

Royal Alliance Associates, Inc. Customer Agreement

This Customer Agreement (this "Agreement") is a contract among Royal Alliance Associates, Inc. ("Royal Alliance"), and Royal Alliance's Clearing Agent and you, the Account holder(s) whose name and personal information were submitted during the Application Process preceding the Agreement ("Agreement").

Please read this Agreement, and contact Royal Alliance if you have any questions. By signing and returning the Agreement, you are agreeing that (a) you have received, read, understood and are legally bound by the terms and conditions of this Agreement; (b) you acknowledge having read Royal Alliance's Privacy Statement; (c) we can use your information to run a credit and other background check on each named applicant (see Section IV, Paragraph 1 below); and (d) **that in accordance with Section I entitled 'Arbitration', you are agreeing in advance to arbitrate any controversies which may arise with, among others, Royal Alliance in accordance with the terms outlined therein.**

You also agree that, upon execution of the Account Application and Customer Agreement, you will have supplied all of the information requested in the Account Application and you declare it as true and accurate and further agree to promptly notify Royal Alliance in writing of any material changes to any or all of the information contained in the Account Application including, but not limited to, information relating to your financial situation or investment objectives.

If you are not willing to be bound by these terms and conditions, you should not apply to open an Account with Royal Alliance. In consideration of Royal Alliance opening and carrying your Account and effecting transactions in the Account, you hereby acknowledge and agree to be legally bound by the following:

I. Arbitration

1. Arbitration Disclosures

This agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:

- **All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
- **Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
- **The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
- **The arbitrators do not have to explain the reason(s) for their award.**
- **The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.**
- **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**
- **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

2. Agreement to Arbitrate Controversies

You agree that any and all controversies which may arise between you, Royal Alliance, Pershing LLC,

SunAmerica Trust Company and/or any of Royal Alliance's employees, agents, or officers concerning any account, transaction, dispute or the construction, performance, breach, or termination of this Agreement or any other agreement, whether entered into prior to, on or subsequent to the date hereof, shall be determined and resolved by arbitration. Any arbitration under this Agreement shall be held under and pursuant to and be governed by the Federal Arbitration Act, and shall be conducted before an arbitration panel convened by the American Arbitration Association or NASD Dispute Resolution. You may also select any other national securities exchange's arbitration forum in which Royal Alliance is legally required to arbitrate the controversy, including, where applicable, the Municipal Securities Rulemaking Board. Any arbitration pursuant to this Agreement shall be governed by the rules of the organization convening the arbitration panel. The award of the arbitrators, or of the majority of them, shall be final, and judgment on the award rendered may be entered in any court of competent jurisdiction. A party's ability to have a court reverse or modify an arbitration award is very limited.

3. Class Actions

No person shall bring a putative or certified class action to arbitration, nor seek to enforce any predispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class action who has not opted out of the class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; or (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein.

II. Master Agreement

Introduction

This agreement includes terms and conditions governing your relationship with Royal Alliance, any brokerage Account opened herewith, and any other accounts opened for you by Royal Alliance in connection with an assignment of this Agreement or otherwise. Establishing an account in one of our investment programs may require additional applications and agreements. Those documents supplement this agreement and all, collectively, govern your relationship with Royal Alliance.

Definitions

Account or Account(s): Any account or accounts opened by you with us and any other account(s) with Royal Alliance and its Clearing Agent, in which you may have or acquire an interest.

Affiliates: Any entity that directly or indirectly controls, is controlled by or is under common control with AIG Advisor Group. For purposes of determining whether an entity is an Affiliate, the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of securities, by contract or otherwise.

Application: This Agreement and the application form signed by you and containing your acknowledgement of receipt and review of this Agreement.

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Clearing Agent: Pershing LLC ("Pershing") is retained by Royal Alliance to provide certain recordkeeping and operational services.

Property: This includes, but is not limited to, cash, in any currency, securities, options, bonds, notes, and other instruments, obligations, contracts and products, tangible or intangible, in which you have or acquire an interest and are customarily dealt in by brokerage firms.

You, your, Client or Account Holder(s): Each person whose personal information is submitted in an Application and each person who signs and returns this agreement.

We, us, our, or ours: Royal Alliance and its Clearing Agent.

1. Request to Establish Account

You further request to establish an account(s) for the undersigned to be introduced to our clearing agent, Pershing LLC. You appoint Royal Alliance your agent for the purposes of buying and selling securities in your account. You authorize Royal Alliance to open or close brokerage account(s), to place and withdraw orders and to take such other steps as are reasonable to carry out your directions or to protect itself and Pershing in the event you breach any of your obligations. You understand that Royal Alliance will accept orders from you for execution by Pershing. Royal Alliance reserves the right to refuse your orders.

2. Clearing Relationship

Royal Alliance and Pershing have entered into an Agreement whereby Pershing will perform certain functions and responsibilities with respect to clearing and servicing securities transactions. Royal Alliance, pursuant to this agreement, is responsible for the opening, approving and monitoring of accounts and the acceptance of orders for your account.

3. Governance

All matters under this agreement shall be subject to the constitution, rules, regulations, customs and usages of the applicable exchange market, or clearinghouse, and, where applicable, to the provisions of the Securities Exchange Act of 1934, and the rules and regulations of the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

4. Accuracy of Communication

Any telephone conversations with Royal Alliance may be recorded for accuracy.

5. Investor Obligations

You will not buy any security through your cash account unless there are, or by settlement day there will be sufficient funds in your account to make full cash payment, and you do not contemplate selling such security before making such payment. You will not sell any security through your cash account unless you own the security and it is either on deposit with us or by settlement day you will deliver such security to us in good delivery form. If you fail timely to deliver securities sold in good delivery form or timely to deposit the total purchase price we may, in our sole discretion, take such steps as we deem appropriate either to consummate or to liquidate the transaction and you shall pay to us, upon demand, all costs and losses incurred by us, plus interest thereon as set forth in our Disclosure of Credit Terms on Transactions. We shall have a security interest, lien upon, right of offset as to, and you herewith pledge to us, as security for your obligations hereunder all monies, securities and other property now or hereafter held, carried or maintained by Royal Alliance in any or for any of your accounts, now or hereafter opened, including any account in

which you may have an interest. At any time upon the demand of Royal Alliance, you shall discharge your liabilities to us, or in the event of closing of any of the accounts by Royal Alliance, or you, in whole or in part, you shall pay us the deficiency, if any therein, and no oral agreement or instructions to the contrary shall be recognized or be enforceable in the event of a conflict between these terms and those of the Margin Agreement.

You shall pay the reasonable costs of collection of any monies owed or deficiency in your accounts including, but not limited to attorneys' fees and costs.

6. Conclusive Nature of Communications

Confirmations of transactions and statements of your account(s) shall be conclusive if not objected to in writing within ten (10) days after the date of any transaction or statement.

7. Communications to the Investor

Communications may be sent to you at the address set forth on your application, or at such other address as you instruct.

All communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to you personally whether actually received or not.

8. Lottery Allocation Participation

When bonds or preferred stocks are held on your behalf in street name or bearer form which are callable in part, you agree to participate in the impartial lottery allocation system of the called securities in accordance with the rules of the New York Stock Exchange, Inc.

