

THE BARBASHOP, LLC

DISCLOSURE DOCUMENT

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THE BARBASHOP LLC, is a Connecticut Limited Liability Company Registered with the Commodity Futures Trading Commission as a Commodity Trading Advisor and is a member of the National Futures Association.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERITS OF PARTICIPATING IN THIS TRADING PROGRAM, NOR HAS THE COMMISSION PASSED ON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT.

January 1, 2011

The Barbashop LLC authorizes no person to give any information or to make any representation not contained herein.

The delivery of this Disclosure Document at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

RISK DISCLOSURE STATEMENT

THE RISK OF LOSS IN TRADING COMMODITY INTERESTS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING:

1. IF YOU PURCHASE A COMMODITY OPTION YOU MAY SUSTAIN A TOTAL LOSS OF THE PREMIUM AND OF ALL TRANSACTION COSTS.
2. IF YOU PURCHASE OR SELL A COMMODITY FUTURES CONTRACT OR SELL A COMMODITY OPTION OR ENGAGE IN OFF-EXCHANGE FOREIGN CURRENCY TRADING YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS OR SECURITY DEPOSIT AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAY BE CALLED UPON BY YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE, IN ORDER TO MAINTAIN YOUR POSITION. IF YOU DO NOT PROVIDE THE REQUESTED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOUR ACCOUNT.
3. UNDER CERTAIN MARKET CONDITIONS, YOU MAY FIND IT DIFFICULT OR IMPOSSIBLE TO LIQUIDATE A POSITION. THIS CAN OCCUR, FOR EXAMPLE, WHEN THE MARKET MAKES A "LIMIT MOVE."
4. THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP-LOSS" OR "STOP-LIMIT" ORDER, WILL NOT NECESSARILY LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.
5. A "SPREAD" POSITION MAY NOT BE LESS RISKY THAN A SIMPLE "LONG" OR "SHORT" POSITION.
6. THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN COMMODITY INTEREST TRADING CAN WORK AGAINST YOU AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS.

IN SOME CASES, MANAGED COMMODITY ACCOUNTS ARE SUBJECT TO SUBSTANTIAL CHARGES FOR MANAGEMENT AND ADVISORY FEES. IT MAY BE NECESSARY FOR THOSE ACCOUNTS THAT ARE SUBJECT TO THESE CHARGES TO MAKE SUBSTANTIAL TRADING PROFITS TO AVOID DEPLETION OR EXHAUSTION OF THEIR ASSETS. THIS DISCLOSURE DOCUMENT CONTAINS, AT PAGE ON PAGES 10-13 FOR PROGRAM 1, PAGES 15-17 FOR PROGRAM 2, PAGES 20-22 FOR PROGRAM 3, PAGES 24-26 FOR PROGRAM 4A AND PAGES 27-29 FOR PROGRAM 4B; A COMPLETE DESCRIPTION OF EACH FEE TO BE CHARGED TO YOUR ACCOUNT BY THE COMMODITY TRADING ADVISOR.

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ASPECTS OF THE COMMODITY INTEREST MARKETS. YOU SHOULD THEREFORE CAREFULLY STUDY THIS DISCLOSURE DOCUMENT AND COMMODITY INTEREST TRADING BEFORE YOU TRADE, INCLUDING THE DESCRIPTION OF THE PRINCIPAL RISK FACTORS OF THIS INVESTMENT, AT PAGE 5.

THIS COMMODITY TRADING ADVISOR IS PROHIBITED BY LAW FROM ACCEPTING FUNDS IN THE TRADING ADVISOR'S NAME FROM A CLIENT FOR TRADING COMMODITY INTERESTS. YOU MUST PLACE ALL FUNDS FOR TRADING IN THIS TRADING PROGRAM DIRECTLY WITH A FUTURES COMMISSION MERCHANT OR RETAIL FOREIGN EXCHANGE DEALER, AS APPLICABLE.

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GENERAL INFORMATION:

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Email: info@thebarbashop.com

Websites: www.thebarbashop.com, www.thebarbashopllc.com

The CTA's books and records will be kept and made available for inspection at the above address.

January 1, 2010 is the day The Barbashop LLC intends to use this Disclosure Document.

PRINCIPAL:

Ronald T. Barba is the managing director of The Barbashop LLC (TBL). Formerly, he managed money under the name, Ronald Barba DBA Futures Investment Co. He formed The Barbashop LLC in June of 2005. The Barbashop LLC is registered as a CTA and is a NFA member, effective June 6, 2005. Performance of Program 1 is on page 9, performance of Program 2 is on page 14, performance of Program 3 is on Page 19, performance of Program 4A is on page 23-24, and performance of Program 4B is on page 27.

BUSINESS BACKGROUND:

Ronald T. Barba graduated from Brown University in 1962. He was registered as a sole proprietor CTA from October 26, 1994 through August 4, 2005. In June 2005, Mr. Barba formed The Barbashop LLC which became registered as a CTA with the CFTC and became a registered NFA member in June of 2005. Mr. Barba has been listed as a principal with the CTA since June 3, 2005. Mr. Barba became an associated person of The Barbashop, LLC on June 6, 2005. Mr. Barba formed a Guaranteed Introducing Broker through Peregrine Financial Group, Inc. named Barbashop Ventures, LLC in October 2008. Mr. Barba became an associated person of Barbashop Ventures, LLC on October 27, 2008, and he became a listed principal for Barbashop Ventures, LLC on July 28, 2008. Registration as an Introducing Broker with the NFA for Barbashop Ventures, LLC was withdrawn on September 1, 2010. Mr. Barba's status as principal and status as an associated person of Barbashop Ventures, LLC were also withdrawn on September 1, 2010.

MR. BARBA'S ANALYSIS

Mr. Barba believes that today everyone should have a portion of their liquid assets invested in the commodities market with a professional money manager. He also believes that this asset class, as a diversification of one's assets, will become more important in the years ahead.

MR. BARBA'S METHODS

Mr. Barba's analysis and study of the commodity markets confirmed his belief that the commodities were generally in an upward trend. Since 2005, he has believed that the markets are in a 10 to 15 year cycle of upward prices with intermittent shorter term downtrends. He thinks this is related to the ever growing creation of debt in this country which correlates with the endless erosion of the value of our dollar and the subsequent rising cost of commodities. Along with this are the ever growing world population and the accompanying ever growing larger demand for commodities.

The Barbashop LLC's performance in the commodities market can be directly attributed to a combination of Mr. Barba's experience in trading the commodity markets, an ability to many times identify and execute a high probability, profitable trade or investment, a use of all available daily technical electronic data, an ability to make a correct technical analysis of the daily and weekly charts of all commodities, and an understanding of many other sources of information about commodities. Mr. Barba attempts to buy call and put options much of the time in an effort to limit risk and maximize profits.

THE TRADING PROGRAM:

The Barbashop LLC will use Mr. Barba's expertise and 30 plus years of experience to attempt to make profits for their clients. All decisions are discretionary and are predominately based upon technical analysis and Mr. Barba's experience in trading. The Barbashop LLC will primarily trade the most liquid markets, i.e. metals, oils, currencies, bonds, stock indices, grains, etc. However, TBL may trade any of the other regulated, on-exchange markets. Presently TBL is managing client accounts by doing short term (generally more than one day) trading; however TBL will also, take longer-term positions (generally more than 2 weeks). TBL will primarily buy futures, puts, calls, and put and call spreads on futures. TBL may sometimes sell naked puts, calls, and put and call spreads on futures for its clients. The Barbashop

LLC will trade futures contracts, and options on futures contracts on all US Futures Exchanges and the attending software platforms of Futures Commission Merchants.

PRINCIPAL RISK FACTORS

In addition to the risks inherent in trading commodities pursuant to instructions already provided herein by The Barbashop LLC, there are additional risk factors including those described below in connection with a customer participating in a Managed Account Program. Prospective customers should consider all of the risk factors described below and elsewhere in this Disclosure Document before participating in any Program. The Barbashop Programs, at times, may experience extreme volatility. Due to the volatile history of the programs, customers need to be aware that depositing additional funds may be necessary in order to endure periods of drawdown before account values may be recovered and long term profits be achieved.

COMMODITY TRADING IS SPECULATIVE AND VOLATILE:

Commodity prices are highly volatile. Price movements for commodities are influenced by, among other things: changing supply and demand relationships; weather; agricultural, trade, fiscal, monetary, and exchange control programs and policies of governments; United States and foreign countries political and economic events and policies; changes in national and international interest rates and rates of inflation; currency devaluations and revaluations; and importantly, investors emotions in the market. None of these factors can be controlled by The Barbashop LLC and no assurance can be given that The Barbashop LLC's trading will result in profitable trades for a participating customer or that a customer will not incur substantial losses.

There are other risks in trading, such as:

Risk of Wider Spreads:

Spread refers to the difference in best buy price and best sell price. It represents the differential between the price of buying a commodity and immediately selling it or vice versa. Lower liquidity and higher volatility may result in wider than normal spreads for less liquid or illiquid commodities/contracts. This in turn will hamper getting better prices on buying and selling commodities.

Risk-reducing orders:

Most Exchanges have a facility for investors to place "limit orders", "stop loss orders", etc". The placing of such orders (e.g., "stop loss" orders, or "limit" orders) are intended to limit losses to certain amounts, however these orders may not be effective many times because rapid movements in the market may make it impossible to execute such orders.

A "market order" will be executed promptly, subject to availability of orders on the opposite side of the market without regard to price. While the customer may receive a prompt execution of a "market" order, the execution will be at available prices of outstanding orders at the time, and that price may be significantly different from the last traded price. The fill price is usually at a much worse price.

A "limit order" will be executed only at the "limit price" specified for the order or at a better price. However, while the customer receives price protection if the order is executed at that price, there is a possibility that the order may not be executed at all and the price may go considerably against the customer.

A stop loss order is generally placed "away" from the current price of a commodity, and such order gets activated if and when the commodity reaches or trades through the stop price. Sell stop orders are entered ordinarily below the current price, and buy stop orders are entered ordinarily above the current price. When the commodity reaches the pre-determined price or trades through such price, the stop loss order converts to a market or limit order and is executed at the limit price if it is a stop loss limit order or at the market price if it is a stop loss market order. If it is a stop loss limit order, there is no assurance that the limit order will be filled at the limit price

and there is a risk that such an order does not get executed at all and the price may go considerably more against the client, just as with a regular limit order. If it is a stop loss market order, the fill price may be much worse than the price the stop is placed at.

There are special risks associated with selling uncovered "naked options" that may expose investors to significant losses. The potential loss of selling uncovered naked calls is unlimited. The selling of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying commodity increases above the exercise price.

As with selling uncovered calls, the risk of selling uncovered put options is substantial. The writer of an uncovered put option bears a risk of loss if the value of the underlying commodity declines below the exercise price. Such loss could be substantial if there is a significant decline in the value of the underlying commodity.

Uncovered option selling is suitable only for the knowledgeable investor who understands the risks, has the financial capacity and willingness to incur potentially substantial losses, and has sufficient liquid assets to meet applicable margin requirements. In this regard, if the value of the underlying commodity moves against an uncovered seller's options position, they may be required to make significant additional margin payments. If an investor does not make such margin payments, the FCM may close the options positions in the investor's account with little or no prior notice in accordance with the investor's margin agreement, even if it is at a substantial loss.

For a combination selling where the investor sells both a naked put and call on the same underlying commodity, the potential risk of losses is substantial and unlimited.

If the market in options in which an investor holds naked positions were to become unavailable, investors could not engage in closing transactions, and thus would remain obligated until expiration or assignment of those options. The option seller's potential risk of losses would be substantial and unlimited.

The seller of an option is subject to being assigned the commodity contract from the time the option has been written until the option expires.

Risk of News Announcements:

Issuers, governments, or other entities may make news announcements that may impact the price of the commodities / contracts. These announcements may occur during trading or after hours, and when combined with lower liquidity and higher volatility may suddenly cause an unexpected positive or negative movement in the price of the commodity/contract.

System Risk:

High volume trading will frequently occur at the market opening and before the market close. Such high volumes may also occur at any point in the day. These may cause delays in order execution or confirmation.

During periods of volatility, on account of market participants continuously modifying their order quantity or prices or placing fresh orders, there may be delays in order execution and confirmations.

Under certain market conditions, it may be difficult or impossible to liquidate a position in the market at a reasonable price or at all, when there are no outstanding orders either on the buy side or the sell side, or if trading is halted in a commodity due to any action, including unusual trading activity, hitting major stop loss orders, any news announcement, or for any other reason.

System/Network Congestion:

Trading on NSE/BSE is in electronic mode, based on satellite/leased line based communications, and a combination of technologies and computer systems to place and route orders. Thus, there exists a possibility of a communication failure, or a system problem, or a slow or delayed response from systems or trading halts, or any such other problem/glitch. This may cause one not to be able to establish access to the trading system/network, which may be beyond the control of anyone and may result in a delay in processing or not processing buy or sell orders either in part or in full. You are cautioned to note that although these problems may be temporary in nature, when you have outstanding open positions or unexecuted orders; this represents a risk because of your obligations to settle all executed transactions.

Commodity trading is highly leveraged. The low margin deposits normally required in commodity trading (typically 2% to 15% of the value of the contract purchased or sold) permits an extremely high degree of leverage. Accordingly, a relatively small price movement in a contract may result in an immediate and substantial loss or gain to the investor. For example, if at the time of purchase 10% of the price of a futures contract is deposited as margin, a 10% decrease in the price of the contract would, if the contract is then closed out, result in a total loss of the margin deposited before any deductions for brokerage commissions. A decrease of more than 10% would result in a loss of more than the total margin deposited. Thus, like other leveraged investments, any trade may result in losses in excess of the amount invested.

When the market value of a particular open position changes to a point where the margin on deposit in a participating customer's account does not satisfy the applicable maintenance margin requirement imposed by the FCM, the customer, and not The Barbashop, LLC will receive a margin call from the FCM. If the customer does not satisfy the margin call within a reasonable time (which may be as brief as a few hours) the FCM will close out the customer's position, even if it is at a loss.

