

Digital Currency Risk Disclosures

THE RISK OF LOSS IN TRADING DIGITAL CURRENCIES CAN BE SUBSTANTIAL AND YOU SHOULD, THEREFORE, CAREFULLY CONSIDER WHETHER SUCH TRADING IS APPROPRIATE FOR YOU IN LIGHT OF YOUR CIRCUMSTANCES AND FINANCIAL RESOURCES. YOU SHOULD BE AWARE OF THE FOLLOWING:

- You may sustain a total loss of funds you deposit for the purpose of trading digital currency.
- The volatility and unpredictability of the price of digital currency relative to fiat currency may result in significant loss over a short period of time. Certain digital currencies have experienced daily price volatility of more than 20%.
- Digital currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.
- Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of digital currency.
- Transactions in digital currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.
- Some digital currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.
- The value of digital currency may be derived from the continued willingness of market participants to exchange fiat currency for digital currency, which may result in the potential for permanent and total loss of value of a particular digital currency should the market for that digital currency disappear.
- There is no assurance that a person who accepts a digital currency as payment today will continue to do so in the future.
- The nature of digital currency may lead to an increased risk of fraud or cyber attack. A cybersecurity event could result in a substantial, immediate and irreversible loss for market participants that trade virtual currencies. Even a minor cybersecurity event in a virtual currency is likely to result in downward price pressure on that product and potentially other virtual currencies.
- The ability to participate in forks could also have implications. For example, if you hold virtual currency position through ErisX you may be adversely impacted if ErisX does not participate in a fork that creates a new product.

- The nature of digital currency means that any technological difficulties experienced by ErisX may prevent the access or use of a customer's digital currency.
- Any bond or trust account maintained by ErisX for the benefit of its customers may not be sufficient to cover all losses incurred by customers.

DIGITAL CURRENCY SPOT MARKETS ARE NOT REGULATED BY THE COMMODITY FUTURES TRADING COMMISSION

Although for purposes of futures on digital currency ErisX, through Eris Exchange, LLC, and Eris Clearing, LLC, is registered with the Commodity Futures Trading Commission (CFTC) as a Designated Contract Market (DCM), and ErisX is in the process of applying to be a Derivatives Clearing organization (DCO), the CFTC does not have regulatory oversight authority over virtual currency products including spot market trading of virtual currencies. ErisX spot market is not recognized, licensed, approved or registered with the CFTC and transactions on ErisX spot market are not subject to CFTC rules, regulations or regulatory oversight. ErisX spot market may be subject to certain state licensing requirements. ErisX spot market has or is in the process of obtaining a money-transmitter license or similar license application with various states.

This brief statement cannot, of course, disclose all of the risks associated with the digital currency markets. You should consult an attorney, accountant and/or financial advisor and sufficiently understand the digital currency markets and risks and carefully consider whether digital currency is appropriate for you in light of your financial circumstances.

Eris Clearing, LLC is Licensed With The Following State Agencies

<u>State</u>	<u>License</u>	<u>Regulatory Agency</u>
Arizona	Money Transmitter License #0950917	Arizona Department of Financial institutions
Arkansa	Money Transmitter License #116141	Arkansas Securities Department
Florida	Money Transmitter License #FT230000237	Florida Office of Financial Regulation
Georgia	Seller of Payment Instruments License #62321	Georgia Department of Banking and Finance
Illinois	Money Transmitter License #MT0000327	Illinois Department of Financial and Professional Regulation
Iowa	Money Services License #2018-0115	Iowa Division of Banking
Kansas	Money Transmitter License #MT0000138	Kansas Office of the State Bank Commissioner
Mississippi	Money Transmitter License	Mississippi Department of Banking and Consumer Finance
New Mexico	Money Transmitter License	New Mexico Regulation and Licensing Department
North Dakota	Money Transmitter License #MT103340	North Dakota Department of Financial institutions
Ohio	Money Transmitter License #OHMT151	Ohio Department of Commerce
Rhode Island	Electronic Money Transfers License #20183667MT	Rhode Island Department of Business Regulation
Tennessee	Money Transmitter License #1728518	Tennessee Department of Financial Institutions
Vermont	Money Transmitter License #100-122	Vermont Department of Financial Regulation
Washington	Money Transmitter License #550-MT-115010	Washington State Department of Financial Institutions
Wyoming	Money Transmitter License #7248	Wyoming Department of Audit

Anti-Money Laundering Disclaimer

To help the government fight the funding of terrorism and money laundering, ErisX must obtain, verify and record information that identifies each person who opens and maintains an account. When you establish an account, we will ask for your name, address, date of birth and other information to allow us to identify you. We may also ask for a copy of government issued identification, such as a driver's license, passport, or other identification. ErisX takes seriously its commitment to implement a robust anti-money laundering program and, ErisX reserve the right to require you to provide us with additional information and/or require you to undergo a background check prior to being authorized to use or access ErisX systems, or at any point thereafter, in accordance with any applicable law and regulation.

When you establish standard settlement instructions as to fiat accounts or digital currency wallets you may not be able to fund or withdraw assets from such accounts or digital wallets while ErisX conducts an investigation of the origin of such accounts or digital wallets. You agree, represent, and warrant that all funds, whether fiat or digital, that are now or in the future in your account, submitted or otherwise exchanged on or through ErisX, are not the direct or indirect proceeds of any criminal, fraudulent or terrorist activity. ErisX reserves the right to investigate the source of any funds, fiat or digital, in your account and determine, in our sole discretion, whether to accept or reject or otherwise dispose of such funds in accordance with any applicable law and regulation, which may include sending such funds to a proper governmental authority.

Under relevant economic sanctions programs, including the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), ErisX is prohibited from providing services or otherwise entering into relationships with certain individuals and institutions. If ErisX is required to block funds associated with your account in accordance with a sanctions program, or other similar government sanctions programs, ErisX may be required to, among other things, take one of the following actions: (i) suspend your account; (ii) terminate your account; (iii) return funds to the destination of their origin or to an account specified by relevant authorities; or (iv) require you withdraw funds from your account within a certain period of time. ErisX is not responsible for any losses, whether direct or indirect, that you may incur as a result of our complying with any applicable law and regulations, the direction of any governmental or regulatory authority or any legally binding order.



Electronic Only Access

The ErisX must be accessed electronically. While electronic access generally is dependable, technical problems or other conditions may delay or prevent you from accessing your account or entering or canceling an order on the ErisX System, or may delay or prevent an order transmitted to the ErisX System from being executed.

ERISX IS NOT LIABLE FOR ANY TECHNICAL PROBLEMS; SYSTEM FAILURES OR MALFUNCTIONS; SYSTEM ACCESS OR CAPACITY PROBLEMS; HIGH INTERNET TRAFFIC; INTERRUPTIONS DUE TO SCHEDULED OR UNSCHEDULED MAINTENANCE, UPGRADES OR REPAIRS; SECURITY BREACHES OR UNAUTHORIZED ACCESS BEYOND THE REASONABLE CONTROL OF ERISX; AND ANY OTHER SIMILAR PROBLEMS, EVENTS OR DEFECTS

Electronic Communications

ErisX will communicate with you and you consent to receive receive all communications from ErisX electronically through the Member Portal, email and/or the ErisX website and you shall be deemed to have received any such communications. It is Your responsibility to check the Member Portal, your email and the ErisX website regularly. In particular, confirmations, receipts and statements related to all deposits, withdrawals, trades, transactions and other activities within your clearing account will be posted to your Member Portal.

Confirmations of activities posted to the Member Portal shall be conclusive and final. You must notify ErisX of any error within 24 hours of ErisX posting the confirmation.