

Daiwa Securities America Inc.

DSA General/Omnibus Disclosures

2010

Dear Valued Customer,

We are taking this opportunity to make certain disclosures to you ("You" or "Client") and remind you of certain SEC and SRO regulations and policies of Daiwa Securities America, Inc. ("DSA").

1) ORDER HANDLING

- Orders are not considered received by DSA when delivered by e-mail, instant messaging or fax. DSA considers an order received after DSA has entered the order into its trading system and the order passes a validation process.
- When a "working" or "not held" order is received by DSA, it will be handled with the objective of achieving the best overall execution possible. Achieving best execution may involve DSA acting in the capacity of agent, riskless-principal, principal, or, in the event of multiple executions, more than one capacity. When DSA acts in more than one capacity, the confirmation will reflect this fact.
- If you give DSA an order on a "not held", "working" or "careful discretion" basis, DSA will use its discretion to try to obtain the "best execution" possible considering applicable conditions and circumstances. While we have such an order it is possible that DSA might execute a trade for its own account at the same or a better price than all or some of your order receives. DSA must obtain your consent in order to trade for its own account while your order is pending.
- If your order is executed at various prices consistent with the terms of your instruction, confirmations will reflect an average price of the executions. The confirmation will clearly state that the price is an "average price". We calculate average prices by multiplying the number of shares executed at each price, adding all sums and dividing by the aggregate number of shares executed. You may request detail on the individual executions comprising an average price transaction.

2) ROUTING INFORMATION

Under Rule 605 of SEC Regulation NMS (formerly SEC Rule 11Ac1-5), market centers that trade national market system securities are required to make publicly available monthly electronic reports that include uniform statistical measures of execution quality. Under Rule 606 of SEC Regulation NMS (formerly SEC Rule 11Ac1-6), broker-dealers that route customer orders in equity and options securities are required to make publicly available quarterly reports that, among other things, identify the venues to which customer orders are routed for execution.

DSA has contracted with Thomson Transaction Analytics ("TTA") to prepare these statistical reports. Please visit TTA's web site, http://www.tta.thomson.com/msi/public1_5.html, <http://www.tta.thomson.com/reports/> to view the most recent disclosures. In addition, upon written request, DSA will provide the identity of the venue to which an order was routed for execution in the six months prior to the request, whether the order was directed or non-directed, and the time of the transaction, if any, that resulted from such order.

3) PAYMENT FOR ORDER FLOW

DSA may receive remuneration for directing limit orders and may be charged a fee for directing market orders in equity securities for execution to certain exchanges, broker-dealers, ECNs and other market centers. When remuneration is received by DSA it is considered compensation to the firm, and the source and amount of any compensation received by the firm in connection with your transaction will be disclosed upon request.

4) SHORT SALES

Prior to the entry of any short sales, you must provide the name or "MPID" of the Broker-Dealer from which you have secured a "borrow" of the shares to be sold. Our systems have been programmed to require this information before a short sale is executed. In addition, if DSA is not borrowing the security on your behalf, you must provide us reasonable grounds to believe that you will deliver the security for settlement. If you do not deliver the security on settlement date, DSA must buy in your position at your risk at the opening of the next business day.

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5) MARKET ON CLOSE ("MOC") / LIMIT ON CLOSE ("LOC")

For NYSE and AMEX securities, there is a deadline of 3:40 p.m. for the entry of all MOC orders in all stocks on all trading days except for those orders entered to offset imbalance publications or on either side of the market if a regulatory halt is in effect at 3:40 p.m. or occurs after that time. In the case of a regulatory halt, MOC orders may be entered until 3:50 p.m. or until the stock reopens, whichever occurs first, even if an imbalance publication occurred prior to the regulatory halt. Between 3:40 p.m. and 3:50 p.m., MOC orders are irrevocable, except to correct a legitimate error (e.g., side, size, symbol, price or duplication of an order), or when a regulatory trading halt is in effect at or occurs after 3:40 p.m. Cancellations of MOC orders as a result of a regulatory halt are permitted until 3:50 p.m. or until the stock reopens, whichever occurs first. After 3:50 p.m., cancellation or reduction in size of MOC orders will not be permitted for any reason, including in case of a legitimate error.

6) PROGRAM TRADING

If your order is "program trading," you must so advise DSA at the time you enter your order. Program trading is defined as any coordinated trading strategy involving the related purchase or sale of a "basket" or group of 15 or more stocks. Program trading includes the purchase or sale of stocks that are part of a coordinated trading strategy even if the purchases or sales are neither entered nor executed contemporaneously, or if they are part of a trading strategy involving options or futures contracts on index stock groups, or options on any such futures contract, or otherwise relating to a stock market index.