Commodity trading may be illiquid. Most United States commodity exchanges limit price fluctuations in certain commodity prices during a single day by means of "daily price fluctuation limits" or "daily limits." The daily limit, which is set by most exchanges for all but a portion of the expiration months, imposes a floor and a ceiling on the prices at which a trade may be executed, as measured from the last trading day's close. While these limits were put in place to lessen margin exposure, they may have certain negative consequences for a customer's trading. For example, once the price of a particular contract has increased or decreased by an amount equal to the daily limit, thereby producing a "limit-up" or "limit-down" market, positions in the contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. Contract prices in various commodities have occasionally moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent The Barbashop LLC from promptly liquidating unfavorable positions and subject a participating customer to substantial losses that could exceed the margin initially committed to such trades.

Participating customer's FCM may fail. Under CFTC regulations, FCM's are required to maintain customer's assets in a segregated account. If a customer's FCM fails to do so, the customer may be subject to risk of loss of funds in the event of its bankruptcy. Even if such funds are properly segregated, the customer may still be subject to a risk of a loss of his funds on deposit with the FCM should another customer of the FCM or the FCM itself fail to satisfy deficiencies in such other customer's accounts. Bankruptcy law applicable to all U.S. futures brokers requires that in the event of the bankruptcy of such a broker, all property held by the broker, including certain property specifically traceable to the customer, will be returned, transferred or distributed to the broker's customers only to the extent of each customer's pro-rata share of all property available for distribution to customers. If any futures broker retained by the customer were to become bankrupt, it is possible that the customer would be able to recover none or only a portion of its assets held by such futures broker.

TBL WILL ATTEMPT TO CONTROL RISK IN AN ACCOUNT, MANY TIMES BY BUYING A CALL AND/OR PUT OPTION, OR, BY BUYING A CALL SPREAD OPTION AND/OR A PUT SPREAD OPTION, INSTEAD OF A FUTURES CONTRACT. THE MOST ONE CAN LOSE IN PURCHASING AN OPTION IS THE AMOUNT OF MONEY ONE PAYS FOR THE OPTION. TBL WILL SOMETIMES ALSO ATTEMPT TO CONTROL RISK IN AN ACCOUNT BY USING STOPS ON FUTURES POSITIONS TO LIMIT THE SIZE OF A POTENTIAL LOSS.

THE TRADING STRATEGY IMPLEMENTED BY TBL MAY PRODUCE A HIGH NUMBER OF TRADES, AND A CORRESPONDING HIGH RATIO OF COMMISSIONS AND COMMISSION DOLLARS CHARGED TO THE ACCOUNT COMPARED TO THE AMOUNT OF MONEY THAT IS IN THE ACCOUNT. THIS WILL LOWER THE PERCENTAGE RETURN ON THE CLIENTS INVESTMENT. COMMISSIONS COULD EXCEED PROFITS IN ANY GIVEN MONTH.

TBL EARNS A COMMISSION PER TRADE FEE, WHICH IS UNCOMMON IN THE INDUSTRY AND CREATES A CONFLICT OF INTEREST. HOWEVER, TBL WILL ONLY EXECUTE TRADES THAT IT BELIEVES ARE IN THE BEST INTEREST OF THE CLIENT AND WILL NOT TRADE FOR THE SOLE PURPOSE OF GENERATING COMMISSIONS.

DUE TO THE POSSIBILITY OF A HIGH NUMBER OF TRADES IN AN ACCOUNT, THE RESULTING COMMISSION PAYOUT TO TBL WILL PRODUCE A MUCH HIGHER PERCENTAGE RETURN TO TBL THAN THE MORE STANDARD 2% MANAGEMENT FEE IN THE INDUSTRY. THIS MUCH HIGHER PERCENTAGE RETURN TO TBL WILL LOWER THE PERCENTAGE RETURN TO THE CLIENT.

ADDITIONAL MONEY IN AN ACCOUNT THAT EXCEEDS A UNIT VALUE (I.E. ONE UNIT IS \$25,000) MAY BE IDLE AND THEREFORE NOT USED IN THE DAY TO DAY TRADING PROGRAM. CONVERSLY, IF AN ACCOUNT FALLS BELOW THE MINIMUM REQUIRED THEN THE BARBASHOP LLC MAY NOT BE ABLE TO TRADE THE ACCOUNT AS INTENDED BY THE PROGRAM AND THEREFORE THE PERFORMANCE OF THE ACCOUNT MAY NOT BE IN LINE WITH OTHER CLIENT ACCOUNTS.

THE FOLLOWING 4 PROGRAMS ARE THE ONLY PROGRAMS THE BARBASHOP LLC IS OFFERING TO INVESTORS AT THIS TIME

**THE BARBASHOP PROGRAM
THIS PROGRAM WAS FORMERLY CALLED “THE 3% RETURN PER QUARTER PROGRAM”**

PROGRAM 1

THE BARBASHOP PROGRAM

“A NEW STRATEGY FOR TRADING IN FUTURES (COMMODITIES)”

CTA – The Barbashop LLC

Trading Program- The Barbashop Program

Inception of Trading of The Barbashop LLC – June 6, 2005

Inception of Trading in Offered Program – Feb 1, 2005

Number of Accounts Currently Traded- 84

Number of Accounts Closed Profitably –104

Number of Accounts Closed Unprofitably- 119

Lifetime Profit Range of Closed Accounts – (+0.15% to +201.93%)

Lifetime Loss Range of Closed Accounts – (-0.00% to -95.02%)

Total Assets under Management - \$6,130,181.27

Total Assets under Management pursuant to The Barbashop Program - \$3,009,825.92

Largest monthly drawdown May 2010 – (-67.39%)

Worst peak to valley drawdown* –May 2009 – July 2010 (-91.5%)

*Drawdown means losses experienced by a pool or trading program over a specified period.

**PAST PERFORMANCE IS NOT NECESSARILY
INDICATIVE OF FUTURE RESULTS**

ACTUAL PERFORMANCE AFTER ALL FEES

	2005	2006	2007	2008	2009	2010
January		5.75%	26.24%	24.17%	2.47%	-49.22%
February	**3.06%	3.45%	39.62%	16.48%	-16.59%	-1.41%
March	**2.08%	2.59%	6.99%	12.52%	-21.67%	-0.28%
April	**4.60%	6.24%	1.52%	-18.68%	-10.18%	47.23%
May	**1.59%	9.98%	20.42%	.99%	129.11%	-67.39%
June	1.39%	1.75%	-14.39%	33.68%	-14.44%	16.27%
July	3.26%	10.62%	8.15%	-31.93%	-37.07%	-61.58%
August	2.51%	4.84%	-29.37%	-24.40%	13.59%	78.40%
September	4.48%	10.86%	35.33%	-24.05%	5.57%	156.10%
October	5.83%	2.76%	-13.11%	184.98%	-38.45%	-36.05%
November	1.68%	17.46%	-0.58%	14.46%	87.57%	121.42%
December	2.54%	-46.69%	-24.49%	6.26%	5.97%	70.58%
Annualized YTD	38.31%	10.38%	33.09%	142.01%	8.84%	18.18%

** Mr. Barba was registered as a sole proprietor CTA at this time.

THE BARBASHOP PROGRAM (cont.)

Following is the performance record of an account which was traded pursuant to the program from June 2006 to Oct. 2006. It was leveraged higher than the accounts making up the composite record above and made higher returns. Beginning November 1, 2006 it was leveraged the same as all accounts in the program and is thus presented in the capsule above.

	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06
Rate of Return	13.63%	12.73%	7.34%	33.94%	1.15%

THE BARBASHOP PROGRAM'S INCENTIVE FEE WILL BE CHANGED AS OF JANUARY 2010; SEE NEW FEE STRUCTURE BELOW.

**NEW INCENTIVE FEE FOR THE BARBASHOP PROGRAM:
PROFITS IN EXCESS OF 3% ON A NEW CALENDAR QUARTER HIGH IN EQUITY ARE SPLIT WITH THE INVESTOR.**

**THE GOAL OF THIS PROGRAM IS TO ATTEMPT TO EARN THE INVESTOR AT LEAST A
3% RETURN PER CALENDAR QUARTER, AFTER ALL FEES.**

The Barbashop LLC will make short-term and long-term trades in futures (commodities). The Barbashop LLC (TBL) will buy or sell futures contracts and/or spreads in futures contracts. TBL, also, will buy or sell call and call spreads in options on futures contracts, and buy or sell put and put spreads in options on futures contracts that TBL believes will be profitable. TBL will attempt to provide the client with a minimum of a 3% return per calendar quarter after all fees. TBL, at times, will attempt to maximize the client's returns by trading for short periods of time when it believes there is a high probability of success. Also, TBL may take long term positions and hold futures or options for a longer period when it believes a trend will continue.

THERE IS NO GUARANTEE THAT THE CLIENT WILL EARN 3% IN ANY CALENDAR QUARTER. IN FACT, THE CLIENT MAY EVEN LOSE MONEY.

THE BARBASHOP PROGRAM CURRENTLY BEING OFFERED IS A MORE CONSERVATIVE APPROACH TO FUTURES TRADING THAN THE MORE HIGH-RISK TRADING THAT MR. BARBA PREVIOUSLY HAS PARTICIPATED IN, AS EVIDENCED BY HIS 2004 THRU 2009 PERFORMANCE RECORD, "OTHER ACCOUNTS TRADED", REFERENCED AT THE END OF THIS DISCLOSURE DOCUMENT, WHICH IS NOT BEING OFFERED TO NEW CLIENTS. "OTHER ACCOUNTS TRADED" ARE ACCOUNTS OF FRIENDS ONLY.

EVEN THOUGH THE PERFORMANCE RECORD OF TBL HAS BEEN POSITIVE, AN INVESTOR COULD EXPERIENCE LARGE AND SUDDEN DRAWDOWNS IN THEIR EQUITY WHICH MAY NOT BE ABLE TO BE RECOUPED. ALSO, THERE MAY BE PERIODS OF INCREASED VOLATILITY BOTH UP AND DOWN IN THEIR ACCOUNT.

MINIMUM INVESTMENT - \$25,000

CLIENTS SHOULD NOT INVEST MORE THEN 20% OF THEIR LIQUID ASSETS IN ANY TBL PROGRAM.

PROGRAM 1: BROKERAGE ACCOUNTS, COMMISSIONS, FEES, INTEREST, ACCOUNTING, ETC.

FUTURES COMMISSION MERCHANTS:

Funds managed by THE BARBASHOP LLC are deposited with a Futures Commission Merchant (FCM or FCM's) with whom TBL agrees to establish a working relationship. Each account is opened in the client's name. Any client, no matter who they are solicited by, may choose not to use an IB (Introducing Broker) or AP (Associate Person), and is free to choose an FCM of their choice to carry their account. The FCM that the client chooses must be a firm that TBL believes is reputable and charges reasonable fees according to industry standards. If an FCM, IB, AP or other person introduces an account to TBL, TBL may charge a commission, which may range from \$5 to \$40 per side when TBL buys or sells 1 futures contract, or buys or sells an option on 1 futures contract; or from \$10 to \$80 per side when TBL buys or sells 1 option spread. An options spread is two options on two future contracts. Part of this commission may be paid to the FCM, IB or other person introducing the account. TBL may receive up to 80% of this commission amount if the account merits a payout to an FCM, IB or AP who introduced the account, or 100% of this commission amount if no payout to a third party is required. There are other fees charged, which may include but are not limited to, a floor brokerage and/or electronic execution fee, a clearing fee, a processing fee, an exchange fee, a execution or transaction fee, a give up fee (approximately \$1.25) and a NFA fee. None of these other fees will go to TBL.

COMMISSIONS AND FEES OF THE BARBASHOP LLC:

All accounts will be charged and pay to TBL a commission of **UP TO \$40.00** per side, (\$80.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person to buy or sell 1 futures contract, or to buy or sell 1 option on a futures contract; or to buy or sell one option spread, which is 2 options on 2 futures contracts **UP TO \$80.00** per side (\$160.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person. For options, the round turn commission charged will be charged one time up front (with no commission charged on an exit or expiring option). On futures, a commission will be charged on a per side basis, (1/2 of the commission will be charged on entering the futures position, and 1/2 of the commission will be charged on exiting the futures position). All fees (commissions) will be deducted from the client's account after a position is entered into or closed out, and paid directly from the FCM to TBL. **TBL'S COMMISSION AND INCENTIVE FEES CHARGED WILL BE NOTED IN THE POWER OF ATTORNEY DOCUMENT.**

The total of all fees and commissions charged (including TBL's) to the client will not exceed \$40.00 per side (\$80.00 per round turn) to buy or sell 1 future contract or 1 option on a future contract, and will not exceed \$80.00 (\$160.00 per round turn) when TBL buys or sells 1 option spread (2 options). These individual fees and the totality of these fees may vary substantially with different introducing brokers, FCMs and other brokers.

TBL'S NEW INCENTIVE FEE AS OF JANUARY 2010:

THE BARBASHOP LLC WILL ALSO CHARGE EACH ACCOUNT A CALENDAR QUARTER INCENTIVE FEE (CQIF). FROM THE STARTING EQUITY ANY PROFITS IN EXCESS OF A 3% RETURN ON EQUITY ON THE FIRST CALENDAR QUARTER NEW HIGH ENDING EQUITY (ENDING EQUITY WILL BE ENDING NET LIQUIDATING VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BE SPLIT WITH THE INVESTOR (50% TO THE CLIENT AND 50% TO TBL). AFTER WITHDRAWING THE INCENTIVE FEE, THIS EQUITY WILL BECOME THE NEW HIGH WATER MARK WHICH MUST BE EXCEEDED BY 3% ON A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE WILL BE CHARGED (50% TO THE CLIENT AND 50% TO TBL).

The previous structure permitted an incentive fee to be charged when the client averaged a 3% profit over all previous quarters and a 3% profit had been made in the present quarter. The new structure for incentive fees is that clients will be charged without averaging 3% per quarter, but rather when an account's liquidating value exceeds 3% over the previous calendar quarter ending high watermark.

