

Currency Com US LLC User Agreement

Last Updated: September 30, 2022

This user account agreement (“**User Agreement**”) sets forth the respective rights and obligations between you and Currency Com US LLC, a limited liability company formed under the laws of Delaware (“**Currency Com**,” “**we**,” or “**us**”). Please read through this User Agreement carefully before registering an account and accessing or using the Services (as defined herein).

BY REGISTERING AN ACCOUNT WITH CURRENCY COM (“**Account**”), OR BY ACCESSING OR USING OUR SERVICES, YOU AGREE TO BE LEGALLY BOUND TO THE TERMS AND CONDITIONS CONTAINED IN THIS USER AGREEMENT IN THEIR ENTIRETY, INCLUDING ALL TERMS INCORPORATED BY REFERENCE.

IF YOU DO NOT AGREE TO ANY OF THESE TERMS AND CONDITIONS, INCLUDING THE MANDATORY ARBITRATION PROVISION AND CLASS ACTION WAIVER IN SECTION 16, DO NOT REGISTER AN ACCOUNT OR ACCESS OR USE THE SERVICES.

1. Scope of Services

This User Agreement applies to your access to and use of our Services, as described herein. By registering an Account with Currency Com, in accordance with the terms and conditions contained in this User Agreement, you will be able to: (i) enter into transactions with Currency Com through the Company’s mobile application or website(s) (the “**Platform**”) (i) to trade supported cryptocurrencies in exchange for U.S. dollars (“**Cryptocurrency Transactions**”); (ii) store cryptocurrency in one or more cryptocurrency hosted wallets (“**Hosted Wallets**”); (iii) store fiat currency in a fiat currency Hosted Wallet for the purpose of cryptocurrency trading; and (iv) track your Cryptocurrency Transactions and Hosted Wallet balance(s) through the Platform, (collectively, the “**Services**”).

2. Modifications to this User Agreement

We reserve the right to make changes to this User Agreement at any time and at our sole discretion. If we make changes, we will post the amended User Agreement and update the “Last Updated” date above. We may also attempt to notify you by sending an email notice to the address associated with your Account or by providing notice through the Platform. Using a particular form of notice in some instances does not obligate us to use the same form in other instances. Unless we say otherwise in our notice, the amended User Agreement will be effective immediately and will apply to any then current and subsequent uses of the Services, including any pending Cryptocurrency Transactions. You are responsible for reviewing this User Agreement each time you access or use our Services. Your continued access to and use of your Account and/or the Services after we provide notice will constitute your acceptance of the changes. If you do not agree to any of the amended terms and conditions, you must stop accessing and using the Services and close your Account immediately.

3. Eligibility

3.1 General Requirements

To register for an Account or access or use the Services you must be an individual at least 18 years of age and have the legal capacity to enter into this User Agreement.

3.2 Restricted States

You may not register an Account or use the Services if you are a resident of any state in which Currency Com is not authorized to provide the Services ("**Restricted States**"). A current list of Restricted States, which is incorporated by reference, is available at section 18.3 State Licenses and Disclosures and is subject to change at any time.

You hereby represent and warrant that you are not a resident of any Restricted State and that you will not register an Account or use the Services even if our methods to prevent you from registering an account or using the Services are not effective or can be bypassed.

3.3 Restricted Foreign Jurisdictions

You may not register an Account or access or use the Services if you are located in, under the control of, or a citizen or resident of any state, country, territory or other jurisdiction to which the United States has embargoed goods or services, or where your use of the Services would be illegal or otherwise violate any applicable law of such jurisdiction or of the United States ("**Restricted Jurisdiction**"). We may implement controls to restrict access to the Services from any Restricted Jurisdiction.

You hereby represent and warrant that you are not under the control of, or a citizen or resident of any Restricted Jurisdiction and that you will not access or use any Services while located in any Restricted Jurisdiction, even if our methods to prevent access to and use of the Services from these jurisdictions are not effective or can be bypassed. A current list of Restricted Jurisdictions, which is incorporated by reference, is available at section 18.3 State Licenses and Disclosures and is subject to change at any time.

3.4 Restricted Persons and Activity

You hereby represent and warrant that you have not been identified as a Specially Designated National or placed on any sanctions list by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), the U.S. Department of Commerce, or the U.S. Department of State. You further hereby represent and warrant that you will not use our Services to conduct any illegal or illicit activity.

4. Account Registration

4.1 Personal Information

During the Account registration process you must provide us with information and documentation that we request for the purpose of establishing and verifying your identity ("**Personal Information**"). Personal Information may include your name, email address, residential address, phone number, date of birth, and taxpayer identification number. Personal Information may also include documentation, such as copies of your government-issued photo identification (for example, your passport, driver's license, or military identification card), account statements, and other documents as we may require. Personal Information will be retained by us at our discretion and in accordance with applicable laws. You agree to provide us accurate, current and complete Personal Information.

4.2 Verification

You hereby authorize us, or a third-party service provider that we designate, to take any measures that we consider necessary to (i) confirm the Personal Information you provide; (ii) verify and authenticate your Personal Information; and (iii) take any action we deem necessary based on the results. You acknowledge that this process may result in a delay in registering your Account, and that you will not be authorized to access or use the Services until your Account registration has been successfully completed.

5. Account Authorizations

5.1 Authorization to Currency Com

You understand and acknowledge that your Account is self-directed, and you hereby appoint Currency Com as your agent for the purpose of carrying out your instructions in accordance with this User Agreement. You hereby authorize Currency Com to open and close your Account, place and cancel orders to trade cryptocurrency (“**Orders**”), collect and offset any fees or other amounts due to Currency Com, and take such other steps as are reasonable to carry out your instructions.

5.2 Authorization to Deposit Funds via ACH

You understand and acknowledge that when you submit an Order through the Platform to deposit fiat currency, you are authorizing and instructing Currency Com to instruct your bank to accept such instruction to transfer the funds required for the deposit from your bank account to Currency Com’s customer transaction account.

6. Account Management

6.1 Account Access

During the Account registration process, you will be required to establish a username and password. In addition, you may be authorized or required to use multi-factor authentication, (collectively, “**Login Credentials**”). You may only access your Account using your Login Credentials, or as may be authorized or required by us. From time to time, we may require you to change your Login Credentials and re-verify your Personal Information at our discretion and as a condition to your continued access to and use of your Account and the Services.

You hereby represent and warrant that you will not share your Login Credentials with any third-party or permit any third-party to gain access to your Account; and you hereby assume responsibility for any instructions, orders, or actions provided or taken by anyone who has accessed your Account using your Login Credentials regardless of whether the access was authorized or unauthorized.

Only individuals and authorized legal entity customers that have successfully registered an Account (“**Users**”) are authorized to access and use the Services.

