET PRICE REACHING YOUR STRIKE PRICE BEFORE EXPIRATION IS REMOTE AND YOU COULD LOSE YOUR ENTIRE PREMIUM AND THE COST OF THE TRANSACTION. THE UNDERLYING MARKET VALUE WOULD HAVE TO MAKE A SUBSTANTIAL MOVEMENT IN YOUR FAVOR IN ORDER FOR YOU TO PROFIT FROM THE TRANSACTION. GENERALLY, THE CLOSER SUCH AN OPTION IS TO EXPIRATION, THE LESS CHANCE THERE IS FOR IT TO HAVE ANY ECONOMIC VALUE AT EXPIRATION."

The AP must record the fact that this disclosure was made to the customer when soliciting option trade.

B. A supervisor or branch office manager must closely monitor the purchase or sale of deep-out-of-the-money options. Orders for these options must be periodically examined for the AP's notation that the additional required explanations have been provided to the customer.

C. The AP servicing the account must inform option customers of all option transaction costs including commissions, mark-ups, and costs to exercise an option, prior to the first option transaction. The AP shall document the fact that it provided the aforementioned information to its option customers either in a log or on the order ticket.

D. The AP servicing the account will inform its customers of all options which are in-the-money at least one week prior to expiration. In the event the AP cannot contact the customer, the AP should make additional attempts and leave messages when possible.

E. For IN-THE-MONEY-OPTIONS, APs must take precautions to prevent the expiration or automatic exercise of in-the-money-options without the customer's knowledge or consent. Failure to adequately monitor accounts for in-the-money-options, and failure to inform customers of the status of any such options may be considered a violation of NFA Rule 2-4. Every customer must be notified as soon as an option in his or her account goes in-the-money, regardless of his or her trading knowledge and experience. Furthermore, if the customer has not made a trading decision by the day before expiration, and the option is still in-the-money, the AP must contact the customer again.

F. The AP servicing the account shall inform its customers of the premium, strike price, break even point, and expiration date for subsequent option transactions. Costs and fees will also be disclosed if they have changed.

G. Option premiums received may not be withdrawn unless there are sufficient funds in the account to cover margin requirements for all positions. Option premiums paid may not be used to meet margin requirements for other positions.

OPTION EXERCISES AND ASSIGNMENTS

A. Exercise and assignment is the procedure by which an option is converted into a futures position. The buyer of an option on a futures contract has the right to assume a specified futures position at a predetermined price (the strike price) at anytime prior to the expiration of the option. The seller or writer of the option must assume the opposite futures position if the buyer exercises this right. The following should be noted regarding exercising option positions:

1) An option may be exercised on any business day between the purchase date and the expiration date;

- 2) An option is exercised by the buyer's Clearing Member while a selling Clearing Member is randomly selected to satisfy the obligation of the option;
 - 3) An option contract does not have to be exercised, it may be allowed to expire;
 - 4) An option buyer or seller may offset the option prior to its expiration by a reverse trade;
 - 5) When an option is exercised, assignment of the short and long futures positions is accomplished by the clearing corporation through book entry into the futures clearing system. The clearing members of the buyer and seller are assigned futures positions at the strike price, and are subject to immediate margin calls.
- B. Each AP should make his customer familiar with the relevant exchange procedures, as well as Dorman procedures, regarding exercise and assignment.
- C. A customer's intent to exercise an option must be relayed to Dorman ' order desk immediately. A written record must be made that includes the time and date the notice was received and the time and date it was relayed to Dorman ' order desk.
- D. Dorman procedure is to randomly assign exercise notices to customers on a non-preferential basis when it receives a notice from the Clearing Corporation.
- E. When an AP's customer, who has a short option position, is assigned a futures position, the AP must notify the customer immediately. If the futures position results in an open futures position, as opposed to offsetting an existing futures position, the customer must be informed that he must have sufficient additional margin money in his account.

ETHICS AND AML TRAINING

Each National Futures Association (“NFA”) Member firm must adopt a written ethics training policy tailored to its operations. Dorman has established a policy for its APs and for the APs and Principals of its Guaranteed IBs. Dorman requires that all new hires take a 2 hour ethics training course from an approved provider within 6 months of their start date. Dorman requires that all APs take a 1 hours ethics training refresher course at least every three years if not more frequently. These courses are available online and cost very little.

Dorman has adopted an Anti Money Laundering policy (see page 23) and requires all of its APs and the APs and Principals of its Guaranteed IBs to adhere to the policy and to receive AML training annually.

Dorman recommends that our APs receive their training from Exchange Analytics(www.xanalytics.com) however any approved provider is acceptable. Regardless of the provider, the AP and the GIB must provide Dorman compliance with proof that the required training has been completed and maintain proof of completion for their own records.

SELF- EXAMINATION QUESTIONNAIRE

- A. On an annual basis, during the month of January, the NFA Self-Examination Questionnaire must be prepared for the home office and any existing branch offices.
- B. The Questionnaire must be completed by appropriate firm personnel (e.g. the Compliance Officer, Branch Office Manager, etc.). A supervisory person shall sign and date the attestation attached to a current and appropriate self-examination questionnaire demonstrating his review.
- C. In the event a deficiency is noted, corrective measures must be taken immediately. A record of the concern and the resolution must be documented and maintained on file.
- D. Branch offices should forward the completed questionnaire to Dorman ' home office no later than January 31 of each year.
- E. The questionnaire does not need to be filed with a regulatory agency, unless requested to do so.
- F. The questionnaire must be maintained on file for five years, readily accessible in the most recent two years.

COMMUNICATIONS WITH THE PUBLIC AND PROMOTIONAL MATERIAL

NFA Compliance Rule 2-29 outlines the requirements that must be followed when communicating with the public.

- A. NFA has defined "promotional material" as:
 - 1) Any text of a standardized oral presentation (whether actually followed in making sales presentations or developed solely for trading purposes), or any communication for publication in any newspaper, magazine or similar medium, or for broadcast over television, radio, an internet webpage, fax, or other electronic medium (i.e. on-line computer services) which is disseminated or directed to the public concerning a futures or options account, agreement or transaction, or for educational reasons;
 - 2) Any standardized form of report, letter, circular, memorandum, or publication which is disseminated or directed to the public, including reprints in the Wall Street Journal, Barrons Magazine, screen prints from FutureSource, etc.;
 - 3) Any other written material disseminated or directed to the public for the purpose of soliciting a futures or options account, agreement or transaction (e.g. cover letters to promotional material, etc.); and,
 - 4) Seminars, hot lines, and market letters are considered advertising and, therefore, must be prepared and distributed in accordance with NFA Compliance Rule 2-29.

B. Only pre-approved promotional material may be used. All promotional material must be reviewed by a designated supervisory or branch office manager. All promotional material must then be submitted to Dorman compliance department for written approval before distribution. The promotional material cover page (See Attachment G) must be completed and attached to the promotional material. Once approved, the material should be placed in a promotional material binder. All material must be maintained for a period of 5 years from the date of last use. The most current three years must be readily accessible.

C. Promotional materials can be filed with National Futures Association at least 10 days prior to its first use.

D. Reprinted articles may not initially include the necessary or adequate disclosures or disclaimers. Prior to any reprinted article being distributed, the AP must ensure that the reprinted articles are supplemented with the proper disclosures and disclaimers.

E. No person shall make any communication with the public which:

- 1) operates as a fraud or deceit; or,
- 2) employs or is part of a high-pressure approach; or
- 3) makes statements that futures trading is appropriate for all persons.

