

## **Use of Services and Risk Disclosure Statement**

It is important that you read and fully understand the following risks of trading and investing in your self-directed Carta Capital Markets, LLC (“CCMX”) brokerage account (the “Account”). It is very important that every customer of CCMX (“Customer”) understands all of the risks of any form of trading or investing prior to trading or investing real dollars.

All Accounts are self-directed by Customers. Accordingly, Customers are solely responsible for any and all orders placed in their Accounts and understand that all orders entered by them are unsolicited and based on their own investment decisions or the investment decisions of their duly authorized representative or agent.

Any Customer of CCMX agrees that neither CCMX nor any of its affiliates, employees, agents, principals or representatives: 1) provide investment advice in connection with an Account; 2) recommend any security, transaction or order; 3) solicit orders; 4) act as a market maker in any security; 5) make discretionary trades; 6) produce or provide research; nor 7) provide legal, tax or accounting advice.

To the extent that disclosure materials pertaining to an issuer or an issuer’s performance or similar information is available through CCMX’s website, CCMX’s platform, or the websites or platforms of any CCMX affiliates, these materials are intended for informational and educational purposes only and they do not constitute a recommendation to enter into any securities transactions or to engage in any investment strategies.

CCMX encourages its Customers to invest carefully and to leverage the resources made available on the websites of the SEC at <http://www.sec.gov> and FINRA at <http://FINRA.org>.

All securities trading, whether in stocks, exchange-traded funds, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss. An investment in private company securities is highly speculative and involves a high degree of risk and should only be considered a long-term investment. Customers must be prepared to withstand a total loss of their investment. Before investing in such securities, Customers must determine whether this type of trading strategy is right for them given their specific investment objectives, experience, risk tolerance, and financial situation. Be aware that stock investments are not federally insured against a loss in market value. CCMX may, in certain instances, facilitate trading in securities which meet the definition of penny stocks. The term “penny stock” generally refers to a security issued by a very small company that trades at less than \$5 per share and is either quoted over-the-counter, such as on the OTC Bulletin Board or the Pink OTC Markets Inc, or is a private company with no active trading market.

Private company securities are also highly illiquid and there is no guarantee that a market will develop for such securities. Each investment also carries its own specific risks and Customers should complete their own independent due diligence regarding the investment, including obtaining additional information about the company, opinions, financial projections and legal or other investment advice. Past performance is not necessarily indicative of future results. By investing their money in securities through CCMX, Customers are taking full responsibility for all trading actions, and should make every effort to understand the risks involved.

Customers should be aware that investments in stock issued by a company with little or no operating history or published information involves greater risk than investing in a public company with an operating history and extensive public information.

Be aware that stock owned may be subject to tender offers, mergers, reorganizations, or third-party actions that can affect the value of your ownership interest. Customers should pay careful attention to any announcements and information sent to them about such transactions as they involve complex investment decisions. Customers should be sure they fully understand the terms of any offer to exchange or sell their



shares before they act. In some cases, such as partial or two-tier tender offers, failure to act can have detrimental effects on Customer investments.

For transactions occurring on CartaX, CCMX does not support sending traditional market orders. Instead, orders must be submitted within defined parameters specific to the transaction, which are made available to buyers and sellers to order entry. Customers can review disclosures pertaining to the private companies in connection with the transaction through their Accounts.