

# Zephyr Asset Management LLC

2509 Coxshire Lane  
Davidsonville MD 21035  
(615) 547-0171

New Client Forms: 1

## Client Questionnaire

THIS INFORMATION IS STRICTLY CONFIDENTIAL AND IS REQUIRED PURSUANT TO NFA RULE 2-30.

### Customer One

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: HOME: \_\_\_\_\_

FAX: \_\_\_\_\_

WORK: \_\_\_\_\_

E-mail: \_\_\_\_\_ This is the primary way we communicate.

Employer: \_\_\_\_\_

Occupation: \_\_\_\_\_

Birth date: \_\_\_\_\_

Net Worth: \_\_\_\_\_

Annual Income: \_\_\_\_\_

Prior Investment Experience (please indicate the number of years for each category)

STOCKS/OPTIONS \_\_\_\_\_ FUTURES/OPTIONS \_\_\_\_\_ BONDS \_\_\_\_\_ OTHER \_\_\_\_\_

Are you a member of the NFA, or registered with the NFA or CFTC? \_\_\_\_\_

If yes, enter your registration number and type: \_\_\_\_\_

Do you currently or did you in the past have commodity accounts with any brokerage firms?

\_\_\_\_\_

If yes, please identify firms and approximate dates:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any commodities or securities firm? \_\_\_\_\_

If yes, please supply details on a separate sheet, including names of parties involved and dates.

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New Client Forms: 2

## Client Questionnaire

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### Customer Two *(only for joint accounts)*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: HOME: \_\_\_\_\_

FAX: \_\_\_\_\_

WORK: \_\_\_\_\_

E-mail: \_\_\_\_\_

Employer: \_\_\_\_\_

Occupation: \_\_\_\_\_

Birth date: \_\_\_\_\_

Net Worth: \_\_\_\_\_

Annual Income: \_\_\_\_\_

Prior Investment Experience (please indicate the number of years for each category)

STOCKS/OPTIONS \_\_\_\_\_ FUTURES/OPTIONS \_\_\_\_\_ BONDS \_\_\_\_\_ OTHER \_\_\_\_\_

Are you a member of the NFA, or registered with the NFA or CFTC? \_\_\_\_\_

If yes, enter your registration number and type: \_\_\_\_\_

Do you currently or did you in the past have commodity accounts with any brokerage firms?

\_\_\_\_\_

If yes, please identify firms and approximate dates:

\_\_\_\_\_

\_\_\_\_\_

Have you ever been involved in any litigation, arbitration proceedings, disputed accounts or other unresolved matters with any commodities or securities firm? \_\_\_\_\_

If yes, please supply details on a separate sheet, including names of parties involved and dates.

# *Zephyr Asset Management LLC*

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New Client Forms: 3

## **Client Questionnaire**

Type of Account:

\_\_\_\_\_ INDIVIDUAL \_\_\_\_\_ TRUST \_\_\_\_\_ JOINT, WROS OR TC

\_\_\_\_\_ CORPORATE \_\_\_\_\_ IRA \_\_\_\_\_ PARTNERSHIP \_\_\_\_\_ OTHER

If other, please specify: \_\_\_\_\_

Signatures:

I/we certify that the information provided herein is true, correct and complete, and that this investment and the associated risk are suitable for me/us.

\_\_\_\_\_

(Signature)

(Date)

\_\_\_\_\_

(Signature, if joint account)

(Date)

**MANAGEMENT AGREEMENT (Page 1)**

This Customer Agreement and Trading Authorization is made and entered into as of the date set forth at the end of this Agreement by and between Zephyr Asset Management and the undersigned customer(s). This agreement is entered into based upon the following representations:

The client represents the he/she has speculative capital for the principal purpose of investing in options on futures and futures contracts and has been informed and is fully cognizant of the high risks associated with such investments.

**IT IS MUTUALLY AGREED THAT:**

The client shall deposit the sum set forth at the end of this Agreement in a commodity trading account established and maintained with the futures commission merchant ("FCM") named at the end of this Agreement.