9. Affirmation of Relationship

You represent that no one except yourself (and to the extent community property stands in your accounts, your spouse) has an interest in your accounts. You further represent that, except as noted on the account application, you are not an employee of any exchange, or of any corporation of which an exchange controls a majority of the capital stock, or of a member of any exchange, or of a member firm or member corporation of any exchange. You further represent that, except as noted on your account application, you are not an employee of any bank or trust company or insurance company or any corporation, firm or individual engaged in the business of dealing, as broker or principal, in securities, bills of exchange, acceptances or other forms of commercial paper. You further represent that prior to giving a buy or sell order for securities or other property issued by a corporation or other entity with which you are affiliated, you will disclose such affiliation to Royal Alliance.

10. Negotiability of Rights

The failure of Royal Alliance to insist at any time upon strict compliance with these agreements or with any of their terms or any continued course of such conduct on their part shall not constitute a waiver by Royal Alliance of any of their rights. Except as otherwise provided for herein, no provision of these agreements shall in any respect be waived, modified, or amended unless such waiver, modification or amendment is in writing and signed by duly authorized officers of Royal Alliance.

11. Applicability of State Law

Except for statutes of limitation applicable to claims, this agreement and all the terms included herein shall be governed and construed in accordance with applicable state law without giving effect to principles of conflicts of law. These agreements shall cover individually and collectively all accounts which you may open or reopen with Royal Alliance,

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and shall insure to the benefit of the successors of Royal Alliance (whether by merger, consolidation or otherwise) and assigns, and shall be binding upon any of your heirs, executors, administrators and assigns.

12. Unenforceability of Individual Clauses

If any provision or condition of these agreements shall be held to be invalid or unenforceable by any court, regulatory or self regulatory agency or body, the invalidity of the remaining provisions and conditions shall not be affected thereby, and these agreements shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

13. Broker -Dealer Liabilities

Royal Alliance shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market ruling, suspension of trading, war, strike, interruption of transportation, communication or data processing services, or other condition beyond its' control. Royal Alliance may seek damages pursuant to applicable state law in those instances wherein Royal Alliance is presented with a check drawn upon insufficient funds or the checking account has been closed. These damages may be in excess of those damages so notated above and may include an amount no greater than twice the face amount of the check, or \$750.00 whichever is less. In such a situation, criminal penalties may also apply.

14. Joint Obligations

If the undersigned consists of more than one individual, your obligations under these agreements shall be joint and several.

15. Inactive Fee

There will be an annual fee assessed to all inactive accounts.

16. Lost Securities

If your periodic customer statement indicates that securities were forwarded to you and you have not received them you should notify Royal Alliance immediately. If notification is received within 120 days after the mailing date, as reflected on your periodic statement, replacement will be made free of charge. Thereafter, a fee for replacement may apply.

17. Investor Responsibilities

Please take responsibility in preventing unauthorized acts within your control by adhering to all of the following:

- Always make payment for the purchase of securities to a partnership escrow agent as instructed in the Offering Memorandum.
- Always make payment for the purchase of stocks or bonds to our clearing firm Pershing.
- Always make payment for the purchase of a mutual fund or unit investment trust by wire to Pershing or Royal Alliance.
- Never make payment to any person or entity not named above including your representative unless your representative is a registered investment adviser and payment is being made for advisory services.
- Pay for a security purchase by utilizing a traceable instrument (i.e., personal check). Never pay cash, money order, cashier's check or foreign check for a security purchase.
- Representatives are not custodians, and therefore cannot take personal possession of your securities, stock powers,

monies or any other personal or real property in which you may have an interest.

- Representatives are not permitted to act as trustees, executors, etc.
- Do not obtain credit or otherwise borrow money to purchase securities except through a properly approved margin account.
- Do not accept any commission rebate or any other inducement with respect to your purchase or sale of securities.
- Do not enter into an understanding whereby you agree to buy or sell securities directly to your Representative.
- Do not agree to enter into any other business relationship with your Representative including, but not limited to helping to capitalize or finance the business of your Representative.

18. Investor Acknowledgement

You acknowledge that this agreement includes a pre-dispute arbitration clause. You acknowledge receiving a copy of this Agreement and you have had the opportunity to read it and you understand it. Furthermore, you acknowledge that you have read all information on the Account Application, you have reviewed the terms and conditions of this agreement including all information contained herein. You hereby verify that all the information provided is true and correct and may be relied upon by us for the purposes of evaluating your suitability and sophistication in relation to making securities recommendations. Further, you indemnify us for any loss, claims or damages, including legal fees, which we may incur as a result of any securities recommendation or any securities related violations resulting from our reliance upon the information you have provided. You acknowledge your responsibility to read the prospectus or offering brochure of any mutual fund, direct participation program, variable annuity and/or new issue offering which contains complete information regarding investment objectives, risks, and other material facts, including sales charges.

III. PRIVACY NOTICE REGARDING CLIENT PRIVACY

1. Protecting Your Privacy

Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Royal Alliance Associates, Inc.

2. Information We Collect

In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, including:

- Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;
- Information about your transactions with us, our affiliates, or others; and
- Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

3. Categories of Information We Disclose

We may disclose all information that we collect. Royal Alliance and its affiliates do not sell customer lists and will not sell your name to telemarketers.

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4. Categories of Parties to Whom We Disclose

We will not disclose information regarding you or your account with us, except under the following circumstances:

- To your authorized Registered Representative and his or her manager; Royal Alliance Associates, Inc. permits Registered Representatives and Investment Advisers that terminate their affiliation with Royal Alliance Associates, Inc. to make copies of their client files.
- To our parent companies, AIG Advisor Group, Inc., and American International Group, Inc., or their affiliates, to the extent permitted by law;
- To entities that perform services for us or function on our behalf, including financial service providers, such as a clearing broker-dealer, investment company, or insurance company;
- To consumer reporting agencies,
- To third parties who perform services or marketing on our behalf;
- To your attorney, trustee or anyone else who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.

5. How We Use Information

Information may be used among the AIG companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a clearing broker-dealer providing services to you and/or Royal Alliance Associates, Inc.;
- **To service your accounts**, such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements; and
- **To keep you informed** about financial services of interest to you.

6. Our Security Policy

We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

7. Closed or Inactive Accounts

If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

8. Complaint Notification

Please direct complaints to: Royal Alliance Associates, Inc., Attn: Legal Department, One World Financial Center, 15th Floor, New York, NY 10281.

Legal Department, One World Financial Center, 200 Liberty Street, New York, NY 10281.

9. Changes to This Privacy Policy

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you. If you have any questions concerning this Privacy Policy, please write to: Royal Alliance Associates, Inc., Attn: Legal Department, One World Financial Center, 15th Floor, New York, NY 10281.

IV. Regulatory Requirements Pertaining To Exchange of Personal Information

1. Use of Personal Information: Credit Investigation

You understand and agree that we exchange personal and credit information about you with others, including our Affiliates, for verification purposes including verifying your identity, for the purposes of determining whether we want to open an Account for you and, if so, under what financial terms and conditions. All other uses of your personal and credit information are governed by our Privacy Policy.

You authorize us and our Agents to investigate your background and credit standing (and the credit standing of your spouse if you reside in a community property jurisdiction) and to request a consumer or similar report to verify information about your identity and the source of your payments to enable us to determine your eligibility for an Account, for certain credit-related features of the Service or for any other legitimate business purpose. You also authorize us, in this connection, to contact such financial institutions (including our Affiliates) and to employ such reporting agencies or services as we deem appropriate.

