

IRONBEAM

Disclosure Document

Last revised November 6, 2019

This Disclosure Document is intended to be a general guide covering the business, operations, risk profile and affiliates of Ironbeam, Inc. as required by federal law. Please retain this information for future reference.



Table of Contents

| | |
|---------|---|
| Page 3 | Business Name and Contact Information (1.55(k)(1)) |
| Page 3 | Principals (1.55(k)(2)) |
| Page 5 | Significant Types of Business Activities (1.55(k)(3)) |
| Page 5 | Ironbeam's Business on Behalf of its Customers (1.55(k)(4)) |
| Page 6 | Material Risks (1.55(k)(5)) |
| Page 9 | Ironbeam's Designated Self-Regulatory Organization (1.55(k)(6)) |
| Page 9 | Material Complaints or Actions (1.55(k)(7)) |
| Page 9 | Customer Funds Segregation (1.55(k)(8)) |
| Page 14 | Filing a Complaint (1.55(k)(9)) |
| Page 14 | Relevant Financial Data (1.55(k)(10)) |
| Page 15 | Current Risk Practices, Controls and Procedures (1.55(k)(11)) |

A complete paper copy of this Disclosure Document will be provided to any Ironbeam, Inc. customer upon request in accordance with CFTC Regulation 1.55(j)(2) .

**COMMODITY FUTURES TRADING COMMISSION REGULATION 1.55(k):
IRONBEAM, INC. DISCLOSURE DOCUMENT**

The Commodity Futures Trading Commission (“CFTC”) requires each futures commission merchant (“FCM”), including Ironbeam, Inc. (“Ironbeam”), to provide the following information to its customers. Except as otherwise noted below, the information set out is as of November 6, 2019. Ironbeam will update this information annually and as necessary to take account of any material changes to its business operations, financial condition or other factors that Ironbeam believes may be material to a customer’s decision to do business with our firm. Nonetheless, Ironbeam’s business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

At Ironbeam we want all clients to be well-informed investors. During the account opening process and throughout your relationship with our firm, you will be provided with important disclosures and documents that will give you detailed insight into your relationship with Ironbeam and the risks involved in trading futures and options. It is important that you take the time to read and thoroughly understand this information.

Business Name and Contact Information

Ironbeam maintains its principal place of business in the Chicago Board of Trade building at 141 W. Jackson Blvd., Suite 2600, Chicago, Illinois 60604. The firm’s main phone number is 1(800)-341-1941 and fax number is 1(312)-765-7201. Inquiries via email can be directed to clientservices@ironbeam.com.

Principals

Omid M. Farr

Founder, Principal & Chief Technology Officer,
141 W. Jackson Blvd., Suite 2600
Chicago, IL 60604

Mr. Farr began his start in the commodity futures and options industry in 1995 and it quickly became his passion and life’s work. He majored in economics, having received a Bachelor of Science degree from Santa Clara University (“SCU”), the oldest operating institution of higher learning in California. Mr. Farr graduated Summa Cum Laude and with the distinct honor of having the highest GPA of the entire graduating class.

He focused his time and research on econometric models and took advantage of SCU's prestigious agribusiness framework. This solidified the foundation of his thirst for the commodity futures and options industry and ultimately levered to the creation of an FCM in 2001. Mr. Farr created the firm as he saw an industry need for a brokerage company that focused on technology and straight through processing trade solutions, and does so with a moral conviction for high service and utmost integrity. Mr. Farr is also the sole owner of Tavage, Inc.

As the Chief Technology Officer of Ironbeam, Mr. Farr is responsible for the strategic vision and implementation of the firm's order entry and back office systems, as well as overall technology business development.

Robert M. Terrell

Chief Executive Officer & Chief Financial Officer

141 W. Jackson Blvd. Suite 2600
Chicago, IL 60604

Mr. Terrell joined Ironbeam in 2012 as its Chief Financial Officer and was installed as Chief Executive Officer in December 2016. Mr. Terrell is responsible for all accounting, treasury, operations and human resources activity for the firm. He has fifteen years of industry experience, which started as an auditor for the Chicago Board of Trade ("CBOT") and progressed into various financial management roles with both clearing and non-clearing FCMs throughout the years. Mr. Terrell also spent fourteen years as Chief Financial Officer at a pharmaceutical marketing firm in the suburbs of Chicago, Illinois where he successfully guided the firm through two acquisitions and increased their bottom line exponentially.

