

CF-Ex 5

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

TERRAFORM LABS, PTE. LTD. and DO
HYEONG KWON,

Defendants.

Case No. 1:23-cv-01346 (JSR)

DECLARATION OF MATTHEW HINERFELD

1. I am the General Counsel of Jump Crypto Holdings LLC. In that role, I am familiar with the way entities within Jump Trading Group maintain and store electronic information. I am also familiar with the way electronic information was retrieved in connection with productions made to the U.S. Securities and Exchange Commission (“SEC”) by entities within Jump Trading Group. The information set forth in this declaration is based on my personal knowledge and/or discussions with individuals acting on behalf of entities within Jump Trading Group.

2. The documents bearing the Bates labels JUMP_SEC_0234126, JUMP_SEC_0566713, JUMP_SEC_0210399, SEC-JUMPTRADE-E-0012109, and SEC-JUMPTRADE-E-0012110 are electronic communications (and an attachment) involving personnel for entities within Jump Trading Group.¹ These documents were retrieved in a manner

¹ The documents bearing the JUMP_SEC prefix were produced to the SEC, and I understand based on information and belief were produced by the SEC in the above-captioned litigation. I understand based on information and belief that the documents bearing the SEC-JUMPTRADE-E prefix are Bates labeled versions of documents provided to the SEC in *In re Mirror Protocol*, and I caused a comparison to be performed of each of these documents to the versions provided to the SEC and based on that comparison, I believe these documents to be duplicates of the versions provided to the SEC.



designed to ensure that they are true duplicates of the original records from an archive that stores electronic communications (and attachments to them) involving personnel for entities within Jump Trading Group. These documents were archived at or near the time of the electronic communications, kept in the regular course of business, and it was the regular practice of entities within Jump Trading Group to archive these documents.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: 03 April 2024


Matthew Hinerfeld



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From: Lee Semien <lsemien@jumprading.com>
To: Team Illini
BCC: wdisomma@jumprading.com; sjohansen@jumprading.com; jsuter@jumprading.com; tcourtney@jumprading.com; dolsen@jumprading.com; kbaran@jumprading.com; kdamico@jumprading.com; amass@jumprading.com; cdrew@jumprading.com; srosov@jumprading.com; jbezaire@jumprading.com; jsiegel@jumprading.com; twel@jumprading.com; lsemien@jumprading.com; frbrodlo@jumprading.com; jzasowski@jumprading.com; jumillich@jumprading.com; jdesando@jumprading.com; asiegel@jumprading.com; vvainberg@jumprading.com; padryer@jumprading.com; vkaganovsky@jumprading.com; sharibhakti@jumprading.com; rsagurton@jumprading.com; tfujishima@jumprading.com; kakariya@jumprading.com; spepitts@jumprading.com; kotsuki@jumprading.com; jalick@jumprading.com; wdai@jumprading.com; mcahill@jumprading.com
Sent: 8/26/2020 5:15:52 PM
Subject: RE: TI August Summit Summary

<https://confluence/pages/viewpage.action?pageId=199691187>

Includes a summary of the "action items" section from below and the same list reorganized by individual tasks.

From: Kanav Kariya <kakariya@jumprading.com>
Sent: Friday, August 21, 2020 7:16 PM
To: Team Illini <teamillini@jumprading.com>
Subject: TI August Summit Summary

Hey guys,

The overarching theme of the discussion was - Jump will throw it's muscle behind adding value to the projects we have valuable partnerships with. It starts with adding liquidity to the token and taking stands and extends itself to any other way we can add value through our trading expertise. Deals are getting increasingly competitive and this will be our strong differentiator