6.2 Account Maintenance

You are required to maintain the information associated with your Account (“**Account Profile**”) updated at all times, and you agree to notify us immediately of any changes to Personal Information that you previously provided. YOU UNDERSTAND THAT A CHANGE IN YOUR STATE OF RESIDENCE MAY IMPACT

YOUR ELIGIBILITY TO ACCESS AND USE THE SERVICES, AND HEREBY AGREE TO NOTIFY US IN ADVANCE OF ANY CHANGE IN YOUR STATE OF RESIDENCE. PLEASE REFER TO OUR LIST OF RESTRICTED STATES, WHICH IS AVAILABLE AT SECTION 18.3 STATE LICENSES AND DISCLOSURES.

As part of our legal compliance program (“**AML Program**”), we will monitor your Account and your use of the Services, and review your Personal Information on an ongoing basis, as may be required by law and/or pursuant to our internal policies and procedures. At any time, we may require you to provide us with additional Personal Information as a condition to your continued access to and use of your Account and the Services. During such time, your access to and use of your Account and the Services may be temporarily restricted.

6.3 Account Security

You are solely responsible for managing and maintaining the security of your Login Credentials and any other forms of authentication, and you understand and acknowledge that we are not responsible (and you will not hold us responsible) for any unauthorized access to and or use of your Login Credentials and/or Account (“**Unauthorized Access**”).

You agree to maintain the security of your Login Credentials by selecting a unique password that you do not use for other websites, by periodically updating your Login Credentials, and by keeping your Login Credentials and other forms of authentication confidential and separate from each other.

6.4 Unauthorized Account Activity

You are solely responsible for monitoring your Account for unauthorized or suspicious instructions, orders, actions, or transactions (“**Unauthorized Activity**”), and agree that we are not responsible (and you will not hold us responsible) for any Unauthorized Activity.

You agree to protect your Account from Unauthorized Activity by (i) reviewing, on an ongoing basis, your transaction history and your Account Profile; (ii) reviewing, immediately upon receipt, any transaction receipts, confirmations and notices we provide through the Platform, post to your Account or send to your email address associated with your Account; and (iii) verifying that you receive a confirmation from us that an Order or instruction you provide is received, executed or canceled, as applicable, and (iv) in the event of not having received any such confirmation, notifying us as soon as possible, or at least within 24 hours of such Order or instruction.

6.5 Potentially Fraudulent Activity

Any actual or suspected Unauthorized Access and/or Unauthorized Activity will be treated by Currency Com as potentially fraudulent (“**Potentially Fraudulent Activity**”). You agree to notify us immediately, or at least within 24 hours if you become aware of or suspect any Potentially Fraudulent Activity, by emailing support@currency.com. For avoidance of doubt, you are deemed to be aware of Potentially

Fraudulent Activity upon receipt of any notice of the occurrence of such activity. Upon receipt of written notice from you of any Potentially Fraudulent Activity, we will take reasonable steps to protect your Account, including, for example, by temporarily restricting access to your Account, suspending any pending Cryptocurrency Transactions, suspending any pending withdrawals, and/or requiring you to change your Login Credentials.

You agree to promptly report any Potentially Fraudulent Activity to legal authorities and provide us a copy of any report prepared by such legal authorities. In the event of an investigation of any Potentially Fraudulent Activity, you further agree to (i) cooperate fully with the legal authorities and Currency Com in such investigation; (ii) complete any required affidavits promptly, accurately and thoroughly; and (iii) allow Currency Com, or any third-party designated by us, access to your mobile device, computer, and network as may be relevant to such investigation. You understand and acknowledge that any failure to cooperate in any such investigation may cause delays in regaining access to your Account and any cryptocurrency held in your Hosted Wallet(s).

7. Account Closure

7.1 Account Closure

You may close your Account at any time and for any reason unless Currency Com believes, at our sole discretion, that such closure is being performed in an effort to evade an investigation. Closing an Account will not affect any rights or obligations incurred prior to the date of closure in accordance with this User Agreement. Prior to closing your Account, you must withdraw any fiat currency and/or cryptocurrency balance(s) maintained in your Hosted Wallet(s), the proceeds of which shall be transferred to a cryptocurrency address designated by you or to your bank account, as applicable.

You understand and acknowledge that you are solely responsible for any fees, costs, expenses, charges or obligations (collectively, “Costs”) associated with the closing of your Account. In the event any incurred Costs exceed the value of your Account, you understand and acknowledge that you are responsible for reimbursing Currency Com the value of such Costs and that you will remain liable to Currency Com for all obligations incurred in your Account, pursuant to this User Agreement, or otherwise, whether arising before or after the closure of your Account or the termination of this User Agreement.

7.2 Account Suspension or Termination

By using the Services, you understand and acknowledge that we have the right to immediately suspend or terminate your Account and freeze any cryptocurrency and/or fiat currency balance(s) in your Hosted Wallet(s) without prior notice if (i) we suspect, at our sole discretion, you to be in violation of any provision of this User Agreement, our AML Program, or any applicable laws or regulations; (ii) we are required to do so by law or by any regulatory authority, court order, facially valid subpoena, or binding order of a government authority; (iii) we suspect any suspicious or Unauthorized Activity or any actual or attempted unauthorized access to your Account or Login Credentials; or (iv) the Account has not been accessed in two years or more.

If your Account has been suspended or terminated, you will be notified when you attempt to access the Services. We may, at our sole discretion and as permitted by law, provide written notice that your Account has been suspended or terminated.

Unless prohibited by law, upon termination of your Account, we may, at our sole discretion, liquidate any remaining cryptocurrency balance(s) in your Hosted Wallet(s) and return any proceeds, less any Costs, to your bank account. In the event your Account is terminated, you hereby authorize Currency Com to sell any such remaining cryptocurrency balance(s) in your Hosted Wallet(s) at the prevailing market price(s), and transfer the proceeds to your bank account, less any Costs associated with such sale(s), the Account,

or its termination.

8. Cryptocurrencies

8.1 Definition

As used herein, “**cryptocurrency**” (also referred to as “virtual currency,” “digital currency,” “digital asset,” and “digital commodity”) means a digital representation of value which is based on a cryptographic protocol that can be digitally traded and functions as: (1) a medium of exchange; and/or (2) a unit of account; and/or (3) a store of value, but does not have legal tender status and is not issued or guaranteed by any government. Cryptocurrency is distinguished from “fiat currency” (such as U.S. dollars), which is the coin and paper money of a country that is designated as its legal tender. For more information, please refer to the *FATF Report, Virtual Currencies, Key Definitions and Potential AML/CFT Risks*, FINANCIAL ACTION TASK FORCE (June 2014).

1.1 Supported Cryptocurrencies

You can always find a list of the digital assets that are available in your area here <https://currency.com/crypto>. Currency Com may delist a cryptocurrency, at any time and for any reason at our sole discretion, including due to changes in a given cryptocurrency’s characteristics after Currency Com has listed the cryptocurrency or due to a change in the cryptocurrency’s regulatory classification.

