

ANNEX B

RISK DISCLOSURE STATEMENT STATEMENT FOR FOREIGN EXCHANGE MARGIN TRADING

FOR FOREIGN EXCHANGE MARGIN TRADING

Transactions on foreign exchange market (“foreign exchange trading”) open up broad opportunities and enable informed and experienced investors ready to run risks to receive high profit. Potential customers should understand the risks associated with foreign exchange trading which may be rather substantial. This brief statement does not disclose all of the risks and other significant aspects of trading in foreign currencies. You should therefore carefully consider whether you should engage in such transactions, taking into account your experience, financial situation, resources and objectives, the risk you are ready to take, and other circumstances.

1. Leverage. Foreign exchange trading involves an extremely high degree of risk. The risks inherent in foreign exchange trading significantly increase due to high leverage secured by the margin. Leverage may bring losses as well as profit. You should not engage in foreign exchange trading unless you understand the nature of transactions to be conducted and the associated risk factors. In addition, all potential customers are recommended to download a demo trading system and practice on it until they feel that they have sufficient knowledge of the trading system and foreign exchange trading conditions. The size of initial deposit is small relative to the size of opened positions so that transactions are “leveraged”. The possibility exists that you could sustain a total loss of initial margin funds. Moreover, if the market moves against your position, you could be called upon to deposit additional funds to maintain your position, which otherwise will be automatically liquidated. It is not ruled out that you could be required to deposit such funds on short notice.

2. Loss limitation orders and strategies. Use of certain types of orders (such as “stop loss” or “stop limit” orders) is not always efficient. Market conditions can make it impossible to execute such orders at the specified prices. Trading software of Pro Finance Group Inc. will automatically liquidate customer’s position(s), should the equity on the account at any time equal or fall below 30% (thirty percent) of the used margin on the customer’s account. In certain market conditions liquidation of position(s) at the predetermined any types of orders (such as “stop loss” or “stop limit” orders) is not always efficient. Market conditions can make it impossible to execute such orders at the specified prices. Trading software of Pro Finance Group Inc. will automatically liquidate customer’s position(s), should the equity on the account at any time equal or fall below 30% (thirty percent) of the used margin on the customer’s account. In certain market conditions liquidation of position(s) at the predetermined level may prove to be impossible. You may therefore sustain unexpectedly high losses or your account may fall into deficit. The same risk is associated with “stop” orders and “limit” orders.

3. Electronic trading. Trading through the electronic trading system of Pro Finance Group Inc. may differ not only from traditional trading (free trading on exchange or by telephone), but also from trading through other electronic systems. Furthermore, there are certain risks associated with making transactions via Internet including, but not limited to, hardware breakdowns and software errors. The result of a system crash may be that your order will not be executed in accordance with your instructions or will not be executed at all.

4. Trading systems. Most interbank and electronic trading facilities are supported by computer-based Internet systems for the order-routing, execution, matching, registration and/or clearing of transactions. As with all facilities and systems, these systems are vulnerable to disruption and failure.

5. Trading conditions. Prior to starting trading in off-exchange foreign currencies, you should carefully study the effective Trading Rules of Pro Finance Group Inc. (annex A).

6. Weekend risk, “stop-loss” orders. At the end or beginning of the week and on the next day after publication of major macroeconomic indicators, economic or political news, and in force-majeure circumstances, there may arise situations, movements and/or circumstances which will force currency markets to open with price levels significantly differing from previous prices. In such cases there is a substantial risk that the orders placed to protect opened positions and to open new positions will be executed at prices significantly differing from the specified prices.

7. Commissions and charges. Before you begin to trade, you should obtain full explanations of all commission, fees and other charges for which you will be liable. These charges may affect your net profit (if any) or increase your loss.

8. Currency risks. Foreign currencies represent a lawful tender of one or more foreign countries and as a rule are not secured by any values (e.g. precious metals). Transactions involving foreign currencies, including off-exchange foreign currency trading, are exposed to risks which are not associated with the currency of the customer's own country. Such risks include risks of political and/or economic changes in a foreign country that may substantially and for a long period affect trading conditions, the price or liquidity of a currency. The profit or loss in transactions in foreign currency-denominated contracts (regardless of whether they were concluded in your own or another country) will also be affected by fluctuations in currency rates if there is a need to convert from the currency denomination of the contract to another currency.

9. Additional risks. A brief statement cannot cover all risks involved in foreign exchange trading. You should understand the nature of foreign exchange trading and risks which you are certain to encounter. You should not engage in foreign exchange trading unless you understand and evaluate your risk ermine the risk level. You should also keep in mind additional risks that could arise.