F. No promotional material shall be used that:

- 1) is likely to deceive the public; or,
- 2) contains any material misstatement of fact or which the member knows omits a fact if the omission makes the promotional material misleading; or,
- 3) contains the possibility of profit unless accompanied by an equally prominent statement of the risk of loss; or,
- 4) contains hypothetical results for an offered program unless:
 - a. the hypothetical results are calculated the same way actual results are calculated and the results are accompanied by the following statement verbatim:

"HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT IMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTING OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS AND ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS."

b. If the Company or an AP of the Company has either less than one year experience in directing customer accounts or trading proprietary accounts, then the above disclaimer must also contain the following statement:

DORMAN . HAS HAD LITTLE OR NO EXPERIENCE IN TRADING ACTUAL ACCOUNTS FOR ITSELF OR FOR CUSTOMERS. BECAUSE THERE ARE NO ACTUAL TRADING RESULTS TO COMPARE TO THE HYPOTHETICAL PERFORMANCE RESULTS, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE HYPOTHETICAL PERFORMANCE RESULTS."

c. If promotional material used by the Company includes a measurement or description of or makes any reference to a hypothetical composite performance record showing what a multi-advisor account portfolio or commodity pool could have achieved in the past if the assets had been allocated among particular commodity trading advisors, then the hypothetical disclaimer outlined above must not be used. Instead, the following hypothetical disclaimer must be disclosed, as well as the method used to select and allocate assets among the particular trading advisors:

THIS COMPOSITE PERFORMANCE RECORD IS HYPOTHETICAL AND THESE TRADING ADVISORS HAVE NOT TRADED TOGETHER IN THE MANNER SHOWN IN THE COMPOSITE. HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY MULTI-ADVISOR MANAGED ACCOUNT OR POOL WILL OR IS LIKELY TO ACHIEVE A COMPOSITE PERFORMANCE RECORD SIMILAR TO THAT SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN A HYPOTHETICAL COMPOSITE PERFORMANCE RECORD AND THE ACTUAL RECORD SUBSEQUENTLY ACHIEVED. ONE OF THE LIMITATIONS OF A HYPOTHETICAL COMPOSITE PERFORMANCE RECORD IS THAT DECISIONS RELATING TO THE SELECTION OF TRADING ADVISORS AND THE ALLOCATION OF ASSETS AMONG THOSE TRADING

ADVISORS WERE MADE WITH THE BENEFIT OF HINDSIGHT BASED UPON THE HISTORICAL RATES OF RETURN OF THE SELECTED TRADING ADVISORS. THEREFORE, COMPOSITE PERFORMANCE RECORDS INVARIABLY SHOW POSITIVE RATES OF RETURN. ANOTHER INHERENT LIMITATION ON THESE RESULTS IS THAT THE ALLOCATION DECISIONS REFLECTED IN THE PERFORMANCE RECORD WERE NOT MADE UNDER ACTUAL MARKET CONDITIONS AND, THEREFORE, CANNOT COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FURTHERMORE, THE COMPOSITE PERFORMANCE RECORD MAY BE DISTORTED BECAUSE THE ALLOCATION OF ASSETS CHANGES FROM TIME TO TIME AND THESE ADJUSTMENTS ARE NOT REFLECTED IN THE COMPOSITE.

d. If the Company has less than one year experience allocating assets among particular trading advisors, then the disclaimer outlined in c. above must also contain the following statement:

DORMAN . HAS HAD LITTLE OR NO EXPERIENCE ALLOCATING ASSETS AMONG PARTICULAR TRADING ADVISORS. BECAUSE THERE ARE NO ACTUAL ALLOCATIONS TO COMPARE TO THE PERFORMANCE RESULTS FROM THE HYPOTHETICAL ALLOCATION, CUSTOMERS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THESE RESULTS.

e. If the AP previously used promotional material containing hypothetical composite performance results for multi-advisor managed accounts or pools and the hypothetical results were substantially higher than the actual results subsequently obtained by the Company or AP in allocating assets among the multi-advisors, then this fact must be disclosed in the promotional material.

f. APs are prohibited from disclosing hypothetical performance results for any program which has at least three months of actual performance results.

g. All disclaimers must be displayed as prominently as the hypothetical results themselves and printed in a type size as large as that used for the hypothetical results. All disclaimers outlined above must immediately precede or follow the hypothetical performance results. If the AP has less than twelve months of actual results for a particular program, the disclaimers must immediately precede the hypothetical performance results. If the promotional material contains several pages of hypothetical performance results, the AP should include the disclaimer more than once in the material;

h. If the promotional material includes a measurement or description of or makes any reference to hypothetical results which could have been achieved had a particular trading system been employed in the past, then all data, materials, studies which formed the basis for the presentation of such hypothetical results shall be maintained. Additionally, the material must include comparable information regarding past performance results of all customer accounts directed by the AP pursuant to a power of attorney over at least the last five years or over the entire performance history if less than five years. All material assumptions made in preparing hypothetical results must be described including, but not limited to, the minimum investment

amount, distribution or reinvestment of profits, commission charges, management and incentive fees, the method used to determine the purchase and sale price for each trade, and rate of return. The AP must make all material disclosures necessary to place the hypothetical results in their proper context, which in some instances may go well beyond the disclaimers outlined above. Additionally, all hypothetical results and actual results must be presented separately, clearly identified, and given equal prominence; or

5) mentions actual past trading profits without mentioning that "past results are not necessarily indicative of future results"; or,

6) includes specific numerical or statistical information about past performance of any actual accounts (including rate of return) unless such information is and can be demonstrated to NFA to be representative of the actual performance for the same time period of all reasonably comparable accounts and, in the case of rate of return figures, unless such figures are calculated in a manner consistent with that required under CFTC Regulations; or

7) contains statements of opinion unless they are clearly identifiable as such and the statements have a reasonable basis in fact; or

8) guarantees a customer against loss.

G. The reports, circulars, memorandums, publications, writings, advertisements or other literature that are distributed or caused to be distributed to an existing or prospective customer, or received from a CTA, must reflect the date the material was first distributed.

H. Websites are considered promotional material. Principals and APs are prohibited from having their own personal websites relating to the futures industry. Branch offices are prohibited from having their own websites. Branch offices are required to use the home office's website.

I. E-Mail is considered promotional material. The following guidelines apply to incoming and outgoing E-Mail.

1) All APs and principals must use the firm assigned E-Mail address to communicate with the public in conducting futures related business. APs are not allowed to use outside E-Mail addresses for sales solicitations without the prior written approval of the compliance department.

2) Outgoing sales solicitation related E-Mail is treated as regular outgoing mail. Outgoing E-Mail must be approved by the compliance department before being sent out. APs must print out the E-Mail that they are intending to send out, provide the print out to the compliance department for review, and then E-Mail the document.

3) APs receiving sales solicitation related incoming E-Mail must print out the incoming E-Mail and provide a copy to the compliance department. The compliance department must then review the material. The print out must be initialed and dated by the reviewer to evidence the review.

4) APs that hold conversations in chat rooms or conference rooms on the internet, must print out the entire contents of any conversations that are related to sales solicitations, and submit a copy to the compliance department to be reviewed.

5) All information relating to E-Mail must be maintained for five years, the most current three years being readily accessible.

CUSTOMER COMPLAINTS

A. Any customer correspondence, whether oral or written, received by telephone, mail or facsimile, in which the customer is expressing dissatisfaction, should be considered a complaint. The customer could be expressing dissatisfaction with the level of service, performance, fees, or other.

B. The compliance department will maintain a file that contains all written customer complaints (including futures and options), along with all correspondence with the customer. In addition, a separate file will be maintained for all oral customer complaints which includes feedback to the customer.

C. All customer complaints must be forwarded to the compliance department on the same day they are received but in no event later than 24 hours from receipt. The customer complaint form (See Attachment H) must be completed for each complaint. All complaints will be handled directly by an officer or other supervisory employee.

D. The customer complaint files should be separated by APs. This will allow for an expeditious discovery of any AP receiving several complaints as well as the potential similarities of the complaints.

E. Generally, all customer complaints should be addressed as quickly as possible. Should a written complaint be received, the customer should be contacted within five business days from such receipt.

F. If the company receives a customer complaint against an AP or if the Compliance Department has credible evidence that an AP has violated federal or state securities or commodity futures laws, the Company may, at its discretion without prior notice to the AP, forfeit all or part of the AP's legal reserve in order to offset the Company's potential liability, including legal fees and all costs associated with any resolution of the complaint.

SALES PRACTICE

A. Solicitations must be made by registered or temporarily licensed associated persons.

B. It is strictly prohibited for any sales personnel to:

1) Use high pressure sales tactics. In this regard, APs must avoid conveying the sense of undue urgency to the customer. This would include, but is not limited to, rushing customers

through the account opening forms, quickly discussing the risk disclosure statements with the customer in haste to open an account, barraging the customer with telephone calls, dissuading unsophisticated customers from seeking further advice on their investment decisions; shouting at the customer or using a high tone, and using profane language while speaking with the customer in an effort to intimidate the customer; or

- 2) Knowingly make any false statement; or
- 3) Make a promise or imply a promise that is not likely to be kept; or
- 4) Make any statements regarding his own trading record unless he has records acceptable by the way of NFA and CFTC standards to support the claim which is being made; or
- 5) Make any statement of opinion unless it is identified as such;
- 6) Make any statement guaranteeing a client against loss;
- 7) Make a statement representing or implying in any manner that the AP and/or Dorman and/or its associates have been sponsored, recommended or approved, or that the AP or its associates abilities have, in any respect, been passed upon by the CFTC, NFA or any commodity exchange.