8.2 Network Control

Currency Com does not own or control any of the underlying software through which blockchain networks are formed and cryptocurrencies are created and transacted. In general, the underlying software for blockchain networks tends to be open source such that anyone can use, copy, modify, and distribute it. By using the Services, you understand and acknowledge that Currency Com is not responsible for operation of the underlying software and networks that support cryptocurrencies and that Currency Com makes no guarantee of functionality, security, or availability of such software and networks.

8.3 Forks

The underlying protocols are subject to sudden changes in operating rules, and third parties may from time to time create a copy of a cryptocurrency network and implement changes in operating rules or other features (“**Forks**”) that may result in more than one version of a network (each, a “**Forked Network**”) and more than one version of a cryptocurrency (“**Forked Assets**”).

You understand and acknowledge that Forked Networks and the available supply of any Forked Assets are wholly outside of the control of Currency Com, and you further acknowledge that our ability to deliver Forked Assets resulting from a Forked Network may depend on third-parties that are outside of our control. You understand and acknowledge that Forks may materially affect the value, function, and/or even the name of the cryptocurrencies you store in your Hosted Wallet(s). In the event of a Fork, you understand and acknowledge that Currency Com may temporarily suspend the Services (with or without advance notice to you) while we determine, at our sole discretion, which Forked Network(s) to support.

YOU ACKNOWLEDGE AND HEREBY AGREE THAT CURRENCY COM MAY DETERMINE, IN OUR SOLE

DISCRETION, NOT TO SUPPORT A FORKED NETWORK AND THAT YOU HAVE NO RIGHT, CLAIM, OR OTHER PRIVILEGE TO FORKED ASSET ON SUCH UNSUPPORTED FORKED NETWORK. YOU HEREBY FURTHER AGREE THAT CURRENCY COM MAY, IN OUR SOLE DISCRETION, DETERMINE THE APPROACH TO SUCH FORKED ASSETS, WHICH MAY INCLUDE ABANDONING OR OTHERWISE ELECTING NOT TO SUPPORT SUCH FORKED ASSETS AS PART OF THE SERVICES. YOU UNDERSTAND AND HEREBY ACKNOWLEDGE THAT CURRENCY COM IS UNLIKELY TO SUPPORT MOST FORKED NETWORKS AND THAT MOST FORKED ASSETS WILL LIKELY NOT BE MADE AVAILABLE TO YOU.

8.4 Risks of Cryptocurrency Trading

There are several risks associated with cryptocurrencies and cryptocurrency trading. By accessing and using the Services, you hereby represent and warrant that you have read our Cryptocurrency Risk Disclosure available in the appropriate section of this document, which is incorporated by reference.

9. Cryptocurrency Transactions

9.1 Order Placement

Orders are placed on the Platform through your Account using your Login Credentials. You understand that all Orders to purchase or sell cryptocurrency will be executed in reliance on your promise that an actual purchase or sale is intended, and that Currency Com requires full payment in cleared funds at the time an Order is filled. You further understand and acknowledge that you are not permitted to place an Order to purchase cryptocurrency unless you have enough funds available in your Account, and that you are not permitted to place an Order to sell cryptocurrency unless you have enough cryptocurrency available in your Account.

You understand and acknowledge that Currency Com does not guarantee that an Order you place will be filled, and you further understand and acknowledge that Currency Com reserves the right to cancel any Order or part of an Order, if such Order (i) was placed during a scheduled or unscheduled downtime of Currency Com; (ii) violates the terms of this User Agreement; or (iii) is non-marketable.

9.2 Source of Funds; Destination of Proceeds

Currency Com only authorizes the Cryptocurrency Transactions using funds maintained in your Account. You understand and acknowledge that you are not allowed to use funds that are not owned by you to engage in Cryptocurrency Transactions, and that you are not authorized to engage in Cryptocurrency Transactions on behalf of any third party. You hereby represent and warrant that all funds used by you to engage in Cryptocurrency Transactions (presently and in the future) are owned by you and are not the direct or indirect proceeds of any criminal or fraudulent activity.

9.3 Transaction Limits

You understand and acknowledge that your use of the Services is subject to a limit on volume (in USD terms) that you may transact in a given time period. Such limits may vary, at our sole discretion, depending on a variety of factors, and we may apply higher limits to certain Users at our discretion.

9.4 Transaction Record

When your Order is filled, Currency Com will send you confirmation (a “**Transaction Receipt**”) through the Platform or to your email address associated with your Account. We may choose, at our sole discretion and without prior notice to you, to periodically consolidate Orders into a single Transaction Receipt. Transaction Receipts shall contain the following information: (i) Cryptocurrency Transaction date; (ii) Order type; (iii) trading pair; (iv) amount and U.S. dollar value of cryptocurrency purchased or sold; (v) price information; (vi) fees; (vii) a unique Order identification number; and (viii) any other information we may elect to include at our sole discretion or as required by law.

A record of your Cryptocurrency Transactions (“**Transaction History**”) is available through your Account on the Platform. Transaction History may also be requested by emailing support@currency.com.

Currency Com maintains records of all Cryptocurrency Transactions for a period of five years or as otherwise required by law.

1.1 Right to Offset

In the event that you fail to provide sufficient funds at the time an Order is filled, Currency Com reserves the right, in our sole discretion, to cancel or fill such Order in whole or in part. You understand and acknowledge that if a failure to provide sufficient funds results in an amount due and owing by you to Currency Com (a “**Negative Balance**”), Currency Com shall have the right to (i) charge a reasonable rate of interest on any such Negative Balance; (ii) offset any such Negative Balance, including any accrued interest and consequential losses, by liquidating any cryptocurrency holdings in your Account and transferring the proceeds, up to the value of such Negative Balance, to Currency Com.

9.5 Cancellations

Orders may not be canceled after they are filled.

9.6 Errors

You are solely responsible for reviewing your Transactions Receipts and for monitoring your Transaction History for any errors (or any Potentially Fraudulent Activity, as outlined in Section [6.5](#)). You understand and acknowledge that if you have not received a Transactions Receipt or an Order cancellation notice, you are responsible for notifying us via email at support@currency.com immediately, or at least within 24 hours of placing the Order. You further understand and acknowledge that you are solely responsible for reviewing your Transaction Receipts for accuracy and for notifying us of any suspected errors via email at support@currency.com immediately, or at least within 24 hours of the time any such Transaction Receipt was sent. You hereby waive your right to dispute any Cryptocurrency Transaction unless you notify us of any objections within 24 hours of the time in which the applicable Transaction Receipt was sent.