Example - an account with a starting equity of \$50,000 has a 1st calendar quarter ending equity (ending equity is ending net liquidating value adjusted for additions and withdrawals) of \$57,500 with a profit of \$7,500. The first 3% of the return on investment of \$50,000 is \$1,500 which goes to the client. The

remaining \$6,000 profit is split 50/50, \$3,000 to the client and \$3,000 to TBL. The new high water mark for this account going forward is \$54,500 (the original \$50,000 with the added profit to the client of \$4,500). This new high water mark must be exceeded by 3% on a calendar quarter high ending equity before a new incentive fee will be charged. All profits will be adjusted for additions and withdrawals.

IF THE CLIENT'S ACCOUNT IS CLOSED AS OF ANY DATE WHICH IS NOT THE END OF A CALENDAR QUARTER, THE CQIF DESCRIBED ABOVE, IF APPLICABLE, WILL BE DETERMINED AND CHARGED AS IF THAT DATE WERE THE END OF A CALENDAR QUARTER AND PAID TO TBL. ALSO, ALL COMMISSION FEES, AND ALL OTHER FEES WILL BE CHARGED AND PAID AT THAT TIME.

TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN EARNED INCENTIVE FEE AT THE END OF ANY GIVEN MONTH (BUT WILL NORMALLY COLLECT FEES AT THE END A CALENDAR QUARTER). A MONTHLY INCENTIVE FEE WILL ONLY BE DECIDED UPON IF AN ACCOUNT HAS EARNED 10% OR MORE IN A GIVEN MONTH (EXCLUDING INCENTIVE FEES). IN THE EVENT OF CLIENT'S WITHDRAWAL OF PARTIAL EQUITY DURING ANY MONTH, TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN INCENTIVE FEE EARNED AT THAT TIME.

TBL ALSO RESERVES THE RIGHT ON ANY DAY FROM DECEMBER 15TH TO DECEMBER 31ST TO TREAT ALL ACCOUNTS AS THOUGH IT WAS THE END OF A CALENDAR QUARTER, AND CHARGE A CQIF, IF APPLICABLE, AND WITHDRAW THE INCENTIVE FEE BEFORE YEAR END. TBL HAS MADE THIS RESERVATION TO CHARGE AN INCENTIVE FEE IN ORDER TO PROTECT THE CLIENT FROM AN UNNECESSARY TAX BURDEN WHICH WOULD BE CAUSED BY NOT PAYING OUT THE INCENTIVE FEE ON PROFITS TO TBL IN DECEMBER, BEFORE YEAR END. IF THE INCENTIVE FEE IS NOT PAID OUT BEFORE YEAR END, THE AMOUNT OF THE INCENTIVE FEE THE CLIENT OWES WOULD BE TAXED TO THE CLIENT, AND THE CLIENT WOULD STILL OWE THE FULL INCENTIVE FEE TO TBL. BY RESERVING THIS RIGHT POSITIONS MAY BE CLOSED EARLIER OR TRADING MAY BE STOPPED BEFORE YEAR END (DECEMBER 31ST). (SEE CONFLICT OF INTEREST SECTION ON PAGES 31.)

WHENEVER AN INCENTIVE FEE IS CHARGED, THAT IS NOT THE END OF A CALENDAR QUARTER AND THE FEE IS WITHDRAWN, SUCH AS: AT THE END OF A MONTH THAT IS NOT A CALENDAR QUARTER, IF MONEY IS WITHDRAWN BY A CLIENT AND AN INCENTIVE FEE IS CHARGED, AND DURING THE MONTH OF DECEMBER, THE RESULTING ENDING EQUITY (ENDING LIQUIDATING NET ASSET VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BECOME THE NEW HIGH WATER MARK, WHICH GOING FORWARD, MUST BE EXCEEDED BY 3% ON THE NEXT NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE IS CHARGED.

CALCULATIONS, Monthly profits include both closed and open profits and losses in the account at the end of each month. New net profits or losses at the end of each month will be determined by the following two calculations:

1. Net gains or losses resulting from all trades closed out during the month (Closed P&L).
2. The net of any unrealized gains or losses on positions open as of the end of the month, minus the net of any unrealized gains or losses on open positions carried forward from the preceding month (Change in open P&L). Profits are calculated net of all commissions, fees, deposits, and withdrawals in the account.
3. For the period January 2005 through December 2009, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the beginning cash value of the account, weighted for additions or withdrawals during the month and net of accrued fees. The monthly returns for the composite were calculated as a weighted average of the returns on the individual accounts during that month. For this period, annual and other multi-period returns are calculated by compounding the monthly returns during the period.

Beginning in January 2010, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the number of units traded

multiplied by a variable notional amount per unit. The notional amount per unit as of January 2010 was \$25,000 per unit. Each month, the notional amount per unit fluctuated based on the program's return, simulating reinvestment of profits and losses. Each period's notional unit value is calculated as the notional unit value in the prior period times the prior period's rate-of-return plus one. The unit value does not fluctuate based on the actual assets on deposit in the client accounts. The number of units for each account is established by the client in writing. This calculation method of using a variable notional unit value assumes profits and losses are reinvested and, therefore, annual and other multi-period returns are calculated by compounding the monthly returns during that period. The monthly returns for each composite were calculated as a weighted average of the returns on the individual accounts during that month.

TBL MAY NEGOTIATE OTHER FEE ARRANGEMENTS WITH CLIENTS AND THIS WOULD BE SET FORTH IN THE POWER OF ATTORNEY (POA) BEFORE AN ACCOUNT IS OPENED. TBL may negotiate a different commission fee with clients, which could range from approximately \$5 to \$40 (\$10 to \$80 dollars a round turn) to buy or sell each futures contract or each option on a futures contract, or \$10 to \$80 (\$20 to \$160 a round turn) to buy or sell each option spread (per side); part of which may be paid to an entity or person introducing the account. A lower fee could be charged if a client initially invested a substantial amount of money. Example, with an initial investment of over 2 million dollars, a client may negotiate a reduced fee of \$8.00 to buy or sell each futures contract, or buy or sell each option on a futures contract (\$16.00 to buy or sell 1 option spread).

TBL also may negotiate a different CQIF with clients depending upon the initial investment and/or whether or not any AP's or IB's will participate in this CQIF. Example, if a client initially invests 5 million dollars, after the 3% return to the client all other profits might be split 60% to the client and 40% to TBL. This different CQIF or commission charged, and any other negotiated fee which is different and not herein stated, would be set forth in the Power of Attorney (POA) before an account is opened.

PROGRAM 2

THE INSTITUTIONAL INVESTMENT PROGRAM

2½% Management Fee / 25% Incentive Fee

This investment program by TBL is similar to The Barbashop Program in making investment decisions; however, it has a different fee structure.

The management fee is 2½% and charged at the end of each calendar quarter on the liquidating value of the account. The Calendar Quarterly Incentive Fee, CQIF, is 25% of profits and charged on a new calendar quarter high in ending equity (ending net liquidating value, adjusted for additions and withdrawals).

There may also be a negotiated commission charged in this program in addition to the incentive and management fees.

Minimum investment - \$100,000

CTA – The Barbashop LLC, commenced trading on June, 6, 2005

Trading Program- The Institutional Investment Program

Inception of Trading in Offered Program – May 1, 2008

Number of Accounts Traded –0*

Number of Accounts Closed –6

Number of Accounts Closed Profitably –2

Number of Accounts Closed Unprofitably - 4

Lifetime Profit Range of Closed Accounts – (+49.00% to +197.52%)

Lifetime Loss Range of Closed Accounts – (-13.60% to -76.47%)

Total Assets under Management–\$6,130,181.27

Total Assets pursuant to the Institutional Investment Program - \$0.00

Largest monthly drawdown** - May 2010 (-59.1%)

Worst peak to valley drawdown –May 2009 –July 2010 (-87.3%)

* Prior to the increase in the required Initial Investment, one (1) account was opened with the original minimum amount of 50,000.

**Drawdown means losses experienced by a pool or trading program over a specified period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

ACTUAL PERFORMANCE AFTER ALL FEES

	2008	2009	2010
January	N/A	3.08%	-46.63%
February	N/A	-23.01%	-0.20%
March	N/A	-34.06%	-0.03%
April	N/A	-7.93%	34.58%
May	-5.70%	327.58%	-59.1%
June	34.82%	-31.17%	17.85%
July	-21.07%	-44.58%	-49.23%
August	-6.22%	18.62%	56.31%
September	-15.30%	13.90%	111.42%
October	171.81%	-44.72%	-27.25%
November	31.63%	137.97%	0.00%
December	14.13%	6.69%	0.00%
Annualized YTD	225.48%	49.00%	-57.85%

THE INSTITUTIONAL PROGRAM'S INCENTIVE FEE WILL BE CHANGED AS OF JANUARY 2010;
SEE NEW FEE STRUCTURE BELOW.

PROGRAM 2: BROKERAGE ACCOUNTS, COMMISSIONS, FEES, INTEREST, ACCOUNTING, ETC.

FUTURES COMMISSION MERCHANTS:

Funds managed by THE BARBASHOP LLC are deposited with a Futures Commission Merchant (FCM or FCM's) with whom TBL agrees to establish a working relationship. Each account is opened in the client's name. Any client, no matter who they are solicited by, may choose not to use an IB (Introducing Broker) or AP (Associate Person), and is free to choose an FCM of their choice to carry their account. The FCM that the client chooses must be a firm that TBL believes is reputable and charges reasonable fees according to industry standards. If an FCM, IB, AP or other person introduces an account to TBL, TBL may charge a commission, which may range from \$5 to \$40 per side when TBL buys or sells 1 futures contract, or buys or sells an option on 1 futures contract (per side); or from \$10 to \$80 per side when TBL buys or sells 1 option spread. An options spread is two options on two future contracts. Part of this commission may be paid to the FCM, IB or other person introducing the account. TBL may receive up to 80% of this commission amount if the account merits a payout to an FCM, IB or AP who introduced the account, or 100% of this commission amount if no payout to a third party is required. There are other fees charged, which may include but are not limited to, a floor brokerage and/or electronic execution fee, a clearing fee, a processing fee, an exchange fee, a execution or transaction fee, a give up fee (approximately \$1.25) and a NFA fee. None of these other fees will go to TBL.

COMMISSIONS AND FEES OF THE BARBASHOP LLC:

All accounts will be charged and pay to TBL a commission of **UP TO \$40.00** per side, (\$80.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person to buy or sell 1 futures contract, or to buy or sell 1 option on a futures contract; or to buy or sell one option spread, which is 2 options on 2 futures contracts **UP TO \$80.00** per side (\$160.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person. For options, the round turn commission charged will be charged one time up front (with no commission charged on an exit or expiring option). On futures, a commission will be charged on a per side basis, (1/2 of the commission will be charged on entering the futures position, and 1/2 of the commission will be charged on exiting the futures position). All fees (commissions) will be deducted from the client's account after a position is entered into or closed out, and paid directly from the FCM to TBL. **TBL'S COMMISSION, INCENTIVE AND MANAGEMENT FEES CHARGED WILL BE NOTED IN THE POWER OF ATTORNEY DOCUMENT.**

The total of all fees and commissions charged (including TBL's) to the client will not exceed \$40.00 per side (\$80.00 per round turn) to buy or sell 1 future contract or 1 option on a future contract, and will not exceed \$80.00 (\$160.00 per round turn) when TBL buys or sells 1 option spread (2 options). These individual fees and the totality of these fees may vary substantially with different introducing brokers, FCMs and other brokers.

TBL'S NEW INCENTIVE FEE AS OF JANUARY 2010:

THE BARBASHOP LLC WILL ALSO CHARGE EACH ACCOUNT A CALENDAR QUARTER INCENTIVE FEE (CQIF). FROM THE STARTING EQUITY, ANY PROFITS IN THE FIRST CALENDAR QUARTER NEW HIGH ENDING EQUITY (ENDING EQUITY WILL BE ENDING NET LIQUIDATING VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BE SUBJECT TO A CQIF OF 25%. AN INSTITUTIONAL ACCOUNT'S INCENTIVE FEE STRUCTURE IS 75% OF THE PROFITS TO THE CLIENT AND 25% OF THE PROFITS TO TBL. AFTER WITHDRAWING THE INCENTIVE FEE, THIS EQUITY WILL BECOME THE NEW HIGH WATER MARK WHICH MUST BE EXCEEDED ON A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE WILL BE CHARGED.

Example: An account with a starting equity of \$50,000 has a 1st calendar quarter ending equity (ending equity is ending net liquidating value adjusted for additions and withdrawals) of \$60,000 with a profit of \$10,000. The \$10,000 profit is split 75/25, \$7,500 to the client and \$2,500 to TBL. The new high water mark for this account going forward is \$57,500 (the original \$50,000 with the added profit to the client of \$7,500). This new high water mark must be exceeded on a calendar quarter high ending equity before a new incentive fee will be charged. All profits will be adjusted for additions and withdrawals.

TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN EARNED INCENTIVE FEE AT THE END OF ANY GIVEN MONTH (BUT WILL NORMALLY COLLECT FEES AT THE END A CALENDAR QUARTER). A MONTHLY INCENTIVE FEE WILL ONLY BE DECIDED UPON IF AN ACCOUNT HAS EARNED 10% OR MORE IN A GIVEN MONTH (EXCLUDING INCENTIVE FEES). IN THE EVENT OF CLIENT'S WITHDRAWAL OF PARTIAL EQUITY DURING ANY MONTH, TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN INCENTIVE FEE EARNED AT THAT TIME.

TBL ALSO RESERVES THE RIGHT ON ANY DAY FROM DECEMBER 15TH TO DECEMBER 31ST TO TREAT ALL ACCOUNTS AS THOUGH IT WAS THE END OF A CALENDAR QUARTER, AND CHARGE A CQIF, IF APPLICABLE, AND WITHDRAW THE INCENTIVE FEE BEFORE YEAR END. IN TBL HAS MADE THIS RESERVATION TO CHARGE AN INCENTIVE FEE IN ORDER TO PROTECT THE CLIENT FROM AN UNNECESSARY TAX BURDEN WHICH WOULD BE CAUSED BY NOT PAYING OUT THE INCENTIVE FEE ON PROFITS TO TBL IN DECEMBER, BEFORE YEAR END. IF THE INCENTIVE FEE IS NOT PAID OUT BEFORE YEAR END, THE AMOUNT OF THE INCENTIVE FEE THE CLIENT OWES WOULD BE TAXED TO THE CLIENT, AND THE CLIENT WOULD STILL OWE THE FULL INCENTIVE FEE TO TBL. BY RESERVING THIS RIGHT POSITIONS MAY BE CLOSED EARLIER OR TRADING MAY BE STOPPED BEFORE YEAR END (DECEMBER 31ST). (SEE CONFLICT OF INTEREST SECTION ON PAGES 31.)

