



**November 10, 2022**

## **Bosonic's Appeal to Digital Asset Leaders – Please Stop Taking Unnecessary Counterparty Risk**

To all the investors, retail and institutional, who are affected by the FTX Exchange and related Alameda Market Maker failures, I am deeply troubled by what you are going through because I believe this was avoidable.

Without diminishing the challenges many are facing, I am proud to report that Bosonic clients trading with FTX have not had any risk of loss or frozen withdrawals. Without diminishing the challenges many are facing, I am proud to report that Bosonic clients trading with FTX have not had any risk of loss or frozen withdrawals. Bosonic's clients provably own any assets FTX owes them in real-time on-chain at the custodian level and can withdraw their assets any time directly from their custodian. Only with our solution does FTX NOT have custody or control of our clients' tradable assets.

It's important to stress that Bosonic has spent 7 years building infrastructure for trading in Digital Assets in order to protect you and your clients from these very losses.

Bosonic has been leading the way and showing the market why counterparty risk needs to be front and center, while building our technology as real institutional infrastructure. From the day I founded Bosonic, eliminating risk and removing friction has been, and still is, our vision. We have never deviated, and having started on this journey some time ago, our mission has been successful and it is now more valid and more important than ever.

Since we launched, our clients and partners on the Bosonic Network have never had to worry about counterparty or asset risk, and we have enabled total peace of mind during this latest crisis with FTX. We have removed any concerns about asset safety, bilateral risk or counterparty exposure by perfecting a multi-custodial blockchain-based solution where no one

ever has to post collateral at exchanges, accept counterparty credit risk or worry about 'who goes first' settlement.

For those who are not already benefiting from Bosonic's ability to eliminate the biggest and most critical risks in the Digital Asset market, please take a minute to really understand this message. Our solution is the one solution that one day could save your business, your reputation and/or your client relationships. Here are the benefits:

1. Keep your assets in your own account at any regulated custodian
2. Trade on any Exchange without opening accounts at, or funding assets on, the Exchange
3. Trade with any Market Maker without unsecured bilateral credit or bilateral settlement where someone has to send assets first
4. Trade with any Buy Side or Sell Side firm with no credit risk or settlement risk
5. Trade the best liquidity in the aggregate without pre-allocation and with multilateral netting in real-time – and automated net settlement movements at the custodian
6. Trade cross-custodian atomically with custodian-to-custodian atomic net settlement movements
7. Trade without being fully funded using a Repo Lending Market without introducing trading counterparty credit or settlement risk
8. Custodians, Exchanges and Market Makers can join the Bosonic Network without cost
9. Traders can execute directly with each other or over any third-party platform or matching engine

Many crypto exchanges and trading firms are putting out communications saying they had minimal exposure to FTX and Alameda and touting their "risk management skills". If they are not leveraging Bosonic technology, they and their clients simply got lucky – again. Something has got to change.

Regulators will eventually force this change, but I think we as an industry can and must do better. If you are an investor or other market participant, we urge you to do your part to increase the integrity of the global Digital Asset ecosystem by using regulated and highly transparent custodians and explaining to your counterparties how you require them to face you to win your business.

You can completely eliminate counterparty credit and settlement risk. Tell your custodians. Tell your exchanges. Tell your market makers. Tell your brokers. Tell the hedge funds you allocate to. Tell them to meet you on Bosonic.

Ask Bosonic to meet with your leadership team to show you how we solve these problems without being a counterparty to any trades and without any dependency on a centralized balance sheet. Let's work together to make the global Digital Assets ecosystem safe for retail and institutional participants.

Rosario Ingargiola  
CEO/Founder