Mr. Terrell is a graduate of Illinois State University with a Bachelor of Science Degree in Accounting along with a CPA Certificate.

Michael P. Higgins

Chief Compliance Officer

141 W. Jackson Blvd. Suite 2600
Chicago, IL 60604

Mr. Higgins began his career in the Futures Industry as a summer runner and intern at Continental Grain Co. in 1991. After attending the University of Wisconsin-Madison with a major in Zoology, Michael returned to the Chicago Board of Trade in late 1998, eventually attaining the position of Director of Operations. In the wake of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Mr. Higgins shifted his focus to Compliance, acting as Chief Compliance Officer for a well-respected FCM. As CCO at Ironbeam, Inc., Mr. Higgins

oversees all regulatory, compliance and new accounts related functions at Ironbeam, including but not limited to CCO responsibilities as defined by CFTC Regulation 3.3 and holds his Series 3 National Commodity Futures Broker's License.

Tavage, Inc.

Principal

141 W. Jackson Blvd., Suite 2600
Chicago, IL 60604

Tavage, Inc. is the sole stockholder of Ironbeam, Inc. and was incorporated in the state of Delaware on 10/8/09. Tavage, Inc. is in good standing with the state of Delaware.

Significant Types of Business Activities

Ironbeam's sole business is operating as an FCM registered with the Commodity Futures Trading Commission ("CFTC") and as a member of the National Futures Association ("NFA"). Ironbeam executes trades on most major exchanges worldwide for all types of traders, including institutional, commercial and retail clients alike. We also specialize in servicing Introducing Brokers through independent and guaranteed relationships.

As a full-service FCM, our offerings are not limited to taking customer orders and executing futures and options transactions. Ironbeam provides a variety of services relating to investments in futures and options, including providing investment and market research, executing trades, providing trading recommendations and assisting with any client service needs. All of Ironbeam's assets and capital are currently contributed to its business as an FCM and at this time, Ironbeam does not participate in any other business activities or product lines.

Ironbeam's Business on Behalf of its Customers

Ironbeam services both U.S. and foreign domiciled retail, commercial and institutional clients engaging in both speculative and bona-fide hedging transactions. From the smallest individual investors to the largest institutional clients and everything in between, we value our relationship with our customers and ensure top of the line service for all clients.

As a non-clearing FCM, Ironbeam maintains a clearing firm/carrying broker relationship with Phillip Capital, Inc. (NFA ID#0422202). Through this relationship and our various trading platform offerings, Ironbeam provides access to approximately twenty global futures exchanges. Markets available to trade include agricultural, currencies, energies, soft commodities, metals, equity indices and fixed income contracts.

In order to ensure that Ironbeam has selected appropriate bank depositories, custodians and other counterparties for our customer segregated assets, Ironbeam follows a substantive evaluation process reviewing specific criteria to enable us to properly assess the qualifications and financial stability of these entities. For any depositories that we select to hold our customer segregated funds, Ironbeam reviews the depository's capitalization, creditworthiness, operational reliability and access to liquidity. Further, we analyze our concentration among our depositories and ensure that we have multiple relationships established to serve as a mitigating factor for this risk. We also review the availability of FDIC deposit insurance at each depository and determine the regulatory and supervisory bodies that are responsible for monitoring each entity holding customer segregated funds. Ironbeam also completes ongoing monitoring and a thorough due diligence review of each depository at least annually. Additionally, if Ironbeam elects to invest any customer segregated funds in permitted investments in accordance with CFTC Regulation 1.25, we consider market, credit, counterparty, operational and liquidity risks associated with such investments and assess each individual investment to ensure that it complies with the requirements of CFTC Regulation 1.25, including managing any permitted investments consistent with the objective of preserving principal and maintaining liquidity.

Material Risks

Ironbeam faces a variety of risks that may affect its operations or financial results, and many of those risks are driven by factors that Ironbeam cannot control or predict. The following discussion addresses those risks that management believes are the most significant, although there may be other risks that could arise, or may prove to be more significant than expected, that may affect Ironbeam's operations or financial results.