WHENEVER AN INCENTIVE FEE IS CHARGED, THAT IS NOT THE END OF A CALENDAR QUARTER AND THE FEE IS WITHDRAWN SUCH AS: AT THE END OF A MONTH THAT IS NOT A CALENDAR QUARTER, IF MONEY IS WITHDRAWN BY A CLIENT AND AN INCENTIVE FEE IS CHARGED, AND DURING THE MONTH OF DECEMBER, THE RESULTING ENDING EQUITY (ENDING LIQUIDATING NET ASSET VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BECOME THE NEW HIGH WATER MARK, WHICH GOING FORWARD, MUST BE EXCEEDED BY A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE IS CHARGED.

CALCULATIONS, Monthly profits include both closed and open profits and losses in the account at the end of each month. New net profits or losses at the end of each month will be determined by the following two calculations:

1. Net gains or losses resulting from all trades closed out during the month (Closed P&L).
2. The net of any unrealized gains or losses on positions open as of the end of the month, minus the net of any unrealized gains or losses on open positions carried forward from the preceding month (Change in open P&L). Profits are calculated net of all commissions, fees, deposits, and withdrawals in the account.
3. For the period January 2005 through December 2009, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the beginning cash value of the account, weighted for additions or withdrawals during the month and net of accrued fees. The monthly returns for the composite were calculated as a weighted average of the returns on the individual accounts during that month. For this period, annual and other multi-period returns are calculated by compounding the monthly returns during the period.

Beginning in January 2010, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the number of units traded multiplied by a variable notional amount per unit. The notional amount per unit as of January 2010 was \$25,000 per unit. Each month, the notional amount per unit fluctuated based on the program's return, simulating reinvestment of profits and losses. Each period's notional unit value is calculated as the notional unit value in the prior period times the prior period's rate-of-return plus one. The unit value does not fluctuate based on the actual assets on deposit in the client accounts. The number of units for each account is established by the client in writing. This calculation method of using a variable notional unit value assumes profits and losses are reinvested and, therefore, annual and other multi-period returns are calculated by compounding the monthly returns during that period. The monthly returns for each composite were calculated as a weighted average of the returns on the individual accounts during that month.

MANAGEMENT FEE:

TBL will also charge clients a management fee payable on a calendar quarterly basis. The management fee percentage could range from a yearly 1% to 15% depending on the size of the account and other fees being charged. The management fee will be calculated on the total liquidating value of the account at the end of each month, adjusted for additions and withdrawals, and paid on a calendar quarterly basis.

IF THE CLIENT'S ACCOUNT IS CLOSED AS OF ANY DATE WHICH IS NOT THE END OF A CALENDAR QUARTER, THE CQIF DESCRIBED ABOVE, IF APPLICABLE, WILL BE DETERMINED AND CHARGED AS IF THAT DATE WERE THE END OF A CALENDAR QUARTER AND PAID TO TBL. ALSO, ALL COMMISSION FEES, MANAGEMENT FEES, AND ALL OTHER FEES WILL BE CHARGED AND PAID AT THAT TIME.

TBL MAY NEGOTIATE OTHER FEE ARRANGEMENTS WITH CLIENTS AND THIS WOULD BE SET FORTH IN THE POWER OF ATTORNEY (POA) BEFORE AN ACCOUNT IS OPENED. TBL may negotiate a different commission fee with clients, which could range from approximately \$5 to \$40 (\$10 to \$80 dollars a round turn) to buy or sell each futures contract or each option on a futures contract, or \$10 to \$80 (\$20 to \$160 a round turn) to buy or sell each option spread (per side); part of which may be paid to an entity or person introducing the account. A lower fee could be charged if a client initially invested a substantial amount of money. Example, with an initial investment of over 2 million dollars, a client may negotiate a reduced fee of \$8.00 to buy or sell each futures contract, or buy or sell each option on a futures contract (\$16.00 to buy or sell 1 option spread).

TBL also may negotiate a different CQIF with clients depending upon the initial investment and/or whether or not any AP's or IB's will participate in this CQIF. Example, if a client initially invests 5 million dollars, profits might be split 60% to the client and 40% to TBL. This different CQIF or commission charged, and any other negotiated fee which is different and not herein stated, would be set forth in the Power of Attorney (POA) before an account is opened.

PROGRAM 3 –

As of JANUARY 2010, The BARBASHOP LLC, has publically offered

“THE GOLD AND SILVER LONG TERM TRADING PROGRAM”

MR. BARBA BELIEVES THAT ALL INVESTORS SHOULD HAVE BETWEEN 5% AND 10% OF THEIR LIQUID ASSETS INVESTED IN GOLD AND/OR SILVER IN THE YEARS AHEAD AS A DIVERSIFICATION FOR THEIR OVERALL PORTFOLIO.

Mr. Barba believes that all investors in today's economic environment should have a portion of their assets invested in Gold and/or Silver on a long term basis; i.e. 5 to 20 years. Because of the unprecedented spending of unearned, borrowed money by our politicians and our government and the fact that our country will be trillions of dollars more in debt over the coming 3 to 10 years, erosion of the U. S. Dollar over time is inevitable and will likely have a corresponding rise in the value of Gold and Silver. Mr. Barba has a relatively high portion of his personal wealth invested in a self-managed account, which contains long term Gold and Silver options and manages a number of accounts of his family and friends similar to this newly offered program.

Below is the actual account of a friend currently managed by The Barbashop which has held long term options in Silver over the past 3½ years. This account had, at one time, approximately \$250,000 and the new program requires only \$50,000, therefore will be weighted differently. There also had been very little managing of this account (i.e. selling out the position, going short the position, and/or buying more options in Silver and using higher leverage).

Going forward in this program, Mr. Barba will take the same types of long term option positions and option spreads in Gold and Silver but will be more active in his management of the account in the hopes of higher returns, and of equal importance, reduced draw-downs. Mr. Barba will primarily buy deep in the money options in Gold and/or Silver and roll them forward as they expire, thereby always being long in one or both of these metals.

In managing the account, he will use his best judgment to decide whether or not to sell out some or all of the positions and/or sell short some Gold or Silver futures as a hedge against his options. Should he anticipate a drop in prices he may sell short Gold or Silver to attempt to make profits on the down-side. He also will decide when to buy back into these positions and whether to use a higher degree of leverage when he repurchases the options.

Although Mr. Barba will focus primarily on Gold and Silver, he may also buy or sell other metals. He may also buy or sell call and/or put options and option spreads on all metals.

MINIMUM INVESTMENT - \$50,000

CTA – The Barbashop LLC

Trading Program- The Gold and Silver, Long Term Trading Program

Inception of Trading of The Barbashop LLC – June 6, 2005

Inception of Trading in Offered Program (Privately) – Jul 1, 2006

Inception of Trading in Offered Program (Publically) – Feb 1, 2010

Number of Accounts Currently Traded- 2

Number of Accounts Closed Profitably – 0

Number of Accounts Closed Unprofitably- 0

Lifetime Profit Range of Closed Accounts – N/A

Lifetime Loss Range of Closed Accounts – N/A

Total Assets under Management –\$6,130,181.27

Total AUM pursuant to The Gold and Silver, Long Term Trading Program - \$221,875.35

Largest monthly drawdown – August 2008 (- 48.13%)

Worst peak to valley drawdown* – February 2008 – October 2008, (-81.80%)

*Drawdown means losses experienced by a pool or trading program over a specified period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

ACTUAL PERFORMANCE AFTER ALL FEES

	2006	2007	2008	2009	2010
January		7.43%	26.67%	34.85%	-14.90%
February		8.26%	31.05%	10.74%	10.68%
March		-13.37%	-20.12%	-8.84%	20.05%
April		0.94%	-11.23%	-21.74%	23.36%
May		-4.15%	4.87%	99.62%	-8.89%
June		-18.18%	4.38%	-38.58%	16.71%
July	12.36%	10.39%	3.22%	5.80%	-9.54%
August	20.54%	-19.89%	-48.13%	25.16%	22.25%
September	-18.07%	49.08%	-26.25%	41.10%	17.03%
October	9.06%	9.67%	-40.62%	-7.44%	13.03%
November	31.33%	-7.01%	2.02%	44.90%	4.28%
December	-18.65%	9.99%	26.35%	-11.99%	4.67%
Annualized YTD	29.30%	17.95%	-61.05%	188.13%	136.81%

THIS ACCOUNT WAS ONLY CHARGED COMMISSIONS. THE PERFORMANCE RECORD ABOVE WAS ADJUSTED TO INCLUDE PROFORMA FEES OF THE OFFERED PROGRAM, WHICH INCLUDE A 2% YEARLY MANAGEMENT FEE AND 20% INCENTIVE FEE. GOING FORWARD ALL ACCOUNTS WILL BE CHARGED THE NEW 25% INCENTIVE FEE ALONG WITH THE 2% YEARLY MANAGEMENT FEE.

Mr. Barba initiated this strategy in July 2006 with one privately traded account.

PROGRAM 3: BROKERAGE ACCOUNTS, COMMISSIONS, FEES, INTEREST, ACCOUNTING, ETC.

FUTURES COMMISSION MERCHANTS:

Funds managed by THE BARBASHOP LLC are deposited with a Futures Commission Merchant (FCM or FCM's) with whom TBL agrees to establish a working relationship. Each account is opened in the client's name. Any client, no matter who they are solicited by, may choose not to use an IB (Introducing Broker) or AP (Associate Person), and is free to choose an FCM of their choice to carry their account. The FCM that the client chooses must be a firm that TBL believes is reputable and charges reasonable fees according to industry standards. If an FCM, IB, AP or other person introduces an account to TBL, TBL may charge a commission, which may range from \$5 to \$40 per side when TBL buys or sells 1 futures contract, or buys or sells an option on 1 futures contract; or from \$10 to \$80 per side when TBL buys or sells 1 option spread. An options spread is two options on two future contracts. Part of this commission may be paid to the FCM, IB or other person introducing the account. TBL may receive up to 80% of this commission amount if the account merits a payout to an FCM, IB or AP who introduced the account, or 100% of this commission amount if no payout to a third party is required. There are other fees charged, which may include but are not limited to, a floor brokerage and/or electronic execution fee, a clearing fee, a processing fee, an exchange fee, a execution or transaction fee, a give up fee (approximately \$1.25) and a NFA fee. None of these other fees will go to TBL.

COMMISSIONS AND FEES OF THE BARBASHOP LLC:

All accounts will be charged and pay to TBL a commission of **UP TO \$40.00** per side, (\$80.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person to buy or sell 1 futures contract, or to buy or sell 1 option on a futures contract; or to buy or sell one option spread, which is 2 options on 2 futures contracts **UP TO \$80.00** per side (\$160.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person. For options, the round turn commission charged will be charged one time up front with no commission charged on an exit or expiring option). On futures, a commission will be charged on a per side basis, (1/2 of the commission will be charged on entering the futures position, and 1/2 of the commission will be charged on exiting the futures position). All fees (commissions) will be deducted from the client's account after a position is entered into or closed out, and paid directly from the FCM to TBL. **TBL'S COMMISSION AND INCENTIVE FEES CHARGED WILL BE NOTED IN THE POWER OF ATTORNEY DOCUMENT.**

The total of all fees and commissions charged (including TBL's) to the client will not exceed \$40.00 per side (\$80.00 per round turn) to buy or sell 1 future contract or 1 option on a future contract, and will not exceed \$80.00 (\$160.00 per round turn) when TBL buys or sells 1 option spread (2 options). These individual fees and the totality of these fees may vary substantially with different introducing brokers, FCMs and other brokers.

TBL'S NEW INCENTIVE FEE:

THE BARBASHOP LLC WILL ALSO CHARGE EACH ACCOUNT A CALENDAR QUARTER INCENTIVE FEE (CQIF) OF 25%. FROM THE STARTING EQUITY ANY PROFITS IN EXCESS OF A RETURN ON EQUITY ON THE FIRST CALENDAR QUARTERLY NEW HIGH ENDING EQUITY (ENDING EQUITY WILL BE ENDING NET LIQUIDATING VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BE SPLIT WITH THE INVESTOR (75% TO THE CLIENT AND 25% TO TBL). AFTER WITHDRAWING THE INCENTIVE FEE, THIS EQUITY WILL BECOME THE NEW HIGH WATER MARK WHICH MUST BE EXCEEDED BY ON A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE WILL BE CHARGED (75% TO THE CLIENT AND 25% TO TBL).

Example - an account with a starting equity of \$50,000 has a 1st calendar quarter ending equity (ending equity is ending net liquidating value adjusted for additions and withdrawals) of \$57,500 with a profit of \$7,500. The \$7,500 profit is split 75/25, \$5,625 to the client and \$1,875 to TBL. The new high water mark for this account going forward is \$55,625 (the original \$50,000 with the added profit to the client of \$5,625). This new high water mark must be exceeded by a calendar quarter high ending equity before a new incentive fee will be charged. All profits will be adjusted for additions and withdrawals.

MANAGEMENT FEE:

TBL will also charge clients a management fee payable on a calendar quarterly basis. The management fee percentage will be 2% for all accounts. The management fee will be charged on the total liquidating value of the account at the end of each month, adjusted for additions and withdrawals or, at the end of each calendar quarter. The client authorizes the FCM, after the last business day of each month, or at the end of each calendar quarter, to deduct from the client's account and pay to TBL any management fee, if applicable, earned by TBL. Also, the client authorizes the FCM at the end of each month to pay to TBL their portion of the commissions earned by TBL and charged in the account. Also, the client authorizes the FCM, after the last business day of each calendar quarter, or whenever a CQIF is charged, to deduct from the client's account and pay to TBL any calendar quarter incentive fee earned by TBL. If the client's account is closed as of any date which is not the end of a calendar quarter, the CQIF described above, if applicable, will be determined as if that date were the end of a calendar quarter and paid to TBL. Also, all Commission fees, management fees, and all other fees will be charged and paid at that time.

