

## TERMS OF USE

Effective Date: April 26, 2019

Welcome to ShortHop.com, which is operated by Velocity Platform, LLC (“Velocity,” “we,” “us” or “our”). These Terms of Use (the “Terms”) are a binding contract between you and Velocity, and govern your use of any Velocity website(s), products, services and applications, including but not limited to our ShortHop digital asset exchange platform (“ShortHop”) that allows for execution of digital asset trades as well as all tools, features, and services provided on or through our platform (collectively, the “Services”). For the avoidance of doubt, the use of the term “Velocity” in these Terms includes ShortHop.

By accessing any Velocity website, ShortHop or any of the Services, by signing up for an account with Velocity, or by clicking “Agree” when prompted, you agree that you have read, understood and accepted all of the Terms, as well as [Velocity’s privacy policy (the “Privacy Policy”)](/terms/privacy-policy) governing the Services. If any term or condition of the Terms is unacceptable to you, please do not visit, access, or use the Services.##

In addition, and as set forth further below, if you choose to use certain Services on ShortHop, you not only agree to Velocity’s Terms, but also to the Terms of Service for SynapseFI, Inc. (“SynapseFI”), Velocity’s backend software provider and a partner of Evolve Bank & Trust (“Evolve”), member FDIC and provider of certain banking services for Velocity on ShortHop.

**NOTICE: Please read these Terms and the Privacy Policy carefully as they govern your use of the Services. These Terms contain important information, including a [binding arbitration provision](/terms/terms-of-use#arbitration-agreement) and a [class action waiver](/terms/terms-of-use#class-action-waiver), both of which impact your rights as to how disputes are resolved.**

**Trading and holding digital assets involve significant risks and potential for financial loss, including the loss of all value of the digital assets. You should therefore carefully consider whether trading or holding digital assets is suitable for you in light of your financial condition. By using the Services, you acknowledge and agree that you are aware of, and assume, all risks associated with trading digital assets, including but not limited to the risks listed below in “[Risk Factors]”(/terms/terms-of-use#risk-factors), and you are solely responsible for conducting your own independent analysis of the risks specific to digital assets and the Services. Velocity is not responsible or liable for any such risks or adverse outcomes.**

### 1. AGREEMENT CONDITIONS

Velocity reserves the right to, in its sole discretion, change, amend or modify the Terms at any time. Velocity will notify you of any changes in any number of ways: updating the Terms on the [ShortHop website](https://shorthop.com), sending you an email notifying you of the changes, updating the “Effective Date” at the top of the Terms and/or by another means. By clicking an “Agree” button presented with the amended Terms or by continuing to access or use any of the Services after a revision to the Terms, you confirm your agreement to the amended Terms.

If you do not agree with any changes to the Terms at any time, you should **NOT** click “Agree” if prompted to do so or continue to access or use any of the Services. Accessing or using the Services in any way following a communicated change to the Terms indicates your acceptance of the amended Terms.

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For transactions or trades involving U.S. dollars (“fiat”), SynapseFI is our backend software provider, and a partner of Evolve which, as noted above, provides certain banking services for Velocity on the ShortHop platform. SynapseFI’s API and SynapseFI’s relationship with Evolve enable us to offer the various banking services and products described further below. As noted, by agreeing to Velocity’s Terms and its Privacy Policy, you also agree to SynapseFI’s [Terms of Services](<https://synapsefi.com/tos-evolve>), its [Privacy Policy](<https://synapsefi.com/privacy>), and its [additional policies](<https://synapsefi.com/legal>).

In certain states, certain SynapseFI services are not required for transactions involve fiat currency. For more information about the states in which SynapseFI and Evolve provide banking services, click [here](<https://synapsefi.com/legal>).

## **2. ELIGIBILITY**

By registering for a ShortHop Account (defined below), you represent and warrant that you (a) are at least 18 years of age or of legal age to form a binding contract under applicable law; (b) are an individual, legal person or other organization with full legal capacity and authority to enter into these Terms; and (c) have not previously been suspended or removed from using our Services.

Velocity maintains the right to select the markets and jurisdictions in which the Services are available, and may, at its sole discretion, restrict or prohibit the Services in certain locations “[Restricted Locations](<https://shorthop.zendesk.com/hc/en-us/articles/360024846332-What-jurisdictions-is-ShortHop-available->)”. For that reason, the range of Services available to you will depend upon the location from which you access the Services. You may not use the Services if you are located in, or a citizen or resident of, any Restricted Location, or where your use of the Services would be illegal or otherwise violate any applicable law.

## **3. ACCOUNT REGISTRATION AND REQUIREMENTS**

### **a. Registration**

In order to access the Services, you must register for an account (a “ShortHop Account”). When registering for a ShortHop Account, you must select a user name (a “ShortHop User ID”). You may not select as your ShortHop User ID a name that you do not have the right to use, or another person’s or entity’s name with the intent to impersonate that person/entity. You may not transfer your ShortHop Account to anyone else without our prior written permission.

### **b. Identity Verification**

When registering for a ShortHop Account, you agree to provide current, accurate, and complete information for all required fields on the registration page, including your full legal name, address, email address, phone number, taxpayer or government identification information, proof of identity, and bank account details, credit card numbers and/or digital wallet information. You are solely responsible for any improper or unlawful activity in connection with the registration of your ShortHop Account, including any misrepresentations made in connection with the creation of your account.

You hereby authorize Velocity, directly or through third parties, to make any inquiries Velocity deems necessary to verify your identity, protect against fraud or other financial crime, and/or comply with our legal obligations under various anti-money laundering (“AML”) obligations, such as under the U.S. Bank

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Secrecy Act (“BSA”). When we carry out these inquiries, you acknowledge and agree that your personal information may be disclosed to credit reference and fraud prevention or financial crime agencies and that these agencies may respond to our inquiries in full. You further authorize Velocity to take whatever action we deem reasonably necessary based upon such inquiries.