You also must give DSA advance notice of any index arbitrage transactions that you do through DSA. Index Arbitrage is defined as a trading strategy in which pricing is based on discrepancies between a "basket" or group of stocks and the derivative index product. While the purchase or sale of the stocks must be in conjunction with the purchase or sale of derivative index products, the transactions need not be executed contemporaneously to be considered index arbitrage. The term "derivative index products" refers to cash-settled options or futures contracts on index stock groups, and options on any such futures contracts. Your DSA representative can advise you on program trading and index arbitrage questions.

7) ODD LOT TRADING

DSA is not permitted to engage in the following:

- unbundling round-lots for the purpose of entering odd-lot orders;
- failing to aggregate odd-lot orders into round-lots when such orders are for the same account or for various accounts in which there is a common monetary interest;
- entering both buy and sell odd-lot limit orders in the same stock before one of the orders is executed, for the purpose of capturing the spread in the stock; and
- other types of trading activity in odd-lot orders that are not consistent with traditional odd lot investment activity, including index arbitrage, certain types of program trading or any pattern of activity that would suggest day trading.

Odd-lot limit orders may be entered as part of a program-trade provided such odd lot orders in the aggregate constitute a relatively small part of the overall program; a program consisting primarily of odd-lot orders is not permitted.

8) NYSE Alternext US TRADING PROHIBITIONS

You may not enter to the NYSE Alternext buy and sell limit orders for execution in the same Index Fund Shares, Portfolio Depositary Receipts, Trust Issued Receipts and Fixed Income Trust Receipts ("Securities") for the account or accounts of the same or related beneficial owner, in such a manner that the member or beneficial owner(s) effectively is operating as a market maker by holding itself out as willing to buy and sell such securities on a regular or continuous basis. In determining whether a member or beneficial owner effectively is operating as a market maker, the NYSE will consider, among other things, the simultaneous or near-simultaneous entry of limit orders to buy and sell the same securities; the multiple acquisition and liquidation of positions in the same securities during the same day; and the entry of multiple limit orders at different prices in the same securities.

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9) DIRECT MARKET ACCESS / SYSTEM CONTROLS

Through DSA's Direct Market Access Services ("DMA") you may have direct access to stock exchange/market place systems ("Systems") for the purpose of executing certain of your equity orders. As a user of such Services and DMA to such Systems, there are certain exchange/market place rules that are imposed on both the members and the users of the Systems.

You are responsible for ensuring that individuals entering orders into Services adhere to the following regulatory requirements. You must have in place:

- controls that limit use of the Systems to authorized persons/parties;
- controls which check for validation of order accuracy;
- controls which establish limits and/or prohibitions, to prevent orders exceeding preset credit and order size parameters from being transmitted for execution; and,
- controls that monitor for duplication/retransmission of orders previously transmitted for execution.

In addition, you must know specific trading and size limits established for each account's orders.

Test messages should be pre-cleared with DSA, clearly denoted as such, and may not be sent in the guise of an actual order.

The applicable rules and regulations of the exchanges/marketplaces are subject to change. You are responsible for complying with and are expected to comply with the most current applicable rules and regulations. If you have any questions, please contact your account representative.

10) EXTENDED HOURS TRADING RISK DISCLOSURE

If DSA is operational during non-regular trading hours (before 9:30 a.m. and after 4:00 p.m.) you will have the capability to execute trades during the extended hours.

Please be aware of the following additional risks associated with trading during extended hours:

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not at all.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading which is inferior to that you would obtain during regular market hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system inferior to one you would obtain in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

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- Risk of Wider Spreads. The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

11) FINRA BROKERCHECK

FINRA provides its "BrokerCheck" service for checking the professional backgrounds of firms and individual representatives at its web site at <http://www.FINRA.org> or by telephone through the FINRA BrokerCheck Hotline, (800) 289-9999. An investor brochure regarding the FINRA BrokerCheck Program is available through the FINRA web site. Upon written request, DSA can deliver an investor brochure that includes information describing the FINRA BrokerCheck Program.

12) ANTI-MONEY LAUNDERING

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad and imposes anti-money laundering ("AML") requirements on brokerage firms and financial institutions. Under the Act's provisions, all brokerage firms are required to have comprehensive AML programs. As part of our AML program, we may ask you to provide various identification documents or other information prior to effecting any transactions for you.

