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### AUTO LIQUIDATION ACKNOWLEDGMENT

Customer has entered into a Customer Agreement with Peregrine Financial Group, Inc. d/b/a PFGBEST ("PFGBEST") to carry one or more accounts of Customer and to provide services to Customer in connection with the purchase and sale of cash commodities (including financial instruments), commodities futures contracts, options on cash commodities, options on futures contracts and forward or leverage contracts and any similar instruments which may be purchased or sold by or through PFGBEST for Customer's account. All provisions of the Customer Agreement shall remain in full force and effect and shall control.

PFGBEST offers the service of auto liquidation and Customer desires to trade with PFGBEST using auto liquidation.

1. **Auto Liquidation.** The auto liquidation function is currently set at 10% of the initial margin rate. In the event that a Customer's account liquidating value equals or is less than 10% of the exchange initial margin rate, then PFGBEST may auto-liquidate all of the positions in the account. The auto-liquidation function will send offsetting market orders to the exchange or in the case of off-exchange products directly to the appropriate electronic clearing network or market maker; resulting in the closing of all open positions for Customer's account. Customer acknowledges and agrees to his account being auto liquidated at the current market rate. If positions are unable to be offset due to market conditions, Customer shall still remain liable for his positions and market risk in his account. Further, Customer is responsible to pay any debit balance that may result from his account being auto liquidated. With auto-liquidation, PFGBEST's day trade margin rate is currently 12.5% of the exchange initial margin rate. PFGBEST may increase at its sole discretion, the margin and/or auto-liquidation function rate with or without prior notice to Customer.
2. **Principal Risk Factors Associated with Auto Liquidation.** PFG can liquidate an account without prior notice to a customer. This is especially the case in auto liquidation. There are several risk factors associated with auto liquidation. For instance, an account could be automatically liquidated if PFGBEST has received wrong data from the exchanges, or that there is a key punch error in recording the data. PFGBEST is not responsible for wrong data it receives from exchanges nor is PFGBEST responsible for late, lost, misdirected, misdelivered, incomplete, illegible or unintelligible orders; unavailable network connections; failed, incomplete, garbled or delayed computer transmissions; keypunch errors; online failure or other technical malfunctions or disturbances. If the account value changes overnight, the account could be auto-liquidated upon the market open. Market volatility could cause an account to be auto-liquidated on short or relatively no notice to Customer. All other risk associated with trading, is present even though PFGBEST may exercise its rights to auto-liquidate.

The undersigned agrees, acknowledges, and understands the foregoing and agrees to be bound by the terms of this Acknowledgment.

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

\_\_\_\_\_  
Date

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

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

\_\_\_\_\_  
Date

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

Please submit completed form to PFGBEST – New Accounts Department via fax to 319.277.0880 or via e-mail to [newaccounts@pfgbest.com](mailto:newaccounts@pfgbest.com).