

REPRESENTATION LETTER (ACCREDITED INVESTOR) FOR ALBERTA RESIDENTS

To: Friedberg Direct, a Division of Friedberg Mercantile Group Ltd. ("Friedberg")
Brookfield Place
181 Bay St., Suite 205
Toronto, Ontario
Canada, M5J 2T3

Residents of Alberta that want to trade over-the-counter spot foreign currency contracts and other spot contracts for differences (collectively, "CFD Contracts") through Friedberg must be accredited investors.

The purpose of this letter is to set out certain understandings between the undersigned resident of Alberta (the "Client") and Friedberg. The acknowledgments, agreements, representations, warranties and certifications contained in this Representation Letter are made by the Client with the intent that they may be relied upon by Friedberg in determining the Client's eligibility to enter into CFDs through Friedberg. Accordingly, in consideration of the foregoing, the Client agrees, acknowledges, represents, warrants and certifies to Friedberg, that:

- (a) Friedberg will be entitled to rely on this Representation Letter on a continuing basis until the Client notifies Friedberg in writing of any change in any of the agreements, acknowledgements, representations, warranties or certifications herein. It is the Client's sole and exclusive responsibility to advise Friedberg of any such change prior to continuing to trade in CFDs through Friedberg;
(b) the Client is an "accredited investor" (as defined in National Instrument 45-106 Prospectus and Registration Exemptions) by virtue of satisfying the indicated criterion on Schedule "A" to this Representation Letter;
(c) the Client has not been provided with any offering memorandum (as such term is defined in Schedule "A" to this Representation Letter) in connection with the purchase of CFDs through Friedberg;
(d) where the Client is not a natural person, it has the legal power, capacity and authority to enter into and be bound by this Representation Letter and further certifies that the execution, and delivery of this Representation Letter and the trading in CFDs contemplated by this Representation Letter have been duly authorised by all necessary action on the part of the Client;
(e) if the Client is a natural person, he or she is of legal age and is legally competent to execute, deliver and perform his or her obligations under this Representation Letter; and
(f) this Representation Letter is in addition to, and not in substitution for, any other agreements or instruments entered into by the Client with, or provided by the Client to, Friedberg.

IMPORTANT INFORMATION REGARDING THE COLLECTION OF PERSONAL INFORMATION

Friedberg is required to file a report of trades with the Alberta Securities Commission containing personal information about the Client and, if applicable, any disclosed principal of the Client. The Client acknowledges that it has been notified by Friedberg of such required delivery of a report of trade containing the full name, residential address and telephone number of the Client and any disclosed principal and the particulars of the CFDs purchased.

By completing this Representation Letter, the Client authorizes the indirect collection of this information by the Alberta Securities Commission and acknowledges that such information is made available to the public under applicable securities legislation.

Certified at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Name of Client: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Name and Official Capacity: \_\_\_\_\_

Address of Client: \_\_\_\_\_

Attention: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

**SCHEDULE “A”  
“ACCREDITED INVESTOR”**

(All underlined words have the meanings set forth below in this Schedule “A”).

The Client hereby represents, warrants, covenants and certifies that the Client is: [*Please check the appropriate box*]

<input type="checkbox"/>	(a)	a <u>person</u> registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the <i>Securities Act (Ontario)</i> or the <i>Securities Act (Newfoundland and Labrador)</i> ;
<input type="checkbox"/>	(b)	an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a <u>person</u> referred to in paragraph (a);
<input type="checkbox"/>	(c)	an individual who, either alone or with a <u>spouse</u> , beneficially owns <u>financial assets</u> having an aggregate realizable value that before taxes, but net of any <u>related liabilities</u> , exceeds \$1,000,000;
<input type="checkbox"/>	(d)	an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a <u>spouse</u> exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
<input type="checkbox"/>	(e)	an individual who, either alone or with a <u>spouse</u> , has net assets of at least \$5,000,000;
<input type="checkbox"/>	(f)	a <u>person</u> , other than an individual or <u>investment fund</u> , that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements and that has not been created or used solely to purchase or hold securities as an accredited investor as defined in this paragraph; or
<input type="checkbox"/>	(g)	a <u>person</u> in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are <u>persons</u> that are accredited investor.

**AS USED IN THIS SCHEDULE A, THE FOLLOWING TERMS HAVE THE FOLLOWING MEANINGS:**

***Definitions:***

“**control**” of a company by another person or company or by two or more companies means:

- (a) voting securities of the first-mentioned company carrying more than 50 per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company or by or for the benefit of the other companies; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of the first-mentioned company.

“**director**” means (a) a member of the board of directors of a company or an individual who performs similar functions for a company, and (b) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company.

“**financial assets**” means

- (a) cash,
- (b) securities, or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation,

and, for greater certainty, does not include the value of the individual’s residence or any other real estate.

“**investment fund**” means a mutual fund or a non-redeemable investment fund.

“**mutual fund**” means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer.

“**non-redeemable investment fund**” means an issuer:

- (a) whose primary purpose is to invest money provided by its security holders;
- (b) that does not invest:
  - i. for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or
  - ii. for the purpose of being actively involved in the management of any issuer in which it invests, other than as an issuer that is a mutual fund or a non-redeemable investment fund, and
- (c) that is not a mutual fund.

“**person**” includes

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative.

“**offering memorandum**” means a document, together with any amendments to that document, purporting to describe the business and affairs of an issuer that has been prepared primarily for delivery to and review by a prospective purchaser so as to assist the prospective purchaser to make an investment decision in respect of securities being sold in a distribution to which section 110 of the *Securities Act* (Alberta) would apply but for the availability of one or more exemptions contained in Alberta securities laws, but does not include a document setting out current information about an issuer for the benefit of a prospective purchaser familiar with the issuer through prior investment or business contacts.

“**related liabilities**” means

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
- (b) liabilities that are secured by financial assets.

“**spouse**” means, an individual who,

- (a) is married to another individual and is not living separate and apart within the meaning of the Divorce Act (Canada), from the other individual,
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
- (c) is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

**Affiliated Entities, Control and Subsidiaries**

1. A person or company is deemed to be an affiliate of another person or company if one is a subsidiary of the other, or if both are subsidiaries of the same person or company, or if each of them is controlled by the same person or company.
  
2. A person or company is deemed to be controlled by another person or company, or by two or more persons or companies, if
  - (a) the first person or company, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person or company carrying votes which, if exercised, would entitle the first person or company to elect a majority of the directors of the second person or company, unless that first person or company holds the voting securities only to secure an obligation,
  - (b) the second person or company is a partnership, other than a limited partnership, and the first person or company holds more than 50% of the interests of the partnership, or
  - (c) the second person or company is a limited partnership and the general partner of the limited partnership is the first person or company.
  
3. A person or company is considered to be a subsidiary entity of another person or company if
  - (a) it is controlled by,
    - (i) that other, or
    - (ii) that other and one or more persons or companies each of which is controlled by that other, or
    - (iii) two or more persons or companies, each of which is controlled by that other; or
  - (b) it is a subsidiary entity of a person or company that is the other's subsidiary entity.

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