

Some commonly asked questions are:

**Q. Why do we need to submit a Preliminary Risk Assessment for every account?**

A.. The Preliminary Risk Assessment is one part of complying with our Anti-Money Laundering Policy (AML). For a more detailed explanation, as well as other requirements for complying with AML, please review the AML policy in your Broker Manual or on the RJO website, [www.rjobrien.com](http://www.rjobrien.com) .

**Q. When is it necessary to get an Employee Authorization Letter?**

A. When the customer is an employee of a brokerage firm, bank, lender, mortgage company, life insurance company, or a company that is required to register with the NFA or NASD.

**Q. When is it necessary to have the customer sign a Personal Funds letter?**

A. When the customer owns his own mortgage company, life insurance company, lending firm, is a personal financial investor, or works for a church. These are reviewed on a case-by-case basis.

**Q. Is it necessary for all entity accounts to sign the Personal Guarantee?**

A. Yes, it is necessary. If the customer's account goes debit, it is a means of protecting your IB and R.J. O'Brien. If the entity runs out of money and there is no Personal Guarantee, there will be no way to recover the funds.

**Q. What Canadian provinces does RJO do business in?**

A. Manitoba, Ontario and British Columbia.

**Q. What countries does RJO not do business in?**

A. RJO does not have a set list because it depends on the type of customer and the type of trading they will be doing. A few of the countries that RJO does not do business in are: Germany, Russia, Cyprus, Pakistan. And those countries on the OFAC Sanctions List. Should you have a customer from a country not part of Financial Action Task Force (FATF) or should you have a foreign customer from a country you are unsure of, you should contact the compliance department before you begin the paperwork process with the customer.

**Q. Does RJO allow IRA accounts?**

A. Yes, RJO does business with Millennium Trust, Northstar and Sterling.

**\*\*\*A Preliminary Risk Assessment form is required to be submitted with all new accounts.**

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## INDIVIDUAL, JOINT AND SOLE PROPRIETARY ACCOUNTS

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1. Need full and legal name of individual and joint account owners.
    - The account must be titled in the customer's full legal name
    - If individual is foreign; a copy of their passport is required.
    - RJO has begun subscribing to a service on your behalf that will enable us to verify account owner information. Please remember that if we do find that there is a discrepancy, we will ask you to provide further information.
  
  2. Complete home and business addresses
    - Statements may be sent to a P. O. Box, but we need to have on record the complete mailing address.
    - If any we do find any discrepancies in our search, we may ask for a driver's license, utility bill, or Social Security Card to verify the needed information.
  
  3. Home and business phone numbers
    - Even if customers do not wish to be contacted at work, an emergency number must be given in case of extreme market condition change.
  
  4. Understanding futures trading, risk of loss, debit balance, R. J. O'Brien & Associates, Inc. margin policy.
    - Customer must understand all points.
  
  5. Employment
    - If customer is self-employed, need to know exact nature of business. Also, need to confirm if account owner is trading own money or is taking in anyone else's funds (sole-proprietary). We would need a **Personal Funds letter**<sup>1</sup> as confirmation.
    - If customer is registered in any capacity with NFA or NASD, individual needs an **employer authorization**.
    - If customer works for any type of financial institution, in any capacity, an **employer authorization** is needed.
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6. If this is a Joint account, both parties must complete and sign the account application.
7. A W-9 must be completed for all U.S. accounts. It must include the customer's name and the Social Security Number as well as their signature. If it is a joint account, only the person who's Social Security Number is being reported to the IRS should fill out the W-9 and sign the form. If the W-9 is for a registered entity, it must include the name of the entity, Federal Employer ID Number, and the authorized person's signature.

W-8/Foreign Trader: This form needs to be signed by each account owner. The W-8 needs to contain a foreign address. The W-8 is not included in R.J.O'Brien's standard application. A link to the W-8 forms may be located on R.J. O'Brien's website, [www.rjobrien.com](http://www.rjobrien.com) under the section titled "Open An Account", Step 2.

8. In the case of a Sole Proprietary account, if the customer gives a federal tax ID number instead of a social security number then a copy of the document issued by the state that enables the customer to use the federal tax ID number is required. This confirms that the federal tax ID number belongs to the individual as a sole proprietary and is not a separate legal entity such as a corporation or partnership.

## RISK ADDITIONAL DOCUMENTATION NEEDED ON NEW ACCOUNTS

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The RJO risk department also must review and complete their due diligence on all US and Foreign Partnerships, Corporations, Trusts and LLC accounts. The below information must be included in order for the risk department to complete their due diligence.