You understand and acknowledge that Currency Com reserves the right, but has no obligation, to declare null and void a Cryptocurrency Transaction that Currency Com considers to be erroneous (each, an “**Erroneous Transaction**”). You understand and acknowledge that you are responsible for ensuring that the appropriate Order type is submitted when you place an Order to purchase or sell cryptocurrency with Currency Com, and that a simple assertion by you that a mistake was made in entering an Order shall not be sufficient to establish it as an Erroneous Transaction. You further understand and acknowledge that if

Currency Com determines that a given Cryptocurrency Transaction is an Erroneous Transaction, Currency Com may, at our sole discretion, declare it null and void, in whole and in part, even if you do not agree to cancel or modify it, in which case you shall return the cryptocurrency or funds received in the Erroneous Transaction.

9.7 Downtime

Currency Com uses commercially reasonable efforts to provide the Services in a reliable and secure manner. From time to time, interruptions, errors, delays, or other deficiencies in providing the Services may occur due to a variety of factors, some of which are outside of Currency Com's control, and some which may require or result in scheduled maintenance or unscheduled downtime of the Platform or the Services (collectively, "**Downtime**").

You understand and acknowledge that part or all of the Platform or Services may be unavailable during any such period of Downtime, and you acknowledge that Currency Com is not liable or responsible to you for any inconvenience or losses to you as a result of Downtime. Following Downtime, you further understand and acknowledge that the prevailing market prices of cryptocurrency may differ significantly from the prices prior to such downtime.

10. Hosted Wallets

Cryptocurrencies and fiat currency that you deposit and/or obtain from Cryptocurrency Transactions shall be stored as part of the Services in one or more omnibus Hosted Wallets. Currency Com shall track the balance and ownership of cryptocurrencies purchased through the Services and stored in Hosted Wallets, and you understand that you can view the balance of cryptocurrencies in your Account through the Platform.

11. General Terms of Service

11.1 Fees

A schedule of our fees is available at <https://currency.com/crypto/fees>. We reserve the right to make changes to our fees at any time and at our sole discretion. If we make changes, we will post the amended fee schedule at <https://currency.com/crypto/fees>. You are responsible for reviewing the fee schedule each time you access or use our Services. Your continued access to and use of your Account and/or the Services after an amended fee schedule has been posted will constitute your acceptance of the changes.

11.2 Self-Directed Account

You understand and acknowledge that your Account is self-directed, you are solely responsible for any and all Orders placed through your Account, and all Orders entered by you are unsolicited and based on your own investment decisions. You understand and acknowledge that you have not received and do not expect to receive any investment advice from Currency Com or any its Affiliates in connection with your Orders. Notwithstanding anything in this User Agreement, you understand and acknowledge that Currency Com accepts no responsibility whatsoever for, and shall in no circumstances be liable to you in connection with, your decisions. You further understand and acknowledge that under no circumstances will your use of the Services be deemed to create a relationship that includes the provision or tendering

of investment advice. You acknowledge that neither Currency Com, nor any of our Affiliates, nor any of our or our Affiliates' employees, agents, principals, or representatives (i) provide investment advice in connection with this Account, (ii) recommend any cryptocurrencies, Cryptocurrency Transactions, or Orders, or (iii) solicit Orders. To the extent research materials or similar information are available through the Platform, you hereby understand and acknowledge that these materials are intended for informational and educational purposes only and do not constitute a recommendation by Currency Com to enter into any Cryptocurrency Transactions or to engage in any investment strategies.

11.3 Communications

You understand and acknowledge that all notices and communication with you will be through the Platform, your Account, or via an email sent by Currency Com to the email address associated with your Account. To ensure that you receive all of our communications, you agree to keep your email address up-to-date and immediately notify us if there are any changes. Delivery of any communication to the email address associated with your Account is considered valid. If any email communication is returned as undeliverable, we retain the right to block your access to your Account until you provide and confirm a new and valid email address.

11.4 Taxes

You understand and acknowledge that Currency Com does not provide tax or legal advice. You further understand and acknowledge that Currency Com will report Cryptocurrency Transactions and the proceeds from cryptocurrency sales to the Internal Revenue Service to the extent and manner in which so required by law.

11.4.1 U.S. Persons

This subsection is applicable if you are a U.S. person (including a U.S. resident alien) as such term is defined in section 7701(a) of the Internal Revenue Code of 1986, as amended ("**U.S. Person**"). Under penalties of perjury, you hereby certify that the taxpayer identification number that you have provided or will provide to Currency Com in connection with your Account (including any taxpayer identification number on any Form W-9 that you have provided or will provide) is your correct taxpayer identification number.

11.5 Referral Program Terms of Use

11.5.1 Description

The Referral Program allows you to elect to participate in receiving referral rewards together with users you refer to the Services who open an account using a referral code you provide ("**Member**") You may participate in the Referral Program either by referring Users to the Services ("**Affiliate**") or as a Member.

Participation in the Referral Program is entirely at your discretion and is not required to use the Site or our Services.

11.5.2 General Rules

Under the Referral Program, Currency.com may provide you with a unique alphanumeric or other code (the "Referral Code") to distribute to eligible individuals each to become new Users. You acknowledge

and agree that: (a) Currency.com has the right to limit the number of times you may use or share your Referral Code; (b) you have no ownership rights in any form over the Referral Code; (c) Currency.com may reclaim, deactivate, invalidate or terminate your Referral Code at any time at Currency.com sole discretion, and; (d) only registered and verified users are eligible to participate in the Referral program.

You may invite eligible individuals to become new Users by distributing your Referral Code directly and instructing them to input your Referral Code during the sign-up process. Referral Codes should only be used for personal and non-commercial purposes. You must disclose that you are eligible to receive a Referral Reward (defined below) in connection with a use of your Referral Code. Referral Codes should not be published or distributed on commercial websites, and you are prohibited from 'spamming' anyone with referral invitations.

Both you and the User which signed in via the Referral Code needs to spend at least \$100 in U.S. Dollar transactions in order to be eligible to receive a Reward.

11.5.3 Referrer (Member and/or Affiliate) Requirements

In order to be eligible to receive a reward the Referrer/Affiliate needs to share the referral code with at least one, or several referral(s) and spend \$100 USD on any of the cryptocurrencies available on the platform.

11.5.4 Referral Reward

Referral Reward will be in notional \$100 in gross value and can be redeemed directly for any of the cryptocurrencies available on the platform.

Users who have fulfilled all the conditions will be eligible to claim rewards. Notwithstanding, the decision on which cryptocurrency will be awarded to eligible users remains at the sole discretion of Currency Com.

The Referral Reward will be available to the users in the main menu during authorization or in a special referral section, immediately after all the conditions of the Referral Program are satisfied.

Referral Reward should not be deemed as a present, lottery, sweepstake, raffle, gift as all participants will be required to satisfy the eligibility criteria and qualifying terms explained in these Terms & Conditions in order to be eligible to receive a Referral Reward.