IF THE CLIENT'S ACCOUNT IS CLOSED AS OF ANY DATE WHICH IS NOT THE END OF A CALENDAR QUARTER, THE CQIF DESCRIBED ABOVE, IF APPLICABLE, WILL BE DETERMINED AND CHARGED AS IF THAT DATE WERE THE END OF A CALENDAR QUARTER AND PAID TO TBL. ALSO, ALL COMMISSION FEES, AND ALL OTHER FEES WILL BE CHARGED AND PAID AT THAT TIME.

TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN EARNED INCENTIVE FEE AT THE END OF ANY GIVEN MONTH (BUT WILL NORMALLY COLLECT FEES AT THE END A CALENDAR QUARTER). A MONTHLY INCENTIVE FEE WILL ONLY BE DECIDED UPON IF AN ACCOUNT HAS EARNED 10% OR MORE IN A GIVEN MONTH (EXCLUDING INCENTIVE FEES). IN THE EVENT OF CLIENT'S WITHDRAWAL OF PARTIAL EQUITY DURING ANY MONTH, TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN INCENTIVE FEE EARNED AT THAT TIME.

TBL ALSO RESERVES THE RIGHT ON ANY DAY FROM DECEMBER 15TH TO DECEMBER 31ST TO TREAT ALL ACCOUNTS AS THOUGH IT WAS THE END OF A CALENDAR QUARTER, AND CHARGE A CQIF, IF APPLICABLE, AND WITHDRAW THE INCENTIVE FEE BEFORE YEAR END. TBL HAS MADE THIS RESERVATION TO CHARGE AN INCENTIVE FEE IN ORDER TO PROTECT THE CLIENT FROM AN UNNECESSARY TAX BURDEN WHICH WOULD BE CAUSED BY NOT PAYING OUT THE INCENTIVE FEE ON PROFITS TO TBL IN DECEMBER, BEFORE YEAR END. IF THE INCENTIVE FEE IS NOT PAID OUT BEFORE YEAR END, THE AMOUNT OF THE INCENTIVE FEE THE CLIENT OWES WOULD BE TAXED TO THE CLIENT, AND THE CLIENT WOULD STILL OWE THE FULL INCENTIVE FEE TO TBL. BY RESERVING THIS RIGHT POSITIONS MAY BE CLOSED EARLIER OR TRADING MAY BE STOPPED BEFORE YEAR END (DECEMBER 31ST). (SEE CONFLICT OF INTEREST SECTION ON PAGES 31.)

WHENEVER AN INCENTIVE FEE IS CHARGED, THAT IS NOT THE END OF A CALENDAR QUARTER AND THE FEE IS WITHDRAWN, SUCH AS: AT THE END OF A MONTH THAT IS NOT A CALENDAR QUARTER, IF MONEY IS WITHDRAWN BY A CLIENT AND AN INCENTIVE FEE IS CHARGED, AND DURING THE MONTH OF DECEMBER, THE RESULTING ENDING EQUITY (ENDING LIQUIDATING NET ASSET VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BECOME THE NEW HIGH WATER MARK, WHICH GOING FORWARD, MUST BE EXCEEDED BY A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE IS CHARGED.

CALCULATIONS, Monthly profits include both closed and open profits and losses in the account at the end of each month. New net profits or losses at the end of each month will be determined by the following two calculations:

1. Net gains or losses resulting from all trades closed out during the month (Closed P&L).
2. The net of any unrealized gains or losses on positions open as of the end of the month, minus the net of any unrealized gains or losses on open positions carried forward from the preceding month (Change in open P&L). Profits are calculated net of all commissions, fees, deposits, and withdrawals in the account.

3. For the period July 2006 through December 2009, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the beginning cash value of the account, weighted for additions or withdrawals during the month and net of accrued fees. The monthly returns for the composite were calculated as a weighted average of the returns on the individual accounts during that month. For this period, annual and other multi-period returns are calculated by compounding the monthly returns during the period.

Beginning in January 2010, the Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the number of units traded multiplied by a variable notional amount per unit. The notional amount per unit as of January 2010 was \$50,000 per unit. Each month, the notional amount per unit fluctuated based on the program's return, simulating reinvestment of profits and losses. Each period's notional unit value is calculated as the notional unit value in the prior period times the prior period's rate-of-return plus one. The unit value does not fluctuate based on the actual assets on deposit in the client accounts. The number of units for each account is established by the client in writing. This calculation method of using a variable notional unit value assumes profits and losses are reinvested and, therefore, annual and other multi-period returns are calculated by compounding the monthly returns during that period. The monthly returns for each composite were calculated as a weighted average of the returns on the individual accounts during that month.

TBL MAY NEGOTIATE OTHER FEE ARRANGEMENTS WITH CLIENTS AND THIS WOULD BE SET FORTH IN THE POWER OF ATTORNEY (POA) BEFORE AN ACCOUNT IS OPENED. TBL may negotiate a different commission fee with clients, which could range from approximately \$5 to \$40 (\$10 to \$80 dollars a round turn) to buy or sell each futures contract or each option on a futures contract, or \$10 to \$80 (\$20 to \$160 a round turn) to buy or sell each option spread (per side); part of which may be paid to an entity or person introducing the account. A lower fee could be charged if a client initially invested a substantial amount of money. Example, with an initial investment of over 2 million dollars, a client may negotiate a reduced fee of \$8.00 to buy or sell each futures contract, or buy or sell each option on a futures contract (\$16.00 to buy or sell 1 option spread).

TBL also may negotiate a different CQIF with clients depending upon the initial investment and/or whether or not any AP's or IB's will participate in this CQIF. Example, if a client initially invests 5 million dollars, after the 3% return to the client all other profits might be split 60% to the client and 40% to TBL. This different CQIF or commission charged, and any other negotiated fee which is different and not herein stated, would be set forth in the Power of Attorney (POA) before an account is opened.

PROGRAM 4

THE TRADING PROGRAM

(A MORE CONSERVATIVE MANAGED FUTURES PROGRAM)

The decision making process of trading for the program will be the same as The Barbashop Program and The Institutional Program. The most important difference is that Mr. Barba will attempt to take short term profits rather than waiting for longer term profits. Mr. Barba will decide what a short term profit is when he assesses market conditions. Mr. Barba will make some or all of Program 1 & 2's trades and may also institute other trades. The Trading Program, by focusing on short term trades, is an attempt to reduce the volatility in the client's account from the other offered programs, while still earning above average returns.

The Trading Program will be offered two ways:

Trading Program A:

- \$25,000 Minimum Investment.
- 50% Incentive Fee after 3% Hurdle on New Calendar Quarter High Ending Equity.
- Commission Charge per Round Turn.

Trading Program B:

- \$50,000 Minimum Investment.
- 25% Incentive Fee on New Calendar Quarter High Ending Equity.
- Commission Charge per Round Turn.

(Detailed Fee Information for The Trading Program A & B is Described Below)

The Trading Program - A

MINIMUM INVESTMENT - \$25,000

CTA – The Barbashop LLC

Trading Program- The Trading Program A

Inception of Trading of The Barbashop LLC – June 6, 2005

Inception of Trading in Offered Program – April 1, 2010

Number of Accounts Currently Traded- 5

Number of Accounts Closed Profitably – 1

Number of Accounts Closed Unprofitably- 0

Lifetime Profit Range of Closed Accounts – (+71.44%)

Lifetime Loss Range of Closed Accounts – N/A

Total Assets under Management –\$6,130,181.27

Total AUM pursuant to The Trading Program A - \$284,797.00

Largest monthly drawdown – N/A

Worst peak to valley drawdown* – N/A

*Drawdown means losses experienced by a pool or trading program over a specified period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

2010	
January	
February	
March	
April	13.18%
May	8.39%
June	15.57%
July	3.98%
August	2.94%
September	11.84%
October	21.45%
November	10.54%
December	11.63%
Annualized YTD	154.34%

PROGRAM 4, A: BROKERAGE ACCOUNTS, COMMISSIONS, FEES, INTEREST, ACCOUNTING, ETC.

FUTURES COMMISSION MERCHANTS:

Funds managed by THE BARBASHOP LLC are deposited with a Futures Commission Merchant (FCM or FCM's) with whom TBL agrees to establish a working relationship. Each account is opened in the client's name. Any client, no matter who they are solicited by, may choose not to use an IB (Introducing Broker) or AP (Associate Person), and is free to choose an FCM of their choice to carry their account. The FCM that the client chooses must be a firm that TBL believes is reputable and charges reasonable fees according to industry standards. If an FCM, IB, AP or other person introduces an account to TBL, TBL may charge a commission, which may range from \$5 to \$40 per side when TBL buys or sells 1 futures contract (per side), or buys or sells an option on 1 futures contract; or from \$10 to \$80 per side when TBL buys or sells 1 option spread. An options spread is two options on two future contracts. Part of this commission may be paid to the FCM, IB or other person introducing the account. TBL may receive up to 80% of this commission amount if the account merits a payout to an FCM, IB or AP who introduced the account, or 100% of this commission amount if no payout to a third party is required. There are other fees charged, which may include but are not limited to, a floor brokerage and/or electronic execution fee, a clearing fee, a processing fee, an exchange fee, a execution or transaction fee, a give up fee (approximately \$1.25) and a NFA fee. None of these other fees will go to TBL.

COMMISSIONS AND FEES OF THE BARBASHOP LLC:

All accounts will be charged and pay to TBL a commission of **UP TO** \$40.00 per side, (\$80.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person to buy or sell 1 futures contract, or to buy or sell 1 option on a futures contract; or to buy or sell one option spread, which is 2 options on 2 futures contracts **UP TO** \$80.00 per side (\$160.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person. For options, the round turn commission charged will be charged one time up front with no commission charged on an exit or expiring option). On futures, a commission will be charged on a per side basis, (1/2 of the commission will be charged on entering the futures position, and 1/2 of the commission will be charged on exiting the futures position). All fees (commissions) will be deducted from the client's account after a position is entered into or closed out, and paid directly from the FCM to TBL. **TBL'S COMMISSION AND INCENTIVE FEES CHARGED WILL BE NOTED IN THE POWER OF ATTORNEY DOCUMENT.**

The total of all fees and commissions charged (including TBL's) to the client will not exceed \$40.00 per side (\$80.00 per round turn) to buy or sell 1 future contract or 1 option on a future contract, and will not exceed \$80.00 (\$160.00 per round turn) when TBL buys or sells 1 option spread (2 options). These individual fees and the totality of these fees may vary substantially with different introducing brokers, FCMs and other brokers.

TBL'S INCENTIVE FEE:

THE BARBASHOP LLC WILL ALSO CHARGE EACH ACCOUNT A CALENDAR QUARTER INCENTIVE FEE (CQIF). FROM THE STARTING EQUITY ANY PROFITS IN EXCESS OF A 3% RETURN ON EQUITY ON THE FIRST CALENDAR QUARTERLY NEW HIGH ENDING EQUITY (ENDING EQUITY WILL BE ENDING NET LIQUIDATING VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BE SPLIT WITH THE INVESTOR (50% TO THE CLIENT AND 50% TO TBL). AFTER WITHDRAWING THE INCENTIVE FEE, THIS EQUITY WILL BECOME THE NEW HIGH WATER MARK WHICH MUST BE EXCEEDED BY 3% ON A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE WILL BE CHARGED (50% TO THE CLIENT AND 50% TO TBL).

Example - an account with a starting equity of \$50,000 has a 1st calendar quarter ending equity (ending equity is ending net liquidating value adjusted for additions and withdrawals) of \$57,500 with a profit of \$7,500. The first 3% of the return on investment of \$50,000 is \$1,500 which goes to the client. The remaining \$6,000 profit is split 50/50, \$3,000 to the client and \$3,000 to TBL. The new high water mark for this account going forward is \$54,500 (the original \$50,000 with the added profit to the client of \$4,500). This new high water mark must be exceeded by 3% on a calendar quarter high ending equity before a new incentive fee will be charged. All profits will be adjusted for additions and withdrawals.

IF THE CLIENT'S ACCOUNT IS CLOSED AS OF ANY DATE WHICH IS NOT THE END OF A CALENDAR QUARTER, THE CQIF DESCRIBED ABOVE, IF APPLICABLE, WILL BE DETERMINED AND CHARGED AS IF THAT DATE WERE THE END OF A CALENDAR QUARTER AND PAID TO TBL. ALSO, ALL COMMISSION FEES, AND ALL OTHER FEES WILL BE CHARGED AND PAID AT THAT TIME.

TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN EARNED INCENTIVE FEE AT THE END OF ANY GIVEN MONTH (BUT WILL NORMALLY COLLECT FEES AT THE END A CALENDAR QUARTER). A MONTHLY INCENTIVE FEE WILL ONLY BE DECIDED UPON IF AN ACCOUNT HAS EARNED 10% OR MORE IN A GIVEN MONTH (EXCLUDING INCENTIVE FEES). IN THE EVENT OF CLIENT'S WITHDRAWAL OF PARTIAL EQUITY DURING ANY MONTH, TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN INCENTIVE FEE EARNED AT THAT TIME.

TBL ALSO RESERVES THE RIGHT ON ANY DAY FROM DECEMBER 15TH TO DECEMBER 31ST TO TREAT ALL ACCOUNTS AS THOUGH IT WAS THE END OF A CALENDAR QUARTER, AND CHARGE A CQIF, IF APPLICABLE, AND WITHDRAW THE INCENTIVE FEE BEFORE YEAR END. TBL HAS MADE THIS RESERVATION TO CHARGE AN INCENTIVE FEE IN ORDER TO PROTECT THE CLIENT FROM AN UNNECESSARY TAX BURDEN WHICH WOULD BE CAUSED BY NOT PAYING OUT THE INCENTIVE FEE ON PROFITS TO TBL IN DECEMBER, BEFORE YEAR END. IF THE INCENTIVE FEE IS NOT PAID OUT BEFORE YEAR END, THE AMOUNT OF THE INCENTIVE FEE THE CLIENT OWES WOULD BE TAXED TO THE CLIENT, AND THE CLIENT WOULD STILL OWE THE FULL INCENTIVE FEE TO TBL. BY RESERVING THIS RIGHT POSITIONS MAY BE CLOSED EARLIER OR TRADING MAY BE STOPPED BEFORE YEAR END (DECEMBER 31ST). (SEE CONFLICT OF INTEREST SECTION ON PAGES 31.)