ANTI-MONEY LAUNDERING

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origin of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Money laundering occurs in connection with a wide variety of crimes, including, but not limited to, drug trafficking, robbery, fraud, racketeering, and terrorism. Dorman Trading, LLC by its Manager, Members, and Officers has adopted and agreed to abide by the following policies and procedures for anti-money laundering and designate Marc Nagel as the Firm's AML compliance officer.

Background

The new Money Laundering Abatement Act imposes significant new obligations on broker/dealers through new AML provisions and amendments to the existing provisions of the BSA. A brief summary of the new requirements along with the effective dates is provided below:

* Section 312 (Due Diligence Requirements): Section 312 requires special due diligence for all private banking and "correspondent" bank accounts (accounts established to receive deposits from, make payments on behalf of, or handle other financial transactions for a foreign bank) involving foreign persons, even if opened before Congress passed the PATRIOT Act. Treasury is required to delineate, by regulation, the special due diligence policies, procedures, and controls

by April 24, 2002. Regardless of whether final regulations have been promulgated, the minimum due diligence requirements set forth in Section 312(interim final rule) became effective on July 23, 2002.

* Section 313 (Correspondent Account Prohibitions): Section 313 prohibits certain financial institutions, including broker/dealers, from maintaining a "correspondent account" for, or on behalf of, a foreign "shell" bank (a foreign bank with no physical presence in any country). Financial institutions are also required to take reasonable steps to ensure that they are not indirectly providing correspondent banking services to foreign shell banks through foreign banks with which they maintain correspondent relationships. Section 313 became effective on December 26, 2001. Treasury released final rules implementing Section 313 on September 22, 2002.

* Section 314 (Financial Institution Cooperation Provisions): Section 314 addresses increased cooperation among financial institutions, regulatory authorities, and law enforcement authorities. Treasury published regulations implementing Section 314 in the Federal Register on March 4, 2002. Treasury included a proposed rule to establish a communication link between federal law enforcement and financial institutions to better share information relating to suspected terrorists and money launderers. In addition, Treasury issued an interim final rule, effective March 4, 2002, requiring financial institutions to file an initial, and annual thereafter, certification (which can be completed online at FinCEN's Web Site at www.treas.gov/fincen) if they wish to share information regarding terrorist financing and money laundering with other financial institutions or associations of financial institutions. The Treasury issued a final rule superseding the interim rule on September 26, 2002.

* Section 319(b) (Domestic and Foreign Bank Records Production): Section 319(b) addresses the production of domestic and foreign bank records. A financial institution is required to produce account information relating to foreign bank accounts within seven days in response to requests from federal law enforcement. Section 319 became effective on December 26, 2001. As mentioned above, Treasury released final rules implementing Section 319b on September 26, 2002.

* Section 326 (Customer Identification Standards): Section 326 requires Treasury and the SEC, jointly, to issue regulations that set forth minimum standards for customer identification in the account opening process. The regulations will need to require Firms, at a minimum, to implement "reasonable procedures" to verify the identity of the customer opening an account, maintain records used to identify the customer, and consult government-provided lists of known or suspected terrorists. Final regulations prescribed under Section 326 were published in the Federal Register on May 9, 2003.

* Section 352 (AML Compliance Program Components): Section 352 requires all financial institutions to develop and implement AML compliance programs on or before April 24, 2002. Section 352 requires the compliance programs, at a minimum, to establish (1) the development of internal policies, procedures, and controls, (2) the designation of a compliance officer with responsibility for a Firm's anti-money laundering program, (3) an ongoing employee training program, and (4) an independent audit function to test the effectiveness of the anti-money

laundering compliance program. Section 352 further requires Treasury by April 24, 2002, to issue regulations that consider the extent to which these requirements correspond to the size, location, and activities of different financial institutions. Section 352 further allows Treasury, at its discretion, to issue additional requirements for AML compliance programs before the April 24, 2002, deadline. As further discussed later in the document, the NASD has proposed a rule setting forth the minimum standards for its members' AML compliance programs.

* Section 356 (Broker/Dealer SAR Regulations): By July 1, 2002, Treasury must publish final regulations requiring broker/dealers to file SARs. Treasury released proposed broker/ dealer SAR regulations in late December 2001.¹⁵ Under Treasury's proposed regulations, the suspicious activity reporting requirement would become effective 180 days after the date on which the final broker/dealer SAR regulations are published in the Federal Register.

Policy Statement

The Firm is committed to full compliance with all applicable laws and regulations regarding money laundering. Every officer, director, employee and associated person ("AP") of the Firm is responsible for assisting in the Firm's efforts to detect, deter and prevent money laundering and other activities intended to facilitate the funding of terrorist or criminal activities. Towards this end, it is the Firm's policy to screen all prospective customers before any account is established and to monitor transactions in customer accounts on an ongoing basis.

Each employee and AP has the obligation to report to the **AML Officer/Compliance Department** any knowledge or suspicion, or any information giving rise to any knowledge or suspicion, that a customer or a party conducting a transaction with or through the Firm, (i) is involved in any money laundering or other suspicious activities, (ii) is structuring a payment(s)/deposit(s) to avoid the reporting requirements, (iii) is a person or entity on the U.S. Office of Foreign Asset Control ("OFAC") Blocked Persons List (as found on <http://www.treas.gov/ofac/>). Initial review will be completed by the FCM through the use of Equifax and/or Experian credit checks and runs against the blocked persons list.

Consequences of non-compliance with the AML procedures, by any employee or AP.

Any employee or AP that fails to follow the rules and procedures outlined in this manual is subject to disciplinary action that may lead up to and include discharge as well as civil and criminal penalties. All employees are required to follow this manual and all employees/APs are subject to a criminal background check.

Anti-Money Laundering Compliance Officer and responsibilities

Marc Nagel, Vice President is designated as the AML Compliance Officer.

All employees and APs of the Firm must immediately report any suspicious activity, and direct any question regarding these policies and procedures, to the AML Officer, who reports directly to the President of the Firm. The responsibilities of the AML Officer, or his appointed designee, shall include, but not be limited to: Coordinating and monitoring of the Firm's compliance with application anti-money laundering laws and regulations and the Firm's anti-money laundering program; receiving reports of suspicious activity from Firm employees and APs, and when appropriate, filing Suspicious Activity Reports; gathering relevant information to evaluate and review suspicious activity; overseeing audits regarding the efficacy of the Firm's anti-money laundering policies and procedures; maintaining copies of all documentation, records and communication relating to any suspicious activity reported by Firm employees and APs; reviewing developments in anti-money laundering laws and regulations and revising these policies and procedures as necessary and ensuring completion of anti-money laundering training programs for Firm employees and AP's and maintaining records evidencing such training.

Continual oversight of the AML program

All employees and APs of the Firm are required to comply with the "know your customer" policies and procedures set forth below and to otherwise safeguard against money laundering activities in the performance of their everyday duties. Each IB will designate an AML Compliance Officer who will be responsible for overseeing the day to day operations of the firm's AML compliance program. (See your IB agreement for your contractual responsibility.) Annual AML training is mandatory for GIBs.

The employee responsible for a particular customer account shall have primary, but not exclusive, responsibility for knowing the customer, its background and investment objectives. We shall (i) conduct appropriate ongoing due diligence to know and adequately document the identity of each prospective customer, the nature of the customer's business (employment) and the source of the customer's assets, before opening an account for the customer, (ii) keep proper records of such due diligence and the customer's transactions, (iii) report any suspicious activities as required by these Policies and applicable law, and (iv) participate in Firm sponsored educational courses and training.

Dorman will periodically perform comparisons of our active customer lists with all of the OFAC lists including the SDN list.

Customer Identification Program (CIP)

No customer will be allowed to affect any transactions until the firm has completed verifying the customer's identity.

All of our account documents, both the printed version and the online version will carry the following notice:

Important Information About Procedures For Opening A New Account

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you:

When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents

No accounts will be accepted and opened at Dormant unless the following information of the customer is obtained: the customer's name and residence; the customer's date of birth, social security number (social security number "applied for", will not be accepted), and if the customer is corporation, partnership or other legal entity, the names of any persons authorized to transact business on behalf of the entity and their addresses, dates of birth, and social security numbers. For accounts other than individual accounts, we require a copy of the organizing document of the entity, taxpayer identification number (TIN "applied for", will not be accepted), address of the principal place of business, and proof of the authority of the individuals acting on behalf of the entity. We will require similar information from, and perform similar procedures on the identity of account controllers, as we collect and perform on individual account applicants.

