

Pearlman CTA

Welcome & Check List

Thank you for choosing Pearlman CTA.

Please complete the following Pearlman CTA forms.

Instruct your brokerage to create or assign an account for Pearlman CTA to use when trading.

If introduced by a licensed broker please check with them, if not contact us, for additional help.

Necessary Forms:

- _____ Client Questionnaire (Pages 2)
- _____ Advisory Agreement (Pages 3-5)
- _____ Disclosure Document Acknowledgment (Page 6)
- _____ Fee Payment Authorization (Page 7)
- _____ Notional funds letter (page 8)
- _____ Pearlman CTA Privacy Statement (Page 9)

Please sign last page of current DDoc and return with copy of full Ddoc to your IB or FCM.

Also be sure to complete your FCM's Discretionary Trading Authorization Limited POA form, authorizing 'Roger M. Pearlman, CTA' as account controller and forward here for our signature.

Get completed forms to your IB/FCM and CC us:

Pearlman CTA
23205 Marigold Ave
Tehachapi Ca. 93561
Phone: 310-948-5137
Fax: 661-822-8190
info@pearlmancta.com

Pearlman CTA

Client Questionnaire

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

Name: _____

Address: _____

Telephone:

HOME: _____

WORK: _____

Cell: _____

FAX: _____

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

Pearlman CTA

MANAGEMENT AGREEMENT

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 Pearlman CTA 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 or 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 self, 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 Pearlman CTA 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 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. The Advisor will not be liable to the Client or to others except by reason of acts constituting willful malfeasance or gross negligence as to its duties herein, and disclaims any liability for human or machine errors in orders to trade or not to trade Commodity Interests. Having fully discretionary trading and risk management, at odds with experts, will not create liability. 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 incentive fee, and if applicable management fee. The Advisor will bill all fees with the billing sent directly to the FCM to be paid out of 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 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. Unless otherwise agreed monthly fee terms are:

- | | |
|---|------------------|
| | <u>Check One</u> |
| 30% incentive and 3% management accounts funded with under \$100,000. | _____ |
| 20% incentive and 2% management accounts funded with \$100,000-\$500,000. | _____ |
| 20% incentive and 1% management accounts funded with \$500,000-\$5,000,000. | _____ |
| 10% incentive and 1% management accounts over \$5,000,000. | _____ |

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, except prior CTA fee which is treated as a withdrawal in the period accrued. (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 unless otherwise agreed. In the event of a withdrawal other than as of a month-end, any Fees with respect to such redeemed assets will be paid to Pearlman CTA as if such date of withdrawal were a month-end.

By depositing funds, or designating a trading level, with the FCM, the Client acknowledges and accepts the propriety of the Pearlman CTA trading program, and the clients suitability to bear economic risk of loss in commodity trading in Commodity Interests. Programs suited for long term risk capital only.

Trading Program:

Initial Funding Level

“Booster”

\$10,000 to \$500,000

“Rocket”

\$500,000 to \$5,000,000

“Orbit”

From \$5,000,000

Level based on initial funding, or month start net liquidation value if higher.

\$

Amount of Initial Deposit

With: Name of FCM (Please Print)

Client’s Name (Please Print)

Client’s Signature

Date

If a joint account:

Second Client’s Name (Please Print)

Second Client’s Signature

Date

Pearlman CTA

CUSTOMER ACKNOWLEDGMENT OF RECEIPT OF DISCLOSURE DOCUMENT

The undersigned client(s) (“Client”) hereby acknowledges receipt of a copy of the Trading Program and Risk Disclosure document, dated September 1, '10, of Pearlman CTA.

Client has read and understands the document and has carefully considered the risks outlined therein.

Client authorizes payment of CTA fee described therein.

Client authorizes FCM/IB to provide CTA a copy of account application.

Client’s Name (Please Print)

Client’s Signature

Date

If a joint account:

Second Client’s Name (Please Print)

Second Client’s Signature

Date

Pearlman CTA

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 Pearlman CTA Within five business days following the FCM’s receipt of Pearlman CTA bill, such management fees and/or incentive fees as shall become due and owing to Pearlman CTA under the terms and conditions of the Customer Agreement and Trading Authorization between Pearlman CTA and the Customer.

Customer acknowledges Customer’s ongoing responsibility to review regularly all customer account records and statements from the FCM and from Pearlman CTA 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 Pearlman CTA, 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

Pearlman CTA

NOTIONAL FUNDS LETTER

(Designated funding from cross funded accounts to be considered actual funding.)

Special situation and underfunded accounts only.

Re: Customer Agreement and Trading Authorization

With respect to the Customer Agreement and Trading Authorization executed by me and dated _____, 20____ (the .Agreement.), this letter will confirm that, pursuant to the Agreement, I have deposited \$ _____ with the FCM (Actual Funds), an equal amount of notional funding will be deemed in the account. Combined the sum is the 'nominal' account size. I understand that the level of trading will be based on the nominal account size. Margin calls may require me to fund the account (as that term is defined in the agreement) beyond the actual funds deposited therein. In addition, I request that you trade my account with a degree of leverage that exceeds what may be appropriate by you if based solely on actual funds, and I am aware of the following:

1. I will incur greater risk because I may experience greater losses, as measured by a percentage of assets actually deposited in my account, than in an account funded at the non leveraged or conservative level recommended as appropriate by you.
2. My account will experience greater volatility, as measured by rates of return achieved in relation to assets actually deposited in my account, than an account funded at the non leveraged or conservative level recommended as appropriate by you.
3. The brokerage commissions are more, as measured by the percentage of such commission in relation to assets actually deposited in my account, than a client's account in the conservative or non leveraged programs.

Client's Name (Please Print)

Client's Signature
If a joint account:

Date

Second Client's Name (Please Print)

Second Client's Signature

Date

Pearlman CTA

PRIVACY STATEMENT

Pursuant to the Commodity Futures Trading Commissions new rules, financial institutions like Pearlman CTA are required to provide privacy notices to their clients. We at Pearlman CTA 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 polices 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 Pearlman CTA 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 Pearlman CTA (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 Pearlman CTA ends, Pearlman CTA 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 Pearlman CTA, including telephone, written correspondence and electronic media, such as email messages via the Internet.

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

Send any questions regarding this Privacy Statement to: info@pearlmancta.com