1. Full Audited Financials of the entity in question. If a customer does not have audited financials then their balance sheet or any other financial information they may have must be sent in.
2. The financial information on the application page must be filled out completely. Including the bank name and account number.
3. Contact information for a bank reference must be provided. This should include their bankers name, phone number, fax number and email address (if possible). In order to facilitate the completion of this reference in a timely matter it would be helpful if the customer notifies their banker that they do have permission to complete the requested reference for RJO.
4. In the case of foreign accounts passports of all officers, members, partners or trustees must be provided.

## PARTNERSHIP ACCOUNTS

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Forms must be filled out in the legal name of the partnership with all agreements signed by all general partners. The below must also be included.

Both general and limited partnership accounts must submit a Partnership Agreement. The document needs to cover the following points:

1. The account application page must be filled out completely with the information on the partnership.
2. The Partnership-individual general partner information must be filled out in full for each general partner.
3. Who are the General Partners
4. Who are the Limited Partners (when applicable)
5. When the Partnership was formed.
  
6. The purpose of the Partnership; which must include trading commodity futures and options on futures. If not, the partnership needs to be amended and signed by all General Partners. (We have sample partnership amendments.)
7. How and when the Partnership will dissolve.
8. If a General Partner is an entity such as:
  - a.) **Corporation**- then the Articles of Incorporation are required.
  
  - b.) **LLC**-then the Articles of Organization and Operating memorandum are required.
  
  - c.) **Trust**- then the Trust Document is required.
  
9. It is important to get all of these documents as well as the full partnership agreement to ensure the correct people are signing our agreements, there is no wording in their legal documents that would prevent them from trading futures and options and the entites are in good standing

## LIMITED PARTNERSHIP ACCOUNTS

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1. If a Partnership is a Limited Partnership you must get the Certificate of Limited Partnership that was filed with the Secretary of State

## COMMODITY POOL ACCOUNTS

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1. If registered with the NFA as a CPO then we need a copy of the Offering Memorandum.

**\*\*If a Partnership was formed for the purpose of investing then the partnership must file an exemption with the NFA or register with the NFA as a CPO. If you or your customer is unsure if this applies to their partnership you should contact your compliance contact who will be able to answer these questions.**

## MANAGED ACCOUNTS

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Managed account form is required to be filled out by the account owner(s) to grant limited power of attorney to another individual other than the account owner. This Manager does not have a financial interest in the account

1. RJO does not pay fees to unregistered individuals.
2. If manager is a registered CPO/CTA, a need a copy of the current disclosure document will be required as well as the acknowledgement that the customer received the disclosure document.
3. If a CTA is soliciting new customer's they must update their Disclosure Document every 9 months and RJO must keep an updated copy on file.
4. If management fees are being paid, a Fee Authorization must be executed in order for fees to be paid directly from the Customer Account.
5. Any registered AP with less than 2 consecutive years registration can not manage an account.(this is an NFA rule and can not be waived by RJO)

## LETTERS OF DIRECTION OR TRADING SYSTEMS

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1. Any new Letters of Direction for new systems must be approved by RJO. You should send these to your compliance contact for review.

## TRUST ACCOUNTS

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Forms must be filled out in the legal name of the Trust with all agreements signed by all trustees. The below must also be included.

1. The account application page must be filled out completely on the trust.
2. Personal Guaranty usually signed by the Grantor Trustee.
3. Full trust document
4. The powers of the trustee must include having the power to trade commodity futures and options on futures. If this is not stated then the RJO amendment to the trust agreement must be signed.
5. If amending the Trust, we must see the section of the trust which states the Trust is allowed to be amended.
6. Irrevocable trusts must specifically state the trust has the power to trade commodity futures and options on futures. An irrevocable trust can not legally be amended so if it does not state the above RJO can not approve this type of trust.

## CORPORATE ACCOUNTS

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Forms must be filled out in the legal name of the Corporation with all agreements signed by authorized representatives of the corporation. The below must also be included.

1. The account application page must be filled out completely on the corporation.
2. A signed Personal Guaranty of a principal must be included.
3. Articles of Incorporation
4. Certificate of Good Standing
5. Most recent copy of Audited Financials
6. If the officers signing the Corporate Resolutions do not match the officers listed in the Articles of Incorporation a current list of officers will be needed such as Board Meeting Minutes

## LIMITED LIABILITY COMPANY (LLC)

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Forms must be filled out in the legal name of the LLC with all agreements signed by authorized representatives of the corporation. The below must also be included.

