



# Application for Clearing Privileges

Enclosed are the forms necessary to apply for Clearing Privileges at the Minneapolis Grain Exchange, LLC ("MGEX"). Please contact MGEX with any questions regarding these documents.

Ethan Ongstad

eongstad@mgex.com

612-321-7190

Lindsay Hopkins

lhopkins@mgex.com

612-321-7143

---

**Applicant's Full Legal Name**

---

**Date Submitted to MGEX**

This application must be accompanied by a \$2,000 non-refundable application fee.

MGEX  
400 S. 4<sup>th</sup> Street  
Suite 111  
Minneapolis, MN 55415

[www.mgex.com](http://www.mgex.com)

**MGEX Use Only**

Date Received: \_\_\_\_\_

Received By: \_\_\_\_\_

**Clearing Privileges Application**

**Answers to this application form must be either typewritten or printed in ink. Also, attach separate sheets of paper or letters of explanation whenever necessary.**

1. Applicant's Full Legal Name: \_\_\_\_\_

2. Type of Organization (please check one):

\_\_\_\_\_ Corporation organized under the laws of the State of: \_\_\_\_\_

**(please check one)**

\_\_\_\_\_ C Corporation

\_\_\_\_\_ Subchapter S Corporation

\_\_\_\_\_ Limited Liability Company organized under the laws of the State of: \_\_\_\_\_

\_\_\_\_\_ Limited Liability Partnership organized under the laws of the State of: \_\_\_\_\_

\_\_\_\_\_ Limited Partnership organized under the laws of the State of: \_\_\_\_\_

\_\_\_\_\_ General Partnership organized under the laws of the State of: \_\_\_\_\_

\_\_\_\_\_ Other (specify): \_\_\_\_\_

3. Date Established: \_\_\_\_\_

4. Federal Tax Identification Number: \_\_\_\_\_

5. LEI Number: \_\_\_\_\_

6. Main Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

Email Address: \_\_\_\_\_

Website: \_\_\_\_\_

7. Local Address, if applicable:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

Email Address: \_\_\_\_\_

8. Fiscal Year End: \_\_\_\_\_

9. Public Accountant Information:

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

Email Address: \_\_\_\_\_

Contact name: \_\_\_\_\_

10.  **Yes**  **No** Is your organization qualified to do business in the state of Minnesota? If yes, submit a copy of "Certificate of Good Standing" from the Minnesota Secretary of State's Office.

11.  **Yes**  **No** Has your organization or any of its principals ever been denied registration, or had a registration suspended, revoked, or conditioned by a government or regulatory authority? If yes, describe and provide supporting documentation.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12.  **Yes**  **No** Has your organization or any of its principals ever been denied membership or clearing privileges by any exchange or clearing organization? If yes, describe and provide supporting documentation.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13.  **Yes**  **No** Have any such membership or clearing privileges ever been suspended, revoked, or conditioned? If yes, describe and provide supporting documentation.

\_\_\_\_\_

---

---

14.  **Yes**  **No** Has your organization or any of its principals ever been: (a) convicted of any felony, pled guilty, entered a plea of “no contest” or entered into a voluntary settlement as to any violation of any criminal or penal code; or (b) convicted of any misdemeanor or found guilty of violating a rule or regulation that involved embezzlement, theft, fraud, extortion, misappropriation of funds, forgery, or bribery, by any U.S. or foreign court, government or regulatory authority, or exchange/clearing organization? If yes, describe and provide supporting documentation.

---

---

---

15.  **Yes**  **No** To the best of your knowledge, is your organization or any present officer or partner currently subject to an investigation by any government or regulatory authority, or exchange/clearing organization? If yes, describe and provide supporting documentation.

---

---

---

16.  **Yes**  **No** Has your organization or any affiliated organization ever failed in business, made a compromise with or assignment of assets for the benefit of creditors, or been a party to any voluntary or involuntary proceeding under any relevant Bankruptcy Law, taken advantage of any Exemption Law or pleaded the Statute of Limitations to any claim of creditors? If yes, describe and provide supporting documentation.

---

---

---

17.  **Yes**  **No** Has your organization ever used, been known by, or conducted business under, any other name? If yes, describe and provide supporting documentation.

---

---

---

18.  **Yes**  **No** Does your organization or its principals currently have any judgements, liens, attachments, or other encumbrances filed against it? If yes, describe and provide supporting documentation.

---

---

---

19. Indicate present, and pending, membership status at all other U.S. and foreign commodity and security exchanges. (Please note if both member and clearing member.)

*Attach continuation sheet if necessary.*

| Member of the following: | Status - check all that are applicable |               |                   |
|--------------------------|----------------------------------------|---------------|-------------------|
|                          | Member                                 | Clearing Firm | Actively Clearing |
| _____                    | _____                                  | _____         | _____             |
| _____                    | _____                                  | _____         | _____             |
| _____                    | _____                                  | _____         | _____             |
| _____                    | _____                                  | _____         | _____             |
| _____                    | _____                                  | _____         | _____             |
| _____                    | _____                                  | _____         | _____             |

20.  **Yes**  **No** Is your organization registered as a Futures Commission Merchant with the CFTC and National Futures Association (NFA)? If yes, provide the NFA identification number:

---

---

---

---

21. State your Designated Self Regulatory Organization (DSRO), if applicable:

---

22.  **Yes**  **No** Is your organization registered as a broker/dealer?