The Advisor will trade options on futures and futures contracts and will have the exclusive authority to issue all necessary instructions to the Broker. All such transactions shall be for the account and risk of the Client.

The Advisor will seek capital appreciation in the Client's Account by trading speculatively in options on futures and futures.

This Agreement shall remain in effect until terminated by the receipt of written notice of either party to the other. All such notices will become effective within 15 business days once acknowledged by the Advisor. The Advisor or Client may terminate this Agreement for any reason upon such notice. Upon termination of this Agreement, open positions held by an account will be closed as promptly as possible subsequent to the acknowledgment of the request.

The Advisor's recommendations and authorizations shall be for the Account and risk of the Client. The Advisor makes no guarantee that any of its services will result in a profit to the Client. The Client has discussed the risks of futures trading with the FCM and understands those risks. The Client assumes the responsibility of losses that may be incurred.

The Client agrees to execute a "Limited Trading Authorization and Power of Attorney" with his/her FCM authorizing the Advisor to enter orders for Commodity Interests for the Client's Account.

The Client recognizes that the Advisor will transmit orders on the Client's behalf to the FCM but will not directly execute such orders. The Advisor shall not be responsible for any acts, omissions, or errors of the FCM or any other executing broker in executing such orders.

The Client acknowledges that the Advisor's strategies and trades constitute proprietary data belonging to the Advisor and agrees that neither it nor any of its affiliates will disseminate any confidential information regarding any of the foregoing, except as required by law, and any such information as may be acquired by the Client or such affiliates is to be used solely to monitor the Advisor's performance on behalf of the Client.

The Client agrees that any and all portfolio position reports, performance information and other confidential or proprietary information distributed to the Client by Zephyr Asset Management must be held in confidence by the client and may not be disclosed to any third party or used by the Client or any third party to whom the Client discloses such information for any purpose other than to monitor the Client's account.

The Client agrees to authorize payments from the Client's Account to the Advisor in compensation for services as set forth in this agreement.

The Client acknowledges that he has read a copy of the Advisor's most current Disclosure Document, including the Risk Disclosure Statement. The Advisor makes no guarantee that any of its services will result in a gain for the Client.

# *Zephyr Asset Management LLC*

## **MANAGEMENT AGREEMENT (Page 2)**

The Advisor shall use its best efforts to increase the value of the account; however, the Advisor cannot and does not insure any such increase. Except for acts constituting willful malfeasance or gross negligence, neither the Advisor nor any of its directors, officers, affiliates, principal, employees or agents shall be liable hereunder or otherwise for any action performed or omitted to be performed or for any errors of judgment in managing the account. The Client shall indemnify the manager (and its officers, directors, principal, employees and agents) against any expense, loss, liability or damage arising out of any claim asserted, or threatened to be asserted by any third party, including attorney's fees as incurred, with respect to the matters as to which the Advisor is exculpated from liability as set forth above.

In the event that any provisions of this Agreement are invalid for any reason whatsoever, all other conditions and provisions of the Agreement shall, nevertheless, remain in full force and effect.

The Client will pay the Advisor as compensation for advisory services a monthly management and a monthly incentive fee mutually agreed upon and set forth at the end of this Agreement. The Advisor will bill all fees with the billing sent directly to the FCM to be paid out of the Client's account. The Advisor reserves the right to negotiate different fees for different clients and to share any portion of these fees with third parties in accordance with regulatory and industry standards. The monthly management and monthly incentive fees are calculated and defined as follows:

### **Monthly Management Fees**

Zephyr Asset Management will charge a monthly management fee. The management fee will be billed monthly as a percentage of the Net Asset Value (Account Value at Market) of the client's account at the end of each month. The management fee will be calculated prior to any incentive fee being subtracted from the account. If a client withdraws from the Program on a date other than at the end of a month, management fees will be calculated and billed as if such termination were the end of the month.