If any adverse credit or other determination is made on the basis of information contained in a report furnished by a reporting agency or other information source, we will supply you with the name of the reporting agency and/or our supervisory employee, as applicable, and, at your request, with the information contained in the report or the statement or reasons, as applicable. If we extend, update or renew your credit, process requests by you for other Accounts or requests by you for changes in services provided for your existing Account, we may request new credit reports without notifying you.

You are hereby notified that any negative credit data reflecting on your credit record may be submitted to a credit-reporting agency if you fail to fulfill the terms of your credit obligations.

V. Customer Identification Program Notice

To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

If your identity cannot be established, our Firm may not be able to open an account or carry out transactions for you.

VI. Net Worth and Liquid Assets

The Firm defines net worth as Assets minus Liabilities. Specifically this may include, but not be limited to the following:

- Assets may include residence and automobiles, minus any corresponding debt; and

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- Liabilities include unsecured debt/credit cards.

The Firm defines Liquid Assets as cash and cash equivalents, which includes marketable securities, treasury bills, bank deposits and any other asset readily convertible into cash within 3 business days of liquidation.

VII. Risk Tolerance and Investment Objective Definitions

1. Risk Tolerance

Aggressive

The aggressive portfolio should be constructed to maximize long-term annual returns rather than to minimize possible short-term losses.

Moderately Aggressive

Moderately aggressive investors are willing to assume more short-term risk in order to maximize long-term annual returns.

Moderate

The moderate investor is willing to accept more risk than the conservative or the moderate conservative investor, but is probably not willing to accept the short-term risk associated with achieving a long-term return dramatically above the inflation rate.

Moderately Conservative

The moderately conservative investor is sensitive to short-term losses, but can tolerate some risk in order to achieve a higher rate of return.

Conservative

The conservative investor is particularly sensitive to short-term losses, but is seeking to outperform inflation over the long run.

2. Investment Objectives

Capital Appreciation

These types of investments refer to a greater increase in an investment's value than Growth investments over a shorter period of time. Investments in this category include common shares listed on the NASDAQ SmallCap market and also stocks of companies whose fundamentals are weak and/or deteriorating, i.e. decreasing revenue, net income, or earnings per share.

Income

These types of investments have the primary characteristic of generating periodic income. The types of investments that meet this criterion are corporate bonds, municipal bonds, government agency bonds, preferred stocks, utility stocks, REITs, UITs, bond mutual funds and money market funds.

Growth/Long Term Growth

These types of investments refer to an increase in an investment's value over an extended period of time. Stocks that meet this criterion are generally issued by seasoned and established companies.

Speculation

These types of investments are the most risky in nature and generally provide the largest potential for price appreciation and depreciation with the highest likelihood of volatility. Securities in this category include stocks issued by companies with a brief corporate history, new or untested management, and products merely in the development stage. Also included in this category are OTC stocks, IPOs, emerging growth mutual funds, and high yield bond mutual funds.

Tax-advantage

These types of investments refer to securities that are tax-free, tax-deductible, or having other tax benefits. Municipal

bonds fit this category. Usually municipal bonds are appropriate for investors in the higher tax brackets, because they can lower taxes.

VIII. Payment for Order Flow Practices

1. Requirements per Rule 11aC1-3

The following statement is provided to you as required by Rule 11aC1-3 of the Securities and Exchange Commission.

Royal Alliance receives remuneration for directing equity order flow to particular broker-dealers or market centers for execution. The source and amount of any such compensation received by the firm in connection with your transaction(s) will be disclosed upon request.

IX. Revenue Sharing Program Policy

Royal Alliance Associates, Inc. (Royal) maintains revenue sharing arrangements with certain mutual funds, insurance companies, direct participation programs (DPPs), real estate investment trusts (REITs), 529 plan providers, and third party money managers. These sponsors have greater access to our representatives to provide training and other educational presentations and product information so that they can serve investors better. Please visit our Web site at www.royalliance.com to see a list of sponsors who participate in these revenue sharing arrangements.

In addition to the customary sales charges, the sponsors make payments to Royal to participate in the program. For mutual funds, Royal receives a payment of up to 0.25 percent (25 basis points) on all sales of mutual fund shares (the "Gross Sales Payment"). Alternatively, Royal may receive from certain mutual funds a flat fee that does not exceed the Gross Sales Payment. Royal may also receive an additional payment, paid quarterly, of up to 0.11 percent (eleven basis points) per year of the assets under management held at Royal. For variable annuities, Royal receives a Gross Sales Payment of up to 0.25 percent (25 basis points). In addition, Royal may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For variable universal life insurance, Royal receives an annual flat fee payment (\$33,333.33 for Platinum sponsors and \$25,000 for Gold sponsors) and a payment of 5 percent of the applicable first year target premiums. For fixed registered products, Royal receives a Gross Sales Payment of up to 0.15 percent (15 basis points). For DPPs and REITs, Royal receives a Gross Sales Payment of up to 2 percent. For 529 plans, Royal receives a Gross Sales Payment of up to 0.125 percent (12.5 basis points). In addition, Royal may also receive an additional payment, paid quarterly, of up to 0.1 percent (10 basis points) per year of the assets under management. For third party money managers, Royal may receive up to 0.20 percent (20 basis points) per year of the assets under management or up to 20 percent of management fees earned on behalf of registered representatives of Royal. In addition, Royal may also receive a flat fee of up to \$100,000.

For specific information about payments from the sponsors, please see our website at www.royalliance.com.

Registered representatives of Royal do not receive additional compensation from Royal in connection with sales of the sponsors' products as opposed to other mutual fund families, insurance companies, DPP sponsors, REIT sponsors or third party money managers. In connection with sales of the sponsors' mutual funds, however, Royal often absorbs the nominal "ticket charge," which is normally borne by your representative (up to \$18 per transaction).

Because of these revenue sharing arrangements, representatives may prefer recommending products offered by a sponsor over other mutual funds, variable products, DPPs, REITs or third party money managers available through Royal. You

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should feel free to ask your representative how he or she will be compensated for any transaction involving a sponsor's products.

This information was updated on June 30, 2007. Royal will update information regarding sponsors who participate in revenue sharing arrangements with Royal on its website on a regular basis. You can access this updated information, and our Disclosure Document For Mutual Fund and Variable Product, Real Estate Investment Trust, Direct Participation Program and Third Party Money Manager Investors at www.royalalliance.com.

X. Business Continuity Disclosure Statement

Royal Alliance Associates, Inc. ("Royal" or the "Firm") is providing you with this document to inform you of its ability to respond to certain business disruptions at your Registered Representative's local office or at the main office of Royal Alliance. Your Registered Representative is associated with Royal Alliance and, as a result, all transactions that you place through him or her are processed through Royal Alliance's systems. Royal Alliance's ability to respond to business disruptions is therefore important to your relationship with your Representative.

In general, Royal Alliance maintains a business continuity plan and intends to continue business in the event of a significant business disruption. Royal Alliance is an introducing broker/dealer and, as such, it relies on its correspondent-clearing firm to perform certain functions on its behalf, including the execution of securities transactions and the maintenance of customer funds and securities. Accordingly, the Firm's ability to respond to certain business disruptions is partially dependent on our clearing firm.