If the potential customer is unable to provide information sufficient to enable Dormant to verify the true identity of the potential customer, Dormant will not open the account. If any document or information is found to be false or inaccurate, any account opened with such document or information will be closed immediately or if deemed appropriate by the AML compliance officer, an SAR will be filed and the account will be kept open.

All information and documents obtained with regard to the opening of an account will be retained by Dormant throughout the life of the account and for a period of five (5) years after the account is closed. All SARs and records relating to them will be maintained for five (5) years after the account they are related to has been closed.

No account will be opened for customers who do not appear to have the financial means to pay for transactions unless the following information is obtained: customer's financial status, tax status, and source of income that will fund the investment.

The AML compliance officer or his designee shall, before a customer account is approved, conduct an Equifax and/or Experian check to see if the person and/or the institution is on any list of known or suspected terrorists or terrorist organizations such as those persons and organizations listed on Treasury's Office of Foreign Assets Control (OFAC) Web Site, as well as the listed embargoed countries and regions (collectively, the OFAC List).

The AML compliance officer will regularly monitor the FinCen website for new listings of jurisdictions, persons, institutions, classes of transactions and account types that have been designated as a primary money laundering concern. If any special measures have been imposed the firm will follow such special measures and record the firm's compliance thereto.

If a potential customer refuses to provide any of the information described above, or appears to have intentionally provided false or misleading information, the Firm will not open the account. If an existing customer fails to provide the requested information, the Firm will verify the identification information within five business days after account opening. If no information can be verified, the account will be closed. In either of these situations, the compliance department will consider whether the circumstance is reported to the Treasury's Financial Crime Enforcement Network ("FinCEN") or Treasury's Office of Foreign Assets Control ("OFAC"), as appropriate.

Opening accounts/ Customer Identification Program ("CIP"):

The firm will not rely on other financial institutions to carry out its CIP requirements Subject to the Firm's own assessment of any additional due diligence necessary to assess risk, the following procedures are ordinarily appropriate for the following types of accounts:

Individual Accounts

For accounts opened by an individual, the Firm will undertake reasonable efforts to obtain the following information at the commencement of the business relationship:

The name and address of the customer(s);

The customer's date of birth;

The customer's investment experience and objectives, if applicable;

The customer's social security number or taxpayer identification number;

The customer's net worth and annual income; and

The customer's occupation and employment data, such as the employer's address (generally understood to be the customer's source of income).

The firm will employ the services of Equifax and/or Experian, for both a credit check and a comparison of names against all OFAC lists for all account applicants.

The Equifax and/or Experian report along with any documents or analysis used to resolve discrepancies will be maintained in the customer account file.

Non-Resident Alien Accounts

In addition to the information obtained for individual accounts, the Firm will obtain and record a current passport number or other valid government picture identification number and obtain all necessary U.S. tax forms, for non-resident alien ("NRA") accounts. Additional due diligence may also be warranted depending on a number of factors, including the country of origin of the NRA. Under no circumstances will we open an account for a non-resident alien from any country on the Sanctions Program country list; however we will not close the account of a non-resident alien because a country is subsequently added to the list.

We will perform a manual comparison of the customer name against all OFAC lists, including the SDN list.

It is the policy of Dorman that no account will be opened for a "senior foreign political figure" nor will Dorman carry any "private banking accounts"

Domestic Operating or Commercial Entities

As part of the requirement to open account, the Firm will obtain information sufficient to ascertain the identity of the corporate or business entity opening the account and the authority of the business representative to act on the corporation's or entity's behalf. This information will also be checked against existing OFAC lists and current databases. The type of documentation obtained by Company may vary depending upon the nature of the corporate or business entity. Accounts that lack this information may not be permitted to continue to do business with the Firm. . We will require similar information from, and perform similar procedures on the identity of account controllers, as we collect and perform on individual account applicants.

Domestic Trusts

The Firm will identify the principal ownership of a trust. Identities will be checked against OFAC lists and current databases. In addition, the Firm will obtain information regarding the authorized activity of the trust and the persons authorized to act on behalf of the trust. Accounts that do not provide this information on a timely basis will also be forbidden to conduct business with the Firm.

Foreign Operating Commercial Entities

Commercial entities will be expected to produce forms indicating the identity of persons authorized to place orders on behalf of the commercial entity. We will require a copy of the organizing document of the entity, address of the principal place of business, and proof of the authority of the individuals acting on behalf of the entity. If the documents are in a language that we are unfamiliar with, we will have the documents reviewed by a speaker of that language to determine their appropriateness. Mr. Nagel will review these documents to ensure completeness. The names of the commercial entity and the authorized principals will be compared against the OFAC list and a current database.

Consistent with the provisions of the PATRIOT ACT relating to prohibited foreign shell banks, the Firm may not establish, maintain, administer or manage an account in the United States for, or on behalf of a prohibited foreign shell bank. The Patriot Act also requires the Firm to take reasonable steps to ensure that correspondent accounts are not used indirectly to provide banking services to foreign shell banks.

Foreign Correspondent Accounts

Correspondent accounts for foreign financial institutions will be thoroughly investigated prior to account opening. Dorman will inquire as to:

1. The nature of the foreign entities business and the markets it serves
2. The nature of type of account and anticipated activity
3. The nature and duration of the foreign entities relationship to Dorman
4. The nature of the AML and supervisory regime in the foreign entities home jurisdiction
5. The public records as to the foreign entities AML record

Dorman will apply a risk based approach in determining whether to open a correspondent account, or whether a further degree of due diligence is required based on the preliminary investigation. In the event that Dorman determines that an account requires “enhanced due diligence”. Dorman will not open such account, and if Dorman makes the determination that an account requires “enhanced due diligence” subsequent to account opening, Dorman will either file an SAR and leave the account open, or close the account forthwith. All activity in Foreign Correspondent accounts will be reviewed by the AML Compliance officer on a regular basis as the AML Compliance officer deems appropriate.

Personal Investment Corporations or Personal Holding Company

Accounts must identify the principal beneficial owner(s) of offshore corporate accounts where such accounts are personal investment corporations or personal holding Company. The names of

the holding Company and the principal owner will be compared against the OFAC list and a current database.

Offshore Trusts

Accounts must identify the principal ownership of a trust established in a foreign jurisdiction. The Firm will ask for information about the trust and its participants in order to conduct additional due diligence for trusts established in jurisdictions which lack regulatory oversight over trust formation. Although the documentation may vary, the Firm must obtain sufficient documentation regarding the principal ownership of the account. Additional due diligence may also be warranted depending on a number of factors, including the location of the offshore entity and the location of the principal owner(s). The names of all entities will be compared against the OFAC list and current database.

The Firm shall not establish, maintain, administer, or manage a "correspondent account" in the United States for an unregulated foreign shell bank. The Firm's AML compliance officer will be notified upon discovery or suspicion that the Firm may be maintaining or establishing a "correspondent account" in the United States for a foreign shell bank. The account will be closed and compliance officer shall report the case to FinCEN or OFAC.

The Firm will not open and approve any foreign private banking accounts unless the bank is also registered in the U.S. with a tax identification number.

Omnibus or Pooled Accounts

For any omnibus or pooled account (except those from another registered FCM) we will attempt to determine the identity of each member to the best of our abilities. In the event that individual identification becomes mandatory, we will not open an omnibus or pooled account until such identification has been completed.

Ongoing Account Activity

The following activities that may occur during the business relationship with the customer are examples of suspicious activities or characteristics that must be reported immediately to the AML Officer/Compliance Department:

- A customer account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity;
- A customer requests cash disbursements from the Firm;

- A customer's account has wire transfers at off times or unusual locations (to or from a bank secrecy haven country or country identified as a money laundering risk);
- The information provided by the customer that identifies a legitimate source for funds is fictitious, false, misleading or substantially incorrect;
- Upon request, the customer refuses to identify or fails to indicate any legitimate source for his/her funds and other assets;
- A customer attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents or asks for exemptions to the firm's policies relating to the deposit of cash and cash equivalents;
- A customer makes a funds deposit, for the purpose of purchasing a long-term investment, followed shortly thereafter by a request to liquidate the position and a transfer of the proceeds out of the account;
- A customer engages in excessive journal entries between unrelated accounts without any apparent business purpose;
- A customer requests that a transaction be processed in such a manner so as to avoid the firm's normal documentation requirements;
- A customer deposits bearer bonds followed by immediate request for the disbursement of funds;
- A customer exhibits a total lack of concern regarding risks, commissions, or other transaction costs;
- A customer's account indicates large or frequent wire transfers, immediately withdrawn by check.

