

DISCLOSURES REQUIRED BY FINRA RULE 4311

Coinbase Capital Markets Corporation (“CCM”), the firm with which you opened your securities Account(s), arranges for clearing, execution, settlement, and custodial services for your Account(s) with Apex Clearing Corporation (“Apex” of the “Carrying Broker”). CCM will introduce your Account(s) to the Carrying Broker, who will provide certain operational services, such as clearing and settling all transactions for your Account(s) on a fully-disclosed basis and is responsible for the clearance, settlement and maintenance of books and records related to all transactions for your Account(s). Such operational services are provided pursuant to a written clearing agreement between CCM and the Carrying Broker. As a member of the Financial Industry Regulatory Authority (FINRA), CCM is required to disclose to you the responsibilities allocated to CCM and the Carrying Broker under the clearing agreement.

Responsibilities of the Introducing Broker - CCM

CCM has the responsibility to:

- o Approve the opening of your Account(s);
- o Obtain necessary documentation to help fight the funding of terrorism and money laundering activities; (Note: U.S. law and international best practices require firms to obtain, verify, and record information that identifies each person who opens an Account; this information may be used to perform a credit check and verify your identity through internal sources or third-party vendors);
- o Service and supervise your Account(s) in accordance with CCM policies and procedures and applicable laws, regulations, and rules;
- o Know you and your stated investment objectives;
- o Obtain for the Carrying Broker the initial margin as required by Regulation T if a relevant account is opened for you;
- o Accept securities orders from you;
- o Know the transaction details regarding any orders for the purchase or sale of securities in your Account(s);
- o Correctly identify and promptly forward to the Carrying Broker cash or securities intended for your Account(s);
- o Supervise the activities of any CCM personnel who service your Account(s);

- o Accept reorganization and voting instructions with respect to securities held in custody with the Carrying Broker;
- o Investigate any complaints regarding the handling of your Account(s); and
- o Manage its ongoing relationship with you.

The Carrying Broker assumes no responsibility for the above matters to the extent CCM exercises its responsibility for them.

Responsibilities of the Carrying Broker - Apex

The Carrying Broker has the responsibility to:

- o Process orders for the purchase, sale or transfer of securities;
- o Receive and deliver cash and securities;
- o Record such receipts and deliveries according to information provided by CCM;
- o Hold securities and cash in custody (after they come into the Carrying Broker's physical possession or control);
- o Perform the services required in connection with acting as custodian for securities
- o Collect and disburse proceeds from sales, dividends, interest, and other income earned from the securities in your Account(s);
- o Process reorganization and voting instructions with respect to securities held in custody;
- o Prepare and transmit confirmations of trades for you;
- o Prepare and transmit periodic account statements to you;
- o Provide CCM with written reports of all transactions processed for your Account(s) to enable CCM to carry out its responsibilities under the clearing agreement; and
- o Assist you and CCM with any discrepancies or errors that may occur in the processing of transactions.

CCM assumes no responsibility for the above matters to the extent the Carrying Broker exercises its responsibility for them.

The Carrying Broker maintains the books and records required by law and business practice. The clearing agreement between CCM and the Carrying Broker does not encompass transactions in investments other than marketable securities, which the Carrying Broker normally processes on recognized exchanges and over-the-counter markets. In furnishing services under the clearing

agreement, the Carrying Broker may use and rely upon the services of clearing agencies, automatic data processing vendors, proxy processing vendors, transfer agents, securities pricing services, and other similar organizations.

This document addresses the basic allocation of functions regarding the handling of your Account(s). It is not meant as a definitive enumeration of every possible task for which CCM or the Carrying Broker would be responsible under the clearing agreement, but only as a general disclosure.

The Carrying Broker does not control, audit, or otherwise supervise the activities of CCM or its associated persons. The Carrying Broker does not verify information provided by CCM regarding your Account(s) or transactions processed for your Account(s). The Carrying Broker does not undertake responsibilities for reviewing the appropriateness of transactions entered by your firm on your behalf. CCM has a duty to report to the Carrying Broker any erroneous transaction detail it identifies in reports provided by the Carrying Broker.