In the event of a significant business disruption at either the local or main office, Royal Alliance may route calls to an office location in a separate geographic location and, if necessary, transfer operations to a facility maintained by a third-party vendor. Although Royal Alliance intends to continue business in the event of a significant business disruption, there are some disruptions that may render the Firm or your Registered Representative unable to continue business. Under such circumstances, Royal Alliance will ensure that clients will be able to access their funds and securities within a reasonable time.

To provide clients with up-to-date information during a significant business disruption to your Registered Representative's local office or the main office of Royal Alliance, clients may call the Firm's emergency telephone number at (619) 471-3712 or visit our emergency information Web page at www.royalalliance.com.

1. Royal Alliance's Response to Events of Varying Scope.

The following sections describe specific events and Royal Alliance's corresponding general response to those events. Clients, however, should note that these responses are subject to modification and, depending on the severity of a specific event, Royal Alliance cannot guarantee that it will be able to follow the stated course of action. If these responses are modified, Royal Alliance will post the updated disclosure statement on its Web site. In the alternative, you may request from your registered representative that the Firm send you, by mail, a copy of the updated disclosure statement.

Under the following scenarios, Royal Alliance intends to continue its business:

A Disruption to a Single Building or Firm-Only Business Disruption

These disruptions may be caused by physical damage, technology problems, or an inability to have personnel arrive at an office. In the event that there is a significant business

disruption to a single building or the Firm's internal primary systems, Royal Alliance may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location. From this separate location, Royal Alliance will accept client orders. In this process, clients may experience a minor delay in reaching the firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. Royal Alliance expects that operations could be disrupted for up to one (1) hour. If Royal Alliance's trading platform is affected, there may be a more significant delay. Royal Alliance, however, will be able to place orders outside the trading platform.

A Business-District, City-Wide, or Regional Disruption

In the event that there is a significant business disruption that affects the business district, city, or region where any of the Firm's primary systems are located, Royal Alliance may, if necessary, transfer its operations or route incoming calls to another office in a separate geographic location office. In this process, clients may experience a minor delay in reaching the Firm due to increased client calls, technology delays, or other minor difficulties arising from the transfer of operations. If the disruption is significant, Royal Alliance may transfer its operations to a third-party service provider. In addition, if our clearing firm is affected by the business-district, citywide, or regional disruption, clients may experience additional delays. Nevertheless, Royal Alliance expects that operations could be disrupted for up to four (4) hours.

2. Our Clearing Firm may be contacted in Limited Situations.

In the unlikely event that Royal Alliance is unable to continue business, clients may directly contact Pershing, LLC ("Pershing"), our clearing firm, to process limited trade-related transactions, cash disbursements, and security transfers. Instructions to Pershing must be in writing and transmitted via facsimile or postal service as follows:

Pershing LLC

P.O. Box 2065

Jersey City, New Jersey 07303-2065

Fax: (201)413-5368

For additional information about how to request funds and securities when Royal Alliance cannot be contacted due to a significant business interruption, please refer to the information below or call (201) 413-3635 for recorded instructions. If you cannot access the instructions from the previously noted telephone number, Pershing may be contacted at (213) 624-6100 extension 500 as an alternate telephone number for recorded instructions.

Through our clearing firm, you may process the following transactions:

A. Trades

Pershing will process the following closing security trades: (1) Sale of security position held long in your account or (2) Purchase of a security to close-out a short security position. These orders will only be handled as market orders.

B. Cash Disbursements

Pershing will process cash disbursements to the person listed on the account upon written instructions.

C. Securities Transfers

Pershing will process security transfer requests upon written instructions.

In the event it is necessary to request any of the above transactions through our clearing firm, specific instructions can be found in Pershing's account opening documents, Royal Alliance's Web site at <http://www.royalalliance.com> and on

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Pershing's Web site at
http://www.pershing.com/customer_support.htm.

3. Variable Product Holdings and Certain Mutual Fund Holdings.

The Firm does not place its variable annuity transactions through its clearing firm; rather, transactions are placed directly through the variable annuity provider. Accordingly, in the unlikely event that Royal Alliance is unable to continue business, clients may directly contact their variable annuity provider, as indicated on their periodic account statements, to process limited trade-related transactions. Certain mutual fund transactions also may not be placed through our clearing firm. If this is the case, in the unlikely event that Royal Alliance is unable to continue business, clients may directly contact their mutual fund provider, as indicated on their periodic account statements, to process limited trade-related transactions. Please contact your representative to determine whether your mutual fund transactions are placed through our clearing firm or directly through a mutual fund provider.

XI. Contact Us

You may contact us with questions about this policy, to instruct us not to share certain information about you within the AIG family, or to inform us that you prefer not to receive information about our services by doing one of the following:

Calling: (800)821-5100
Writing: Royal Alliance Associates, Inc.
One World Financial Center, 15th Floor,
New York, NY 10281.

Complaint Notification:

Please direct complaints to: Royal Alliance Associates, Inc.,
Attn: Legal Department, One World Financial Center, 15th
Floor, New York, NY 10281.

XII. Establishment of Insured Deposit Program Account/Sweep of Free Credit Balances

Upon establishment of your account with Royal Alliance or at any time thereafter, you may choose to establish a "sweep" arrangement, under which available cash ("Free Credit Balances") in your brokerage account will be automatically moved into an Insured Deposit Program Account (a "Deposit Account(s)") If you do not specify that a particular Tax-Advantaged Money Market Fund be used or that Free Credit Balances remain in your brokerage account, you hereby appoint Royal Alliance as your authorized agent to establish and maintain on your behalf a Deposit Account, with a Program Bank, which is a Federal Deposit Insurance Corporation ("FDIC") insured depository institution. To receive a list of Program Banks, please either consult the Royal Alliance website, at www.royalalliance.com, contact your Financial Advisor, or contact Royal Alliance, at 800/821-5100. Unless you specify that Free Credit Balances be swept to a specific Tax-Advantaged Money Market Fund, all such balances in your account will be automatically deposited in the Deposit Account.

1. Entity Clients Excluded

Deposit Accounts are only available to individuals, including sole proprietorships.

2. Bank Deposits

Free Credit Balances placed in the Deposit Account will be insured by the FDIC, up to \$100,000 in each Program Bank, per depositor, in each recognized insurable capacity. Free Credit Balances in excess of \$100,000 may be deposited in a Program Bank. To the extent that the balance in your Deposit Account in any given Program Bank exceeds \$100,000, you will not have FDIC insurance on the amount exceeding

\$100,000. Similarly, if the balance in your Deposit Account, combined with the balance in any other deposit account (including certificates of deposit) that you maintain at a Program Bank, as defined below, exceeds \$100,000, you will not have FDIC insurance on the amount which exceeds \$100,000. You are responsible for monitoring the total amount of deposits that you have with any Program Bank in order to determine the extent of deposit insurance coverage.

Every Deposit Account constitutes a direct obligation of the Program Bank and is not directly or indirectly an obligation of Royal Alliance, your investment advisor, or any other person or entity. Since your Deposit Account is not a security, it will not be covered by insurance offered by the Securities Investors Protection Corp. ("SIPC"). Cash or Money Market Funds held in your brokerage account would be eligible for insurance coverage by SIPC, up to applicable limits.

3. Interest to be Paid

Free Credit Balances deposited in a Deposit Account will earn interest. Interest on Free Credit Balances in the Deposit Account is accrued daily, compounded monthly and credited to your account monthly. Interest begins to accrue on the date of deposit in the Program Bank, up to, but not including the date of withdrawal. The daily balance method is used to calculate the interest on the Deposit Account. The daily rate is 1/365 (or 1/366 on a leap year) of the interest rate.