According to federal law, a transaction is also "suspicious" and must be reported if it involves, in aggregate, at least \$5,000 in funds or other assets and if the Firm reasonably suspects, taking all known facts into consideration, that the funds were derived from illegal activities, or that the transaction(s) is intended to hide or disguise the illegal source of funds. In particular, suspicious transactions or series of transactions that must be reported include (i) transactions that seek to hide the ownership, nature, source, location or control of assets; (ii) transaction(s) designed to evade the currency transaction reporting requirements (see Section C.5); and (iii) a transaction that has no business or apparent lawful purpose, or that is not the sort in which the customer normally would be expected to engage, particularly where the Firm has no reasonable explanation for the transaction. However, suspicious activity need not satisfy the above \$5,000 threshold in order to be subject to reporting. Therefore, Firm employees and APs should report *any* pattern of suspicious activity, even if such pattern does not meet the \$5,000 threshold noted above. The AML Officer/Compliance Department also must be notified of any instance of the receipt of an order for a reportable transaction whether or not the customer goes through with the transaction. The AML compliance officer will file an SAR whenever circumstances warrant such a filing.

Section 314 (a) Requests

The AML Compliance Officer or his designate will obtain the bi-weekly FinCen section 314(a) requests and prepare a printed copy. The contents of the lists obtained shall be compared to the

Dorman Trading GMI database and /or the Dorman Direct statement database for matches. In the event that there is a match to the 314(a) list, the AML Compliance Officer or his designate will notify FinCen immediately. The existence of such a match will be kept in the strictest confidence, and will not be divulged to anyone other than the appropriate authorities, except the Dorman CFO. The printed 314(a) lists with the date and the initials of the person who completed the required search, will be kept for a period of ten years.

Identifying High-Risk Businesses

In the Bank Secrecy Act Comptroller's Handbook, the U.S. Office of the Comptroller of the Currency lists several "high risk" businesses that "could potentially be a source of money laundering." They are:

- Casinos;
- Leather-goods stores;
- Car, boat and airplane dealerships;
- Used car or truck dealers and machine parts manufacturers;
- Travel agencies;
- Jewel, gem and precious metal dealers;
- Import/export companies;
- Cash-intensive businesses such as restaurants, retail stores, parking garages; and Telemarketers.

Increased Scrutiny for Customers From High Risk Jurisdictions and/or Engaged in High Risk Businesses

Customers from certain jurisdictions, and customers engaged in certain kinds of businesses, should be more carefully scrutinized and monitored for suspicious activities. In particular, the Firm will require additional due diligence for customers who reside in, have been formed in, or have connections to, a country that is 1. identified by the Firm as a high risk jurisdiction; or 2. is otherwise NOT on the Financial Action Task Force ("FATF") compliant list. Before opening an account for such potential customers, whether an individual or entity, the AP must obtain, verify and document the following information:

- Any prior names/aliases used;
- A copy of valid government issued photo identification, such as a driver's license or passport, or one of the following: the customer's tax return from the prior year, audited financial statements from the previous fiscal year or bank statements from the previous quarter;
- (optional) Verification of individual's identity by contacting a verifiable employer or other reliable source;
- (optional) Financial and professional reference: from a bank, accountant, or law firm that is known or known to be reliable to the Firm

Information Required From Companies, Trusts, Partnerships or Other Legal Entities From, or Formed in a Non-FATF Compliant Country, High Risk Jurisdiction, or that engage in a High Risk Business.

- A certification of formation;
- Any prior names/aliases used;
- Publicly available credit information, including reports by an established rating agency;
- Valid government issued photo identification of the principals of the entity;
- The name, addresses, and number of the beneficial owners of the entity.

Information Required From Foreign Banks.

- A certification completed by the customer disclosing (i) the owners of such bank and (ii) the foreign bank's agent that will accept service of legal process in the U.S. on behalf of the bank [Treasury has made available a model certification that the Firm may use for this purpose]; and
- Whether such foreign bank maintains “Correspondent Accounts”¹ for any other bank, and if so, the identity of those banks.

After the employee has obtained the foregoing information and documentation, he or she must forward it to the AML Officer who will review the information and documentation, and as appropriate, either approve the account for processing by the Firm or disapprove the account. The AML Officer's review and approval/disapproval will be noted in writing, dated, and maintained in the customer's file. In addition, whenever a material modification is made to an existing account that is subject to increased scrutiny under these Policies (e.g., new settlors, new beneficiaries, new authorized representatives, material change in investment objectives or additional assets are to be involved), or additional new business is accepted from the same customer, the employee must obtain copies of appropriate documentation to update and correct the Firm's records as to the customer and must provide such documentation to the AML Officer for processing in accordance with the provisions hereof.

If after appropriate review of the documents and circumstances regarding the opening of an account, the AML Compliance Officer determines that the account presents a “high risk”, the AML Compliance Officer shall refuse to allow the opening of the account. It is Dorman Trading, LLC policy to not permit accounts related to high risk jurisdictions or high risk businesses.

Currency And Monetary Instrument Transportation Reports

It is the Firm's policy not to accept cash, money orders or any other cash equivalent when opening a customer account. The AML compliance officer or the CFO shall file CMIRs with the Commissioner of Customs when any person physically transports, receives, mails, or ships currency or other monetary instruments into or out of the United States, in aggregated amounts exceeding \$10,000 at one time.

The AML compliance officer or the CFO shall conduct monthly checks to detect any suspicious money laundering activities in customer accounts and is in charge of filing suspicious activity reports ("SARs") with FinCEN for (a) any transaction conducted or attempted by, at or through a broker/dealer involving (separately or in the aggregate) funds or assets of \$5,000 or more for which: (b) the Firm detects any known or suspected federal criminal violation involving the broker/dealer, or (c) the Firm knows, suspects, or has reason to suspect that the transaction: (d) involves funds related to illegal activity, (e) is designed to evade the regulations, or (f) has no business or apparent lawful purpose and the Firm knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

Although the reporting threshold begins at \$5,000, the AML compliance officer will file a SAR and in some circumstances notify law enforcement authorities of all transactions that arouse articulable suspicion that proceeds of criminal, terrorist, or corrupt activities may be involved.

Examples of "red flags"

All IBs, APs, employees, as well as the Compliance Department must look for signs of suspicious activity that suggest money laundering. If it detects "red flags," it will perform additional due diligence before proceeding with the transaction. Examples of "red flags" are described below:

(a) The customer exhibits unusual concern regarding the Firm's compliance with government reporting requirements and the Firm's AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspect identification or business documents.

(b) The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the customer's stated business strategy.

(c) The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.

(d) Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.

(e) The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.

- (f) The customer exhibits a lack of concern regarding risks, commissions, or other transaction costs.
- (g) The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- (h) The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- (i) The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from the Firm's policies relating to the deposit of cash and cash equivalents.
- (j) The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the \$10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- (k) For no apparent reason, the customer has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- (l) The customer is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force (FATF).
- (m) The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.
- (n) The customer's account shows numerous currency or cashiers check transactions aggregating to significant sums.
- (o) The customer, in violation of Firm policy, attempts to wire transfer sums of money to unrelated third parties. .
- (p) The customer's account receives wire transfers that have no apparent business purpose to or from a country identified as money laundering risk or a bank secrecy haven.
- (q) The customer's account indicates large or frequent wire transfers, immediately withdrawn without any apparent business purpose.
- (r) The customer makes a funds deposit followed by an immediate request that the money be wired out Firm without any apparent business purpose.
- (s) The customer makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer of the proceeds out of the account.

(t) The customer engages in excessive journal entries between unrelated accounts without any apparent business purpose.

(u) The customer requests that a transaction be processed in such a manner to avoid the Firm's normal documentation requirements.

(v) The customer, for no apparent reason or in conjunction with other "red flags," engages in transactions involving certain types of securities, such as penny stocks, Regulation "S" (Reg S) stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)

(w) The customer's account shows an unexplained high level of account activity with very low levels of securities transactions.

(x) The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent business purpose or other purpose.

(y) The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

The above-listed money laundering "red flags" are not exhaustive; however, an awareness of the "red flags" will help ensure that compliance department personnel can identify circumstances warranting further due diligence.

Timing of Suspicious Activity Reports

The Firm is required to file a SAR within 30 days of the date of the initial detection of the suspicious activity, unless no suspect can be identified, in which case the time can be extended to 60 days. The time for filing starts when the Firm either knows, or has reason to suspect, that the activity under review constitutes suspicious activity that must be reported. Therefore, the AML Officer/Compliance Department will investigate any and all reports of suspicious activities expeditiously and will document all steps taken and evidence considered in doing so. Once a SAR has been filed for an account, the AML Officer/Compliance Department will continue to monitor any and all activity in the account on a weekly basis. Any and all continuing suspicious activity will be reported on a new SAR within 30 days of discovery of such activity.

