

UPDATED SFP GUIDELINES

All RCG Brokers and Affiliates:

Following are updated guidelines for customers wishing to trade security futures products (SFPs). Keep in mind, however, in order for your customers to trade these products, IBs must be notice registered as Broker/Dealers and APs must have completed the National Futures Association required training modules.

Updated basic requirements are:

- Customers wishing to trade SFPs must generally meet the following requirements: 1) 2 years of trading experience in securities or futures and/or options; 2) a minimum net worth of \$75,000 excluding equity in home; and 3) a minimum account balance of \$7,500 (otherwise we will have to monitor the balance every day). Customers who do not meet these requirements must be approved in writing by RCG's Compliance Director.
- In addition to the above, RCG's Compliance Department must make a determination as to whether SFPs are "suitable" for the customer based on qualitative factors such as income, liquid assets, age, investment experience and objectives, marital status, dependents, etc.
- Customers who have opened accounts since November 1, 2001, must complete an updated personal and financial information form (see new accounts). This form must then be submitted to Global and RCG Compliance for review. If the broker completes the information on behalf of the customer, RCG will send the completed form to the customer for signature and approval.
- Customers who have given discretionary authority to a third party must complete a new power of attorney form (see new accounts).
- Global and RCG Compliance will review all of the above documents and approve or disapprove each customer for SFP trading.
- Once a customer has been approved for SFPs, he may execute orders electronically (if approved) or he may call his broker for execution. Brokers should call RCG's e-help desk at (312) 795-7557 for access to SFP contracts for themselves or their customers.

**NO SFP CONTRACTS MAY BE EXECUTED BY OR FOR ANY CUSTOMER PRIOR
TO AUTHORIZATION FROM GLOBAL OR RCG COMPLIANCE**

Print Name

Date

Signature

1 copy to personnel file, 1 copy to Brokers/Affiliates