Royal Alliance intends to establish deposit tiers and pay different rates of interest on different deposit levels or tiers. If deposit tiers are established, higher deposit balances will receive higher rates of interest than deposits with lower balances.

The amount of interest paid on Deposit Accounts will be determined by the amount of interest paid by Program Banks minus the amount of fees charged by Royal Alliance and other service providers. There is no assurance that the amount of the interest paid on Deposit Accounts will be comparable to or higher than the yields available through Money Market Funds. Interest rates paid on the deposits of Free Credit Balances may be higher or lower than interest rates available to depositors making deposits directly with Program Banks or other depository institutions.

4. Deposit Procedures

Initial and subsequent deposits to the Deposit Account can only be made on your behalf by and through Royal Alliance. Free Credit Balances in your brokerage account will be swept daily into the Deposit Account.

5. Withdrawals from the Account

All withdrawals necessary to satisfy debits in your brokerage account will be made by Royal Alliance as your agent. If your brokerage account includes the Pershing Resource Checking or ProCash Plus features, a debit is made to the Deposit Account to satisfy a withdrawal of funds from your brokerage account when you write a check on your brokerage account or withdraw funds using your debit card. Checks written on the brokerage account are not drawn directly on the Deposit Account.

If there are insufficient funds on deposit in your Deposit Account your broker will withdraw funds from other established sources as described in your brokerage account agreement.

6. Statements

The activity in your Deposit Account will be included in your Royal Alliance brokerage statement which will be mailed monthly, or quarterly if there is no activity. Brokerage Account statements should be retained for your records.

7. Information About Program Banks

Information concerning Program Banks may be obtained at www.fdic.gov/nic or by contacting the Federal Deposit

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Insurance Corporation Public Information Center by mail at 801 Seventeenth Street, N.W. Room 100, Washington, D.C. 20434, or by phone at 1-877-275-3342. Royal Alliance does not guarantee in any way the financial condition of any of the Program Banks or the accuracy of any public available financial information concerning the Program Banks.

8. Fees Received by Royal Alliance

Royal Alliance may receive a fee in connection with the Deposit Accounts of up to 200 basis points (2 percent) on the average daily balances held in Deposit Accounts. Royal Alliance may waive any or all of this fee. Other than applicable fees imposed by Royal Alliance on your brokerage account, there will be no charges, fees or commissions imposed on your brokerage account with respect to your Deposit Account.

9. Depository Changes

If at any time any Program Bank ceases to accept deposits of Free Credit Balances, Royal Alliance may designate another insured depository institution or a money market mutual fund upon not less than ten day's written notice in advance of the change.

Royal Alliance may, in its sole discretion, terminate your use of the Deposit Account upon giving you not less than 10 days' prior written notice.

At any time, upon not less than three days' prior written notice to Royal Alliance you may terminate the deposit of Free Credit Balances into the Deposit Account and make other arrangements for the disposition of those balances consistent with your brokerage account agreement.

10. Inquiries

Any inquiries regarding the deposit of Free Credit Balances should be directed to Royal Alliance, at 800/821-5100.

XIII. Disclosure of Credit Terms on Transactions

1. Cash Accounts

Cash accounts may be subject, at Pershing's discretion, to interest on any debit balances resulting from failure to make payment in full for securities purchased, from proceeds of sales paid prior to settlement date or for other charges which may be made to the account.

2. Margin Accounts

Purchases of securities on credit, commonly known as margin purchases, enable you to increase the buying power of your equity and thus increase the potential for profit or loss. A portion of the purchase price is deposited when buying securities on margin and Pershing extends credit for the remainder. This loan appears as a debit balance on your statement of account. Pershing charges interest on the debit balance and requires you to maintain securities, cash or other property to secure repayment of funds advanced and interest due. Interest will be charged for any credit extended to you for the purpose of buying, trading or carrying any securities, for any cash withdrawals made against the collateral of securities, or for any other extension of credit. When funds are paid in advance of settlement on the sale of securities, interest will be charged on such amount from date of payment until settlement date. In the event that any other charge is made to the account for any reason, interest may be charged on the resulting debit balances.

3. Interest Rates

Interest charged on any debit balances in cash amounts or credit extended in margin accounts may be up to 3.00 percentage points above the Pershing Base Lending Rate. The Pershing Base Lending Rate will be set with reference to commercially recognized interest rates, industry conditions relating to the extension of credit, and general credit market

conditions. The Pershing Base Lending Rate will change without prior notice. When the Pershing Base Lending Rate changes during an interest period, interest will be calculated according to the number of days each rate is in effect during that period. If that rate of interest charged to you is changed for any other reason you will be notified at least 30 days in advance.

The following interest rate charges apply to your margin debit balances:

Debits under \$24,999.99	PBLR + 2.00%
\$25,000 to \$49,999.99	PBLR + 1.50%
\$50,000 to \$99,999.99	PBLR + 1.00%
\$100,000 and over	PBLR + 0.75%

4. Interest Period

The interest period begins on the 20th of each month and ends on the 19th of the following month. Accordingly, the interest charges for the period as shown on your monthly statement are based only on the daily net debit and credit balances for the interest period.

5. Method of Interest Computation

At the close of each Interest Period during which credit was extended to you, an interest charge is computed by multiplying the average daily debit balance by the applicable schedule rate and by the number of days during which a debit balance was outstanding and then dividing by 360. If there has been a change in the Pershing Base Lending Rate, separate computations will be made with respect to each rate of charge for the appropriate number of days at each rate during the Interest Period. The interest charge for credit made to your account at the close of the Interest Period is added to the opening debit balance for the next Interest Period unless paid. Pershing Base Lending Rate agreements with our customers are governed by the laws of the State of New York.

With the exception of credit balances in the short account, all other credit and debit balances in all of your accounts will be combined daily and interest will be charged on the resulting average daily net debit balances for the interest period. If there is a debit in the cash account (type 1) and there is a margin account (type 2) interest will be calculated on the combined debit balance and charged to the margin account. Any credit balance in the short account is disregarded because such credit collateralizes the stock borrowed for delivery against the short sale. Such credit is disregarded even if you should be long the same position in your margin account i.e., short sale against the box.

If the security which you sold short (or sold short against the box) appreciates in market price over the selling price, interest will be charged on the appreciation in value. Correspondingly, if the security which you sold short depreciates in market price, the interest charged will be reduced since your average debit balance will decline. This practice is known as "marking-to-the market." The daily closing price is used to determine any appreciation or depreciation of the security sold short.

If your account is short shares of stock on the record date of a dividend or other distribution, however such short position occurs, your account will be charged the amount of the dividend or other distribution on the following business day.

6. General Margin Policies

The amount of credit which may be extended by Pershing and the terms of such extension are governed by rules of the Federal Reserve Board and the New York Stock Exchange. Within the guidelines of these rules and subject to adjustment

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required by changes in such rules and our business judgment, Pershing establishes certain policies with respect to margin accounts. If the market value of securities in a margin account declines, Pershing may require the deposit of additional collateral. It is our general policy to require margin account-holders to maintain equity in their margin accounts of the greater of 30% of the current market value or \$3 per share for common stock purchased on margin, Margin account equity is the current market value of securities and cash deposited as security less the amount owed Pershing for credit extended at its discretion. Pershing applies other standards for other types of securities. For example, securities valued at \$5 per share or less may not be purchased in a margin account. Also, certain securities may be ineligible for margin credit from time to time. For specific information with respect to general margin maintenance policy as to municipal bonds, corporate bonds, listed United States Treasury notes and bonds and other securities, as well as information about the eligibility of particular securities for margin credit, please contact Royal Alliance.

