The formation of DrawBridge Lending was based around the idea of myself and my partners, believing that the marketplace needed a safe and secure way for commercial and high net worth individuals to take loans against their secured crypto collateral. We determined that there were some safeguards that needed to be put in place if we were to develop a lending business around that.

Our coin is always, in any of our products, held at a custodian. We feel it's very necessary that it is safe for the borrower, a lender, or an investor. We have non-recourse loans because we use option overlays to actually protect lender capital that's invested in the marketplace, and to provide the borrower with a lower interest rate. The borrower in the marketplace and the lending side is not ever going to have a margin call, as the asset varies particularly to the downside.

So as an asset goes down, a loan to value changes, we will not call their client for any kind of margin call because of the non-recourse nature and the hedging that's been deployed. As a coin sits in custody, rehypothecation, it would normally mean that somebody could take that coin and loan it out to somebody else - and create some other interest rate. And somebody could loan that out, before you know it there's a daisy chain of that coin floating around on the marketplace to where the actual owner of it has no idea where it's at or when he can get it back in whatever fashion. So these are very important things that we stand up for in our business model: safety, custody, non-rehypothecation, non-recourse, no margin call.

So DrawBridge Lending has three lending products: we've got our commercial lending product, which has basically been built for the institutional or commercial user, we deploy option strategies to protect lender capital and to provide a lower interest rate for the borrower. Coin is held at custody, it is not re-hypothecated. There is no margin call and they're non-recourse loans. We've also got hybrid loans that we provide. The first of the hybrid loan is for Bitcoin IRA holders. So we are the only firm, that we know of, in the business right now that can actually create a loan for a IRA that has Bitcoin as collateral. And then lastly, we have an investment product loan to where it's more of a six-month tenor in nature. Where a person with Bitcoin can leverage that Bitcoin by taking a loan out, for a ridiculously low interest rate of sub 1 percent, and can then direct that money into a variety of different programs. We've got partner programs that offer Investment Services. And also we've got our own digital asset investment programs, our MAP program, which is a Bitcoin managed account program and our series fund.

Our series fund is very similar to our lending product. Rather than paying the lender the interest rate that originated in a loan to a borrower, the monies that we create from the marketplace and from the trading activity that we do, the hedging and the call selling, gets paid in interest to the coin holder in custody. We're basically just repurposing money that is created from the options market into a yield, an enhanced yield, for somebody that's holding coin. And it's one way for them to gain interest in their custody account without rehypothecating their coin. It sits in a very secure and safe place which again is back to the premise of how we build this business.

Utilizing the exchange products, we develop a CTA product where an individual and/or commercial user that uses futures markets only, can gain exposure to bitcoin and then do a collar or call over right around that long Bitcoin Futures. Very similar to our series fund where it's a yield enhancing product, the client gains exposure to the marketplace, has risk up and down in the marketplace, but we're producing and enhancing yield for that risk that he takes in the exposure.

It's an interesting team because we all have specializations in different things. You've got a legal expert, we've got an operational CFO expert, we've got a training expert and we've got a client relationship, marketing, brokerage execution expert. People are starting to listen to our story.

And they're starting to understand safety, non-rehypothecation, non-recourse, all the buzz words that are so important to building the business that we want to build.

Risk Disclosure Statement:

The risk of loss in trading commodity interests can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition.

In considering whether to trade or to authorize someone else to trade for you, you should be aware of the following: if you purchase a commodity option you may sustain a total loss of the premium and of all transaction costs. If you purchase or sell a commodity futures contract or sell a commodity option or engage in off-exchange foreign currency trading you may sustain a total loss of the initial margin funds or security deposit and any additional funds that you deposit with your broker to establish or maintain your position. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the requested funds within the prescribed time, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account. Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market makes a “limit move. ”The placement of contingent orders by you or your trading advisor, such as a “stop-loss” or “stop-limit” order, will not necessarily limit your losses to the intended amounts, since market conditions may make it impossible to execute such orders. A “spread” position may not be less risky than a simple “long” or “short” position. The high degree of leverage that is often obtainable in commodity interest trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains. In some cases, managed commodity accounts are subject to substantial charges for management and advisory fees. It may be necessary for those accounts that are subject to these charges to make substantial trading profits to avoid depletion or exhaustion of their assets. The disclosure document contains a complete description of each fee to be charged to your account by the commodity trading advisor. This brief statement cannot disclose all the risks and other significant aspects of the commodity interest markets. You should therefore carefully study the disclosure document and commodity interest trading before you trade, including the description of the principal risk factors of this investment, in the disclosure document.

Key Disclaimer: Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. DrawBridge Lending, LLC has had little or no experience in trading actual accounts for itself of for customers. Because there are (little or) no actual trading results to compare to the hypothetical results, customers should be particularly wary of placing undue reliance on these hypothetical performance results.

Virtual Currency Disclosure:

DrawBridge Lending is a member of the national futures association (NFA) and is subject to NFA'S regulatory oversight and examinations. DrawBridge Lending has engaged or may engage in underlying or spot virtual currency transactions in its commodity pool. Although NFA has jurisdiction over DrawBridge Lending and its commodity pool, you should be aware that NFA does not have regulatory oversight authority for underlying or spot market virtual currency products or transactions or virtual currency exchanges, custodians or markets. You should also be aware that given certain material characteristics of these products, including lack of a centralized pricing source and the opaque nature of the virtual currency market, there currently is no sound or acceptable practice for NFA to adequately verify the ownership and control of a virtual currency or the valuation attributed to a virtual currency by DrawBridge Lending. One or more jurisdictions may, in the future, adopt laws, regulations or directives that affect virtual currency networks and their users. Such laws, regulations or directives may impact the price of virtual currencies and their acceptance by users, merchants and service providers. The relatively new and rapidly evolving technology underlying virtual currencies introduces unique risks. For example, a unique private key is required to access, use or transfer a virtual currency 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 virtual currency position through a virtual currency exchange may be adversely impacted if the exchange does not allow its customers to participate in a fork that creates a new product. Many virtual currencies 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, virtual currency exchanges, wallet providers and other custodians may charge high fees relative to custodians in many other financial markets