23. State your Designated Examining Authority (DEA), if applicable:

---

24.  **Yes**  **No** Is your organization registered in any other regulatory capacity? If so, indicated the nature and country of registration(s).

---

---

---

25. What bookkeeping system is utilized by your organization?

---

26.  **Yes**  **No** Does your organization intend to clear its customer trades? If yes, indicate the approximate date that the entity wishes to begin clearing trades. If no, which entity will clear these trades? \_\_\_\_\_

27.  **Yes**  **No** Does your organization intend to clear its non-customer/proprietary trades? If yes, indicate the approximate date that the entity will begin clearing trades. If no, which entity will clear these trades? \_\_\_\_\_

28.  **Yes**  **No** Is your organization, a subsidiary of your organization, or parent company/owner of your organization regulated by the U.S. Federal Deposit Insurance Corporation (FDIC) and/or U.S. Office of the Comptroller of the Currency (OCC)? If so, please identify the entity and its regulator(s).

---

---

29. If the applicant is an FCM, list all branch offices transacting futures related business.

---

30. If the applicant is an FCM, list all guaranteed introducing brokers.

---

---

31. Describe your organization's risk management procedures. Also, please provide a copy of your organization's risk management policies.

---

---

---

---

32. Please provide an organization chart indicating all employees involved with risk management with reporting lines.

---



---



---

33. List all officers involved in the risk management process.

***Attach a continuation sheet if necessary.***

|       |       |
|-------|-------|
| <hr/> | <hr/> |
| <hr/> | <hr/> |
| <hr/> | <hr/> |
| <hr/> | <hr/> |

34. Describe the nature of your organization's anticipated business and complete the table below. \_\_\_

---



---



---



---

**Anticipated Type of Business  
(Include all futures related trading activity)**

|                                  | <b>Number of Accounts</b> | <b>Percent of Trading Volume</b> |
|----------------------------------|---------------------------|----------------------------------|
| Commercial Accounts              | <hr/>                     | <hr/>                            |
| Retail Accounts                  | <hr/>                     | <hr/>                            |
| Institutional Accounts           | <hr/>                     | <hr/>                            |
| Floor Trader/Local Accounts      | <hr/>                     | <hr/>                            |
| Foreign Futures/Options Accounts | <hr/>                     | <hr/>                            |
| Discretionary/Managed Accounts   | <hr/>                     | <hr/>                            |
| Omnibus Accounts                 | <hr/>                     | <hr/>                            |
| Affiliate Accounts               | <hr/>                     | <hr/>                            |
| Other Non-Customer Accounts      | <hr/>                     | <hr/>                            |
| Proprietary Accounts             | <hr/>                     | <hr/>                            |
| Other: _____                     | <hr/>                     | <hr/>                            |

**Total:** \_\_\_\_\_

35. Supply the following bank account information:

**Primary Bank**

Regular Account:

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Segregated Account:

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Security Deposit of \$500,000 (cash):

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

**Secondary Bank**

Regular Account:

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

Segregated Account:

Bank Name: \_\_\_\_\_

ABA Number: \_\_\_\_\_

Account Number: \_\_\_\_\_

Account Name: \_\_\_\_\_

36. Please provide contact information for the bank indicated above:

**Primary Bank**

Bank Name: \_\_\_\_\_



Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**Secondary Bank**

Bank Name: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone Number: \_\_\_\_\_  
Email Address: \_\_\_\_\_

- 37. Please provide a copy of the most recent monthly financial statement and the last two years of audited financial statements with footnotes.
  
- 38. List all organizations/persons who own 20% or more of your organization, including the percentage of ownership.

| Organization/Person | Percent |
|---------------------|---------|
| _____               | _____   |
| _____               | _____   |
| _____               | _____   |
| _____               | _____   |
| _____               | _____   |

- 39. Describe the nature of involvement in the commodities or securities industry of any organization/person who owns 20% or more of your organization. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 40. Indicate the individual (including title) to contact for questions concerning this application:  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

Email Address: \_\_\_\_\_

\*\*\*Signature page follows.

By signing this form, I attest to the truthfulness and accuracy of this Application for Clearing Privileges at the Minneapolis Grain Exchange, LLC ("MGEX") and agree to bind the organization and its owners, officers and employees to the Articles, Rules, Regulations, Resolutions, customs, policies and usages of MGEX, now existing or thereafter adopted.

Also, I authorize MGEX to obtain information from sources that MGEX deems appropriate in order to adequately evaluate and process this application. In addition, I authorize MGEX to disclose or release any information regarding the organization to U.S. or foreign securities and futures regulators or markets. Such disclosure or release may only be made based on a regulatory need.

I represent that I have obtained any required consent, authorization, and approval of, have filed with, and have taken all other actions required by any governmental authority or regulatory body, or under any law, rule, or regulation applicable to the firm in connection with the application for clearing privileges, and I am authorized on behalf of the organization to sign and authorize the release of the information so specified.

Officer or Partner authorized to act on behalf of the organization:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

SUBSCRIBED AND SWORN TO BEFORE ME  
THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

NOTARY STAMP

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County  
State of \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_