Notwithstanding the above general policies, Pershing reserves the right, at its discretion, to require the deposit of additional collateral and to set required margin at a higher or lower amount with respect to particular accounts or classes of accounts as it deems necessary. In making these determinations, Pershing may take into account various factors including the size of the account, liquidity of a position, unusual concentrations of securities in an account, or a decline in credit worthiness. If you fail to meet a margin call in a timely manner, some or all of your positions may be liquidated.

7. Deposits of Collateral, Lien on Accounts, and Liquidation

In the event that additional collateral is requested, you may deposit cash or acceptable securities into your margin account. If satisfactory collateral is not promptly deposited after a request is made, Pershing may, at its discretion, liquidate securities held in the margin account. In this connection, pursuant to our Margin Agreement, Pershing retains a security interest in all securities and other property held in your accounts, including securities held for safekeeping, so long as any credit extended remains outstanding.

8. Callable Securities

Securities which are held for your account and which are in "street name," or are being held by a securities depository, are commingled with the same securities being held for other customers of introducing firms and for Pershing's own customers. Your ownership of these securities is reflected in our records.

You have the right at any time to require delivery to you of any such securities which are fully paid for or are in excess of margin requirements.

The terms of many bonds allow the issuer to partially redeem or "call" the issue prior to maturity date. Certain preferred stocks are also subject to being called by the issuer. Whenever any such security being held by us is partially "called," we will determine, through a random selection procedure as prescribed by New York Stock Exchange Rules, the ownership of the securities to be submitted for redemption. In the event that such securities owned by you are selected and redeemed, your account will be credited with the proceeds.

Should you not wish to be subject to this random selection process, you must instruct your introducing firm to have Pershing deliver your securities to you. Delivery will be effected provided, of course, that your position is

unencumbered or had not already been called by the issuer as described, prior to receipt by Pershing of your instructions. The probability of one of your securities being called is the same whether they are held by you or by Pershing for you.

9. Miscellaneous Credits

Pershing credits to your account funds belonging to you such as dividends, interest, redemptions and proceeds of corporate reorganizations on the day such funds are received by us. These funds come to us from issuers and various intermediaries in which we are participants, such as the Depository Trust Company. Periodically, certain of those intermediaries pass on to their participants some or all of the interest earned on funds while in the possession of the intermediary. To the extent Pershing receives such payments, we retain them. Information regarding when Pershing credits your account with funds due you, when those funds are available to you and/or when you begin earning interest on those funds is available from your financial institution.

10. Substitute Payments

To the extent Pershing determines (in accordance with federal income tax regulations) that your securities have been loaned, certain payments you receive with respect to such loaned securities will be reclassified as "substitute payments." The federal income tax consequences of receiving a substitute payment are receipt of a payment made by the underlying security. For instance, a dividend received by a corporation may qualify for the dividends received deduction. However, the receipt of a substitute payment in lieu of a dividend will not qualify for the dividends received deduction. Individuals may also be affected if certain payments (such as exempt-interest dividends, capital gain distributions, return of capital, and foreign tax credit dividends) are reclassified as substitute payments. We suggest you contact your tax advisor to discuss the tax treatment of substitute payments.

XIV. Joint Account

1. Instructions to Investor

In consideration of our carrying a Cash Account or Margin Account for the undersigned, in the form and names listed on the Account Application, you have executed Royal Alliance's standard form of agreement for such account (the Joint Account) and jointly and severally agree that each of you shall have authority on behalf of the Joint Account to buy, sell (including short sales) and otherwise deal in stocks, bonds, listed options and other securities on margin or otherwise; to receive on behalf of the Joint Account demands, notices, confirmations, reports, statements of account and communications of every kind; to receive on behalf of the Joint Account money, securities and property of every kind and to dispose of same; to make on behalf of the Joint Account agreements relating to any of the foregoing matters and to terminate or modify same or waive any of the provisions thereof; and generally to deal with Royal Alliance on behalf of the Joint Account as fully and completely as if each of you alone were interest in said account, all without notice to the other or others interested in said account. Royal Alliance is authorized but not required to follow the instructions of any of the undersigned in every respect concerning the said Joint Account with Royal Alliance and to make deliveries to any of the undersigned, or upon his/her instructions, of any or all securities in said Joint Account, and to make payments to any of the undersigned, or upon his/her order, of any or all monies at any time or from time to time in the said Joint Account as he/she may order and direct, even if such deliveries and/or payments shall be made to him/her personally, and not for the Joint Account of the undersigned. In the event of any such deliveries of securities or payments of

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monies to any of the undersigned as aforesaid, Royal Alliance shall be under no duty or obligation to inquiries into the purpose or propriety of any such demand for delivery or securities or payment of monies, and Royal Alliance shall not be bound to see the application or disposition of the said securities and/or monies so delivered or paid to any of the undersigned or upon his/her order. The authority hereby conferred shall remain in force until written notice of the revocation addressed to Royal Alliance is delivered at our main office. This agreement shall inure to the benefit of the successors of Royal Alliance, whether by merger, consolidation or otherwise, and assigns. It is the express intention of the undersigned that ownership of this account be vested in them as Joint Tenants with rights of survivorship and not as tenants in common or as tenants by the entirety. In the event of the death of either or any of the undersigned, the entire interest the Joint Account shall be vested in the survivor or survivors on the same terms and conditions as theretofore held, without in any manner releasing the undersigned or their estates from the liability provided for in this agreement.

2. Community Property

All securities purchased by the undersigned for the account covered by this agreement, and all securities, monies and/or other property deposited with Royal Alliance or held by Royal Alliance for the account of the undersigned shall be deemed to be community property of the undersigned subject to appropriate state law.

3. Transfer on Death (TOD)

All states have now adopted Transfer on Death (sometimes referred to as payable on death) statutes which permit a security owner to designate a beneficiary upon registration of securities or opening an account. This enables securities to pass directly to the beneficiary(ies) without probate. It does not, however, avoid estate tax if otherwise applicable. A new TOD account agreement is required to add or delete a beneficiary. Since a TOD account involves a distribution of assets upon the death of an account owner, customers are advised to consult with their tax and/or legal advisors before proceeding. A separate TOD form is required when opening this type of account.

XV. Margin

Instructions to Investor

KEEP A COPY FOR YOUR RECORDS. This is a copy of your Margin Agreement with Pershing LLC ("Pershing") and Royal Alliance.

In consideration of Pershing accepting and carrying for the Customer one or more accounts introduced to Pershing by Royal Alliance which Royal Alliance is intended to have the benefit and is a third party beneficiary of this agreement, the Customer agrees as follows:

Role of Pershing

You understand that Pershing is the carrier of the accounts of the Customer as clearing broker pursuant to a clearing agreement with the Royal Alliance. Until receipt from the Customer of written notice to the contrary, Pershing may accept from Royal Alliance, without inquiry or investigation, (i) orders for the purchase or sale of securities and other property on margin or otherwise, and (ii) any other instructions concerning said accounts. Notices to the Customer concerning margin requirements or other matters related to the Customer's accounts usually will go through Royal Alliance although direct notice to the Customer with duplicate notice to Royal Alliance may occur if market conditions, time constraints, or other circumstances require it.