You can get up to \$100 notional in cryptocurrency as a reward for every eligible referral.

Referral Reward will be available for withdrawal in accordance with the general Terms of

Use. 11.5.5 Term

Eligible participants in the Referral Program shall have up to 18 months to claim a Reward.

12. Privacy Policy

Please refer to our [Privacy Policy](#) for information about how we collect, use and disclose information about you.

13. Remedies for Breach

In the event that you or your officers, managers, partners, directors, affiliates, employees, independent agents or contractors (collectively, your “Agents”) breach any of your representations, warranties, agreements or covenants set forth in this User Agreement or otherwise fail to comply with the requirements of this User Agreement, any policies of Currency Com, including without limitation, by giving Currency Com inaccurate or incomplete information for any reason, Currency Com will have the right to suspend and/or terminate your Account (as outlined in Section [7.2](#)). You hereby acknowledge that you shall be liable for all damages suffered by Currency Com and its Affiliates resulting from any such breach by you or your Agents. Further, in the event of such breach, Currency Com will have the rights of a secured creditor under all applicable laws with respect to your Account and can recover all damages incurred by Currency Com and its Affiliates by liquidating any or all of the cryptocurrencies and fiat currency held in your Hosted Wallet(s). You hereby acknowledge that Currency Com has sole discretion over what actions, if any, we take in the event of such breach and that we may take such action without prior notice to you. If a breach by you or your Agents involves participation by other parties with Accounts at Currency Com, you and such parties will be jointly and severally liable for all resulting damages to Currency Com and its Affiliates.

You hereby acknowledge and agree that the enumeration in this User Agreement of specific remedies shall not be exclusive of any other remedies that may be available at law or in equity. Any delay or failure by Currency Com to exercise any right, power, remedy or privilege herein contained, or now or hereafter existing under any applicable statute or law (collectively, “**Legal Rights**”) shall not be construed to be a waiver of such Legal Rights, nor to limit the exercise of such Legal Rights, nor shall it preclude the further exercise thereof or the exercise of any other right, power, remedy or privilege.

14. Indemnification

14.1 Indemnification by You

In addition to any other obligations you may have under other provisions of this User Agreement, you hereby agree to indemnify, defend and hold harmless Currency Com, its Affiliates and all of their officers, directors, managers, partners, employees, independent contractors, or agents, (collectively, the “**Currency Com Indemnified Persons**”) from and against all claims, demands, proceedings, suits and actions and all liabilities, losses, expenses, costs (including reasonable legal and accounting fees and expenses), damages, penalties, fines, taxes or amounts due of any kind arising out of, in connection with or relating to (i) the failure of you or your Agents, for any reason, fraudulent or otherwise, to perform or comply with any obligation, agreement or covenant under this User Agreement, the Services, your use of the Services, the Platform, or any other services provided in connection with your Account; (ii) a breach

by you or your Agents of any representation or warranty made by you under this User Agreement or your provision of any inaccurate or incomplete information to any of the Currency Com Indemnified Parties for any reason; (iii) any negligent, dishonest, fraudulent, or criminal act or omission by you or any of your Agents; and (iv) any failure by you or your Agents to comply with any laws, rules or regulations applicable to you or them. Notwithstanding the foregoing, any Currency Com Indemnified Person shall not be entitled under this paragraph to receive indemnification for that portion, if any, of any liabilities and costs which are solely caused by its own individual gross negligence, willful misconduct or fraud, as determined by arbitration in accordance with Section [16](#) below.

14.2 Indemnification Procedures

Upon receipt by any Currency Com Indemnified Person(s) under this Section 14 of notice of the commencement of any action, and if a claim is to be made against you under this Section 14, the Currency Com Indemnified Person(s) will promptly notify you; *provided, however*, that no delay on the part of the Currency Com Indemnified Person(s) in notifying you shall relieve you from any obligation hereunder unless (and then solely to the extent) you thereby are prejudiced. Further, the omission to promptly notify you will not relieve you from any liability that you may have to any Currency Com Indemnified Person(s) otherwise than under this Section 14. In any such action brought against any Currency Com Indemnified Person(s), you will be entitled to participate in and, to the extent that you may wish, to assume the defense thereof, subject to the provisions herein stated, with counsel reasonably satisfactory to such Currency Com Indemnified Person(s). After notice from you to such Currency Com Indemnified Person(s) of your election to assume the defense thereof, you will not be liable to such Currency Com Indemnified Person(s) under this Section 14 for any legal or other expense subsequently incurred by such Currency Com Indemnified Person(s) in connection with the defense thereof other than reasonable costs of investigation or in the case of an actual or potential conflict of interest between you and any Currency Com Indemnified Person(s), identified in writing by counsel to the Currency Com Indemnified Person(s). You shall keep the Currency Com Indemnified Person(s) informed of the status of the defense of such claims, and you will not agree to any settlement without consent of the Currency Com Indemnified Person(s), which consent will not be unreasonably withheld. The Currency Com Indemnified Person(s) shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not, other than in the case of an actual or potential conflict of interest between you and Currency Com Indemnified Person(s), be at your expense if you have assumed the defense of the action with counsel satisfactory to the Currency Com Indemnified Person(s). In the event that the Currency Com Indemnified Person(s) reasonably believes that you are not adequately defending a claim, the Currency Com Indemnified Person(s) will have the right to assume the defense of such claims at your sole expense. You will not settle any action unless such settlement completely and finally releases the Currency Com Indemnified Person(s) from any and all liability and otherwise is acceptable to the Currency Com Indemnified Person(s). Except with your prior written consent, the Currency Com Indemnified Person(s), you may not confess any claim or make any compromise in any case in which you may be required to provide indemnification.

15. Limitation of Liability

YOUR ACCOUNT AT CURRENCY COM, THE SERVICES, YOUR USE OF THE ACCOUNT, THE PLATFORM, AND

ANY OTHER SERVICES PROVIDED TO YOU IN CONNECTION THEREWITH ARE PROVIDED BY CURRENCY COM AND ITS AFFILIATES AND ANY OTHER SERVICE PROVIDERS ON AN “AS IS” AND “AS AVAILABLE” BASIS AND WITHOUT WARRANTY OF ANY KIND, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW. CURRENCY COM DISCLAIMS ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THERE IS NO WARRANTY THAT ANY OF THE SERVICES OR THE PLATFORM, OR ANY DATA OR OTHER INFORMATION PROVIDED TO YOU BY CURRENCY COM OR ITS AFFILIATES OR THROUGH THE PLATFORM WILL FULFILL ANY PARTICULAR PURPOSES OR NEEDS. THERE IS NO WARRANTY THAT THE SERVICES PROVIDED HEREUNDER, OR VIA THE PLATFORM, WILL BE ERROR FREE, UNINTERRUPTED, TIMELY, RELIABLE, COMPLETE OR ACCURATE.