In the event that a representative of the government requests supporting documentation for an SAR filing, Dorman will confirm the representative's ID by calling the published number for the agency involved and request a connection to the representative. If a request is made by such representative to close the account in question or alternatively to keep it open, Dorman will require a written order from the representative confirming such request. Any such requests will

be retained with the original SAR filing and supporting documents for at least 5 years after the request expires.

Record keeping And Disclosure

The Firm will maintain the confidentiality of the SAR filings and maintain paper copies copies of SARs and supporting documents for a five-year period. The Firm is prohibited from notifying any person involved in a reported transaction that the transaction has been reported on a SAR. In addition, the Firm may not disclose SARs or the fact that a SAR was filed, other than to law enforcement agencies(including FinCen and OFAC) or securities and commodities regulators. The compliance department must also keep on separate file that the denial of any subpoena requests for SARs or information in SARs, and for informing FinCEN of any subpoena received. The AML compliance officer is the contact person to handle requests for a subpoena or other requests that call for disclosure of a SAR.

The AML compliance officer will immediately contact Federal law enforcement by telephone in appropriate emergency situations as described below: (a) a customer is listed on the OFAC List; (b) a customer's legal or beneficial account owner is listed on the OFAC List; (c) a customer attempts to use bribery, coercion, undue influence, or other inappropriate means to induce a broker/dealer to open an account or proceed with a suspicious or unlawful activity or transaction; and (d) any other situation that a Firm reasonably determines requires immediate government intervention.

GIB Compliance

The Principal of the GIB must sign, fax to the FCM, and retain in the AML Procedures file, the agreement to adopt these procedures as their own. (Exhibit 1)

Additionally, in each GIB, every principal and every AP must read, understand, and comply with the procedures included herein. As evidence of such agreement on the part of each person, they will, after they have read these procedures in depth, sign the attestation attached (Exhibit 2). After signing the attestation, they must fax it to the FCM, and then retain the signed copy in the AML Procedures file. The AML Compliance officer will provide the GIB with a "Reliance Agreement" which must also be kept in the AML procedures file. These documents are required for verification during an audit by the internal auditors or the NFA auditors.

Annual AML training is mandatory for every GIB principal and AP.

Ongoing Training Program

The AML compliance officer will monitor compliance with the Firm's AML program and help to develop communication and training tools for employees. The AML compliance officer will report to the Firm's president or CEO to ensure that the Firm's AML compliance policies, procedures, and programs are implemented updated and reflect current requirements.

The AML Compliance Officer or his designee, as part of the Firm's continuing education program, will train employees on AML issues at least once a year through educational pamphlets, videos, intranet systems, in-person lectures, or explanatory memos. The following subjects, at a minimum, will be covered (a) how to identify "red flags" and possible signs of money laundering that could arise during the course of their duties; (b) what to do once the risk is identified; (c) what their roles are in the Firm's compliance efforts; (d) how to perform their roles; (e) the Firm's record retention policy; and (f) disciplinary consequences, including civil and criminal penalties for non-compliance with the Money Laundering Abatement Act. Records of the content, date, and those in attendance at the annual AML training will be maintained indefinitely.

The Firm's AML compliance officer will scrutinize its operations to determine if there are certain employees who may need additional or specialized trading due to their duties and responsibilities. For example, employees in Compliance, Margin, and Corporate Security may need more comprehensive trading. The Firm will train these employees or have these employees receive the appropriate instruction to ensure compliance with the Money Laundering Abatement Act.

Independent audit of the anti-money laundering policies and procedures

On an annual basis, an audit will be conducted by qualified Firm personnel not otherwise responsible for anti-money laundering compliance or by an outside auditor. The audit shall evaluate and review the efficacy of these policies and procedures. This review shall include, but not be limited to, a review of any changes in applicable laws and regulations, a review of the Firm's due diligence procedures and a survey of changes in high risk foreign jurisdictions and the results of such review shall be presented to the Firm's AML Compliance Officer. The AML Officer shall address and correct any deficiencies found during the audit and evidence such remedies. The AML compliance officer will report in summary fashion, the results of the annual audit to all GIBs, as evidence that they may rely on Dorman to fulfill its responsibilities regarding this AML procedure manual.

050108

REGISTRATION

A. Any location, other than the main business address, where persons engage in activities requiring registration as Associated Persons, (for example, soliciting customers, accepting orders, placing orders, etc.) shall be registered as a branch office. Each branch office shall hold itself out to the public as Dorman . All AP's must conduct business from the main office or a properly designated and registered branch office. Prior to an AP conducting business from any location other than 141 West Jackson, or a registered branch office, written approval must first be obtained from the compliance department.

B. Every person associated with Dorman who solicits or accepts customer's orders (other than in a clerical capacity) or who supervises any person so engaged must register with the CFTC as an associated person.

C. Each person engaging in activities requiring registration as Associated Persons must first complete and submit to National Futures Association, a Form 8-R according to the instructions therein, a fingerprint card, and evidence that the person has successfully passed the Series 3 National Commodity Futures Examination (Note: Evidence of passing the examination does not need to be submitted to NFA if the person was previously registered with another registered company within two years prior to completing the 8-R).

D. The completed Form 8-R, fingerprint card, and \$70 check made payable to National Futures Association for each applicant for registration, must be forwarded to Dorman ' compliance department. The compliance department will then perform a due diligence review on the applicant. Specifically, a background check should be performed by contacting NFA to determine if there are pending or concluded disciplinary actions against the applicant. In addition, a review of the BASIC System on NFA's Website should be reviewed to determine if the applicant has pending or concluded disciplinary actions. The appropriate documentation to support any "YES" answers on the Form 8-R must be obtained and reviewed for potential disqualifying information. Derogatory information which the prospective AP submitted during prior registration filings, should be obtained from NFA. Prior employers should be contacted to confirm the prospective APs previous work experience. Dorman ' compliance department must approve the application prior to submitting the Form 8-R to NFA.

E. Any deficiency or inaccuracy in Form 8-R, relating to registration of principals and associated persons, must be brought to the compliance department's attention promptly. The changes must be made promptly on Form 3-R, Part 1 and submitted to the compliance department for review and approval prior to submitting the Form 3-R to NFA.

F. Any deficiency or inaccuracy in Form 7-R, relating to Dorman registration, must be corrected promptly. The changes must be made on Form 3-R, Part 1 and submitted to NFA.

G. A Form 8-T must be filed within twenty days after the termination of a principal or associated person.

H. Each associated person must fulfill the ethics training requirements mandated by CFTC Regulation 3.34. In part, this regulation requires an AP who has been granted registration after April 26, 1993 and who has not been duly registered under the Act at any time during the two-year period immediately preceding the date such individual's application for registration was received, to attend training within six months after being granted registration, and every three years thereafter. Training must be at least four hours in duration for the initial session, and one hour in duration for subsequent periodic sessions. APs can satisfy training by taking a class four hours in duration within six months prior to registration. The full context of CFTC Regulation 3.34 must be reviewed to determine to what extent each AP needs ethics training. Any questions on ethics training should be directed to Dorman compliance department.

Each AP must obtain evidence that they successfully completed ethics training. Such documentation should be forwarded to Dorman compliance department.

I. All individuals who have the following authority or ownership must be listed as principals:

- 1) Any officer, director, or person occupying a similar status or performing similar functions, having the power, directly or indirectly, through agreement or otherwise, to exercise a controlling influence over the firm's activities which are subject to regulation by the CFTC.
- 2) Any holder or beneficial owner of ten percent or more of the outstanding shares of any class of stock.
- 3) Any person who has contributed ten percent or more of the capital.
- 4) All branch office managers

J. Prior to appointing a branch office manager ("BOM"), it must be demonstrated that the Associate has successfully passed the BOM Series 30 examination prepared by NFA and administered by the National Association of Securities Dealers, Inc.

K. Annually, NFA will provide Dorman with a printout of the Company's Form 7-R that is on file with NFA. The compliance officer is responsible for reviewing the Form 7-R for accuracy. In the event corrections or changes need to be made, the corrections or changes should be made directly on the Form 7-R. The Form 7-R should be mailed back to NFA by the date prescribed by NFA. Failure to submit the Form 7-R within 30 days after the due date, will result in NFA withdrawing Dorman registration.

L. APs are prohibited from being duly registered with additional registrants without the prior written approval of Dorman compliance department.