**c. Account Usage**

You are the only person authorized to use or access your ShortHop Account. By registering for a ShortHop Account, you agree and represent that you will use the Services only for your own personal, noncommercial use, and not on behalf or for the benefit of any third party, unless you have obtained prior approval from Velocity. You further agree and represent that you will use the Services only in a manner that complies with all applicable laws.

You are solely responsible for all activity that occurs under your ShortHop Account or with your ShortHop User ID, including any fraudulent activity.

**4. PRIVACY**

Velocity takes the privacy of its users seriously. Velocity’s [Privacy Policy](</terms/privacy-policy-policy>) provides a summary of Velocity’s practices relating to the collection, sharing and use of your personal information. You represent and warrant that you have read the Privacy Policy before providing any of your personal information to Velocity.

**5. DESCRIPTION OF SERVICES**

**a. General**

Velocity operates the ShortHop digital asset exchange, which facilitates the buying and selling of certain nonsecurity cryptocurrencies, cryptographic tokens, cryptoassets, or other digital assets (any, a “Digital Asset”). ShortHop will provide users with a platform to exchange fiat currency for Digital Assets and to exchange one type of Digital Asset for another type of Digital Asset.

You may use your ShortHop Account to place orders to buy and/or sell Digital Assets on ShortHop. When an order is matched, a trade occurs. Each trade transfers ownership between users and is reflected through automatic adjustments to each user’s ShortHop Account. Velocity will record each transaction on its internal ledgers.

**b. Wallet Services**

As part of your ShortHop Account, Velocity will provide qualifying users access to an affiliated fiat currency wallet funded by a deposit account supported by an FDIC-insured bank (“USD Wallet”) and a Digital Asset wallet that is supported by a third-party Digital Asset custodian (“Digital Asset Wallet”).

**USD Wallet:** Your USD Wallet is funded by a deposit account that is issued by Evolve, an FDIC-insured bank partner of Velocity (the “USD Custodian”). The USD Wallet is linked to the ShortHop platform, so that you are able to use fiat currency in the USD Wallet to transact on ShortHop and can receive the fiat proceeds of any sale of Digital Assets on ShortHop.

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The bank services described above and facilitated through ShortHop are provided by Evolve. By opening an account to deposit fiat currency on Velocity, you accept and agree to the terms of Evolve Bank & Trust's [Deposit Agreement](<https://synapsefi.com/evolve-bank-deposit-agreement>) (the "Deposit Agreement").

Your relationship with the USD Custodian is governed by the Deposit Agreement.

**Digital Asset Wallet Services:** The Digital Asset Wallet allows you to hold, track, transfer, and manage your Digital Assets. The underlying Digital Assets will be held at a digital asset custodian partnered with Velocity (the "Digital Asset Custodian").

### **c. Supported Digital Assets**

Not all Digital Assets are supported by the Services. A full list of the Digital Assets supported by the Services ("Supported Digital Assets") can be found [here](<https://shorthop.zendesk.com/hc/en-us/articles/360025178251-What-digital-assets-are-supported-on-ShortHop->).

Velocity reserves the right, in its sole discretion, to determine, change, or modify the Supported Digital Assets, and may discontinue or terminate support for any Supported Digital Asset at any time for any or no reason. In the event that Velocity discontinues or terminates support for any Supported Digital Asset, Velocity will make commercially reasonable efforts to provide prior notification to you. Velocity is not liable for any losses, damages or expenses related to its decision to cease support for any Digital Asset.

You acknowledge and agree that you have reviewed the list of Supported Digital Assets prior to transferring any Digital Assets to your ShortHop Account. You are not permitted to use your ShortHop Account to store, send, request or receive non-Supported Digital Assets.

You further acknowledge and agree that if you transfer any non-Supported Digital Assets to your ShortHop Account, you may lose them permanently or may not be able to access those Digital Assets in the future.

### **d. Digital Currency Protocols**

Velocity does not own or control the underlying software protocols which govern the operation of any Supported Digital Asset. In general, the underlying protocols are open source, and anyone can use, copy, modify, and distribute them. In addition, these protocols may be subject to changes in operating rules (also known as "forks"), which may affect the availability, value, functionality, and other features of Supported Digital Assets held in your Digital Asset Wallet.

You acknowledge and agree that: (i) we are not responsible for the operation of the underlying protocols; (ii) we make no guarantees regarding their security, functionality, or availability; and (iii) you accept the inherent risks of operating changes to digital currency protocols.

### **e. Ownership and Control**

You are the owner of the amount of the Digital Assets stored in your Digital Asset Wallet. As the owner of such Digital Assets, you shall bear all risk of loss relating to such Digital Assets. Subject to the terms and restrictions contained herein, you control the Digital Assets held in your Digital Asset Wallet.

### **f. Changes in Services**

Velocity reserves the right, in its sole discretion and without any liability to you or any other user, with or without prior notice and at any time, to change, suspend or discontinue, temporarily or permanently, any part of the Services, and introduce new features or impose limits on certain features or restrict access to parts or all of the Services.

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## **6. GENERAL USE AND PROHIBITED USE**

### **a. Conditions and Restrictions**

Velocity may, in its sole discretion and without prior notice, impose conditions, restrictions or limitations on any user's use of or access to the Services including by:

- Refusing to open a ShortHop Account;
- Limiting the number of ShortHop Accounts that you hold;
- Suspending or terminating any ShortHop Account;
- Suspending or terminating trading activity in your ShortHop Account or initiated, performed or executed using your ShortHop User ID;
- Refusing to process, or to cancel or reverse, any trade submitted via the Services; or
- Imposing limits on the trade amount permitted via the Services (current transaction limits may be found [here](<https://shorthop.zendesk.com/hc/en-us>)).