### **Monthly Incentive Fee**

The monthly incentive fee is taken as a percentage of New Net Trading Profits. New Net Trading Profits are computed using the formula: (1) gross realized profit and loss during the period plus (2) the change in net unrealized profit and loss on open positions as of the end of the period, minus (1) all brokerage commissions and transaction fees and charges paid or accrued during the period and (2) cumulative net loss, if any, carried over from other periods. The carryover of previous loss makes certain that incentive fees are paid only on the cumulative increases in the net gains of an account. It should be noted that the full loss is not carried over the next month in an instance where there has been a partial withdrawal of funds. In such a case, the portion of the loss attributable to the withdrawn amount is first subtracted from the carryover loss. In addition, if an account does not have New Net Trading Profits in a given month, no incentive fee will be due to the Advisor unless and until the account experiences New Net Trading Profits in a subsequent month. The amount of the incentive fee due to the Advisor, if any, will be determined independently with respect to each month, and the amount of any such fee paid will not be affected by subsequent losses experienced in a participating customer's account. Incentive Fees will be billed monthly. In the event of a withdrawal other than as of a month-end, any Incentive Fees with respect to such redeemed assets will be paid to Zephyr Asset Management as if such date of withdrawal were a month-end.

By depositing funds with the FCM, the Client acknowledges and accepts the propriety of the Advisor's trading program and his suitability to bear economic risk of loss in commodity trading in Commodity Interests.

# Zephyr Asset Management LLC

## MANAGEMENT AGREEMENT (Page 3) Signature Page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

### Advisor: ZEPHYR ASSET MANAGEMENT, LLC

\_\_\_\_\_  
Principal's Signature (*Zephyr Asset Management*)

\_\_\_\_\_  
Client's Name  
(Please Print)

\_\_\_\_\_  
Name of FCM

\_\_\_\_\_  
Introducing Broker

\_\_\_\_\_  
First Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Amount of Initial Deposit with FCM

\_\_\_\_\_  
Client's Address

\_\_\_\_\_  
2% Annually / 20% of New Profit  
Management / Incentive Fee

\_\_\_\_\_  
Email Address:

\_\_\_\_\_  
Client's Telephone number

\_\_\_\_\_  
Trading Program Designation

\_\_\_\_\_  
Moderate Program

\_\_\_\_\_  
Aggressive Program

\_\_\_\_\_  
Conservative Growth

*If a joint account:*

\_\_\_\_\_  
Second Client's Name (Please Print)

\_\_\_\_\_  
Second Client's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Client's Address

\_\_\_\_\_  
ZEPHYR ASSET MANAGEMENT, LLC.

\_\_\_\_\_  
DISCLOSURE DOCUMENT

Second Client's Telephone number

# *Zephyr Asset Management LLC*

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## **CUSTOMER ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE DOCUMENT**

The undersigned client(s) ("Client") hereby acknowledges receipt of a copy of the Disclosure document dated November 16, 2007 of Zephyr Asset Management, LLC. Client has read and understands the document and has carefully considered the risks outlined therein.

Trading Program Designation: Please indicate the program pursuant to which you wish your account to be traded.

\_\_\_\_\_ Aggressive Program

\_\_\_\_\_ Moderate Program

\_\_\_\_\_ Conservative Growth

\_\_\_\_\_  
Client's Name (Please Print)

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

*If a joint account:*

\_\_\_\_\_  
Second Client's Name (Please Print)

\_\_\_\_\_  
Second Client's Signature

\_\_\_\_\_  
Date

# Zephyr Asset Management LLC

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## FEE PAYMENT AUTHORIZATION

TO: \_\_\_\_\_

**Name of FCM**

The undersigned client(s) ("Client") hereby authorizes the FCM named above to deduct from Customer's commodity trading account with the FCM and remit directly to Zephyr Asset Management, LLC. within five business days following the FCM's receipt of Zephyr Asset Management's bill, such management fees, incentive fees and \$2.00 per trade executed in the account. This fee is included in the cost of commissions. These fees are payable at the direction of Zephyr Asset Management, a CFTC Registered CTA, and NFA member, from the undersigned account established and maintained with your firm for a **monthly payment** for the