Ironbeam could have a material liquidity risk should the firm fail to maintain enough liquid assets to pay its debts (including obligations to the customer) in a timely manner. In order to ensure that Ironbeam is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing business obligations, Ironbeam holds a significant portion of its assets in cash. As of September 30, 2019, Ironbeam holds 99% of its total assets in cash and readily marketable securities. If we elect to invest customer segregated funds, Ironbeam will typically invest in U.S. Treasury Securities, which are guaranteed as to principal and interest by the U.S. Government. We have invested in certificates of deposit (permitted investments under CFTC Regulation 1.25) in the past, but currently do not hold any and do not anticipate any future investments of customer funds in same. Ironbeam invests its own funds in short-term, highly liquid instruments, such as high-quality equities and corporate bonds, with a minimum Moody's rating of Baa2. The average weighted maturity of all firm owned investments held is less than one year;

however, all investments can be easily liquidated without material loss within one business day. Without an equities component, we have no weighted coupon rate of firm owned investments.

Ironbeam's leverage ratio is 1.26% as of September 30, 2019. This calculation methodology is consistent with Ironbeam's CFTC/NFA regulatory filing on the 1-FR-FCM which is equal to $[(\text{Total Balance Sheet Assets less Instruments Guaranteed by the U.S. Government and Held as an Asset to Collateralize an Asset (e.g., reverse repo agreements)}) \text{ less Customer Segregated Funds}] \text{ divided by Total Capital}$, which is defined as the sum of stockholder's equity and subordinated debt. Our material principal liabilities include our equity in commodity accounts for customers trading on U.S. commodity exchanges and our subordinated loan agreements as of September 30, 2019.

Ironbeam has been in business since 2009 as a private firm. Since the firm has no debt other than the subordinated loan agreements with its parent company it has not been evaluated by external parties for creditworthiness. We believe we have a sterling reputation in the futures industry and do not believe our creditworthiness to be a material risk. Currently, our corporate office is located in the Chicago Board of trade building. After signing an extension in December of 2016, we have a 5 year lease commitment which expires 9/30/22.

Ironbeam could have a material capital risk that would affect us and our customers if our excess net capital falls below that which is required by industry regulators. Currently the minimum net capital required is the greater of \$1,000,000 or 8% of the firm's risk based requirement. Daily capital computations serve to mitigate risks associated with potential capital concerns.

During the normal course of business activities, Ironbeam may occasionally be subject to legal and regulatory actions that are deemed to not have a material effect on the financial condition of the firm, or its ability to house customer funds.

Ironbeam does not believe that there are any material risks posed to our customers created by any affiliate relationships and activities, nor does Ironbeam invest any customer segregated funds in an affiliated entity. Farr Financial, Inc., an affiliate of Ironbeam closed their operations on September 1, 2019, and as a result, Ironbeam took on 3 new Branch Offices that were previously a part of Farr. Currently, the only material commitment between Ironbeam and its affiliates other than what is already disclosed is the subordinated debt between Ironbeam and its parent company, Tavage, Inc. As of September 30, 2019 the balance of subordinated debt is \$2,250,000. A \$1,000,000 secured demand note was cancelled on August 16, 2019.

Ironbeam's business can be adversely affected by the general environment – economic, corporate, futures and options market, regulatory, and geopolitical developments all play a role in client trading activity, interest rates and overall investor engagement, and are outside of Ironbeam's control.

As a participant in the futures and options brokerage industry, Ironbeam is subject to extensive regulation under both federal and state laws by governmental agencies, supervisory authorities, and SROs. Such regulation continues to grow more extensive and complex, and regulatory proceedings continue to become more frequent and sanctions more severe. The requirements imposed by Ironbeam's regulators are designed to ensure the integrity of the financial markets, the safety and soundness of financial institutions, and the protection of clients. These regulations often may limit Ironbeam's activities by way of capital, customer protection and market conduct requirements, and restrictions on the businesses activities that Ironbeam may conduct. New legislation, rule changes, or changes in the interpretation or enforcement of existing federal, state and SRO rules and regulations, may directly affect the operations and profitability of Ironbeam or its specific business lines. In addition, the rules and regulations could result in limitations on the lines of business Ironbeam conducts, modifications to Ironbeam's business practices, increased capital requirements, or additional costs.