Such limitations and restrictions may result from, among other things, investigations by Velocity into your or any other user's accessing or use of the Services.

You understand further that Velocity's third-party providers may limit or restrict your access to their services, which would therefore limit your ability to transact on ShortHop. Velocity has the right to review the transactions and any other activity in which you engage while using the Services.

### **b. Security**

Velocity takes the security of its users seriously: Velocity imposes significant security measures to protect your ShortHop Account and User Information, and we expect you to do the same. It is critical to protect not only your password and any other security measures you use, but also the email account associated with your ShortHop Account and any device used to access your ShortHop Account.

You acknowledge and agree that you are responsible for maintaining the confidentiality and security of your ShortHop Account, including your ShortHop User ID, password and any other security feature that you use to access the Services. You agree to notify Velocity immediately if you become aware of any unauthorized use of the Services or any other breach of security regarding the Services. Velocity will not be liable for any loss or damage arising from your failure to protect your ShortHop Account or your personal user or security information.

You agree that Velocity is not liable for any damage or interruptions caused by any computer viruses, spyware, or other malware that may affect your computer or other equipment, or any phishing, spoofing, or other attack, or any attacks on any blockchain networks for the Supported Digital Assets or otherwise.

### **c. Compliance with Laws & Taxes**

You alone are responsible for complying with all applicable laws related to your trading activities and other use of the Services, including without limitation any reporting obligations and payment of all applicable taxes. In addition, you are responsible for determining, remitting, withholding, filing, and reporting all taxes, duties, and other governmental assessments associated with your activity in connection with the Services.

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**d. AML/KYC Compliance**

Velocity is registered with the Financial Crimes Enforcement Network (“FinCEN”) as a Money Services Business (“MSB”). Velocity may be required to file details of account activity with FinCEN, or to provide information to other government agencies as required by law.

As a registered MSB, Velocity maintains an internal AML and know your customer (“KYC”) compliance program (“AML/KYC Program”). Velocity’s AML/KYC Program may be updated from time to time, including the procedures that Velocity uses to verify its users’ identities.

**e. Relationship of the Parties**

Velocity is an independent contractor for all purposes. Nothing in these Terms shall be deemed to create or constitute, imply, give effect to or otherwise recognize a partnership, employment, joint venture, or formal business relationship of any kind. Velocity is not your broker, intermediary, agent or advisor, and has no fiduciary relationship, duty or obligation to you or any other user in connection with your use of the Services. Neither Velocity nor its licensors or suppliers are providing tax advice, legal advice, or other professional advice by allowing you to use the Services.

**f. Unclaimed Property**

If Velocity is holding funds (whether fiat currency or Digital Assets) in your ShortHop Account, and Velocity is unable to contact you and has no record of your use of the Services for several years, applicable law may require Velocity to report these funds as unclaimed property to the applicable jurisdiction. If this occurs, Velocity will try to locate you at the address shown in our records, but if Velocity is unable to locate you, it may be required to deliver any such funds to the applicable state or jurisdiction as unclaimed property.

**g. Digital Asset Benefits**

You are responsible for taking all actions necessary to enable, or receive, financial or other benefits relating to your Digital Assets, and to ensure that the Services will be able to support any such promotion or means of providing such benefits (for example, by “airdrop”). Velocity has no responsibility to enable, facilitate or assist you with claiming or receiving any such benefits.

**h. (Prohibited Use)#(prohibited-use)**

You are prohibited from accessing or using the Services, or registering for a ShortHop Account, if you:

- i. Have been identified as a “Specially Designated National” by the Office of Foreign Assets Control;
- ii. Have been placed on the U.S. Commerce Department’s Denied Persons List;
- iii. Are located in, under the control of, or a national, citizen or resident of any Restricted Locations (as defined below), or any country to which the United States has embargoed goods or services.

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You represent, warrant, and agree that you will not use or interact with the Services, including by contributing any Content or User Information (as those terms are defined herein), in a manner that:

- iv. Violates any law, rule or regulation, including, without limitation, any applicable export control laws, any unlawful trading practices (*e.g.*, spoofing, wash trades, front running, layering, creation of fictitious trades, etc.), and any unlawful internet gambling;
- v. Infringes or violates the intellectual property rights or any other rights of anyone else (including Velocity);
- vi. Is harmful, fraudulent, deceptive, threatening, harassing, defamatory, obscene, or otherwise objectionable in Velocity's sole discretion;
- vii. Jeopardizes the security of your ShortHop Account or any other user's ShortHop Account (such as allowing someone else to log in to the Services as you);
- viii. Attempts, in any manner, to obtain the password, account, or other security information from the ShortHop Account of any other user;
- ix. Violates the security of any computer network, including any attempts to hack users' passwords or security encryption codes;
- x. Runs Maillist, Listserv, any form of auto-responder or "spam" on the Services, or any processes that run or are activated while you are not logged into the Services, or that otherwise interfere with the proper working of the Services (including by placing an unreasonable load on the Services' infrastructure);
- xi. "Crawls," "scrapes," or "spiders" any page, data, or portion of or relating to the Services or Content (through use of manual or automated means);
- xii. Copies or stores any significant portion of the Content;
- xiii. Decompiles, reverse engineers, or otherwise attempts to obtain the source code or underlying information of or relating to the Services;
- xiv. Brings disrepute to, or otherwise harms the reputation of, Velocity or any of its affiliates or service providers; or
- xv. Uses any information or other knowledge gained through use of the Services to provoke an interference with any patent application which Velocity has filed with respect to the Services, or to amend any claim in any pending patent applications to expand such claim to read on, cover or dominate any invention (whether or not patentable) relating to the Services.

You are further prohibited from using the Services in any manner that is not expressly and unambiguously authorized by these Terms.