WHENEVER AN INCENTIVE FEE IS CHARGED, THAT IS NOT THE END OF A CALENDAR QUARTER AND THE FEE IS WITHDRAWN, SUCH AS: AT THE END OF A MONTH THAT IS NOT A CALENDAR QUARTER, IF MONEY IS WITHDRAWN BY A CLIENT AND AN INCENTIVE FEE IS CHARGED, AND DURING THE MONTH OF DECEMBER, THE RESULTING ENDING EQUITY (ENDING LIQUIDATING NET ASSET VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BECOME THE NEW HIGH WATER MARK, WHICH GOING FORWARD, MUST BE EXCEEDED BY 3% ON THE NEXT NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE IS CHARGED.

CALCULATIONS, Monthly profits include both closed and open profits and losses in the account at the end of each month. New net profits or losses at the end of each month will be determined by the following two calculations:

1. Net gains or losses resulting from all trades closed out during the month (Closed P&L).
2. The net of any unrealized gains or losses on positions open as of the end of the month, minus the net of any unrealized gains or losses on open positions carried forward from the preceding month (Change in open P&L). Profits are calculated net of all commissions, fees, deposits, and withdrawals in the account.
3. The Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the number of units traded multiplied by a variable notional amount per unit. The notional amount per unit as of April 2010 was \$25,000 per unit. Each month, the notional amount per unit fluctuated based on the program's return, simulating reinvestment of profits and losses. Each period's notional unit value is calculated as the notional unit value in the prior period times the prior period's rate-of-return plus one. The unit value does not fluctuate based on the actual assets on deposit in the client accounts. The number of units for each account is established by the client in writing. This calculation method of using a variable notional unit value assumes profits and losses are reinvested and, therefore, annual and other multi-period returns are calculated by compounding the monthly returns during that period. The monthly returns for each composite were calculated as a weighted average of the returns on the individual accounts during that month.

TBL MAY NEGOTIATE OTHER FEE ARRANGEMENTS WITH CLIENTS AND THIS WOULD BE SET FORTH IN THE POWER OF ATTORNEY (POA) BEFORE AN ACCOUNT IS OPENED. TBL may negotiate a different commission fee with clients, which could range from approximately \$5 to \$40 (\$10 to \$80 dollars a round turn) to buy or sell each futures contract or each option on a futures contract, or \$10 to \$80 (\$20 to \$160 a round turn) to buy or sell each option spread (per side); part of which may be paid to an entity or person introducing the account. A lower fee could be charged if a client initially invested a substantial amount of money. Example, with an initial investment of over 2 million dollars, a client may negotiate a reduced fee of \$8.00 to buy or sell each futures contract, or buy or sell each option on a futures contract (\$16.00 to buy or sell 1 option spread).

TBL also may negotiate a different CQIF with clients depending upon the initial investment and/or whether or not any AP's or IB's will participate in this CQIF. Example, if a client initially invests 5 million dollars, after the 3% return to the client all other profits might be split 60% to the client and 40% to TBL. This different CQIF or commission charged, and any other negotiated fee which is different and not herein stated, would be set forth in the Power of Attorney (POA) before an account is opened.

The Trading Program - B

CTA – Ronald Barba

Trading Program- The Trading Program B

Inception of Trading of The Barbashop LLC – June 6, 2005

Inception of Trading in Offered Program – April 1, 2010

Number of Accounts Currently Traded- 8

Number of Accounts Closed Profitably – 0

Number of Accounts Closed Unprofitably- 0

Lifetime Profit Range of Closed Accounts – N/A

Lifetime Loss Range of Closed Accounts – N/A

Total Assets under Management –\$6,130,181.27

Total AUM pursuant to Program - \$2,613,683.00

Largest monthly drawdown – N/A

Worst peak to valley drawdown* – N/A

*Drawdown means losses experienced by a pool or trading program over a specified period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2010
January	
February	
March	
April	17.52%
May	22.95%
June	19.91%
July	3.22%
August	3.89%
September	14.68%
October	11.94%
November	8.97%
December	5.69%
Annualized YTD	179.68%

MINIMUM INVESTMENT - \$50,000

PROGRAM 4, B: BROKERAGE ACCOUNTS, COMMISSIONS, FEES, INTEREST, ACCOUNTING, ETC.

FUTURES COMMISSION MERCHANTS:

Funds managed by THE BARBASHOP LLC are deposited with a Futures Commission Merchant (FCM or FCM's) with whom TBL agrees to establish a working relationship. Each account is opened in the client's name. Any client, no matter who they are solicited by, may choose not to use an IB (Introducing Broker) or AP (Associate Person), and is free to choose an FCM of their choice to carry their account. The FCM that the client chooses must be a firm that TBL believes is reputable and charges reasonable fees according to industry standards. If an FCM, IB, AP or other person introduces an account to TBL, TBL may charge a commission, which may range from \$5 to \$40 per side when TBL buys or sells 1 futures contract (per side), or buys or sells an option on 1 futures contract; or from \$10 to \$80 per side when TBL buys or sells 1 option spread. An options spread is two options on two future contracts. Part of this commission may be paid to the FCM, IB or other person introducing the account. TBL may receive up to 80% of this commission amount if the account merits a payout to an FCM, IB or AP who introduced the

account, or 100% of this commission amount if no payout to a third party is required. There are other fees charged, which may include but are not limited to, a floor brokerage and/or electronic execution fee, a clearing fee, a processing fee, an exchange fee, a execution or transaction fee, a give up fee (approximately \$1.25) and a NFA fee. None of these other fees will go to TBL.

COMMISSIONS AND FEES OF THE BARBASHOP LLC:

All accounts will be charged and pay to TBL a commission of **UP TO \$40.00** per side, (\$80.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person to buy or sell 1 futures contract, or to buy or sell 1 option on a futures contract; or to buy or sell one option spread, which is 2 options on 2 futures contracts **UP TO \$80.00** per side (\$160.00 per round turn), which is all inclusive of the commission charged by the FCM, IB, AP or other introducing person. For options, the round turn commission charged will be charged one time up front with no commission charged on an exit or expiring option). On futures, a commission will be charged on a per side basis, (1/2 of the commission will be charged on entering the futures position, and 1/2 of the commission will be charged on exiting the futures position). All fees (commissions) will be deducted from the client's account after a position is entered into or closed out, and paid directly from the FCM to TBL. **TBL'S COMMISSION AND INCENTIVE FEES CHARGED WILL BE NOTED IN THE POWER OF ATTORNEY DOCUMENT.**

The total of all fees and commissions charged (including TBL's) to the client will not exceed \$40.00 per side (\$80.00 per round turn) to buy or sell 1 future contract or 1 option on a future contract, and will not exceed \$80.00 (\$160.00 per round turn) when TBL buys or sells 1 option spread (2 options). These individual fees and the totality of these fees may vary substantially with different introducing brokers, FCMs and other brokers.

THE BARBASHOP LLC WILL ALSO CHARGE EACH ACCOUNT A CALENDAR QUARTER INCENTIVE FEE (CQIF). FROM THE STARTING EQUITY, ANY PROFITS IN THE FIRST CALENDAR QUARTER NEW HIGH ENDING EQUITY (ENDING EQUITY WILL BE ENDING NET LIQUIDATING VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BE SUBJECT TO A CQIF OF 25%. A TRADING PROGRAM B ACCOUNT'S INCENTIVE FEE STRUCTURE IS 75% OF THE PROFITS TO THE CLIENT AND 25% OF THE PROFITS TO TBL. AFTER WITHDRAWING THE INCENTIVE FEE, THIS EQUITY WILL BECOME THE NEW HIGH WATER MARK WHICH MUST BE EXCEEDED ON A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE WILL BE CHARGED.

Example: An account with a starting equity of \$50,000 has a 1st calendar quarter ending equity (ending equity is ending net liquidating value adjusted for additions and withdrawals) of \$60,000 with a profit of \$10,000. The \$10,000 profit is split 75/25, \$7,500 to the client and \$2,500 to TBL. The new high water mark for this account going forward is \$57,500 (the original \$50,000 with the added profit to the client of \$7,500). This new high water mark must be exceeded on a calendar quarter high ending equity before a new incentive fee will be charged. All profits will be adjusted for additions and withdrawals.

TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN EARNED INCENTIVE FEE AT THE END OF ANY GIVEN MONTH (BUT WILL NORMALLY COLLECT FEES AT THE END A CALENDAR QUARTER). A MONTHLY INCENTIVE FEE WILL ONLY BE DECIDED UPON IF AN ACCOUNT HAS EARNED 10% OR MORE IN A GIVEN MONTH (EXCLUDING INCENTIVE FEES). IN THE EVENT OF CLIENT'S WITHDRAWAL OF PARTIAL EQUITY DURING ANY MONTH, TBL RESERVES THE RIGHT TO CHARGE AND WITHDRAW AN INCENTIVE FEE EARNED AT THAT TIME.

TBL ALSO RESERVES THE RIGHT ON ANY DAY FROM DECEMBER 15TH TO DECEMBER 31ST TO TREAT ALL ACCOUNTS AS THOUGH IT WAS THE END OF A CALENDAR QUARTER, AND CHARGE A CQIF, IF APPLICABLE, AND WITHDRAW THE INCENTIVE FEE BEFORE YEAR END. IN TBL HAS MADE THIS RESERVATION TO CHARGE AN INCENTIVE FEE IN ORDER TO PROTECT THE CLIENT FROM AN UNNECESSARY TAX BURDEN WHICH WOULD BE CAUSED BY NOT PAYING OUT THE INCENTIVE FEE ON PROFITS TO TBL IN DECEMBER, BEFORE YEAR END. IF THE INCENTIVE FEE IS NOT PAID OUT BEFORE YEAR END, THE AMOUNT OF THE INCENTIVE FEE THE CLIENT OWES WOULD BE TAXED TO THE CLIENT, AND THE CLIENT WOULD STILL OWE THE FULL INCENTIVE FEE TO TBL. BY RESERVING THIS RIGHT POSITIONS MAY BE CLOSED EARLIER OR TRADING MAY BE STOPPED BEFORE YEAR END (DECEMBER 31ST). (SEE CONFLICT OF INTEREST SECTION ON PAGES 31.)

WHENEVER AN INCENTIVE FEE IS CHARGED, THAT IS NOT THE END OF A CALENDAR QUARTER AND THE FEE IS WITHDRAWN SUCH AS: AT THE END OF A MONTH THAT IS NOT A CALENDAR QUARTER, IF MONEY IS WITHDRAWN BY A CLIENT AND AN INCENTIVE FEE IS CHARGED, AND DURING THE MONTH OF DECEMBER, THE RESULTING ENDING EQUITY (ENDING LIQUIDATING NET ASSET VALUE ADJUSTED FOR ADDITIONS AND WITHDRAWALS) WILL BECOME THE NEW HIGH WATER MARK, WHICH GOING FORWARD, MUST BE EXCEEDED BY A NEW CALENDAR QUARTER HIGH ENDING EQUITY BEFORE A NEW INCENTIVE FEE IS CHARGED.

CALCULATIONS, Monthly profits include both closed and open profits and losses in the account at the end of each month. New net profits or losses at the end of each month will be determined by the following two calculations:

1. Net gains or losses resulting from all trades closed out during the month (Closed P&L).
2. The net of any unrealized gains or losses on positions open as of the end of the month, minus the net of any unrealized gains or losses on open positions carried forward from the preceding month (Change in open P&L). Profits are calculated net of all commissions, fees, deposits, and withdrawals in the account.
3. The Rate of Return ("ROR") for each account was calculated as the actual dollar profit or loss on the account for the month, after accrued fees, divided by the number of units traded multiplied by a variable notional amount per unit. The notional amount per unit as of April 2010 was \$25,000 per unit. Each month, the notional amount per unit fluctuated based on the program's return, simulating reinvestment of profits and losses. Each period's notional unit value is calculated as the notional unit value in the prior period times the prior period's rate-of-return plus one. The unit value does not fluctuate based on the actual assets on deposit in the client accounts. The number of units for each account is established by the client in writing. This calculation method of using a variable notional unit value assumes profits and losses are reinvested and, therefore, annual and other multi-period returns are calculated by compounding the monthly returns during that period. The monthly returns for each composite were calculated as a weighted average of the returns on the individual accounts during that month.

TBL MAY NEGOTIATE OTHER FEE ARRANGEMENTS WITH CLIENTS AND THIS WOULD BE SET FORTH IN THE POWER OF ATTORNEY (POA) BEFORE AN ACCOUNT IS OPENED. TBL may negotiate a different commission fee with clients, which could range from approximately \$5 to \$40 (\$10 to \$80 dollars a round turn) to buy or sell each futures contract or each option on a futures contract, or \$10 to \$80 (\$20 to \$160 a round turn) to buy or sell each option spread (per side); part of which may be paid to an entity or person introducing the account. A lower fee could be charged if a client initially invested a substantial amount of money. Example, with an initial investment of over 2 million dollars, a client may negotiate a reduced fee of \$8.00 to buy or sell each futures contract, or buy or sell each option on a futures contract (\$16.00 to buy or sell 1 option spread).

TBL also may negotiate a different CQIF with clients depending upon the initial investment and/or whether or not any AP's or IB's will participate in this CQIF. Example, if a client initially invests 5 million dollars, after the 3% return to the client all other profits might be split 60% to the client and 40% to TBL. This different CQIF or commission charged, and any other negotiated fee which is different and not herein stated, would be set forth in the Power of Attorney (POA) before an account is opened.