Pershing shall not be responsible or liable for any acts or omissions of Royal Alliance or its employees. You understand that Pershing provides no investment advice, nor does Pershing give advice or offer any opinion with respect to the suitability of any transaction or order. You understand that Royal Alliance is not acting as the agent of Pershing and you agree that you will in no way hold Pershing, its other divisions, and its officers, directors, and agents liable for any trading losses incurred by you.

1. Applicable Rules and Regulations

All transactions for the Customer shall be subject to the constitution, rules, regulations, customs, and usages of the exchange or market and its clearing house, if any, where executed by Pershing or its agents, including its subsidiaries and affiliates.

2. Definitions

For purposes of this agreement "securities, commodities, and other property," as used herein shall include, but not be limited to money, securities, and commodities of every kind and nature and all contracts and options relating thereto, whether for present or future delivery.

3. Lien

All securities, commodities, and other property of the Customer, which Pershing may at any time be carrying for the Customer, or which may at any time be in Pershing's possession or under Pershing's control, shall be subject to a general lien and security interest in Pershing's favor for the discharge of all the Customer's indebtedness and other obligations to Pershing, without regard to Pershing having made any advances in connection with such securities and other property and without regard to the number of accounts the Customer may have with Pershing. In enforcing its lien, Pershing shall have the discretion to determine which securities and property are to be sold and which contracts are to be closed.

4. Liquidation

If, in its discretion, Pershing considers it necessary for protection to require additional collateral, or in the event that a petition in bankruptcy is filed, or the appointment of a receiver is filed by or against the Customer, or an attachment is levied against the accounts of the Customer, or in the event of the death of the Customer, Pershing shall have the right to sell any or all securities, commodities, and other property in the accounts of the Customer with Pershing, whether carried individually or jointly with others, to buy any or all securities, commodities, and other property which may be short in such accounts, to cancel any open orders and to close any or all outstanding contracts, all without demand for margin or additional margin, notice of sale or purchase, or other notice or advertisement. Any such sales or purchases may be made at Pershing's discretion on any exchange or other market where such business is usually transacted, or at public auction or private sale, and Pershing may be the purchaser for its own account. It being understood that a prior demand, or call, or prior notice of the time and place of such sale or purchase shall not be considered a waiver of Pershing's right to sell or buy without demand or notice.

5. Payment of Indebtedness Upon Demand and Liability for Costs of Collection

The Customer shall at all times be liable for the payment upon demand of any debit balance or other obligations owing in any of the accounts of the Customer with Pershing, and the Customer shall be liable to Pershing for any deficiency remaining in any such accounts in the event of the liquidation thereof, in whole or in part, by Pershing or by the Customer;

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and, the Customer shall make payments of such obligations and indebtedness upon demand. The reasonable cost and expense of collection of the debit balance, recovery of securities, and any unpaid deficiency in the accounts of the Customer with Pershing, including, but not limited to attorney's fees, incurred and payable or paid by Pershing shall be payable to Pershing by the Customer.

6. Pledge of Securities

All securities, commodities, and other property now or hereafter held, carried, or maintained by Pershing in its possession in any of the accounts of the Customer may be pledged and repledged by Pershing from time to time, without notice to the Customer, either separately or in common with other such securities, commodities, and other property for any amount due in the accounts of the Customer, or for any greater amount, and Pershing may do so without retaining into its possession or control for delivery, a like amount of similar securities, commodities, or other property.

7. Margin Requirements, Credit Charges, and Credit Investigation

The Customer will at all times maintain such securities, commodities, and other property in the accounts of the Customer for margin purposes as Pershing shall require from time to time via a margin call or other request, and the monthly debit balances or adjusted balances in the accounts of the Customer with Pershing shall be charged, in accordance with Pershing practice, with interest at a rate permitted by laws of the State of New York. It is understood that the interest charge made to the Customer's account at the close of a charge period will be added to the opening balance for the next charge period unless paid.

You acknowledge receipt of the Disclosure Statement from Royal Alliance, which explains the conditions under which interest can be charged to your account, the annual rate of interest, how debit balances are determined, and the methods of computing interest.

In regard to margin calls, whether for maintenance or any other margin call, in lieu of immediate liquidations, Pershing through Royal Alliance may permit you a period of time to satisfy a call. This time period shall not in any way waive or diminish Pershing's right in its sole discretion, to shorten the time period in which you may satisfy the call, including one already outstanding, or to demand that a call be satisfied immediately. Nor does such practice waive or diminish the right of Pershing and/or Royal Alliance to sell out positions to satisfy the call, which can be as high as the full indebtedness owed by you. Margin requirements may be established and changed by Pershing in its sole discretion and judgment without notice to you. You will contact Royal Alliance for the latest information on margin requirements.

Pershing may exchange credit information about the Customer with others. Pershing may request a credit report on the Customer and upon request, Pershing will state the name and address of the consumer reporting agency that furnished it. If Pershing extends, updates, or renews the Customer's credit, Pershing may request a new credit report without telling the Customer.

8. Communications

Communications may be sent to the Customer at the current address of the Customer, which is on file at Pershing's office, or at such other address as the Customer may hereafter give Pershing in writing, or through your Introducing Firm, and all communications, so sent, whether by mail, telegraph, messenger, or otherwise, shall be deemed

given to the Customer personally, whether actually received or not.

9. Scope and Transferability

This agreement shall cover individually and collectively all accounts that the Customer may open or reopen with Pershing, and shall inure to the benefits of its successors and assigns, whether Pershing's merger, consolidation, or otherwise, and Pershing may transfer the accounts of the Customer to its successors and assigns, and this agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the Customer.

10. No Professional Advice

The Customer acknowledges that Pershing will not provide the Customer with any investment, legal, tax, or accounting advice, that its employees are not authorized to give any such advice, and that the Customer will not solicit or rely upon any such advice from Pershing or its employees whether in connection with transactions in or for any of the accounts of the Customer or otherwise. In making investment, legal, tax, or accounting decisions with respect to transactions in or for the accounts of the Customer or any other matter, the Customer will consult with and rely upon its own advisors and not Pershing, and Pershing shall have no liability therefore.

11. Extraordinary Events

Pershing shall not be liable for loss caused directly or indirectly by government restrictions, exchange or market rulings, suspension of trading, war, strikes, or other conditions beyond its control.

12. Representations as to Capacity to Enter Into Agreement

The Customer, if an individual, represents that he or she is of full age, that unless otherwise disclosed to Pershing in writing the Customer is not an employee of any exchange; or an employee of any corporation of which any exchange owns a majority of the capital stock; or an employee of a member firm or member corporation registered on any exchange; or an employee of a bank, trust company, insurance company; or an employee of any corporation, firm, or individual engaged in the business of dealing either as a broker or as principal in securities, bills of exchange, acceptances, or other forms of commercial paper. The Customer further represents that no one except the Customer has an interest in the account or accounts of the Customer with Pershing.

13. Joint and Several Liability

If the Customer shall consist of more than one individual, their obligations under this agreement shall be joint and several. The Customer have executed the Joint Account Agreement and made the election required therein. Pursuant to that agreement, Pershing may, but is not required to, accept instructions from either joint party.