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## **7. PROPRIETARY CONTENT**

### **a. Service Content**

The Services are proprietary to Velocity. Any materials displayed or performed or available on or through the Services, including but not limited to, text, graphics, data, articles, photos, images, illustrations (all of the foregoing, the “Content”) are protected by copyright and/or other intellectual property laws.

You represent and warrant that you will not use, copy, reproduce, modify, translate, publish, broadcast, transmit, distribute, perform, upload, display, license, sell, commercialize or otherwise exploit for any purpose any Content not owned by you, without the prior consent of the owner of that Content, or in a way that violates Velocity’s rights or the rights of any other third party.

You agree not modify, publish, transmit, participate in the transfer or sale of, reproduce, create derivative works based on, or otherwise exploit any of the Services.

You acknowledge and agree that Velocity transfers no ownership or intellectual property interest or title in and to the Content or the Services to you or anyone else in connection with your use of the Services.

Velocity may, in its sole discretion, remove any Content from the Services at any time, for any or no reason and without notice.

### **b. Limited License**

Subject to your continued compliance with these Terms, Velocity provides to you a revocable, limited, nonexclusive, non-transferable, and non-sublicensable license to access and use the Services, and related content, materials and information. The license granted herein automatically terminates upon Velocity’s suspension or termination of your ShortHop Account or your ability to access or use the Services, or upon your cancellation of your ShortHop Account.

All rights not expressly granted under these Terms are hereby reserved.

### **c. User Content**

Velocity may offer you the ability to post, upload, share, store, or otherwise provide information, text, images, data, content or other materials through the Services (collectively, “User Information”). Some User Information may be viewable by other users, and presented in an aggregated and anonymized format.

Pursuant to these Terms, you grant Velocity a royalty-free, non-exclusive, non-fully paid-up, sublicensable, transferable, perpetual, irrevocable, non-exclusive, worldwide license to use, copy, modify, create derivative works of, display, perform, publish and distribute, in any form, medium or manner, any User Information. You represent and warrant that: (i) you own the User Information or have the right to grant the rights and licenses in these Terms, and (ii) Velocity’s use of the User Information as licensed herein does not and will not violate, misappropriate or infringe on the rights of any third party.

You understand and agree that Velocity, in performing the required technical steps to provide the Services to users (including you), may need to make changes to your User Information to conform and adapt that User Information to the technical requirements of connection networks, devices, services, or media, and the foregoing licenses include the rights to do so.

Velocity, at its sole discretion, may remove any User Content from any of the Services at any time for any or no reason.



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#### **d. Public User Information**

You acknowledge and agree that any materials, including any feedback, suggestions, improvements, enhancements, feature requests, ideas, notes, drawings or other information or commentary you provide via the Services or the Velocity App (collectively, “Public User Information”), that you provide to Velocity, whether by email, posting to any Velocity-related website, provided via the Velocity app or otherwise, are non-confidential and will become the sole property of Velocity.

You grant Velocity the licenses listed in section 7(c) of the Terms, as well as a license to display, perform, and distribute your Public User Information for the purpose of making that Public User Information accessible to all Velocity users and providing the Services necessary to do so, as well as all other rights necessary to use and exercise all rights in the Public User Information in connection with the Services and/or otherwise in connection with Velocity’s business for any purpose.

#### **e. Third Party Content**

The Services may contain links or connections to third party websites, applications, services or other materials (“Third Party Content”) that are not owned or controlled by Velocity. You accept and acknowledge the risks of accessing any Third Party Content, and that Velocity has no control over and assumes no responsibility for and cannot monitor, verify, censor or edit any Third Party Content.

You expressly waive as against Velocity, and Velocity expressly disclaims, any liability, losses or damages arising from your accessing or incurred as a result of any actions taken in reliance on any Third Party Content. The ability to access any Third Party Content through the Services does not constitute an endorsement by Velocity of any product, service or information.

We encourage you to be aware when you leave the Services, and to read the terms and conditions and investigate the source of any Third Party Content that you visit or use.

## **8. TRANSACTIONS**

### **a. Funding Your ShortHop Account**

To begin trading with your ShortHop Account, you must transfer funds (either fiat currency or Supported Digital Assets) to your ShortHop Account.

**Digital Asset Funding:** You may fund your Digital Asset Wallet by transferring Supported Digital Assets from your external wallet to the Digital Asset Wallet, or by purchasing a Supported Digital Asset on ShortHop with fiat currency. To fund your Digital Asset Wallet by transferring Supported Digital Assets, you must provide the necessary information to your external wallet or service provider that is holding the Supported Digital Assets you seek to transfer to fund your ShortHop Account.

**Fiat Funding:** In order to be enabled to transact in fiat currency on ShortHop, you must complete certain KYC/AML requirements and accept the terms and conditions of the Evolve [Deposit Agreement](<https://synapsefi.com/evolve-bank-deposit-agreement>) or other FDIC-insured bank partner of Velocity.

To fund your USD Wallet, you must first link an approved external bank account, and then authorize Velocity’s USD Custodian to debit funds from the external bank account that you designate to link to the ShortHop platform. After you have provided such authorization, you may transfer funds to your USD

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Wallet. Alternatively, you may instruct your external financial institution to wire funds directly to the USD Custodian. Any fiat currency you obtain through the exchange of a Digital Asset for fiat currency on the ShortHop platform will also be deposited in your USD Wallet.

You may make deposits to your USD or Digital Asset Wallets periodically and at your discretion, but you acknowledge and agree that it is solely your responsibility to ensure there are sufficient funds in your ShortHop Account to (i) engage in any trades you execute with your ShortHop Account or your credentials; (ii) satisfy any open orders; and (iii) pay any transaction or other fees associated with any trade or hosting any funds in your ShortHop Account.

You represent and warrant that all funds transferred into your ShortHop Account are not the direct or indirect proceeds of any criminal or fraudulent activity.