1. The account application page must be filled out completely on the LLC.
2. Need a copy of the Articles of Organization
3. Operating Agreement – The Operating Agreement is similar to a Partnership Agreement. Rather than partners, there are Members. All Members must sign the account documents unless a Managing Member is appointed. This would be stated in the Operating Agreement.
4. Operating Agreement must also specifically state the ability to trade futures and options. If it does not state this the amendment to the operating agreement must be signed.
5. The legal documents must state who the current Members are and if it does not list this we need something like Board Meeting Minutes that do show the current Members.
6. Most recent copy of Audited financials
7. Complete the Corporate Resolution.
8. If any member/managing member is an entity we need that entities legal documentation as well (just as it is explained above in partnership accounts)
9. If an LLC was formed to trade commodities then this account should be treated like a CPO, a copy of the Offering Memorandum and/or a copy of their NFA exemption letter will be required.

## F O R E I G N   A C C O U N T S

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In the case of any foreign accounts copies of the passports for all individuals, partners, officers, members or trustees must be provided.

## D U P L I C A T E   A C C O U N T S

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1. If a customer should decide to open more than one account with the same IB and has already completed the RJO application they do not need to fill out the application again. They just need to sign a Related Account Request form.
2. Remember that everyone who signed the original account forms must sign the Related Account Request
3. Please keep in mind, the new account must abide by the AML requirements, a Preliminary Risk Assessment may need to be submitted if we do not have one on file
4. If a customer wants to open a second account with a different IB then that customer needs to fill out a new application for the new IB

## OMNIBUS ACCOUNTS

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Should you have a customer that wishes to open an Omnibus Account you should contact your compliance contact before beginning the paperwork process to ensure that the customer meets the proper guidelines to open an Omnibus Account. The compliance contact will also ensure that you receive the proper paperwork for the Omnibus customer to fill out.

## STATEMENTS

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1. When possible RJO would like for the customer to sign the Consent to electronic Statements agreement to allow emailed statements.(remember emailed statements can not go out without this form signed)
2. For Corporations and LLC statements must go out to 2 separate people at the entity (this is listed on the New Accounts Worksheet)
3. Statements must also be set up to go out to a manager when applicable.
4. Every account must get statements. A customer should sign the consent to electronic statements for which will allow the statements to be sent via email or viewed online. RJO does charge \$1 for statements that go out via regular mail. (It is illegal for RJO to stop sending statements to a customer. Even if that customer requests no statements they must get sent out.)

**PLEASE NOTE THE FOLLOWING PAGES ARE COPIES OF THE  
ADDITIONAL FORMS THAT MAY BE NEEDED FOR ALL THE ABOVE  
TYPES OF ACCOUNTS**

Employee Authorization Letter

R.J. O'Brien & Associates  
222 S Riverside Plaza Suite 900  
Chicago, IL 60606

To Whom It May Concern:

**Please be advised that (Company Name) is aware (Customer Name) is opening a commodity trading account with R.J. O'Brien.**

**We do request to receive duplicate statements\_\_\_\_\_**

**We do NOT request to receive duplicate statements\_\_\_\_\_**

Sincerely,

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

AMENDMENT TO TRUST AGREEMENT

The Undersigned Grantor(s)/Trustee(s) of the “\_\_\_\_\_Trust under Trust Agreement, dated\_\_\_\_\_, 20\_\_\_”, with amendments(s) dated\_\_\_\_\_, 20\_\_\_\_\_, under the laws of the State of\_\_\_\_\_, hereby amend said Trust Agreement as follows:

By unanimous consent of all the Grantor(s)/Trustee(s) who are duly authorized pursuant to said Trust Agreement to amend same, the Trust is expressly authorized to enter into a customer agreement with any duly registered futures commission merchant, chosen by the Trustees(s), for the purpose of purchasing and selling commodity futures contracts and options on commodity futures contracts, and related commodity trading business.

The futures commission merchant so chosen shall have a duty of reasonable business conduct in the course of performing its duty as clearing broker under the applicable customer agreement. The undersigned Trustee(s)/Grantor(s) hereby agree to indemnify, defend, save and hold harmless the chosen clearing broker for any losses, as further provided by the customer agreement.

The enumeration of specific authority shall not in any way limit or affect any other authority which any Trustee(s) might otherwise have.

Dated

SIGN

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

PLEASE NOTE THAT THIS FORM HAS BEEN PROVIDED TO YOU BY WAY OF EXAMPLE AND YOU SHOULD CONSULT YOUR ATTORNEY BEFORE AMENDING A LEGAL DOCUMENT SUCH AS A TRUST AGREEMENT.