\

DOING BUSINESS WITH NON-NFA MEMBERS

A. Conducting commodity futures business with an entity that is not a member of NFA is a violation of NFA Bylaw 1101. Therefore, prior to entering into any agreements with another entity for commodity futures business or prior to transacting business with another entity for commodity futures purposes, a designated supervisory employee must be notified. APs and employees are not permitted to enter into agreements with another entity to transact commodity futures business unless the following is performed:

- 1) The designated supervisory is first notified of the fact that business is being contemplated; and
- 2) The status of NFA Membership and appropriate registration with NFA's information center is checked. (NFA's information center 800-621-3570.)

B. If an entity Dorman is contemplating doing business with is not registered or not an NFA Member, a due diligence review must be performed to determine if this is appropriate. If it is deemed that the entity need not be registered or become an NFA Member, Dorman must obtain an appropriate written statement from the entity explaining why registration and membership are not necessary.

BRANCH OFFICE OPERATIONS

A. Dorman is permitted to retain remote locations as its branch offices. In doing so, the following procedures and policies must be followed to ensure risk is minimized and all pertinent rules and regulations are being adhered to:

- 1) The branch office must hold itself out in the name of Dorman. This means that telephone lines must be answered in the name of the Dorman and business cards and branch office stationary must be in the name of the Dorman.
- 2) The branch office must follow the policies and procedures promulgated in this manual. The branch office is prohibited from adopting and enforcing its own procedures.
- 3) The branch office must be in contact with the home office continually throughout each day.
- 4) In the event of an NFA audit of the branch office, Dorman compliance personnel should be physically present at the opening interview, if possible. At a minimum, Dorman compliance personnel should be present via telephone conference. This will prevent any possible misunderstandings or inconsistencies between offices.
- 5) The branch office must use the same webpage utilized by the home office.

B. In order to ensure that the branch office is operating in accordance with Dorman policies and procedures as well as CFTC Regulations and NFA Rules, Dorman will conduct routine inspections of the branch office locations. The inspections will be performed no less frequently

than annually. However, more frequent inspections may be deemed necessary. The cost of the inspection will be borne by the branch office.

C. In the event that a branch office severely violates policies and procedures, and/or CFTC Regulations and NFA Rules, the branch office will be considered for immediate termination.

CUSTOMER FUNDS/CASH TRANSACTIONS

A. Principals and APs are prohibited from receiving checks or other types of funds (i.e. cash, wires transfers) relating to futures activity, which are made payable in the principal/AP's name. If customer checks are made payable to a Principal or AP, then the funds must be immediately returned to the customer.

B. AP's must review the activity in customer accounts to determine that cash transactions have been properly posted to the correct customer accounts in a timely manner. If funds are not credited to the customer within a reasonable time frame, Dorman compliance department should be notified to determine the status of the funds in transit. A record of this conversation must be maintained in the customer's file.

C. If a customer requests a withdrawal, the money will be sent to the account holder. If the customer desires to have the money sent to a third party, then the AP must receive instructions, in writing, from the customer.

OTHER

A. Books and Records shall be maintained for a period of five years, readily accessible for the most recent two years (the most current three years must be readily accessible for promotional material).

B. If a customer requests advice on his income tax liability as a result of his futures or options trading, he should be advised to contact his attorney or accountant. Dorman and its APs are prohibited from rendering opinions on legal matters concerning the impact of tax laws on a customer's financial position.

C. In the event of a regulatory audit or special review/investigation, APs and employees shall cooperate promptly and fully with the auditors. If Dorman becomes aware of an associate or employee that is not providing the cooperation necessary for the regulators to perform their investigation, inquiry, audit, examination or proceeding, the associate or employee will be subject to disciplinary action or termination.

D. If an AP or Principal is named in an arbitration case or a CFTC Reparations case, Dorman compliance department must be notified promptly.

ATTACHMENT A

Letter of Direction

Dorman Trading, LLC:

The undersigned hereby confirms that I have provided _____ and Dorman Trading LLC ("Dorman") with the trading system set forth below, or other system provided by subsequent notice to you, (the "System") that I either developed myself, purchased from a third party, or receive by subscription. Accordingly, I hereby direct and grant discretion to _____ and Dorman to enter trades for my account in accordance with the trading signals and recommendations generated by the System. In consideration of your acceptance of my account to be traded pursuant to this Letter of Direction, I acknowledge, represent and agree to the following terms and conditions:

1. I fully understand that the trading signals and recommendations are produced by the System and not by _____ and Dorman, and that _____ and Dorman's responsibility is limited to using commercially reasonable efforts to enter orders pursuant to the signals and recommendations generated by the System and received by you. I warrant that I have fully paid for use of the System and understand that this may be subject to verification by Dorman. In the event that I have not paid for the use of the System, I hereby authorize Dorman to debit my account in the amount of the applicable fees, if any, and to pay such fees to the provider/developer of the System, and to respond to any inquiries from the System provider regarding my trading of the System. I further warrant that _____ and Dorman have not solicited, or in any other way recommended, my participation in the System. I have made inquiries and conducted research in the System sufficient to make an informed investment decision. _____ and Dorman cannot and do not imply or guarantee that I will make a profit from trading the System and I agree that _____ and Dorman will not be held responsible for the System's performance or trading losses incurred in my account as a result of my trading pursuant to the System. I understand that using the System to generate trading signals exposes me to the risks associated with the use of computers and data feeds systems relied upon by _____ and Dorman. I agree to accept such risks, which may include, but are not limited to, failure of hardware, software or associated communication systems and/or inaccurate external data feeds provided by third party vendors, and I further agree to hold _____ and Dorman harmless from any losses in my account associated with these risks.
2. By signing below, I grant a limited power of attorney to _____ and Dorman, its employees and agents for the sole purpose of entering orders in accordance with the signals generated by the System, as the System may be modified from time to time. If the System is a trade recommendation service or hotline, I have arranged for the originator of the service or hotline to transmit by facsimile, tape recorded telephone message, or otherwise the trading signals and recommendations to be executed for my account. If more than one Dorman client is using the same system or service as the System, I acknowledge and agree that Dorman may enter block orders to enhance order execution, in which case fills will be allocated in accordance with the systematic fill allocation method employed by Dorman. I understand and acknowledge that _____ and Dorman will be responsible only for using commercially reasonable efforts to execute, in a timely fashion, signals generated by the System. _____ and Dorman shall not be responsible for mechanical or communication line failure, or system errors, or any other cause beyond its control. I acknowledge that _____ and Dorman can accept and transmit orders only if actually received or generated and then only on a "not held" basis (i.e., Dorman shall not be held responsible for the execution of the orders through the process indicated or otherwise).

3. I understand and acknowledge that I have 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. I fully understand the limitations of hypothetical back testing and real-time track records in predicting future performance and acknowledge that Dorman Trading and its agents, brokers, introducing brokers affiliates and employees do not prepare and cannot be responsible for representations made in promotional materials provided to me by third-parties.

4. I acknowledge that I am aware of the speculative nature and the high risks associated with commodity trading in general and options trading in particular. I understand the System's trading parameters. I agree that I have had the opportunity to ask questions on how my account will be handled. Neither Dorman Trading nor its agents, brokers, introducing broker's affiliates or employees recommend or gauge the ability of the system.

5. I acknowledge that neither Introducing Broker nor Dorman Trading guarantee that the trades made pursuant to the System will parallel trades shown by the System creator on his track record. In some instances, trades reflected on a track record may, in fact, have been unable to be executed due to market conditions. I acknowledge that I have not purchased the system from Introducing Broker or Dorman Trading and understand that there is no trading system or trading advice that is free from risk of loss and that no one can guarantee profits or freedom from loss in commodity trading. Introducing Broker cannot imply or guarantee that Customer will make a profit and Customer agrees that neither Introducing Broker nor Dorman Trading will be held responsible for the performance of the System or trading losses in Customer's account.

6. Specifically with regard to the markets and the number of contracts in each market to be traded pursuant to the trading signals and recommendations generated by the System, Dorman is hereby authorized to place orders in accordance with instruction received by it from the System except as otherwise indicated below

[Note: If the undersigned customer wishes to trade all markets the System trades indicate "All Markets "].-

Market	Number of Contracts
_____	_____
_____	_____
_____	_____
_____	_____

7. Dorman may act upon the authority given by this letter of direction until I revoke this authority by written notice addressed and actually delivered to Dorman's New Accounts Department at 141 West Jackson Street, Suite 2070, Chicago, IL 60604. I understand that it is solely my responsibility to notify Dorman if I wish to terminate the automatic trading done for my account pursuant to this Letter of Direction. I shall be responsible for any open positions in my account at the time that I revoke the authority and, in the absence of instructions to the contrary, I hereby authorize Dorman to offset any open positions at its sole discretion. I agree to indemnify _____ and Dorman for acting in accordance with this Letter of Direction to the same extent provided in the customer account agreement ("Customer Agreement") that I have signed and agree that this Letter of Direction supplements and forms a part of that Customer Agreement.