#### **b. Withdrawals and Transfers**

You may withdraw Digital Assets or fiat currency from your ShortHop Account or instruct Velocity to transfer Digital Assets from your ShortHop Account to another external account. Velocity is not able to reverse any transfers and will not have any responsibility or liability if you have instructed Velocity to send Supported Digital Assets to an address that is incorrect, improperly formatted, erroneous or intended for a different type of Digital Asset.

Velocity may, in its sole discretion, impose limits on the amounts that you are able to withdraw or transfer from your ShortHop Account on a daily or other periodic basis.

#### **c. Fees**

Velocity charges certain fees for access to or use of the Services, such as a transaction fee for trades executed via the Services. Detailed information about these fees is available on our Fees [page](<https://shorthop.zendesk.com/hc/en-us/articles/360024880392-What-are-ShortHop-s-trading-fees->). Our fees may change from time to time, so you should review the Fees Page periodically.

By using the Services, you agree to pay Velocity any and all applicable fees, and to maintain a sufficient balance in your ShortHop Account to meet any relevant fees. You authorize Velocity to charge or deduct any applicable fees from your ShortHop Account.

#### **d. No Investment Advice**

You acknowledge and agree that all investment decisions conducted through the Services are made solely by you, and that you are solely responsible for determining whether any investment, investment strategy or related transaction is appropriate for you based on your personal investment objectives, financial circumstances and risk tolerance.

Velocity does not provide investment advice, and does not make any representations, warranties, recommendations or endorsements regarding the purchase or sale of any digital assets, or that you make any investment or enter into any trade using the Services. Velocity does not accept any responsibility, and you agree not to hold Velocity liable, for your investment or trading decisions.

Before engaging in any trading or investment activity, you should consult a qualified professional.

#### **e. Transaction History**

Your transaction history is available through the Services and will show all of your trading activity, including pending transactions, deposits and withdrawals, as well as the balances in your USD and Digital

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Asset Wallets. Velocity will use commercially reasonable efforts to ensure that the information contained in your transaction history is accurate. Any transaction listed in your transaction history or otherwise communicated to you by Velocity will be deemed to be valid and correct unless you provide written notice to Velocity Customer Support at [support@shorthop.com](mailto:support@shorthop.com) within three (3) days of the transaction.

Nothing in your transaction history shall be deemed a valuation by Velocity, or any other third party.

**f. Unauthorized Transactions**

When a transaction occurs using your ShortHop User ID or your ShortHop Account, we will assume that you authorized such transaction, unless you notify us otherwise. If you believe you did not authorize a particular transaction or that a transaction was incorrectly executed, you must contact Velocity Customer Support as soon as possible either via email at [support@shorthop.com](mailto:support@shorthop.com) or by phone at 844-888-4089. It is important that you regularly check your transaction history as well as the balances in your USD and Digital Asset Wallets to ensure you notify us of any unauthorized or incorrect transactions.

You acknowledge and agree that Velocity is not responsible for any claim for unauthorized or incorrect transactions unless you have notified us in accordance with this section.

**g. Electronic Fund Transfer Disclosure Statement**

The following disclosures are made in accordance with the federal law regarding electronic payments, deposits, transfers of funds and other electronic transfers to and from your account(s). There may be limitations on account activity that restrict your ability to make electronic fund transfers. Any such limits are disclosed in the appropriate agreements governing your ShortHop Account. This disclosure statement may not apply to you if you do not transact with fiat currency on ShortHop.

**Definitions:**

An “Electronic Fund Transfer” is any transfer of funds, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic device or computer to instruct us to debit or credit an account. Electronic Fund Transfers include such electronic transactions as direct deposits or withdrawals of funds, transfers initiated via telephone, website or mobile application.

A “Preauthorized Electronic Fund Transfer” is an Electronic Fund Transfer that you have authorized in advance to recur at substantially regular intervals; for example, direct deposits into or withdrawal of funds out of your account.

**Your Liability:**

Authorized Transfers: You are liable for all Electronic Fund Transfers that you authorize, whether directly or indirectly.

Unauthorized Transfers: If you believe your ShortHop Account or ShortHop User ID or other identifying information has been lost or stolen or has been or may be subject to unauthorized Electronic Fund Transfers, you must inform SynapseFI immediately to keep your possible losses to a minimum. You could lose all the money in your ShortHop Account. Bank services are provided by Evolve Bank & Trust, Member FDIC, through our banking software provider, SynapseFI. To report a complaint relating to the bank services, email [help@synapsefi.com](mailto:help@synapsefi.com). You should also inform us immediately in these circumstances by emailing [support@shorthop.com](mailto:support@shorthop.com).

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If you tell us within two (2) business days after learning of the loss or theft of your account access device, or after learning of any other unauthorized transfers from your ShortHop Account involving your account access device, you can lose no more than \$50 if Electronic Fund Transfers are made without your permission. For these transactions, if you do NOT tell us within two (2) business days after learning of the loss, theft or unauthorized use, and we can establish that we could have prevented the unauthorized transfer(s) if you had told us in time, you could lose as much as \$500. Also, if your periodic account statement shows unauthorized transfers and you do NOT tell us within sixty (60) days after the statement was delivered to you, you may not get back any money you lose after the sixty (60) day period if we can prove that we could have prevented the unauthorized transfer(s) if you had told us in time. If an extenuating circumstance (such as extended travel or hospitalization) prevents you from promptly notifying us of a suspected lost or stolen access device or of any other suspected unauthorized transfer(s), the time periods specified in this section may be extended for a reasonable period.

#### **h. Cancellations**

You may only cancel an order initiated via the Services if such cancellation occurs before your order has been matched with an order from another user. Once your order has been matched with an order from another user, you may not change, withdraw, or cancel your authorization for Velocity to complete such order. However, if an order has been partially matched, you may cancel the unmatched portion of the order unless and until the unmatched portion has been matched. Velocity reserves the right to refuse any cancellation request associated with an order after you have submitted the order.