AMENDMENT TO PARTNERSHIP AGREEMENT

The Undersigned Partners of “\_\_\_\_\_ a limited/general partnership under Partnership Agreement, dated \_\_\_\_\_, 20\_\_\_\_”, with amendments(s) dated \_\_\_\_\_, 20\_\_\_\_, under the laws of the State of \_\_\_\_\_, hereby amend said Partnership Agreement as follows:

By unanimous consent of all the Partners who are duly authorized pursuant to said Partnership Agreement to amend same, the Partnership is expressly authorized to enter into a customer agreement with any duly registered futures commission merchant, chosen by the Partners, for the purpose of purchasing and selling commodity futures contracts and options on commodity futures contracts, and related commodity trading business.

The futures commission merchant so chosen shall have a duty of reasonable business conduct in the course of performing its duty as clearing broker under the applicable customer agreement. The undersigned Partners hereby agree to indemnify, defend, save and hold harmless the chosen clearing broker for any losses, as further provided by the customer agreement.

The enumeration of specific authority shall not in any way limit or affect any other authority which any Partner might otherwise have

Dated

SIGN

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

PLEASE NOTE THAT THIS FORM HAS BEEN PROVIDED TO YOU BY WAY OF EXAMPLE AND YOU SHOULD CONSULT YOUR ATTORNEY BEFORE AMENDING A LEGAL DOCUMENT SUCH AS A PARTNERSHIP AGREEMENT.

AMENDMENT TO OPERATING AGREEMENT

The Undersigned Members of the” \_\_\_\_\_ LLC under the Operating Agreement, dated \_\_\_\_\_, 20\_\_\_\_”, with amendments(s) dated \_\_\_\_\_, 20\_\_\_\_, under the laws of the State of \_\_\_\_\_, hereby amend said Operating Agreement as follows:

By unanimous consent of all the Members who are duly authorized pursuant to said Operating Agreement to amend same, the LLC is expressly authorized to enter into a customer agreement with any duly registered futures commission merchant, chosen by the Members, for the purpose of purchasing and selling commodity futures contracts and options on commodity futures contracts, and related commodity trading business.

The futures commission merchant so chosen shall have a duty of reasonable business conduct in the course of performing its duty as clearing broker under the applicable customer agreement. The undersigned Member(s) hereby agree to indemnify, defend, save and hold harmless the chosen clearing broker for any losses, as further provided by the customer agreement.

The enumeration of specific authority shall not in any way limit or affect any other authority, which any Member(s) might otherwise have.

Dated

SIGN

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

PLEASE NOTE THAT THIS FORM HAS BEEN PROVIDED TO YOU BY WAY OF EXAMPLE AND YOU SHOULD CONSULT YOUR ATTORNEY BEFORE AMENDING A LEGAL DOCUMENT SUCH AN OPERATING AGREEMENT.

AMENDMENT TO PENSION AGREEMENT

The Undersigned Members of the “\_\_\_\_\_ Pension under Pension Agreement, dated \_\_\_\_\_, 20\_\_\_”, with amendments(s) dated \_\_\_\_\_, 20\_\_\_, under the laws of the State of \_\_\_\_\_, hereby amend said Pension Agreement as follows:

By unanimous consent of all the Members who are duly authorized pursuant to said Pension Agreement to amend same, the Pension Agreement is expressly authorized to enter into a customer agreement with any duly registered futures commission merchant, chosen by the Members, for the purpose of purchasing and selling commodity futures contracts and options on commodity futures contracts, and related commodity trading business.

The futures commission merchant so chosen shall have a duty of reasonable business conduct in the course of performing its duty as clearing broker under the applicable customer agreement. The undersigned Member(s) hereby agree to indemnify, defend, save and hold harmless the chosen clearing broker for any losses, as further provided by the customer agreement.

The enumeration of specific authority shall not in any way limit or affect any other authority, which any Member(s) might otherwise have.

Dated

SIGN

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

PLEASE NOTE THAT THIS FORM HAS BEEN PROVIDED TO YOU BY WAY OF EXAMPLE AND YOU SHOULD CONSULT YOUR ATTORNEY BEFORE AMENDING A LEGAL DOCUMENT SUCH AS A PENSION AGREEMENT.

**“Doing Business As” (DBA) Letter**

R.J. O’Brien & Associates  
Customer Accounts  
222 S. Riverside Plaza  
Suite 900  
Chicago IL 60606

To Whom It May Concern:

I/We, \_\_\_\_\_, am/are currently doing business as (DBA)  
\_\_\_\_\_. The name as listed does not conduct business as  
a Corporation or Partnership and does not hold itself out as engaging in the business of  
capital contributions from other participants in commodity futures contracts. I am the sole  
owner of this account and no one else has an interest in this account.