None of Currency Com, its Affiliates nor any of their officers, directors, managers, partners, employees or independent agents or contractors will be liable to you or any of your Affiliates for any losses, expenses (including legal fees and costs), liabilities, damages, costs, demands, obligations, penalties, charges, causes of action, claims, fines, taxes or amounts due of any kind (both known and unknown, absolute or contingent, liquidated or unliquidated, direct or indirect, payable now or payable in the future, accrued or not accrued) (collectively, “Losses”) arising out of, related to or resulting from your Account, the Services or your use of the Services, including without limitation any trading or other activities conducted in the Account, the Platform or your use of the Platform, including without limitation, your sending Orders for the purchase and sale of cryptocurrencies to Currency Com and directing the transfer of funds to Currency Com, and the storage of your cryptocurrencies, except to the extent and only to the extent that your Losses are actual and have been finally determined by a court of competent jurisdiction or arbitration panel to have resulted solely from the gross negligence, intentional misconduct or fraud of Currency Com, its Affiliates or any of their officers, directors, managers, partners, employees or independent agents or contractors. You will not be held liable for such actual Losses that have been finally determined to have resulted solely from the gross negligence, intentional misconduct or fraud of Currency Com, its Affiliates or any of their officers, directors, managers, partners, employees or independent agents or contractors. Further, none of Currency Com, its Affiliates or any of their officers, directors, managers, partners, employees or agents will have responsibility for Losses or have any other liability to you (i) arising out of or resulting from any actions or inactions or performance of services by any third party or actions of other participants in the markets with respect to your Account or the activities conducted through your Account or (ii) arising out of or resulting from system failures, outages, unauthorized access to the Account, conversion of property, errors of any kind, government actions, force majeure events, trading suspensions, or any other causes over which Currency Com does not have direct control. Further, none of Currency Com, its Affiliates or any of their officers, directors, managers, partners, employees or agents shall be liable for any Losses that are not direct damages, including without limitation, indirect, special, incidental, punitive, consequential or exemplary damages, which includes trading losses, lost profits and other lost business opportunities relating to the Account, the Services and your use of the Services, the Platform and your use of the Platform, including without limitation for sending Orders for Cryptocurrency Transactions to Currency Com, directing the transfer of funds to Currency Com and the storage of your cryptocurrencies.

16. Dispute Resolution

16.1 Mandatory Arbitration.

In the event of a dispute between the parties, such dispute shall be settled by arbitration before one arbitrator sitting in San Francisco, California, unless the amount in dispute exceeds \$1,000,000, in which case the arbitration shall be before three independent arbitrators sitting in San Francisco, California.

16.2 Arbitration Disclosure.

ARBITRATION IS FINAL AND BINDING ON THE PARTIES.

THE PARTIES ARE WAIVING THEIR RIGHT TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO JURY TRIAL; PROVIDED, HOWEVER, THAT THE PARTIES RESERVE THE RIGHT TO SEEK PURELY INTERIM OR EQUITABLE RELIEF IN A COURT OF COMPETENT JURISDICTION AS SET FORTH BELOW.

PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED THAN AND DIFFERENT FROM COURT PROCEEDINGS.

THE ARBITRATOR OR ARBITRATION PANEL SHALL ISSUE A REASONED AWARD.

16.3 ARBITRATION AGREEMENT.

EACH PARTY AGREES TO ADVISE THE OTHER PARTY PROMPTLY IN THE EVENT A DISPUTE ARISES BETWEEN THEM (OR ANY OF THEIR AFFILIATES, IT BEING UNDERSTOOD THAT AFFILIATES ARE BOUND BY THIS USER AGREEMENT). THE PARTIES AGREE TO ATTEMPT TO RESOLVE ANY SUCH DISPUTE INFORMALLY BEFORE FILING A FORMAL ACTION. IF A DISPUTE CANNOT BE RESOLVED INFORMALLY WITHIN THIRTY (30) DAYS, AND MEDIATION (DESCRIBED BELOW) FAILS TO RESOLVE THE DISPUTE, EITHER PARTY MAY FILE AN ARBITRATION DEMAND. NOTWITHSTANDING THE FOREGOING, EITHER PARTY MAY FILE AN ARBITRATION DEMAND PRIOR TO SUCH TIME TO COMPLY WITH ANY STATUTE OF LIMITATION OR TIMING REQUIREMENTS TO PRESERVE ITS CLAIMS.

ANY CONTROVERSY, DEMAND, CAUSE OF ACTION, WHETHER IN TORT, CONTRACT, BY STATUTE OR OTHERWISE, BETWEEN YOU AND CURRENCY COM (OR ITS AFFILIATES) INCLUDING THOSE ARISING OUT OF OR RELATING TO THIS USER AGREEMENT, THE ACCOUNT, ANY ACTIVITIES IN THE ACCOUNT, INCLUDING WITHOUT LIMITATION, ANY USE OF THE SERVICES, USE OF THE PLATFORM, THIRD PARTY SERVICES, SENDING ORDERS FOR THE PURCHASE OR SALE OF CRYPTOCURRENCIES, AND THE STORAGE OF YOUR CRYPTOCURRENCIES, SHALL BE EXCLUSIVELY, FULLY AND FINALLY RESOLVED BY BINDING ARBITRATION PURSUANT TO THE JAMS COMPREHENSIVE ARBITRATION RULES AND PROCEDURES (INCLUDING THE EXPEDITED PROCEDURES FOR SUCH RULES IF THE MATTER IS ARBITRATED BY A SINGLE ARBITRATOR). THE ARBITRATION WILL BE HELD IN SAN FRANCISCO, CALIFORNIA, UNLESS SUCH LOCATION IS NOT CONVENIENT, THE ARBITRATION WILL BE HELD IN THE COUNTY OF YOUR RESIDENCE. ARBITRATION MUST BE COMMENCED BY SERVICE UPON THE OTHER PARTY OF A WRITTEN DEMAND FOR ARBITRATION OR A WRITTEN NOTICE OF INTENTION TO ARBITRATE. THE MATTER SHALL BE DECIDED BY ONE INDEPENDENT ARBITRATOR, UNLESS THE AMOUNT IN DISPUTE IS IN EXCESS OF \$1,000,000, THEN THE ARBITRATION SHALL BE DECIDED BY A PANEL OF THREE INDEPENDENT ARBITRATORS, ONE CHOSEN BY CURRENCY COM, ONE CHOSEN BY YOU AND THE THIRD CHOSEN BY THE FIRST TWO ARBITRATORS. THE ARBITRATOR(S) SHALL HAVE INDUSTRY RELATED EXPERIENCE. THE ARBITRATOR(S) SHALL APPLY THE SUBSTANTIVE LAW OF THE STATE OF DELAWARE WITHOUT GIVING EFFECT TO ANY CONFLICT OF LAWS PRINCIPLES THAT MAY APPLY. THE ARBITRATION ITSELF SHALL BE GOVERNED BY FEDERAL ARBITRATION