ADDITIONAL INFORMATION FOR PROGRAM 1, 2, 3 & 4

IN ALL PROGRAMS, UNDER THE POWER OF ATTORNEY (POA), TBL IS ENTITLED TO, AND DOES, EXERCISE DISCRETION OVER THE CLIENT'S TRADING UNTIL CANCELLATION OF THE POA. CLIENT ACKNOWLEDGES THAT SUCH CANCELLATION MUST BE IN WRITING AND RECEIVED BY TBL. CLIENT ACKNOWLEDGES, FOR PURPOSES OF THIS SECTION, THAT TBL SHALL BE DEEMED TO HAVE RECEIVED SUCH A WRITING WHEN: (A) IF THAT WRITING IS AN EMAIL COMMUNICATION FROM CLIENT AND TBL SENDS AN EMAIL CONFIRMING RECEIPT OF SUCH WRITTEN CANCELLATION; OR (B) IF THAT WRITING FROM THE CLIENT IS SENT BY US MAIL, FEDERAL EXPRESS, OR OTHER CARRIER AND TBL ACTUALLY RECEIVES AND ACKNOWLEDGES SUCH WRITING TO CLIENT IN A REPLY EMAIL OR OTHERWISE. UNTIL CANCELLATION OF THE POA, TBL IS NOT REQUIRED TO FOLLOW OR ACT UPON ANY DIRECT ORDERS, RECOMMENDATIONS OR SUGGESTIONS FROM THE CLIENT TO TBL, BUT MAY DO SO IN ITS SOLE DISCRETION.

NOTIONAL FUNDING: The Barbashop LLC will NOT allow clients to partially fund their account in any program.

TBL RESERVES THE RIGHT TO WAIVE OR DELAY IN COLLECTING ANY AND ALL FEES, COMMISSIONS, CALENDAR QUARTERLY INCENTIVE FEES AND MANAGEMENT FEES AT ITS SOLE DISCRETION. IF A DELAY IN COLLECTING FEES DOES OCCUR, THE FEE IS STILL OWED BY THE CLIENT AND WILL BE COLLECTED AT A LATER TIME TBL DEEMS APPROPRIATE.

Clients may add additional funds to an account at any time. TBL reserves the right to begin trading the new funds at its discretion in any manner it deems appropriate. TBL has the right to add units or reduce units at any time, and the right to add extra positions on any unit or reduce positions from any unit at any time. A unit represents a \$25,000 investment or a larger sum of money if the client so desires. If Mr. Barba does not decide to increase unit size of an account although the funds in the account allow a higher number of units to be traded, there may be idle cash in the said account. Increases and decreases in the units requested by the client must be documented in writing from the client and authorized by TBL.

Should a customer request a partial withdrawal of funds, TBL reserves the right to partially liquidate an account by reducing one or more positions in an account or liquidate the entire account. Whichever of these occur, the funds will not be paid out to the client until an incentive fee (if applicable) and all other fees and commissions are paid. Mr. Barba recommends customers should withdraw funds only on the last day of the month; and recommends a written request 3 days prior to the last day of the month or prior to the date of requested withdrawal. TBL retains the right to withdraw their portion of the incentive fee at the time of the customer's withdrawal. The client also has the choice to request, at any time during the month to take profits out of the account and/or liquidate any or all positions in order to maintain the profit level in the account.

The client authorizes the FCM at the end of each month to pay to TBL their portion of the commissions earned by TBL and charged in the account. Also, the client authorizes the FCM, after the last business day of each calendar quarter, or whenever a CQIF is charged, to deduct from the client's account and pay to TBL any calendar quarter incentive fee earned by TBL. Also, the client authorizes the FCM, at the end of each calendar quarter, to deduct from the client's account and pay to TBL any management fee, if applicable, earned by TBL.

ANY FEES, COMMISSIONS, CALENDAR QUARTERLY INCENTIVE FEES AND MANAGEMENT FEES THAT HAVE BEEN PAID TO THE BARABSHOP LLC WILL NOT BE REIMBURSED TO THE CLIENT SHOULD THE CLIENT LOSE MONEY IN ANY MONTH.

Net Assets are defined as total assets, including all securities, cash and cash equivalents (including any interest earned) and the market value of all open futures positions maintained by the account, less all liabilities, determined in accordance with generally accepted accounting principles under the accrual basis of accounting.

Interest income will be earned by the FCM on a client's money and all the interest, which the FCM allows to be paid to the client, will be reimbursed into the client's account at the end of each month by the

FCM. Clients will receive daily statements from the FCM that carries their account whenever a trade is executed in their account, and a monthly summary of all the trades made in their account for that month.

CLOSING AN ACCOUNT: An account generally can be closed out and the equity redeemed within one day of the client's request. Money may then be withdrawn at the client's request after the interest is reimbursed in the account and the commission fee, management fee if any, and calendar quarterly incentive fee if any are calculated and paid. **TBL reserves the right not to accept additional funds from a client and/or to close a client's account, and to refuse to accept an account.**

IF THE CLIENT'S ACCOUNT IS CLOSED AS OF ANY DATE WHICH IS NOT THE END OF A CALENDAR QUARTER, THE CQIF DESCRIBED ABOVE, IF APPLICABLE, WILL BE DETERMINED AS IF THAT DATE WERE THE END OF A CALENDAR QUARTER AND PAID TO TBL. ALSO, ALL COMMISSION FEES, AND ALL OTHER FEES WILL BE CHARGED AND PAID AT THAT TIME.

BROKERAGE ARRANGEMENTS: TBL may have substantially different fee arrangements with individual clients whose money it manages. Also, TBL may have substantially different fee arrangements with different FCMs, APs and IBs, and may pay out any types, amounts and combinations of fees it chooses, including but not limited to commissions, and/or management fees, and/or incentive fees, and in varying amounts it chooses to these parties. These types and amounts of fees may differ substantially between persons receiving them.

CONFLICTS OF INTEREST: Since TBL will receive a portion of the brokerage commission paid by clients in Program 1, Program 3, Program 4 and possibly Program 2, a conflict of interest exists in that TBL has an incentive to generate numerous trades and thereby profit from excessive brokerage commissions. A conflict of interest also exists in that TBL participates in profits of an account via an incentive fee. Therefore, TBL could do more risky trading to achieve greater profits. TBL represents, however, that it will only initiate trades, which TBL believes is in the best interest of its clients.

TBL has also reserved the right to collect incentive fees at the end of any month. A monthly incentive fee will only be decided upon if an account has earned 10% or more in a given month (excluding incentive fees). It is possible that by asserting this right TBL may close a position or completely stop trading in a particular profitable month in order to collect an incentive fee at month end. It is also possible that doing so will be more beneficial to TBL than the client if the client does not at the same time take out their 50% profit in Program 1 and Program 4A, their 75% profit in Program 2 and Program 4B, or their 80% of profit in Program 3 since profits in the following months may be reduced, nonexistent, or the clients may lose profits already achieved.

The Trading Advisor and its principals may manage proprietary accounts for themselves. These accounts may be more speculative in nature and may experience larger gains or losses over any period of time. These trading accounts will not be open to inspection by clients. The Trading Advisor and its principals will not deliberately favor its own, its principals, its employees accounts, or any clients accounts under its management over other clients accounts. A proportion of this proprietary trading may be conducted in parallel with trading for client accounts. A greater risk may be assumed in trading proprietary accounts than that which is assumed for client accounts. As a result, proprietary accounts may experience results, which are substantially different from those experienced by client accounts. Client's accounts may be traded differently from one another depending on a number of factors. There may be many factors, but two factors why one account is traded differently from another are, the amount of money in one account verses another, or a client has particular wishes on how to trade their account etc. To date, no client accounts have been traded in a materially different way. Also, results may vary substantially from one client's account to another for these above reasons and other reasons, such as; trading begins in a new account in the middle of the month, or at the beginning of a drawdown, or a different amount of money is deposited into an account. TBL also will attempt to clear trades only with FCM's that it believes offer competitive fees in the industry, unless the client themselves chooses a less competitive FCM.

ADMINISTRATIVE, CIVIL OR CRIMINAL PROCEEDINGS: On April 7, 2009, the Business Conduct Committee of the National Futures Association ("NFA") issued a Complaint (NFA Case No. 09-BCC-006), which charged TBL with failing to maintain information required for all of TBL's customers; failing to adopt a written privacy policy and written procedures for ethics training and disaster recovery; and failing to perform the required quarterly review of its bunched order allocations to ensure that the allocation

procedures were just and equitable and that customers were not receiving preferential treatment. The Complaint also charged TBL and Barba with failure to supervise, failing to maintain an adequate internal performance calculation and accurate books and records; and using a disclosure document that contained inaccurate performance information;

On May 28, 2009, TBL and Barba filed an Answer, in which they denied the material allegations in the BCC Complaint. Specifically, they denied that they failed to maintain an adequate internal performance calculation, used an inaccurate disclosure document, and failed to maintain accurate books and records. They also denied the other alleged violations of NFA Compliance Rules.

Rather than proceed to a hearing, TBL made the economic decision to settle the BCC matter. On June 11, 2009, TBL and Barba agreed to a settlement of this matter with NFA, in which they consented to the entry of a decision by the BCC, pursuant to which TBL and Barba agreed to pay a \$20,000 fine; adopt and implement certain corrective written compliance procedures; and employ for three years an experienced futures professional to handle calculation and presentation of performance and rate of return information in the firm's disclosure documents and promotional material. As a condition of the settlement for TBL was the fact that the BCC Made No Findings with respect to the allegations of using an inaccurate disclosure document, and failing to maintain accurate books and records and performance calculations.

On June 30, 2010, NFA's Business Conduct Committee ("BCC") issued a complaint (NFA Case No. 10-BCC-00017) charging TBL with using a disclosure document and promotional material that were not in compliance with certain NFA Rules and for failing to maintain written confirmation of the nominal account size agreed to by some of TBL's customers and TBL. The Complaint also charged TBL and Mr. Barba with failing to comply in a timely manner with the terms of the Decision in a previous BCC case requiring TBL to employ a futures professional to calculate and oversee the presentation of performance and rate of return information in the firm's disclosure documents and promotional material, and failing to supervise.

On, TBL and Mr. Barba filed an Answer, in which they denied the material allegations in the BCC complaint. Specifically, they denied using a disclosure document and promotional material that were not in compliance with certain NFA Rules, and failing to comply in a timely manner with the terms of the Decision in the 2009 case. They also denied the other alleged violations of NFA Compliance Rules.

Rather than proceed to a hearing, TBL made the economic decision to settle the BCC complaint. On September 9, 2010, without admitting or denying the allegations in the BCC complaint, TBL and Barba agreed to a settlement of this matter with NFA, in which they consented to the entry of a decision by the BCC, pursuant to which TBL and Barba agreed to pay a \$35,000 fine; employ for four years an experienced futures professional to handle calculation and presentation of performance and rate of return information in the firm's disclosure documents and promotional material. The decision concluding this matter Contained No Findings against TBL or Mr. Barba with respect to the ANY of the wrongdoing alleged in the BCC complaint.

Finally, the Chicago Mercantile Exchange ("CME") and Mr. Barba recently settled a case involving from certain trading activity engaged in by Mr. Barba. More specifically, on October 23, 2008, Mr. Barba was alleged to have violated CME Rules by placing customer orders to buy and sell 400 Japanese yen futures spreads, and then after the orders were competitively executed in the market, have one of the legs allocated to a customer's account and the other leg allocated to his personal account. As a result of the allocation, which occurred upon the customer's instruction, Mr. Barba realized a profit. The next day all the spread legs were transferred back into the customer's account, thus removing the profit from Mr. Barba's account and giving it back to the customer. On October 14, 2010, pursuant to an offer of settlement in which Mr. Barba neither admitted nor denied the rule violations, Mr. Barba agreed to pay \$15,000 fine and have his access to any CME Group trading floor and any CME Group electronic trading or clearing platform suspended for 30 business days, beginning October 18, 2010, and continuing through November 29, 2010. In determining the penalty, the CME Business Conduct Committee considered Mr. Barba's cooperation during the course of the investigation.

FURTHER INFORMATION AVAILABLE UPON REQUEST: Any client or prospective client desiring further information may request such information by contacting The Barbashop LLC at the telephone number, email address, or mailing address listed in this document.

OTHER ACCOUNTS TRADED

**THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS
THESE ACCOUNTS ARE NOT OFFERED TO THE PUBLIC**

The below individual accounts were offered exclusively to friends. The trading decisions are based on Mr. Barba's technical analysis and trading experience. The below accounts are not traded pursuant to any trading program, may be long term investments and traded separately. These accounts are also different from the program accounts in that they may be margined higher, traded more aggressively, be more volatile and all accounts may not be traded similarly.