Account #: \_\_\_\_\_

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
(If this is a joint account, all persons  
must sign)

Entity Funds Letter

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

R.J. O'Brien & Associates

Please be advised that any funds deposited in the trading account are funds of the (Enter name of Corporation, Partnership, etc). Any additional funds used for trading this account will not be solicited from a third party.

Sincerely,

## Foreign Entity Funds Letter

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

R.J. O'Brien & Associates

Please be advised that any funds deposited in the trading account are funds of the (*Enter name of Corporation, Partnership, etc*). Any additional funds used for trading this account will not be solicited from any outside source. This letter also confirms that there are no U. S Investors involved in this corporation.

Sincerely,

RJ O'BRIEN

RELATED ACCOUNT AUTHORIZATION

The undersigned (Customer) hereby authorizes and directs RJ O'Brien (RJO) to open a new account using all existing account documentation including but not limited to agreements and risk disclosure acknowledgements, maintained and existing on file with RJO. Customer hereby acknowledges the receipt and sufficiency of consideration in exchange for RJO's agreement to open this new account. Customer accepts and agrees to be obligated to all of the representations and terms and conditions contained within the existing account documentation, customer agreement, and other agreement, or acknowledgement of receipt of risk disclosures previously agreed to with RJO or which are herein incorporated by reference.

Customer further represents that any additional account opened pursuant to this authorization is identical in all respects to customer's existing account, except as otherwise disclosed to RJO in writing, and further represents that there have been no material changes in customer's personal information or financial condition as previously disclosed in prior account documentation.

Customer acknowledges that his/her separate accounts will not contain long positions in one account and offsetting short positions in another account unless such accounts are independently traded or unless one account is a Speculative Account and the other is a Hedge Account. In any event, Customer understands that positions in separate accounts cannot be transferred from one account to another account if such transfer would result in an offsetting transaction.

ACCOUNT TITLE \_\_\_\_\_

EXISTING ACCOUNT # \_\_\_\_\_

NEW ACCOUNT # \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Joint Owner Signature

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

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

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

Personal Funds Letter

R.J. O'Brien & Associates

Please be advised that any funds deposited in the trading account are my own personal funds. Any additional funds used for trading this account will not be solicited from a third party.

Sincerely,

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

Firm Name  
Preliminary

Your Name: \_\_\_\_\_  
Your Department: \_\_\_\_\_  
Your Supervisor's Name: \_\_\_\_\_  
Date of Report: \_\_\_\_\_

Prior to opening a new account, you are required to perform the following risk assessment. This assessment is not intended to specifically identify suspicious accounts or activities; instead, its purpose is to ensure that you **consider the likelihood of suspicious or potentially illegal activity** for each account. This assessment may lead to the monitoring of accounts, if necessary (see below). Your designated Principal (Supervisor) must review and sign this form before approving the new account, if applicable, and filing it with the customer's account documentation.

1. Type of account:  Existing account  Prospective (new) account
2. Name of account or prospective account: \_\_\_\_\_
3. Address: \_\_\_\_\_
4. Phone Number: \_\_\_\_\_ 5. SSN or TIN: \_\_\_\_\_
6. Is the customer an individual, an intermediary, public, private, domestic or foreign corporation, a financial or non-financial institution, or regulated person or entity? \_\_\_\_\_
7. Has the customer been an existing customer for a significant period of time (how long)? \_\_\_\_\_
8. How did the client become a customer of the Company? \_\_\_\_\_
9. Is the business of the customer, or the particular type of account, the type more likely to be involved in illicit activity (e.g., cash intensive business)? If yes, describe the business. \_\_\_\_\_
10. Is the customer's home country a member of the Financial Action Task Force (FATF) or is otherwise subject to adequate anti-money laundering controls in its home jurisdiction? (If you do not know, please consult your supervisor for assistance.) \_\_\_\_\_
11. Does the customer reside in, is incorporated in or operates from a jurisdiction with bank secrecy laws? (The U.S.Patriot Act is part of these bank secrecy laws.) \_\_\_\_\_
12. Does the customer reside in, is incorporated in or operates from a jurisdiction that has otherwise been identified as an area worthy of enhanced scrutiny? (If you do not know, please consult your supervisor for assistance.) \_\_\_\_\_
13. Are there any other reasons why you think this account may engage in illegal activities or those associated with money laundering activities? \_\_\_\_\_ If yes, please describe: \_\_\_\_\_

Reporting Employee's Signature: \_\_\_\_\_  
Supervisor's Signature: \_\_\_\_\_

Supervisor's Recommendation:  
 No further action  
 Get more information  
 Monitor account for S.A.  
 File P-SAR