If you have insufficient funds (either fiat currency or Supported Digital Assets) to support a trade or execute an order, Velocity may cancel the entire order or may fulfill a partial order that can be covered by the digital asset or fiat currency in your ShortHop Account (in each case after deducting any fees payable to Velocity in connection with the trade).

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For additional information about the Services and using and trading on ShortHop, please review the ShortHop FAQ available [here](<https://shorthop.zendesk.com/hc/en-us>).

## **9. ACCOUNT SUSPENSION, TERMINATION OR CLOSURE**

Velocity may, in its sole discretion and without notice, terminate or suspend your ShortHop Account or your access to or use of the Services at any time, for any reason, including breach of these Terms, or a violation of any of the “[Prohibited Uses](</terms/terms-of-use#prohibited-use>)” or of any Velocity Policy.

You may close your ShortHop Account or cease using the Services at any time. To close your ShortHop Account, you must contact us at [support@shorthop.com](mailto:support@shorthop.com).

We encourage you to withdraw any remaining balance from your ShortHop Account prior to issuing a request to close your account. We will be unable to close your account at your request unless you have withdrawn any remaining balances in your ShortHop Account. We reserve the right to restrict or refuse to permit withdrawals from your ShortHop Account if (a) Velocity has already suspended or terminated your ShortHop Account pursuant to these Terms; (b) to do so would be prohibited by law or a court order or we suspect that your ShortHop Account is connected to fraudulent activity; or (c) you have not undergone the required identity verification procedure.

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Account termination may result in destruction of any Content or User Information associated with your ShortHop Account.

## **10. ELECTRONIC DELIVERY OF COMMUNICATIONS**

You agree and consent to receive electronically all communications from Velocity, including those communications relating to the Services or to your ShortHop Account. You agree that Velocity may provide these communications to you by posting them via the Services, emailing them to you at the email address you provide to Velocity, and/or by sending an SMS or text message to the mobile phone number you provide to Velocity.

It is your responsibility to provide Velocity with your accurate email address, your contract information and/or mobile phone number, and to update such information with Velocity. If Velocity sends you an electronic communication but you do not receive it because your contact information on file is incorrect, or you are otherwise unable to receive electronic communications, Velocity will be deemed to have provided the communication to you.

By agreeing to the Terms, you also agree to receive all communications from SynapseFI electronically.

All communications from Velocity in electronic format will be deemed to be “in writing,” and to have been received within twenty-four (24) hours after posting or dissemination.

You may decline or withdraw consent to receive communications electronically from Velocity, but you agree and acknowledge that Velocity may suspend or terminate your use of the Services if you do not consent to receive communications in electronic format.

## **11. (RISK FACTORS)#(RISK-FACTORS)**

Engaging in trades and holding Digital Assets may involve significant risks and potential for financial losses, including but not limited to:

- a. loss of all or most of the value of a Digital Asset, including over a short period of time;
- b. large fluctuations in price and liquidity of Digital Assets;
- c. changes to the regulatory framework governing the Digital Assets;
- d. difficulty in understanding or evaluating Digital Assets and their underlying technology;
- e. difficulty or impossibility in executing orders or liquidating a position;
- f. difficulty or impossibility in reversing transactions in Digital Assets, which may result in losses due to fraudulent or accidental transfers;
- g. attacks on the security, integrity or operation of a Digital Asset or its underlying technology;
- h. attacks on the security of a third-party provider integral to the Services, such as a custodian;
- i. cancellation, loss or double spend of Digital Assets;

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- j. changes to Digital Assets or their underlying technology, including ceasing to operate as expected;
- k. inability to access or transfer Digital Assets;
- l. Velocity or other exchanges suspending or ceasing to support the transfer, storage or trading of any Digital Asset;
- m. Digital Assets in your Velocity Digital Asset Wallet are not subject to deposit insurance protection; and
- n. unauthorized third parties accessing or using your accounts.

The risks associated with Digital Assets and trading Digital Assets apply notwithstanding Velocity's decision to support or offer a particular Digital Asset for trading. Velocity's listing a particular Digital Asset does not imply any warranty regarding the suitability of any Digital Assets for trading or ownership by you.

Before making any decisions regarding any transactions or any products, services, information or content relating to the Services, you should consult your financial, legal, tax advisers or other professional advisor as appropriate.

By using the Services, you acknowledge and agree that you are accessing and using the Services and all information and Content at your own risk and that you are solely responsible for conducting your own independent analysis of the risks specific to digital assets and the Services.

## **12. INDEMNIFICATION AND RELEASE**

You agree to indemnify and hold harmless Velocity, its affiliates, officers, agents, employees, contractors, licensors and partners from and against any and all claims, actions, proceedings, investigations, liabilities, costs, damages (actual and consequential), losses and expenses (including attorneys' fees) arising from or in any way related to (a) your use of, or conduct in connection with, the Services (including any actions taken by a third party using your ShortHop Account or ShortHop User ID); (b) your violation of these Terms; or (c) your violation of any applicable law, regulation, or rights of any third party.

If you are obligated to indemnify Velocity or any of the indemnified parties identified above, Velocity (or, at Velocity's discretion, the applicable indemnified party) will have the right, in its sole discretion, to control any action or proceeding and to determine whether Velocity wishes to settle, and if so, on what terms.

If you are a California resident, you waive California Civil Code Section 1542, which states:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTIVE THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY HIS OR HER SETTLEMENT WITH THE DEBTOR.”

If you are a resident of another jurisdiction, you waive any comparable statute or doctrine.