While Ironbeam devotes substantial attention and resources to the reliability, capacity and scalability of its systems, trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority. Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed. Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of FCMs, and software and communication system vendors and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchange(s) in order to understand these liability limitations. Other risks of trading futures and options are disclosed in Ironbeam's account opening documents for customers that elect to move forward with trading.

Ironbeam's Designated Self-Regulatory Organization

Ironbeam's designated self-regulatory organization is the National Futures Association ("NFA"). NFA's website is www.nfa.futures.org.

Material Complaints or Actions

NFA issued a Complaint (17-BCC-006) against Ironbeam on July 11, 2017 alleging a failure of supervision in regards to a guaranteed introducing broker who ultimately was barred from registration for various infractions. The NFA accepted the firm's offer of settlement.

Customer Funds Segregation

Customer Accounts. FCMs may maintain up to three different types of accounts for customers, depending on the products a customer trades:

- (i) a **Customer Segregated Account** for customers that trade futures and options on futures listed on U.S. futures exchanges;
- (ii) a **30.7 Account** for customers that trade futures and options on futures listed on foreign boards of trade; and
- (iii) a **Cleared Swaps Customer Account** for customers trading swaps that are cleared on a DCO registered with the CFTC. Ironbeam does not currently engage in Cleared Swaps Trading.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, **Customer Funds**) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the CFTC may permit by order. For example, the CFTC has issued orders authorizing ICE Clear Europe Limited, which is registered with the CFTC as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures U.S. and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

Customer Segregated Account. Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the U.S., *i.e.*, designated contract markets, are held in a Customer Segregated Account in accordance with section 4d(a)(2) of the Commodity Exchange Act and CFTC Regulation 1.20. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the U.S.; (ii) a bank or trust company located outside of the U.S. that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled accounts must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the U.S.; (ii) in a money center country;¹ or (iii) in the country of origin of the currency.

An FCM must hold sufficient U.S. dollars in the U.S. to meet all U.S. dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the U.S. dollar) as follows: (i) U.S. dollars may be held in the U.S. or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies² may be held in the U.S. or in money center countries to meet obligations denominated in currencies other than the U.S. dollar.

30.7 Account. Funds that 30.7 Customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, 30.7 Customer Funds, and sometimes referred to as the foreign futures and foreign options secured amount, are held in a 30.7 Account in accordance with CFTC Regulation 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the U.S.; (ii) a bank or trust company located outside the U.S. that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign

¹ Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

² Money center currencies mean the currency of any money center country and the Euro.

broker's designated depositories. Such commingled accounts must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, CFTC Regulation 30.7 restricts the amount of such funds that may be held outside of the U.S.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Accounts outside of the U.S. may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the U.S. Bankruptcy Code. Return of 30.7 Customer Funds to the U.S. will be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the U.S. customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' U.S. FCM fails, the foreign broker may want to assure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the U.S. FCM were to fail, potential differences between the trustee for the U.S. FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of other intervening foreign brokers by the U.S. FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the U.S., CFTC Regulation 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the U.S. except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the U.S., an FCM may maintain in accounts located outside of the U.S. an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

Cleared Swaps Customer Account. Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, *i.e.*, Cleared Swaps Customer Collateral, are held in a Cleared Swaps Customer Account in

accordance with the provisions of section 4d(f) of the Act and Part 22 of the CFTC's Regulations. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the U.S.; (ii) a bank or trust company located outside of the U.S. that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled accounts must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers. **Ironbeam does not currently engage in Cleared Swaps Trading.**

Investment of Customer Funds. Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

CFTC Regulation 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. CFTC Regulations further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited. Please reference Ironbeam's customer agreement to determine applicability.