ACT 9 USC §1 ET. SEQ. AND JUDGMENT UPON THE AWARD MAY BE ENTERED BY ANY COURT HAVING COMPETENT JURISDICTION. THE ARBITRATOR OR PANEL SHALL ISSUE A REASONED AWARD. CURRENCY COM SHALL BE RESPONSIBLE FOR THE COSTS OF THE ARBITRATION AND THE PARTIES OWN LEGAL FEES AND COSTS, UNLESS CURRENCY COM IS THE PREVAILING PARTY, IN WHICH CASE YOU WILL PAY ONE-HALF OF THE COSTS OF THE ARBITRATION AND YOUR LEGAL FEES AND COSTS. THE ARBITRATORS SHALL BE SPECIFICALLY AUTHORIZED TO AWARD LEGAL FEES AND COSTS OF ARBITRATION TO THE PREVAILING PARTY. THE DUTY TO ARBITRATE DESCRIBED HEREIN SHALL SURVIVE THE TERMINATION OF THIS USER AGREEMENT. THE PARTIES HEREBY WAIVE TRIAL IN A COURT OF LAW OR BY JURY.

ALL ARBITRATION CLAIMS WILL BE BROUGHT ON AN INDIVIDUAL BASIS AND YOU WAIVE ANY RIGHTS YOU HAVE TO PARTICIPATE IN A CLASS ACTION RELATING TO ANY MATTERS DESCRIBED IN THIS DISPUTE RESOLUTION SECTION.

ANY DISPUTE REQUIRING INJUNCTIVE OR OTHER EMERGENCY EQUITABLE RELIEF MAY BE BROUGHT DIRECTLY TO A COURT OF COMPETENT JURISDICTION. THE PARTIES SUBMIT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE STATE OR FEDERAL COURT LOCATED IN SAN FRANCISCO, CALIFORNIA FOR ANY SUIT SEEKING INTERIM OR INJUNCTIVE RELIEF OR TO CONFIRM AND EXECUTE UPON THE AWARD. YOU HEREBY AGREE TO SUCH EXCLUSIVE JURISDICTION AND VENUE AND WAIVE ANY RIGHTS YOU MAY HAVE TO CLAIM THAT THE FORUM IS NOT CONVENIENT AND OTHER CLAIMS TO INVALIDATE SUCH JURISDICTION.

BEFORE COMMENCING AN ACTION IN ARBITRATION, THE PARTIES SHALL PROMPTLY SUBMIT ANY DISPUTE THAT THEY HAVE FAILED TO PROMPTLY RESOLVE TO MEDIATION BEFORE JAMS IN SAN FRANCISCO, CALIFORNIA OR AT A LOCATION AGREED TO BY THE PARTIES, THE PARTIES SHALL JOINTLY SELECT THE MEDIATOR, OR IF THE PARTIES ARE UNABLE TO AGREE UPON A MEDIATOR, THEN THE DISPUTE SHALL BE SUBMITTED TO NON-BINDING MEDIATION BEFORE JAMS. IF THE PARTIES ARE UNABLE TO ACHIEVE A MUTUALLY AGREEABLE RESOLUTION OF THE DISPUTE THROUGH MEDIATION WITHIN 60 DAYS AFTER COMMENCEMENT OF MEDIATION PROCEEDINGS, THE PARTIES HEREBY AGREE TO SUBMIT THEIR DISPUTE TO BINDING ARBITRATION DESCRIBED ABOVE. NOTWITHSTANDING THE FOREGOING, EITHER PARTY MAY FILE AN ARBITRATION DEMAND AT ANY TIME TO COMPLY WITH ANY STATUTE OF LIMITATION OR TIMING REQUIREMENTS TO PRESERVE ITS CLAIMS.

17. Governing Law and Venue

You hereby agree that this User Agreement and your access to and use of the Services will be governed by and construed and enforced in accordance with the laws of the state of Delaware, without regard to conflict of law rules or principles (whether of the state of Delaware or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. Any dispute between the parties arising out or relating to this User Agreement that is not subject to arbitration or cannot be heard in small claims court will be resolved in the state or federal courts of the state of California and the United States, respectively, sitting in San Francisco county, California.

18. Legal

18.1 Regulation

Currency Com is registered with the U.S. Department of Treasury Financial Crimes Enforcement Network

("FinCEN") as a money services business ("MSB"). As a registered MSB, Currency Com is subject to the Bank Secrecy Act and its implementing regulations (collectively, the "BSA") which set out the requirements imposed upon financial institutions to implement policies and procedures reasonably designed to detect and prevent money laundering and terrorist financing. You understand and acknowledge that your access to and use of the Services is subject to compliance with Currency Com's AML Program.

You understand and acknowledge that Currency Com is not a registered broker-dealer and is not a member of the Financial Industry Regulatory Authority ("FINRA") or the Securities Investor Protection Corporation ("SIPC"). You further understand and acknowledge that your cryptocurrency holdings are not protected by the Federal Deposit Insurance Corporation ("FDIC") or SIPC, or any other insurance.

18.2 Compliance with Applicable Laws

Cryptocurrency Transactions are subject to applicable laws, regulations, and rules of federal and state governmental and regulatory authorities (collectively, "Applicable Laws"). You understand that compliance with Applicable Laws may include compliance with any guidance or direction of any regulatory authority or government agency, any writ of attachment, lien, levy, subpoena, warrant, or other legal order (collectively, "Legal Orders").

You understand and acknowledge that in no event will Currency Com be obligated to affect any Cryptocurrency Transaction that we believe would violate any Applicable Law. You further understand and acknowledge that Currency Com is not responsible for any losses, whether direct or indirect, that you may incur as a result of Currency Com's good faith efforts to comply with any Applicable Law, including any Legal Order.

18.3 State Licenses and Disclosures

Currency Com is required to maintain licenses to engage in money transmission activities in certain states, and these license requirements may impact our provision and your use of certain Services depending on where you live. A list of Currency Com licenses and corresponding required disclosures can be found at <http://currency.com/crypto>, which is incorporated by reference.

Alaska

For Alaska Residents Only (in accordance with AS 06.55.810):

If your issue is unresolved by Currency Com US LLC (d/b/a/ currency.com) with phone number 888-578-4155 or email crypto@currency.com, please submit formal complaints with the State of Alaska, Division of Banking & Securities.

