

Introducing/Carrying Broker Disclosure

THIS STATEMENT CONTAINS IMPORTANT INFORMATION. PLEASE READ IT CAREFULLY AND RETAIN FOR FUTURE REFERENCE.

Jefferies Securities, Inc. (“**Jefferies**”) is an Introducing Broker and CIBC World Markets Inc. (“**CIBC WM**”) is a Carrying Broker. Services are provided to you under a written Introducing/Carrying Broker Agreement between Jefferies and CIBC WM.

Responsibilities of Jefferies

Jefferies has specific responsibility for serving and supervising your securities account in accordance with its policies and applicable laws and regulations, and determining the suitability for all trading activity in your accounts.

Jefferies is solely responsible for knowing you and understanding your investment objectives.

Jefferies is solely responsible for any investment advice, investment recommendation, or investment management services that may be provided to you. Jefferies is also solely responsible for determining whether particular types of transactions, which may be recommended to you (e.g. margin, options, short sales, convertible hedges etc.) are appropriate for you.

Jefferies is solely responsible for the acceptance and the execution of securities orders, unless it has requested CIBC WM to execute such orders.

Jefferies is solely responsible for knowing the facts about any orders for the purchase or sale of securities for your account.

Jefferies is solely responsible for supervising the activities of the individual or individuals who service your account and for resolving any complaints regarding the handling of your account. In all of the above matters relating to the servicing of your account, CIBC WM has no involvement and assumes no responsibility.

Responsibilities of CIBC WM

In general, CIBC WM is only responsible for those services provided at the request or direction of Jefferies as described in the Introducing/Carrying Broker Agreement.

With respect to any transactions clients may enter into, CIBC WM will be responsible for trade settlement, custody of cash and securities, the preparation of confirmations and account statements and the financing of client account positions as directed by Jefferies. In addition, if requested by Jefferies, CIBC WM may be responsible for the execution of securities orders.

CIBC WM reserves the right to refuse to accept a particular account or order at its sole discretion for the sole protection of CIBC WM.

CIBC WM will receive and deliver cash and securities for your account and will record such receipts and deliveries according to information provided either by Jefferies or directly, in writing, by you.