



A Notice to Our Clients

Handling of Not-Held Orders

At C L King & Associates, Inc. we are dedicated to obtaining the best possible execution of our customer's orders. To accomplish this, we use a variety of order-handling techniques to complete orders at the best price reasonably available under prevailing market conditions.

It is important that we have a clear mutual understanding of the terms and conditions governing order execution. Market volatility and the need to enter orders and report executions promptly and efficiently often make it impractical on a trade-by-trade basis to discuss optimal methodology. Consequently, we are writing this letter to confirm to our clients our understanding of the manner in which we are authorized to handle your orders.

Not Held Orders

In particular, we understand that you expect us, unless you advise otherwise, to handle your market and limit orders on a "not held" basis. As you know, a broker that properly exercises its judgment in executing a "not held" order is relieved of responsibility with respect to the time(s) and the price(s) of execution. In addition, consistent with using reasonable judgment to seek the best execution of the order, a broker-dealer is not required to display or protect a "not held" limit order or to cross such an order with other better-priced orders received by the broker-dealer.

By voluntarily designating your orders as "not held", you authorize us to exercise our trading judgment and select from a variety of methods to obtain the best executions possible

Average Price Confirmations

In seeking to obtain the best available prices, we may work client "not held" orders in more than one transaction, and in more than one market center or system during the course of a trading day.

We confirm these trades to clients with an "average price confirmation" which shows the total number of shares purchased or sold and an "average price" when there are multiple executions. The confirmation also reports the capacity or capacities in which we act (that is, as principal, agent and/or dual agent). As a summary document, the confirmation does not list the details of the individual executions and capacities; however, we are always willing to make such information available on request.

Please advise me promptly in writing if this letter does not state accurately your understanding with respect to the manner in which you have authorized CL King to handle your transactions. Otherwise, unless you provide contrary instructions on specific trades, we will continue to treat your market and limit orders as "not held" and will continue to deliver average price confirmations.

Long Sales

As a member firm of the NASD, C L King & Associates, Inc. is required to determine that, for each long sale, the client in fact owns the securities to be delivered and those securities are in good deliverable form. Accordingly, we also confirm by this letter our understanding that, in placing a long sale with us, you represent that the securities to be sold are held in good deliverable form by your custodian and that you have provided standing instructions to your custodian to deliver the securities against payment. We further understand that you will advise us upon placing your order if the securities to be sold are held elsewhere.

Short Sales

C L King & Associates, Inc. is also required to determine that for each short sale, if the client assures delivery, the client in fact owns the securities to be delivered and those securities are in good deliverable form. If the client does not own the security, we must obtain from the client a confirmation that they are able to locate the stock and the identity of the individual or firm contacted who offered assurance that the shares would be delivered or that were available for borrowing by settlement date and that they will be in good deliverable form. Accordingly, we also confirm by this letter our understanding that, in placing a short sale with us you represent that you have provided standing instructions to your custodian to deliver the securities against payment.

Please contact Peter E. Bulger, Senior Vice President and Chief Operating Officer at peb@clking.com or (518) 431-3500 if there are any questions.