Please download the form here:

<https://www.commerce.alaska.gov/web/portals/3/pub/DBSGeneralComplaintFormupdated.pdf>

Submit formal complaint form with supporting documents: Division of Banking & Securities PO Box 110807 Juneau, AK 99811-0807 If you are an Alaska resident with questions regarding formal complaints, please email us at dbs.licensing@alaska.gov or call Nine Zero Seven Four Six Five Two Five Two One.

Florida

If you have a complaint, please contact Currency Com US LLC at 1-888-578-5155 or crypto@currency.com. If you still have an unresolved complaint regarding Currency Com US LLC's money transmission activity, you may file it by contacting the Florida Office of Financial Regulation at:

Online: <https://flofr.gov/sitePages/FileAComplaint.htm>. To file your complaint, you will need to register electronically through Online Services. A valid email address is required.

Florida Office of Financial Regulation - Consumer Finance

200 E. Gaines Street, Tallahassee, FL 32399-0376

850-487-9687

FL Office of Financial Regulation Complaint Portal: <https://flofr.gov/sitePages/FileAComplaint.htm>

Georgia

Licensed by The Georgia Department of Banking and Finance. (Lic. # 2073665 / NMLS# 2073665).

If you have a complaint, please contact Currency Com US LLC at 888-578-4155 or crypto@currency.com.

If you still have an unresolved complaint regarding Currency Com US LLC's money transmission activity, you may file it by contacting the Georgia Department of Banking and Finance - Consumer Resources: <https://consumer.georgia.gov/resolve-your-dispute/how-do-i-file-complaint>

Kansas

If you have a complaint, please contact Currency Com US LLC at 888-578-4155 or crypto@currency.com. If you still have an unresolved complaint regarding Currency Com US LLC's money transmission activity, you may file it by contacting the Office of the State Bank

Commissioner. If submitting electronically, submit your complaint here:

<https://www.osbckansas.org/consumers/file-a-complaint/>

Mail or fax the completed consumer assistance form and attachments to:

- Kansas Office of the State Bank Commissioner
- Attn: Consumer Affairs
- 700 SW Jackson St, Suite 300

- Topeka, KS 66603
- Fax: (785) 371-1229
- Email: complaints@osbckansas.org

Virginia

Currency Com US LLC is licensed by the Virginia State Corporation Commission as a money transmitter, but such a license does not cover the transmission of virtual currency (Bitcoin).

Bureau of Financial Institutions

State Corporation Commission

1300 East Main Street, Suite 800

P.O. Box 640 Richmond, Virginia 23218-0640 19

Cryptocurrency Risk Disclosures

There are several risks associated with cryptocurrencies and cryptocurrency trading. By accessing and using the Services, you hereby represent and warrant that you have read the following Cryptocurrency Risk Disclosures.

1. Unique Features of Cryptocurrencies.

Cryptocurrencies are not legal tender in the United States and have no intrinsic value. The price of cryptocurrencies is based on the agreement of the parties to a transaction, which may or may not be based on the market value of the cryptocurrency at the time of the transaction.

2. Price Volatility.

The price of a cryptocurrency is based on the perceived value of the cryptocurrency and subject to changes in sentiment, which make these products highly volatile. Certain cryptocurrencies have experienced daily price volatility of more than 20%.

3. Valuation and Liquidity.

Cryptocurrencies can be traded through privately negotiated transactions and through numerous cryptocurrency exchanges and intermediaries around the world, each with its own pricing mechanism and/or order book. The lack of a centralized pricing source poses a variety of valuation challenges. In addition, the dispersed liquidity may pose challenges for market participants trying to exit a position, particularly during periods of stress.

4. Cybersecurity.

The cybersecurity risks of cryptocurrencies and related “wallets” or spot exchanges include hacking vulnerabilities and a risk that publicly distributed ledgers may not be immutable. A cybersecurity event could result in a substantial, immediate and irreversible loss for market participants that trade cryptocurrencies. Even a minor cybersecurity event in a cryptocurrency is likely to result in downward price pressure on that product and potentially other cryptocurrencies.

5. Opaque Spot Market.

Cryptocurrency balances are generally maintained as an address on the blockchain and are accessed through private keys, which may be held by a market participant or a custodian. Although cryptocurrency transactions are typically publicly available on a blockchain or distributed ledger, the public address does not identify the controller, owner or holder of the private key. Unlike bank and brokerage accounts, cryptocurrency exchanges and custodians that hold cryptocurrencies do not always identify the owner. The opaque underlying or spot market poses asset verification challenges for market participants, regulators and auditors and gives rise to an increased risk of manipulation and fraud, including the potential for Ponzi schemes, bucket shops and pump and dump schemes, which may undermine market confidence in a cryptocurrency and negatively impact its price.

6. Cryptocurrency Exchanges, Intermediaries and Custodians.

Cryptocurrency exchanges, as well as other intermediaries, custodians and vendors used to facilitate cryptocurrency transactions, are relatively new and largely unregulated in both the United States and many foreign jurisdictions. The opaque underlying spot market and lack of regulatory oversight creates a risk that a cryptocurrency exchange may not hold sufficient cryptocurrencies and funds to satisfy its obligations and that such deficiency may not be easily identified or discovered. In addition, many cryptocurrency exchanges have experienced significant outages, downtime and transaction processing delays, flash crashes, and may have a higher level of operational risk than regulated futures or securities exchanges.

7. Regulatory Landscape.

Cryptocurrencies currently face an uncertain regulatory landscape in the United States and many foreign jurisdictions. In the United States, cryptocurrencies are not subject to federal regulatory oversight but may be regulated by one or more state regulatory bodies. In addition, many cryptocurrency derivatives are regulated by the CFTC, and the SEC has cautioned that many initial coin offerings are likely to fall within the definition of a security and subject to U.S. securities laws. One or more jurisdictions may, in the future, adopt laws, regulations or directives that affect cryptocurrency networks and their users. Such laws, regulations or directives may impact the price of cryptocurrencies and their acceptance by users, merchants and service providers.

8. Technology.

The relatively new and rapidly evolving technology underlying cryptocurrencies introduces unique risks. For example, a unique private key is required to access, use or transfer a cryptocurrency on a blockchain or distributed ledger. The loss, theft or destruction of a private key may result in an irreversible loss. The ability to participate in forks could also have implications for investors. For example, a market participant holding a cryptocurrency position through a cryptocurrency exchange may be adversely impacted if the exchange does not allow its customers to participate in a fork that creates a new product.

9. Transaction Fees.

Many cryptocurrencies allow market participants to offer miners (i.e., parties that process transactions and record them on a blockchain or distributed ledger) a fee. While not mandatory, a fee is generally necessary to ensure that a transaction is promptly recorded on a blockchain or distributed ledger. The amounts of these fees are subject to market forces and it is possible that the fees could increase substantially during a period of stress. In addition, cryptocurrency exchanges, wallet providers and other custodians may charge high fees relative to custodians in many other financial markets.