## **13. DISCLAIMER OF WARRANTIES**

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None of Velocity, its licensors, partners, suppliers or service providers make any representations or warranties concerning any Content or other material contained in or accessed through the Services, and we will not be responsible or liable for the accuracy, copyright compliance, legality, or decency of material contained in or accessed through the Services, including, without limitation, any price data for any Digital Asset. Velocity will have no liability or responsibility for any permanent or temporary inability to access or use any Services, including, without limitation, your inability to withdraw Digital Assets or execute trades, as a result of any identity verification or other screening procedures.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE SERVICES AND CONTENT ARE PROVIDED BY VELOCITY (AND ITS LICENSORS AND SUPPLIERS) ON AN "ASIS" BASIS, AND VELOCITY DISCLAIMS, AND YOU WAIVE, ANY AND ALL OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, THAT VELOCITY WILL PROCESS A TRANSACTION PROPERLY OR THAT USE OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR-FREE. YOU ACKNOWLEDGE THAT THERE ARE RISKS ASSOCIATED WITH UTILIZING AN INTERNET-BASED TRADING SYSTEM, INCLUDING WITHOUT LIMITATION, THE FAILURE OF HARDWARE, SOFTWARE AND INTERNET OR OTHER NETWORK CONNECTIONS AND THAT VELOCITY SHALL NOT BE RESPONSIBLE FOR ANY FAILURES, ERRORS, DISTORTIONS OR DELAYS YOU MAY EXPERIENCE WHEN TRADING USING THE SERVICES, REGARDLESS OF THE CAUSE. YOU ACKNOWLEDGE THAT INFORMATION YOU STORE OR TRANSFER THROUGH THE SERVICES MAY BECOME IRRETRIEVABLY LOST OR CORRUPTED OR TEMPORARILY UNAVAILABLE DUE TO A VARIETY OF CAUSES, INCLUDING SOFTWARE FAILURES, PROTOCOL CHANGES BY THIRD PARTY PROVIDERS, INTERNET OUTAGES, FORCE MAJEURE EVENT OR OTHER DISASTERS INCLUDING THIRD PARTY ATTACKS, SCHEDULED OR UNSCHEDULED MAINTENANCE OR OTHER CAUSES EITHER WITHIN OR OUTSIDE OUR CONTROL. YOU ARE SOLELY RESPONSIBLE FOR BACKING UP AND MAINTAINING DUPLICATE COPIES OF ANY INFORMATION YOU STORE OR TRANSFER THROUGH THE SERVICES.

THE DISCLAIMER OF WARRANTIES CONTAINED HEREIN MAY NOT APPLY IF AND TO THE EXTENT IT IS PROHIBITED BY APPLICABLE LAW OF THE JURISDICTION IN WHICH YOU RESIDE.

#### **14. LIMITATION OF LIABILITY**

TO THE FULLEST EXTENT ALLOWED BY APPLICABLE LAW, IN NO EVENT AND UNDER NO LEGAL THEORY (INCLUDING, WITHOUT LIMITATION, TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE) SHALL VELOCITY, ITS LICENSORS, SUPPLIERS, AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES BE LIABLE TO YOU OR TO ANY OTHER PERSON FOR (A) ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL OR SIMILAR DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS, LOSS OF GOODWILL, LOSS OF DATA, WORK STOPPAGE, ACCURACY OF RESULTS, OR COMPUTER FAILURE OR MALFUNCTION ARISING OUT OF OR RELATED TO THE TERMS, YOUR USE OR ATTEMPTED USE OF VELOCITY, ANY OF THE SERVICES (AS DEFINED ABOVE), OR ANY OF THE OTHER INFORMATION, SERVICES OR TRANSACTIONS CONTEMPLATED BY THESE

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TERMS, OR (B) ANY AMOUNT, IN THE AGGREGATE, IN EXCESS OF THE FEES PAID BY YOU TO VELOCITY IN CONNECTION WITH THE SERVICES IN THE THREE (3) MONTH PERIOD PRECEDING THE APPLICABLE CLAIM.

SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES, SO THE ABOVE LIMITATION AND EXCLUSIONS MAY NOT APPLY TO YOU.

## 15. DISPUTE RESOLUTION

### a. Initial Dispute Process

If you have a complaint against or dispute with Velocity, you agree to notify Velocity first through Velocity Customer Support at [support@shorthop.com](mailto:support@shorthop.com) to attempt to resolve the dispute by providing the form available [here]([https://shorthop.zendesk.com/hc/en-us/requests/new?ticket\\_form\\_id=360000352351](https://shorthop.zendesk.com/hc/en-us/requests/new?ticket_form_id=360000352351)) (a “Complaint”). Within fifteen (15) business days of Velocity Customer Support receiving a Complaint, a Velocity representative will contact you at the email address that you have provided as associated with your ShortHop Account to inform you of Velocity’s determination regarding the validity of your complaint; and how, if at all, Velocity is willing to resolve your complaint (the “Velocity Resolution”). In the alternative, Velocity may request a formal written explanation of any dispute (a “Written Complaint”) after reviewing your initial Complaint, and before providing a Velocity Resolution. Within 20 days of receiving a Written Complaint, a Velocity representative will contact you via email to inform you of the Velocity Resolution.

If Velocity is unable to respond to you within the specified timelines, a Velocity representative will contact you via email to inform you of the deadline by which Velocity will respond to you.

You agree to engage in this informal dispute resolution process before filing any arbitration claim. If you do not provide a Complaint or engage in this initial dispute resolution process prior to filing an arbitration, Velocity shall have the right to request that the arbitrator dismiss your filing unless and until we engage in the process described in this section.

### b. (Arbitration Agreement)#(abitration-agreement)

PLEASE READ THE FOLLOWING ARBITRATION AGREEMENT CAREFULLY BECAUSE IT REQUIRES YOU TO ARBITRATE ALL DISPUTES WITH VELOCITY AND LIMITS THE MANNER IN WHICH YOU CAN SEEK RELIEF.