14. Option Transactions

If at any time the Customer shall enter into any transaction for the purchase or resale of an option contract, the Customer hereby agrees to abide by the rules of any national securities association, registered securities exchange, or clearing organization applicable to the trading of option contracts and, acting alone or in concert, will not violate the position or exercise limitation rules of any such association or exchange or of the Options Clearing Corporation or other clearing organization.

15. Separability

If any provision or condition of this agreement shall be held to be invalid or unenforceable by any court, or regulatory or self-regulatory agency or body, such invalidity or unenforceability shall attach only to such provision or

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condition. The validity of the remaining provisions and conditions shall not be affected thereby and this agreement shall be carried out as if any such invalid or unenforceable provision or condition were not contained herein.

16. Headings are Descriptive

The heading of each provision hereof is for descriptive purposes only and shall not be deemed to modify or qualify any of the rights or obligations set forth in each such provision.

17. Assignment of Pershing's Rights Under This Agreement to the Introducing Firm

The Customer agrees that any rights that Pershing has under this agreement, including but not limited to the right to collect any debit balance or other obligations owing in any of the accounts of the Customer, may be assigned to Royal Alliance so that Royal Alliance may collect from the Customer independently or jointly with Pershing or enforce any other rights granted to Pershing under this agreement.

18. No Waiver

This Agreement cannot be modified by conduct and no failure on the part of Pershing at any time to enforce its rights hereunder to the greatest extent permitted shall in any way be deemed to waive, modify, or relax all of the rights granted Pershing herein, including those rights vested in Pershing to deal with collateral on all loans advanced to you.

19. Entire Agreement

This agreement constitutes the full and entire understanding between the parties with respect to the provisions herein, and there are no oral or other agreements in conflict herewith. Any future modification, amendment or supplement to this Agreement or any individual provision herein can only be in the form of a writing signed by a representative of Pershing.

20. The Laws of the State of New York Govern

This agreement and its enforcement shall be governed by the laws of the state of New York without giving effect to its conflicts of laws provisions.

21. Loan Consent

By signing this agreement, the Client acknowledges that securities not fully paid for by the Client may be loaned to Pershing or loaned out to others.

22. Shareholder Vote of Loaned Securities

In the event the Customer's securities have been loaned by Pershing on the record date of a shareholder vote involving those securities, the Customer agrees that the Customer's vote may be reduced to reflect the total amount of the Customer's securities loaned by Pershing.

XVI. Option Agreement

Instructions to Investor

Meaning of terms in the Agreement: "Client" or "you" or "your" refers to the person(s) who signed this Option Agreement and Approval Form. "Pershing" refers to Pershing LLC. "Financial Organization" refers to the broker, bank, or other financial organization that has introduced your account to Pershing. The word "we" or "us" or "our" refers to Pershing and/or the Financial Organization, as appropriate.

1. The Client acknowledges receipt of the notice pursuant to Rule 382(c) of the New York Stock Exchange, which explains the contractual relationship between Pershing and the Financial Organization. The Client understands that this notice also appears on each of the Client's account statements. The Client understands that the Financial Organization is not

acting as the agent of Pershing. The Client understands that Pershing merely accepts from the Financial Organization orders for the purchase and sale of securities and instructions relating to other property in the Client's account and that Pershing is not in a position, nor undertakes any responsibility, to give advice, make suitability determinations, supervise, or oversee the Financial Organization's handling of the responsibilities undertaken by the Financial Organization pursuant to any agreement the Client may have with the Financial Organization.

2. The Client understands and is well aware that option trading may be highly speculative in nature. The Client is also aware that on certain days, option trading may cease and this could result in a financial loss to the Client. The Client agrees to hold us harmless for such loss.

3. The Client recognizes that by writing or selling an option contract (such as a call, put, or straddle) without depositing the underlying security, the Client's risk of loss is potentially unlimited. The Client agrees to honor all assignments and deliver the underlying security or the required funds in the prescribed time to us and upon the Client's failure to do so in the proper time, we are hereby authorized to act as agent for the Client and to buy in or sell out such securities at the current market price or otherwise act to properly margin or complete the Client's obligation. The Client agrees to pay us a commission and fee for such service and to reimburse us for any loss incurred in connection therewith and we are authorized to debit the Client's account for all such amounts.

4. The Client agrees that the Client is responsible for making all final decisions as to transactions effected in any account of the Client at our firm. The Client understands that each order the Client enters (to buy or to sell) must be complete as to security, quantity, price, and duration of the order.

5. The Client is willing and able to assume the financial risks and hazards of option trading, and the Client agrees that the Client will in no way hold Pershing responsible for such losses whether incurred through following the Financial Organization's trading recommendations or suggestions offered to the Client in good faith by the Financial Organization or through the Client's own decisions however arrived at by the Client.

6. The Client understands that any Option Transaction made for any account of the Client is subject to the rules, regulations, customs, and usages of The Options Clearing Corporation (OCC) and of the registered national securities exchange, national securities association, clearing organization, or market where such transaction was executed. The Client agrees to abide by such rules, regulations, and usages and the Client agrees that, acting individually or in concert with others, the Client will not exceed any applicable position or exercise limits imposed by such exchange, association, clearing organization, or other market with respect to option trading.

7. If the Client does not satisfy, on a timely basis, our money or security calls, we are authorized in our sole discretion, and without notification, to take any and all steps we deem necessary to protect us (for any reason) in connection with options transactions for the Client's account, including the right to buy and/or sell (including short or short exempt) for the Client's account and risk any part or all of the shares represented by options handled, purchased, sold, and/or endorsed by us for the Client's account or to buy for the Client's account and risk any option as we may deem necessary or appropriate. Any and all expenses or losses incurred in this connection will be reimbursed by the Client.

Royal Alliance Associates, Inc. Customer Agreement

8. The Client bears full responsibility for taking action to exercise an option contract; provided, however, that with respect to certain expiring options, we are authorized to permit exercise by exception to take place automatically pursuant to the rules of the OCC as in effect from time to time unless the Client specifically advises us to the contrary in writing. This procedure affects options which are in the money by a predetermined amount as set forth in the rules of the OCC. Additional information regarding this procedure is available upon your written request.

9. In addition to the terms and conditions hereof, the Client's options account will be subject to all of the terms and conditions of all other agreements heretofore or hereafter at any time entered into with us relating to the purchase and sale of securities except to the extent that such other agreements are contrary to or inconsistent herewith.

10. This agreement shall apply to all puts or calls which we may have executed, purchased, sold, or handled for any account of the Client and also shall apply to all puts or calls which we may hereafter purchase, sell, handle, or execute for any account of the Client.

11. The Client agrees to advise the Financial Organization of any changes in the Client's financial situation or investment objective insofar as the Client deems such changes material to the Client's option transactions

12. The Client has received from the Financial Organization the most recent Options Risk Disclosure Document. The Client has read and understands the information contained in this document.

13. The Client understands that Pershing assigns exercise notices on a random basis. The Client understands that upon the Client's request, we will provide the Client with further information regarding the procedure used to assign exercise notices.

XVII. Securities Investor Protection Corporation Disclosure

Information regarding the Securities Investor Protection Corporation (SIPC®), including a SIPC brochure, may be obtained by contacting SIPC via its web site at www.sipc.org or by telephone at (202)371-8300.