Permitted investments include:

- (i) Obligations of the United States and obligations fully guaranteed as to principal and interest by the United States (U.S. government securities);
- (ii) General obligations of any State or of any political subdivision thereof (municipal securities);
- (iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);³

³ Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

- (iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;
- (v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);
- (vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and
- (vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of CFTC Regulation 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.⁴

Further, CFTC Regulations require Ironbeam to hold funds deposited to margin futures and options on futures contracts traded on U.S. designated contract markets in Customer Segregated Accounts. Similarly, Ironbeam must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant CFTC Regulations, Ironbeam may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different

⁴ As discussed below, NFA publishes twice-monthly a report, which shows for each FCM, *inter alia*, the percentage of Customer Funds that are held in cash and each of the permitted investments under CFTC Regulation 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

classification or account type (*e.g.*, securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at <https://fia.org/articles/fia-issues-protection-customer-funds-faq>.

Filing a Complaint

At Ironbeam, it is our mission to ensure our customers' happiness and positive experience in trading futures and options. We encourage any customer to file a complaint internally with Ironbeam's Compliance Department at compliance@ironbeam.com. If at any time you have an unresolved complaint with Ironbeam, you may elect to follow the instructions below for filing a complaint with our regulatory bodies.

A customer that wishes to file a complaint about Ironbeam or one of its employees with the Commodity Futures Trading Commission ("CFTC") can contact the Division of Enforcement either electronically at <https://forms.cftc.gov/fp/complaintform.aspx> or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A customer that may file a complaint about Ironbeam or one of its employees with the National Futures Association ("NFA"), Ironbeam's designated self-regulatory organization, electronically at <http://www.nfa.futures.org/basicnet/Complaint.aspx> or by calling NFA directly at 800-621-3570.

Relevant Financial Data

Ironbeam's annual audited financial statements can be viewed on our website at: www.ironbeam.com/financial-information.

As of September 30, 2019, Ironbeam's total equity and net worth was \$2,655,221. Ironbeam's regulatory capital in accordance with GAAP can be defined as its net capital, adjusted net capital; net capital required and excess net capital. As of September 30, 2019, Ironbeam's net capital was \$4,736,602, its adjusted net capital was \$4,506,242, its net capital requirement was \$1,000,000 and its excess net capital was \$3,506,242.

Ironbeam does not currently engage in any proprietary trading activities, over-the-counter transactions or illiquid financial products for which it is difficult to obtain timely and

accurate pricing. Further, Ironbeam does not maintain any unsecured lines of credit or similar short-term funding obtained but not yet drawn upon.

As of September 30, 2019, the number of customers that comprise 50% of Ironbeam's total funds requirement for:

- Segregated accounts is 18.
- Cleared Swaps accounts is 0.
- 30.7 accounts is 3 customers.

Additional financial information on all FCMs is also available on the CFTC's website at: <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>

Customers should be aware that the NFA publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under CFTC Regulation 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM.

The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found by conducting a search for a specific FCM in NFA's BASIC system (<http://www.nfa.futures.org/basicnet/>) and then clicking on "View Financial Information" on the FCM's BASIC Details page.

Current Risk Practices, Controls and Procedures

Ironbeam has established a detailed system of risk management policies and procedures designed to monitor and manage the risks associated with the activities of our firm as an FCM. This Risk Management Program takes into account market, credit, liquidity, foreign currency, legal, operational, settlement, segregation, technological, capital and other applicable risks of Ironbeam. We have also established specific risk tolerance limits that

will trigger a level of further review by senior management of the firm. Our procedures are reasonably designed to ensure that all customer segregated funds are separately accounted for at all times. Further, we have reviewed our automated financial management controls in place to prevent or mitigate the placing of erroneous orders, including those that exceed certain margin, credit or volume thresholds or limits. Ironbeam has also established written procedures to ensure that we maintain sufficient capital to be in compliance with the Commodity Exchange Act and CFTC and NFA rules and regulations, and that our firm maintains sufficient capital and liquidity to meet the reasonably foreseeable needs of Ironbeam's operations as an FCM.

Ironbeam further manages its potential risks through its policies, procedures and controls reasonably designed to achieve and/or monitor risk with applicable legal and regulatory requirements. These procedures also address issues such as business conduct and ethics, sales and trading practices, marketing and communications, books and records, anti-money laundering, client privacy, and employment policies.