\_\_\_\_ Moderate Program      \_\_\_\_ Aggressive Program      \_\_\_\_ Conservative Growth

The undersigned client(s) ("Client") hereby authorizes the FCM named above to deduct from Customer's commodity trading account with the FCM and remit directly to Zephyr Asset Management, LLC. within five business days following the FCM's receipt of Zephyr Asset Management's bill, such management fees and/or incentive fees as shall become due and owing to Zephyr Asset Management under the terms and conditions of the Customer Agreement and Trading Authorization between Zephyr Asset Management and the Customer.

Customer acknowledges Customer's ongoing responsibility to review regularly all customer account records and statements from the FCM Zephyr Asset Management since such records will be conclusive and binding on Customer unless a prompt written and/or verbal objection from Customer is received by the FCM or Zephyr Asset Management, as the case may be.

\_\_\_\_\_  
Client's Name (Please Print)

\_\_\_\_\_  
Client's Signature

\_\_\_\_\_  
Date

*If a joint account:*

\_\_\_\_\_  
Second Client's Name (Please Print)

\_\_\_\_\_  
Second Client's Signature

\_\_\_\_\_  
Date

**ZEPHYR ASSET MANAGEMENT, LLC.**

**DISCLOSURE DOCUMENT**

# *Zephyr Asset Management LLC*

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## **PRIVACY STATEMENT**

Pursuant to the Commodity Futures Trading Commissions new rules, financial institutions like Zephyr Asset Management are required to provide privacy notices to their clients. We at Zephyr Asset Management consider privacy to be fundamental to our relationship with our clients. We are committed to maintaining the confidentiality, integrity and security of our current and former clients' non-public information. Accordingly, we have developed internal policies to protect confidentiality while allowing clients' needs to be met.

We will not disclose any non-public personal information about clients, except to our affiliates and service providers as allowed by applicable law or regulation. In the normal course of serving our clients, information we collect may be shared with companies that perform various services such as our accountants, auditors and attorneys. Specifically, we may disclose these service providers non-public personal information including:

- Information Zephyr Asset Management receives from clients on managed account agreements and related forms (such as name, address, Social Security/Tax identification number, birth date, assets, income and investment experience); and
- Information about clients' transactions with Zephyr Asset Management (such as account activity and account balances).

Any party that receives this information will use it only for the services required and as allowed by applicable law or regulation, and is not permitted to share or use this information for any other purpose. To protect the personal information of individuals, we permit access only by authorized employees who need access to that information to provide services to our clients and us. In order to guard clients' non-public personal information, we maintain physical, electronic and procedural safeguards that comply with the U.S. federal standards. If the relationship between a client and Zephyr Asset Management ends, Zephyr Asset Management will continue to treat clients' personal information as described in this notice. An individual client's right to privacy extends to all forms of contact with Zephyr Asset Management, including telephone, written correspondence and electronic media, such as email messages via the Internet.

Zephyr Asset Management reserves the right to change this privacy notice, and to apply changes to information previously collected, as permitted by law. Zephyr Asset Management will inform clients of any such changes as required by law.

**Any questions regarding this Privacy Statement should be directed to Kevin MacLean, at (615) 547-0171 or [kmaclean@zephyrasset.com](mailto:kmaclean@zephyrasset.com)**

**LIMITED POWER-OF-ATTORNEY**

**MANAGED ACCOUNT AUTHORITY AND RISK DISCLOSURE**

Customer hereby authorizes: \_\_\_\_\_ ("Trading Agent") as agent and attorney-in-fact to buy and sell (including short sales) commodities and/or futures and/or options on futures contracts on margin or otherwise for Customer's account and risk. Customer agrees to indemnify and hold Peregrine Financial Group, Inc. ("PFG") harmless for all losses, costs, indebtedness and liabilities arising therefrom.

PFG is authorized to follow the instructions of the Trading Agent in every respect concerning Customer's account with PFG, except that Trading Agent is not authorized to withdraw any money, securities, or other property either in the name of Customer or otherwise.