ACCOUNT #1

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – October 2004

Number of accounts - 1

Total assets in account - \$425,055.55

Total assets under management of trader - \$425,055.55

Largest monthly drawdown* – August 2005, (-73.10%)

Worst peak to valley drawdown – February 2005 – September 2008, (-98.58%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January	-16.82%	170.15%	-6.46%	56.25%	36.95%	-16.96%
February	33.49%	-61.25%	112.98%	61.08%	15.35%	5.85%
March	-31.94%	242.58%	-10.85%	-15.22%	-27.49%	19.23%
April	-53.22%	112.29%	-13.13%	-40.47%	-15.65%	19.32%
May	-4.90%	-45.99%	0.89%	27.60%	176.75%	-7.08%
June	-13.80%	-49.07%	-60.62%	32.51%	-34.30%	-0.52%
July	-44.59%	7.38%	-21.25%	-27.83%	-3.44%	-13.68%
August	-73.10%	65.48%	-52.57%	-62.48%	24.58%	23.15%
September	-15.76%	-33.44%	173.86%	-33.10%	52.87%	33.99%
October	0.00%	-16.68%	-42.29%	372.04%	-9.01%	13.04%
November	0.00%	86.13%	-25.47%	-24.07%	53.16%	23.56%
December	99.12%	-50.48%	9.14%	53.29%	-10.29%	26.05%
Annualized YTD	-92.75%	90.23%	-70.57%	113.76%	303.82%	189.83%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #2

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – August 2004

Number of accounts - 1

Total assets in account - \$502,940.63

Total assets under management of trader - \$502,940.63

Largest monthly drawdown* – October 2007, (-74.63%)

Worst peak to valley drawdown – September 2004 – September 2005, (-99.28%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January	-41.66%	245.93%	-16.81%	22.70%	39.98%	-18.32%
February	6.73%	-39.35%	162.18%	200.11%	22.48%	6.95%
March	-35.97%	419.92%	-0.37%	64.65%	-11.27%	21.96%
April	-51.96%	200.85%	-31.26%	-45.90%	-9.69%	23.31%
May	-4.94%	-45.87%	16.32%	68.96%	163.47%	-10.99%
June	-15.44%	-50.58%	-65.86%	66.38%	-34.36%	-1.89%
July	-43.43%	9.19%	-9.02%	-50.04%	6.69%	-9.98%
August	-70.35%	93.04%	-73.28%	-47.30%	28.20%	20.59%
September	-15.96%	-24.00%	163.73%	-26.95%	69.69%	30.41%
October	0.00%	-21.32%	-74.63%	491.41%	-22.75%	12.01%
November	0.00%	105.77%	-0.02%	-36.87%	65.17%	26.36%
December	71.07%	-54.59%	58.40%	60.62%	-9.02%	24.62%
Annualized YTD	-96.29%	933.82%	-84.72%	963.57%	540.21%	186.46%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #3

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – August 2004

Number of accounts - 1

Total assets in account - \$22,421.47

Total assets under management of trader - \$22,421.47

Largest monthly drawdown* –January 2010 (-86.20%)

Worst peak to valley drawdown – January 2006 to September 2008 (-96.17%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January	-15.21%	106.60%	-12.81%	57.63%	34.20%	-86.20%
February	30.59%	-32.48%	136.10%	60.82%	2.41%	208.33%
March	-22.68%	-43.29%	-7.23%	-15.24%	-30.77%	20.81%
April	-37.39%	85.72%	-13.60%	-40.39%	-52.49%	44.74%
May	31.81%	-43.78%	2.28%	27.61%	1005.07%	-79.84%
June	-17.00%	-48.01%	-60.10%	32.52%	-41.54%	170.46%
July	16.01%	8.73%	-17.84%	-25.44%	-38.64%	336.54%
August	-45.97%	69.16%	-38.87%	-56.39%	35.24%	35.95%
September	-25.35%	-31.99%	187.05%	-18.11%	32.79%	122.40%
October	51.44%	-14.57%	-49.34%	220.64%	-11.54%	0.00%
November	39.80%	82.44%	-23.22%	-14.29%	263.81%	127.07%
December	255.76%	-52.37%	-8.91%	18.97%	-39.75%	80.76%
Annualized YTD	106.67%	-60.12%	-65.60%	88.54%	523.93%	2097.23%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #4

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – September 2004

Number of accounts - 1

Total assets in account - \$72,052.90

Total assets under management of trader - \$72,052.90

Largest monthly drawdown* – May 2006, (-69.87%)

Worst peak to valley drawdown – April 2006 – August 2007, (-94.61%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January	-20.80%	89.53%	-14.20%	43.03%	2.79%	-32.61%
February	39.08%	-56.77%	194.81%	27.52%	-15.52%	-0.89%
March	-18.91%	283.78%	-0.93%	28.62%	-18.93%	-0.23%
April	-11.12%	142.08%	-14.78%	-20.28%	-7.72%	24.87%
May	27.33%	-69.87%	6.87%	3.40%	168.74%	-41.28%
June	-16.24%	-51.28%	-65.89%	36.06%	-25.73%	3.06%
July	17.87%	12.28%	-18.15%	-34.19%	-29.69%	-28.29%
August	-43.03%	99.12%	-54.17%	-25.20%	11.91%	10.26%
September	-19.30%	-14.95%	174.45%	-19.49%	5.16%	51.89%
October	34.19%	-20.82%	-32.89%	285.63%	-30.88%	-12.25%
November	34.50%	101.64%	2.78%	16.42%	62.01%	41.41%
December	48.96%	-58.54%	-34.19%	5.90%	1.50%	33.30%
Annualized YTD	23.34%	40.60%	-63.61%	395.69%	21.94%	0.04%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #5

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – September 2004

Number of accounts - 1

Total assets in account - \$72,064.27

Total assets under management of trader - \$72,064.27

Largest monthly drawdown* –May 2006, (-69.85%)

Worst peak to valley drawdown – April 2006 – August 2007, (-94.59%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January	-19.20%	89.97%	-13.31%	42.99%	2.78%	-32.60%
February	40.34%	-56.67%	192.67%	27.50%	-15.51%	-0.88%
March	-24.23%	282.22%	-0.91%	28.61%	-18.58%	-0.23%
April	-11.03%	141.76%	-14.77%	-20.27%	-8.12%	24.86%
May	27.08%	-69.85%	6.87%	3.40%	168.69%	-41.27%
June	-16.12%	-51.30%	-65.88%	36.04%	-25.73%	3.06%
July	17.72%	12.28%	-18.13%	-34.18%	-29.69%	-28.28%
August	-42.76%	99.19%	-54.15%	-25.19%	11.91%	10.25%
September	-18.75%	-14.89%	174.27%	-19.48%	5.16%	51.87%
October	33.40%	-20.80%	-32.88%	285.37%	-30.87%	-12.25%
November	33.84%	101.51%	2.79%	16.42%	61.99%	41.40%
December	47.67%	-58.67%	-34.17%	5.90%	1.50%	33.29%
Annualized YTD	17.60%	40.26%	-63.47%	395.33%	21.94%	0.04%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #6

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – July 2006

Date Account Closed – June 2010

Number of accounts –0

Total assets in account – \$0

Total assets under management of trader – \$0

Largest monthly drawdown* – October 2007, (-79.04%)

Worst peak to valley drawdown – March 2007 –December 2007, (-94.47%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2006	2007	2008	2009	2010
January		-45.30%	149.08%	70.04%	-15.47%
February		291.49%	69.29%	20.24%	7.13%
March		54.23%	101.87%	-8.09%	19.86%
April		-46.93%	-44.13%	-8.52%	20.60%
May		18.60%	120.26%	170.13%	-9.77%
June		-52.91%	99.83%	-31.78%	11.79%
July	-24.48%	8.85%	-45.17%	9.39%	
August	82.74%	-61.94%	-23.30%	29.50%	
September	-32.31%	151.44%	-33.88%	60.07%	
October	-36.30%	-79.04%	484.49%	-7.94%	
November	139.39%	23.18%	-4.02%	68.74%	
December	-68.79%	-30.64%	76.68%	-5.03%	
Annualized YTD	-55.55%	-81.74%	5669.08%	959.82%	32.04%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #7

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – August 2005

Number of accounts - 1

Total assets in account - \$393,480.17

Total assets under management of trader - \$393,480.17

Largest monthly drawdown* – August 2007, (-64.06%)

Worst peak to valley drawdown – April 2006 – December 2007, (-98.42%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2005	2006	2007	2008	2009	2010
January		168.90%	-1.67%	62.14%	35.66%	-13.18%
February		-49.91%	135.56%	69.30%	17.32%	4.43%
March		286.65%	-1.41%	57.86%	-26.76%	15.85%
April		121.35%	-9.96%	-49.99%	-8.85%	16.31%
May		-53.13%	7.47%	71.99%	166.60%	-4.72%
June		-51.53%	-61.19%	67.55%	-27.23%	0.75%
July		-0.01%	-6.44%	-48.89%	-30.60%	-8.55%
August	-39.16%	85.90%	-64.06%	-57.38%	25.51%	18.02%
September	-56.33%	-24.53%	173.84%	19.63%	51.30%	27.24%
October	2.19%	-15.03%	-59.93%	482.58%	7.77%	11.14%
November	-24.66%	90.20%	-52.86%	-24.56%	26.90%	21.57%
December	54.26%	-52.44%	-56.74%	100.15%	-7.89%	28.47%
Annualized YTD	-68.44%	182.32%	-93.55%	1331.37%	242.21%	179.51%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #8

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – April 2006

Number of accounts - 1

Total assets in account - \$1,514,606.12

Total assets under management of trader - \$1,514,606.12

Largest monthly drawdown* – July 2008, (-97.28%)

Worst peak to valley drawdown – April 2006 – September 2008, (-99.99%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2006	2007	2008	2009	2010
January		-18.68%	35.42%	-11.98%	-45.33%
February		0.00%	40.60%	-27.86%	-6.16%
March		9.90%	24.17%	-33.37%	10.70%
April	45.55%	-71.99%	-1.21%	-5.59%	42.97%
May	-51.89%	-19.86%	-40.82%	250.20%	-68.94%
June	-33.97%	-47.02%	17.81%	-32.52%	-11.79%
July	17.11%	-69.53%	-97.28%	-11.99%	-53.82%
August	22.83%	-66.52%	-38.24%	22.38%	52.60%
September	-58.27%	157.78%	-53.67%	40.75%	44.99%
October	-28.63%	-77.44%	510.84%	-1.01%	21.79%
November	116.39%	-69.02%	-11.62%	46.08%	32.81%
December	-63.39%	55.85%	31.05%	4.38%	99.64%
Annualized YTD	-84.31%	-99.70%	91.04%	116.01%	-26.60%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #9

CTA – The Barbashop LLC

Trading Program- (NOW PROGRAM 3 - The Gold & Silver, Long Term Trading Program – see page 18)

Inception of Trading of The Barbashop LLC – June 6, 2005

Inception of Trading in Offered Program (Privately) – Jul 1, 2006

Inception of Trading in Offered Program (Publically) – Feb 1, 2010

Number of Accounts Currently Traded- 1

Lifetime Profit Range of Closed Accounts – N/A

Lifetime Loss Range of Closed Accounts – N/A

Total assets pursuant to program - \$615,584.41

Largest monthly drawdown August 2008 – (- 48.13%)

Worst peak to valley drawdown* – February 2008 – October 2008, (-81.80%)

*Drawdown means losses experienced by a pool or trading program over a specified period.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2006	2007	2008	2009	2010
January		7.43%	26.67%	34.85%	-16.51%
February		8.26%	31.05%	10.74%	5.58%
March		-13.37%	-20.12%	-8.84%	15.44%
April		0.94%	-11.23%	-21.74%	19.55%
May		-4.15%	4.87%	99.62%	-7.19%
June		-18.18%	4.38%	-38.58%	2.39%
July	12.36%	10.39%	3.22%	5.80%	-13.25%
August	20.54%	-19.89%	-48.13%	25.16%	23.06%
September	-18.07%	49.08%	-26.25%	41.10%	28.19%
October	9.06%	9.67%	-40.62%	-7.44%	11.34%
November	31.33%	-7.01%	2.02%	44.90%	26.34%
December	-18.65%	9.99%	26.35%	-11.99%	24.16%
Annualized YTD	29.30%	17.95%	-61.05%	188.13%	176.32%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #10

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – October 2006

Number of accounts - 1

Total assets in account - \$287,900.20

Total assets under management of trader - \$287,900.20

Largest monthly drawdown* – October 2007, (-88.32%)

Worst peak to valley drawdown – May 2007 – October 2007, (-99.47%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2006	2007	2008	2009	2010
January		17.10%	75.98%	35.96%	-14.04%
February		245.35%	69.19%	18.46%	5.00%
March		52.68%	57.34%	-27.64%	17.26%
April		-17.20%	-50.48%	-16.68%	17.96%
May		35.27%	77.91%	161.81%	-6.69%
June		-70.37%	65.35%	-34.89%	0.87%
July		-70.10%	-49.23%	2.25%	-9.54%
August		-60.63%	-64.18%	22.90%	19.41%
September		29.76%	1.11%	54.29%	28.28%
October	2.13%	-88.32%	725.51%	-9.06%	11.70%
November	172.20%	1254.07%	26.09%	54.07%	26.40%
December	-69.79%	-37.50%	47.76%	-9.79%	25.54%
Annualized YTD	-16.01%	-69.07%	1829.72%	305.63%	188.63%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #11

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – August 2009

Number of accounts - 1

Total assets in account - \$114,289.13

Total assets under management of trader - \$114,289.13

Largest monthly drawdown* – July 2010 (-11.77%)

Worst peak to valley drawdown – June 2010 – July 2010 (-11.77%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2009	2010
January		0.00%
February		0.00%
March		0.00%
April		0.00%
May		0.14%
June		34.71%
July		-11.77%
August	764.79%	21.92%
September	264.91%	21.26%
October	16.30%	1.42%
November	123.77%	0.00%
December	8.54%	0.00%
Annualized YTD	8813.13%	78.49%

THE FOLLOWING ACCOUNTS ARE ONLY OFFERED TO FRIENDS.

ACCOUNT #12

Name of Trader – Ronald Barba

Inception of Trading (Ron Barba) - October 1994

Date Ron Barba Began Trading Pursuant To Program – June 2010

Number of accounts - 1

Total assets in account - \$45,474.04

Total assets under management of trader - \$45,474.04

Largest monthly drawdown* – July 2010 (-21.78%)

Worst peak to valley drawdown – June 2010 – July 2010 (-21.78%)

*Drawdown means losses experienced by a pool or trading program over a specified period

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS

	2010
January	
February	
March	
April	
May	
June	5.77%
July	-21.78%
August	31.28%
September	20.67%
October	17.09%
November	15.12%
December	2.04%
Annualized YTD	80.29%

Risk Disclosure Document of The Barbashop LLC (TBL)

Dated January 1, 2011

I HAVE COMPLETELY READ AND FULLY UNDERSTAND THIS DISCLOSURE DOCUMENT. I AM AWARE OF THE HIGH RISKS OF INVESTING IN THE COMMODITY MARKETS AND THE POTENTIAL FOR LARGE LOSSES OF MY EQUITY IN THIS PROGRAM. I AM ALSO AWARE OF THE COMMISSION FEES, CALENDAR QUARTERLY INCENTIVE FEES, AND MANAGEMENT FEES (IF APPLICABLE) TO BE PAID TO TBL. I REALIZE THAT I MAY LOSE MONEY, BUT I AM STILL WILLING TO BEAR THE RISKS OF THIS INVESTMENT.

DATE _____

SIGNATURE _____

DATE _____

SIGNATURE _____

**THE BARBASHOP LLC.
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A MANAGED COMMODITIES ACCOUNT
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