13) FAILS CHARGE TRADING PRACTICE FOR TREASURY SECURITIES

DSA has adopted the Fails Charge Trading Practice for Treasuries (found at http://www.sifma.org/capital_markets/docs/Fails-Charge-Trading-Practice.pdf.) for all delivery versus-payment or delivery-versus-transfer transactions in U.S. Treasury securities. DSA will use the procedures recommended by the Treasury Market Practices Group unless we and you agree on individual procedures for specified transactions.

By entering into any such transaction with DSA in U.S. Treasury securities you agree to the use of the Fails Charge Trading Practice unless we and you explicitly agree otherwise with respect to a specific transaction. Similarly, we agree that the transaction will be subject to the Fails Charge Trading Practice, unless we and you explicitly agree otherwise.

14) SECURITIES INVESTOR PROTECTION CORPORATION

DSA is a member of the Securities Investor Protection Corporation ("SIPC"). The SIPC telephone number is (202) 371-8300 and the website address is <http://www.sipc.org>. You may obtain information about SIPC, including the SIPC brochure, by contacting SIPC. www.sipc.org

15) PRIVACY POLICY

The following policies apply to DSA's collection and disclosure of personal information of retail customers as they relate to United States products and services used primarily for personal, family or household purposes. You may have different or additional rights under other foreign or domestic laws. DSA collects, uses and retains information when necessary to provide personal financial services and related products to you. We collect nonpublic personal information from the following sources: your applications and other DSA forms; our affiliates or others regarding your transactions; and from consumer-reporting agencies.

We maintain physical, electronic and procedural safeguards for your nonpublic personal information. We disclose your nonpublic personal information to those DSA employees who have a need to know that information; as authorized by you; to others that perform marketing, processing, credit review, reporting or administrative services for us; as required or permitted by law or regulation (such as to auditors, law enforcement and regulatory agencies, both US and Japanese); and to affiliates that provide business services for us for your benefit, assist us in offering our or their products and services to you, or facilitate processing your transactions.

The Fair Credit Reporting Act lets you limit sharing of certain "non-experience information" within the Daiwa corporate family. Non-experience information is information not related solely to your transactions or other experiences with us, such as information: from your applications, such as your income or marital status; from a credit report, such as your credit history; and from sources used to verify representations made by you, such as your open lines of credit or employment history.

If you want to direct us not to share non-experience information about you with DSA affiliates as defined above, call us at New Accounts (212) 612-7000 or write us. For joint accounts, each person may separately opt out and joint account holders may opt out for each other. If only one joint account holder opts out, we may share information about the other joint account holders.

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DSA will make available any file we may maintain for your personal information if you ask us in writing, except that any information collected in connection with, or in anticipation of, any claim or legal proceeding or regulatory inquiry may not be made available. If you notify us that any information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in any future disclosure of the disputed information.

16) CUSTOMER COMPLAINTS

All complaints should be made by writing to the DSA Compliance Department, Attention Chief Compliance Officer, Daiwa Securities America Inc., Financial Square, 32 Old Slip, 12th Floor, New York, New York 10005-3538, or by calling the DSA Compliance Department, 212-612-7000. Please describe the complaint in detail.

17) RECORDED TELEPHONE CONVERSATIONS

DSA records calls on some of its telephone lines. Even though you may not hear an audible tone, your conversations with us may be recorded for our mutual protection.

18) BUSINESS CONTINUITY

DSA has implemented a Business Continuity Plan (BCP) to lessen the effects of a business disruption. The BCP includes steps to protect information, processes and customer data, and to allow the continued operation of critical functions. Our BCP also includes technical, organizational, facilities, regulatory and operational plans to assist DSA to continue operating under different disruption scenarios.

If a business disruption prevents us from operating out of our primary office location, whether due to a disruption affecting only DSA's office, or the building our office is located in, or a disruption affecting all of Manhattan, DSA would execute its BCP. Critical employees would relocate to our Disaster Recovery Office located in a different city and state. From this office we expect to be able to operate our critical systems and processes. Depending on the type of event and its severity, operations should be resumed within half a business day, assuming all mission critical vendors and partners are able to recover in a similar time frame. If a large-scale disruption affects the entire northeast region, DSA plans to work with our international affiliates in Japan and London to fulfill our existing customer obligations and regulatory requirements.

DSA performs a quarterly test of its BCP to assess the degree to which our critical systems and processes are recoverable from our Disaster Recovery Office.

Our BCP is subject to periodic modification. An updated summary of our BCP will be posted on our website at <http://www.daiwausea.com> as promptly as possible after any significant modification. A copy of our BCP is also available upon request by writing to Daiwa Securities America Inc., Financial Square, 32 Old Slip, New York, New York 10005.

DSA also has a BCP for its San Francisco branch (SFO).

If you have any questions or comments please contact your account representative at 212 612-7000.