Very truly yours,

Customer's Name (Print)

Joint Owner's Name (Print)

Customer's Signature Date

Joint Owner's Signature Date

Please Complete:

Initial System: _____

Name of System's Contact Person: _____

Telephone Number of System's Contact Person: _____

Account Executive (print): _____

ATTACHMENT B

PROPRIETARY TRADING REPRESENTATION

I, _____(Print Name) being either a registered associated person or principal (circle one) of Dorman, represent that as of the signing of this representation, I do not, nor does any member of my household, trade futures or options on futures for our personal account. If I decide, or if any member of my household decides to open a personal futures or options on futures trading account subsequent to the signing of this representation, I agree to first obtain written authorization from Dorman. I understand that my failure to notify Dorman about a personal futures or options on futures account belonging to me or any household member, may result in disciplinary action taken against me, up to and including termination, by Dorman .

Signature

Date

ATTACHMENT D
NEW ACCOUNT QUESTIONNAIRE

Account Executive _____ Date _____

Account type (Please check)

- ___ Individual
- ___ Institutional
- ___ Partnership
- ___ Joint
- ___ Trust
- ___ Other (please specify) _____

Name _____

Address _____

Telephone Number _____

Occupation (for Individual & Joint) _____

Client's Age (for Individual & Joint) _____

Client's estimated Annual Income _____

Client's estimated New Worth _____

Have you ever traded before? Yes ___ No ___

If "Yes", then what type? (For example: Stocks, Futures, Stock Options, Options on Futures, Bonds, Real Estate or Other, please specify.)

Type of investment experience? _____

Number of years of experience? _____

Type of investment experience? _____

Number of years of experience? _____

Will any other person(s) control the trading of the account? Yes ___ No ___

If "Yes", please provide name and address: _____

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

Date account papers sent to customer: _____

Account Paperwork sent: Home ___ Office: ___ Customer referred Online ___

ATTACHMENT E

ADDITIONAL RISK DISCLOSURE STATEMENT

Dear Sir or Madam:

The information on your account application indicates that you do not meet Dorman 's guidelines to open a commodity futures and options trading account for the following reasons:

_____ You are not between 21 and 65 years old.

_____ You do not have a least one year of futures or securities investment experience.

_____ Your annual income is less than \$25,000.

_____ Your net worth is less than \$50,000.

While Dorman is prepared to open your account, it is necessary to advise you to reconsider this investment. Based on your personal information and/or investment experience, futures and/or options trading might be too risky of an investment strategy. The loss in trading commodity futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your circumstances and financial resources. The high degree of leverage that is obtainable in futures trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

ACKNOWLEDGMENT

I understand that I do not meet the minimum guidelines to open an account as set forth by Dorman in the above paragraphs. However, I have considered the financial risks involved in commodity trading with regard to my personal situation, and I wish to proceed with opening an account.

Name: _____

Signature: _____

Date: _____

ATTACHMENT F
EXEMPTION FROM COMMODITY TRADING ADVISOR REGISTRATION

Date: _____

Account Number: _____

Dear Dorman :

The undersigned hereby represents that he is exempt from registration as a Commodity Trading Advisor with the Commodity Futures Trading Commission under the Commodity Exchange Act.

The basis of my exemption from registration is Section 4m of the Commodity Exchange Act. In accordance with such provision, during the preceding twelve months, I have not furnished commodity trading advice to more than 15 persons and I have not held myself out generally to the public as a Commodity Trading Advisor. I will continue at all times to conduct my advisory activities under this exemption from registration.

I will advise you immediately if my exemption from registration as a Commodity Trading Advisor is no longer effective. I recognize that you are relying on these representations in accepting trades for accounts over which I exercise trading control. I agree to indemnify you against all cost, damages, and claims resulting from the failure of my representations herein to remain true and accurate.

Sincerely,

Name: _____

Signature: _____

ATTACHMENT G
PROMOTIONAL MATERIAL COVER PAGE

Today's Date _____

Prepared By: _____

Name of Supervisor who approved: _____

Signature of Supervisor who approved: _____

Date approved by Supervisor: _____

Has promotional material piece already been used ? (Yes or No): _____

Reference Number (Completed by Compliance Department) _____

Name of Compliance person who reviewed: _____

Signature of Compliance person who reviewed: _____

Approved or rejected: _____

Date approved or rejected by Compliance: _____

Comments:

ATTACHMENT H

CUSTOMER COMPLAINT FORM

Today's Date:

Date of Complaint:

AP who received complaint:

Supervisor who handled complaint:

Customer Name:

Customer Account Number:

Customer Telephone Number:

Description of matter complained of:

Status:

Date of Supervisor's sign off:

Supervisor's signature:

Date of Compliance department review:

Name of Compliance Department Personnel:

Signature of Compliance Department Personnel:

Attachment I

ANTI-MONEY LAUNDERING PROCEDURES

This GIB, _____,

is a guaranteed introducing broker of Dorman Trading. We have adopted the Dorman Trading Anti-Money Laundering Program which meets the requirements as stated in NFA Compliance Rule 2-9.

A copy of this program is on file in our office.

Principal Signature:

_____ Date _____

Title _____

Attachment J (Use additional sheet if you have more APs, or as you add APs to the GIB)

ATTESTATION

At the GIB of: _____

Located at: _____

All Principals as signed below:

and all APs as signed below:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____

Swear that they have read, they understand, and they will comply with the Anti-Money Laundering Procedures of Dorman Trading. They understand that they may be questioned at any time about the content of the procedures, and that non-compliance could result in actions defined in the procedures.

Reliance Agreement

As a Guaranteed Introducing Broker of Dorman Trading, LLC (“FCM”), This Guaranteed Introducing Broker (“GIB”), _____ has adopted and has agreed to adhere to all the provisions of the FCM’s Anti-Money Laundering Procedures. Pursuant to their policy and the terms of the GIB agreement, GIB is hereby assured that they may rely upon the guaranteeing FCM to perform all duties stated in their procedures including, but not limited to:

1. Verify identity using documentary and non-documentary methods of verification and file a SAR-SF when the firm cannot form a reasonable belief that it knows the customers true identity.
2. Compare the client accounts against the following lists at the account opening stage, on-going monitoring of the accounts and lists, reporting matches to the required authorities, and following all Federal directives issued in connection with such lists.
 - i. FATF’s NCCT list
 - ii. Treasury’s OFAC “Specifically Designated Nationals and Blocked Persons” List (SDN List), and is not from, or engaging in transactions with people or entities from, embargoed countries and regions listed on the OFAC Web Site.
 - iii. Any such list of known or suspected terrorists or terrorist organizations issued by any Federal government agency and designated as such by Treasury in consultation with the Federal functional regulators.
3. Maintain the following information and documents obtained during the identification and verification process:
 - i. All identifying information obtained from a customer for 5 years after the account is closed.
 - ii. Either a description or a copy of any document that was used to verify identity for 5 years after the record is made (a description must note the type of document and any identification number contained on the document, the place of issuance and the expiration date).
 - iii. A description of the non-documentary verification methods or additional methods used to verify and the results for 5 years after the record is made.
 - iv. A description of how the firm resolved all substantive discrepancies noted when verifying the identifying information for 5 years after the record is made.
4. Identify potentially high risk accounts in the account opening process and monitor those accounts on an on-going basis.

FCM will provide GIB with updates to their AML procedures and with any pertinent feedback regarding any of the above information, which will demonstrate that the FCM has complied with this Reliance Agreement.

GIB has designated _____ as its AML Compliance officer who will assure that the GIB will perform all the GIB requirements included in the AML procedures of the FCM and will conduct, or allocate to a source acceptable to the FCM, Anti Money Laundering training no less than annually.

Signature

GIB

Dated

Signature

Dorman Trading, LLC

Dated

ATTACHMENT L

ASSOCIATED PERSON/PRINCIPAL RECEIPT AND ACCEPTANCE OF DORMAN'S HOME OFFICE AND BRANCH OFFICE POLICY MANUAL

I, _____ (Print Name), being a registered associated person and/or principal (Circle those which apply) of Dorman Trading, LLC., acknowledge receipt on _____ (Month, Day, and Year) of the Dorman .'s home office and branch office Policy Manual dated January 1, 2010. I have read, understood, and agree to follow the policies and procedures set forth within the manual.

Signature

Date