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Option Spread Trading in a Self-Directed IRA

RE: _____

Account Number

To Introducing Broker:

This letter will confirm that as the beneficial owner of the above referenced account, I intend to establish option spread positions in my account despite your general policy of discouraging the purchase and sale of options in a self-directed IRA.

Any spread positions that I create shall constitute a small portion of my retirement assets and represent only a part of an overall investment strategy for this account.

I acknowledge that I have read and understand the *Characteristics and Risks of Standardized Options* booklet and have carefully considered the risks of trading options in this particular account. I further acknowledge that any purchase and subsequent sale of an option in this account is of my own accord having reached this investment decision without you or your clearing broker, Penson Financial Services, Inc., providing me with any investment or recommendation to trade options in this account. As such, I agree to indemnify and hold both you and Penson Financial Services, Inc. harmless against any and all losses that may incur as a result of creating spread positions and trading options in my account.

Sincerely,

Signature

Date

cc: Penson Financial Services, Inc.