You and we acknowledge and agree that any controversy, claim or dispute arising out of or relating to the subject matter of these Terms or to the Services, including, without limitation, federal and state statutory claims, common law claims, and those based in contract, tort, fraud, misrepresentation, or any other legal theory, shall be finally resolved, on an individual basis, through binding arbitration. Any arbitration shall be conducted (i) confidentially, (ii) in English, (iii) by the Judicial Arbitration and Mediation Services, Inc. (“JAMS”), (iv) before a single arbitrator with substantial experience in resolving commercial contract disputes, and (v) in accordance with the JAMS Streamlined Arbitration Rules & Procedures.

Judgment upon the award rendered by such arbitrator may be entered in any court of competent jurisdiction. Notwithstanding the foregoing obligation to arbitrate disputes, each party shall have the right to pursue injunctive or other equitable relief at any time, from any court of competent jurisdiction.

Any dispute over the arbitrability of these Terms and/or the arbitrability of any dispute shall be resolved in arbitration in accordance with this provision.



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You agree that you are electing to have any and all claims and disputes between you and Velocity resolved by binding arbitration and are giving up any rights to go to court, except as expressly provided herein. YOU ACKNOWLEDGE AND AGREE YOU AND VELOCITY ARE EACH WAIVING ANY RIGHT TO A TRIAL BY JURY.

To the extent that any controversy, claim or dispute is not resolved by binding arbitration, you and Velocity agree that any judicial proceeding will be brought in the state or federal courts located in New York County, New York.

**c. (Class Action Waiver)#(class-action-waiver)**

TO THE EXTENT PERMISSIBLE BY LAW, ALL CLAIMS AND DISPUTES MUST BE BROUGHT IN A PARTY'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE ACTION, OR REPRESENTATIVE PROCEEDING. A CLAIMANT OR THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS OR ENGAGE IN ANY CLASS ARBITRATION OR JOINT LITIGATION. CLAIMS OF MORE THAN ONE CUSTOMER OR USER CANNOT BE ARBITRATED OR LITIGATED JOINTLY, ON A CLASS BASIS OR CONSOLIDATED WITH THOSE OF ANY OTHER CUSTOMER OR USER. YOU ACKNOWLEDGE AND AGREE THAT YOU AND VELOCITY ARE WAIVING ANY RIGHT TO PARTICIPATE AS A PLAINTIFF OR CLASS REPRESENTATIVE IN ANY PURPORTED CLASS ACTION OR REPRESENTATIVE PROCEEDING.

## **16. GENERAL PROVISIONS**

**a. Governing Law**

These Terms are governed by and will be construed under the laws of the State of Delaware, without regard to the conflicts of laws principles, and the same will apply to any dispute that arises between you and Velocity.

**b. Entire Agreement**

These Terms, including the (Privacy Policy)[/terms/privacy-policy-policy], constitute the entire agreement between you and Velocity with respect to the subject matter hereof, including the Services. These Terms, including the Privacy Policy, supersede any and all prior or contemporaneous written and oral agreements, communications and other understandings relating to the subject matter of these Terms.

These Terms do not alter any agreement you have with the USD Custodian regarding the Services. In the event of any conflict between these Terms and any agreement with the USD Custodian, the terms of that other agreement will control only if these Terms are specifically identified and declared to be overridden.

**c. Survival**

All provisions of these Terms which by their nature extend beyond the expiration or termination of these Terms shall survive termination of your ShortHop Account. By way of example, all of the following will survive termination: any obligation you have to pay us or indemnify us, any limitations on our liability, any terms regarding ownership or intellectual property rights, and terms regarding disputes between us, including without limitation the arbitration agreement.

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**d. No Waiver**

The failure of either you or us to exercise, in any way, any right herein shall not be deemed a waiver of any further rights hereunder.

**e. Assignment**

You may not assign, delegate or transfer these Terms or your rights or obligations hereunder, or your ShortHop Account, in any way (by operation of law or otherwise) without Velocity's prior written consent. We may transfer, assign, or delegate these Terms and our rights and obligations without consent, including as part of a change of control or other corporate combination or transaction.

You acknowledge and agree that any of Velocity's officers, directors, employees and independent contractors ("Personnel") are third party beneficiaries of these Terms, and that upon your acceptance of these Terms, Personnel will have the right (and will be deemed to have accepted the right) to enforce these Terms against you as the third party beneficiary hereof.

**f. Headings**

The section headings in these Terms are for convenience only and shall not govern the meaning or interpretation of any provision of these Terms.

**g. Severability**

If any provision of these Terms shall be determined to be unenforceable or invalid under any rule, law or regulation of any local, state or federal government, such provision will be limited, changed or eliminated only to the minimum extent necessary to accomplish the objectives of the provision to the greatest extent possible under applicable law and these Terms shall otherwise remain valid, in full force, and enforceable.

**h. Force Majeure**

Velocity shall not be liable for delays, failure in performance or interruption of any of the Services which result directly or indirectly from any abnormal or unforeseeable circumstance, cause or condition beyond our reasonable control, including but not limited to, significant market volatility, any delay or failure due to any act of God, act of civil or military authorities, act of terrorists, civil disturbance, war, strike or other labor dispute, fire, interruption in telecommunications or Internet services or network provider services, failure of equipment and/or software, other catastrophe or any other occurrence which is beyond our reasonable control and shall not affect the validity and enforceability of any remaining provisions.

## **17. CONTACT**

For more information about Velocity or any of the Services, please visit our website [shorthop.com](http://shorthop.com). If you have any questions, comments, or concerns regarding these Terms or the Services, please contact our Customer Support team at [support@shorthop.com](mailto:support@shorthop.com) or at 844-888-4089.

As stated above, certain banking services in certain states are provided through our banking software provider, SynapseFI. To report a complaint relating to the bank services, please contact SynapseFI at [help@synapsefi.com](mailto:help@synapsefi.com).