Customer ratifies and confirms any and all transactions with PFG heretofore and hereafter made by Trading Agent on behalf of or for Customer's account.

Customer acknowledges that the risk factor is high in futures trading and only genuine "risk" funds should be used in such trading. Customer understands that if Customer does not have extra capital he can afford to lose, Customer should not trade in the futures market. No "safe" trading system has ever been devised, and no one can guarantee profits or freedom from loss. In fact, no one can even guarantee to limit the extent of losses. Customer acknowledges that Trading Agent has made no representation concerning limiting loss or guarantying profit.

Even though Customer is granting trading authority to another, Customer should be diligent to closely scrutinize what is going on in Customer's account. PFG shall send Customer a confirmation of every trade made for Customer's account, and a profit and loss statement showing the financial results of each transaction closed out for Customer's account. In addition, PFG shall send Customer monthly statements showing the ledger balance, exact positions in the account, net profit or loss in all contracts closed since the date of the last statement, and net unrealized profit and loss in all open contracts figured to the market. Customer should carefully review these statements. If Customer has any questions, Customer should contact PFG immediately.

Trading authorization over Customer's account terminates only upon written revocation by Customer or the Trading Agent holding the authorization. Therefore, if for any reason Customer wishes to revoke the trading authorization that Customer has given, Customer can only do so in writing.

This authorization and indemnity is a continuing one and shall remain in full force and effect until revoked by Customer by written notice addressed to PFG and delivered to PFG at the office where Customer's account is carried. Such revocation shall not affect any liability in any way resulting from transactions initiated prior to receipt of such revocation. This authorization and indemnity shall inure to the benefit of PFG and that of PFG's successors and agents.

Customer authorizes Trading Agent to trade foreign exchange traded futures and/or Exchange For Physical (EFP) Commodities.

Customer understands and certifies that Customer has the financial resources to enter into the Customer Agreement and the Limited Power-of-Attorney. Customer acknowledges that the trading objectives have been explained to Customer. Customer acknowledges that Customer has received, read and understands the Limited Power-of-Attorney Risk Disclosure and Limited Power-of-Attorney.

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

(Attach a copy of this page for additional signatures.)

**THIRD PARTY LETTER NFA RULE 2-8(e)**

Dear Customer:

The National Futures Association ("NFA") Rule 2-8(e) requires:

An acknowledgment from Customer that Customer has either received:

- a Commodity Trading Advisor ("CTA") Disclosure Document from the Trading Agent, or
- a written statement from the Trading Agent explaining why the Trading Agent is not required to provide a CTA Disclosure Document to the Customer. (Trading Agent must indicate reason for exemption below.)

I, \_\_\_\_\_, the Trading Agent for Customer, am not required to provide a disclosure document to Customer because I am exempt from registering as a CTA with the NFA as indicated below:

- I have provided advice to 15 or fewer persons during the past 12 months and do not hold myself generally to the public as a CTA..
- I am a  dealer, processor, broker, or seller in cash market transaction or  nonprofit, voluntary membership, general farm organization, who provides advice on the sale or purchase of commodities, and any trading advice is solely incidental to the conduct of my business.
- I am registered as an Associated Person with the NFA and my advice is issued solely in connection with my employment as an Associated Person.
- I am a relative of Customer. My relationship to Customer is: \_\_\_\_\_
- I am a foreign advisor, advising foreign nationals.
- Forex Trading only.

[If Trading Agent is a corporation, partnership or other type of association, attach a complete list of all individuals of such corporation, partnership, or other type of association who will exercise trading authority and control over the account.]

\_\_\_\_\_  
Trading Agent's Signature

NFA # (if registered) \_\_\_\_\_

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

Customer acknowledges that the Trading Agent has either provided a CTA Disclosure Document to Customer or has provided the reason(s) for an exemption from being registered as a CTA in the foregoing.

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

(Attach a copy of this page for additional signatures.)