Discussion regarding our top projects -

- Serum -
 1. The exchange is still in an immature state, for example cancel functionality is yet unimplemented. Andrew and Klaud are actively working on building out feeds and gateways and feel a first order pass should be fairly doable. Go live date on the exchange side is currently unclear
 2. We will try to push for just spot launch to start with to make it both manageable for us and make sure the spot launch is nailed, but unclear if they would be excited by that given the pace they're moving at
 3. We want bring Rockstar projects like KEEP out on the exchange, adds value all around
 4. Separately trying to engage the options group to build out options on SRM. Tons of complexity around margining and active brainstorming is under way. This could be a significant value addition to the exchange
- Luna -
 1. We are pushing for a significantly larger deal in a push to make them the dominant stablecoin both on centralized exchanges and on DeFi across chains
 2. The value we will look to add in addition to thicker LUNA markets is
 - a. Liquid terra stablecoin markets (UST, KRT to start)
 - b. Assist in helping expand (and contract) the supply on LUNA to keep the market fed and keep the peg in line
- Keep -

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1. This project is currently deeply in the money for us. Their first application is tBTC (BTC on Ethereum), it would be really helpful for them to have liquid and adequately pegged tBTC markets and we plan to assist them in that effort
- Celo -
 1. Another strong stablecoin project. Our work on LUNA will extend nicely here if it the platform starts to get traction.

Action items in order of priority - This linear structure is a little confusing since many of these will happen in parallel as different personnel are assigned to these tasks.

1. Serum spot trading - Klaud + Andrew
 - o Gateway + Feed – 1 month
 - o Back Office - Jeff, Karina, victor - ?
 - o ERC20-SPL bridge - Tod - ?
 - o Serum derivatives will become a priority for Andrew and Klaud as and when that goes live.
1. Infrastructure side IEO scripting - Victor - 3 weeks
2. 24/7 Improvements - Josh + Lee - 2 weeks
3. Automation of sales communication around bookstacker orders (sniffing it, bounced off it, broke through) - Jeff B + Kanav
 - o Definition of the sales messages
 - o Building signals/cron jobs to monitor the events
 - o Integration of Telegram API to communicate info to CPs
4. Luna creation redemption into coin transfer tool - Tod + Kanav - 1 week
 - o Figure out a wallet situation (will also be applicable for the early days of Serum trading)
 - o Define architecture to perform these swaps with price bands and such. Could essentially be a lightweight exchange that we run internally. This would also extend to working with Synthetix or pretty much any synthetic asset protocol which definitely seems on the cards here.
 - o Write the code to integrate Luna swaps into the transfer tool
5. Uniswap click trading. Need this to liquidate some of our valuable positions and add value to a lot of our projects. Liquid Uniswap markets are a big badge of honor for these projects and help them build tractions - Jeff D/Karina + Andrew/Alex - 1 week
 - o We could write to the Graph API OR see if the method of reconciliation Jeff D was using to integrate Sams trades in can extend to passive pools (not sure if it will, but worth trying before we dive in to this). We don't need the trades for anything but reconciliation atm, so we might be able to get away with the easier route. Let's discuss tomorrow
6. tBTC creation redemption - this one is a few weeks out so is further down the list - Tod + Kanav (<1 week)
 - o Should be a more straightforward integration into coin transfer tool cause of the 1-1 ratio
7. Trade side IEO automation - Spence + Sergey - 3/4 weeks.
 - o Define the series of activities that need to happen as a reflection of traders intent
 - o Build frameworks/scripts to do the above
 - o Build a GUI on top of all of it
8. Typhoon feeds, gateways and strategies - Andrew + Lee + Alex + Josh + Paul + Klaud (4-16 weeks of work per person)
 - o More details on exact timelines and delegations regarding this will be in a confluence page that Lee is putting together with all this info.
9. Maker DAO liquidation feed - Andrew, Alex, Tod
 - o Thought about this a little more as well, if we want really good actionable data we want to see the 'bites' and oracle updates come in as soon as possible. Speed doesn't matter, but 15 seconds in the most volatile period of the market probably does. Liquidations are a fairly generic thing in the space cause they power all the synthetic exposure and leverage in DeFi. It's probably worth taking the time and getting this right to provide real edge to our alphas even if it causes us to punt this down the line a little bit, but I'm happy to be convinced otherwise.

Separately, Josh Siegel is going to work (as his top priority) on integrating Curv wallet into our system. This will

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eventually function as the wallet we use for Serum trading and Luna swapping out of in addition to being the custody wallet for new coins. But in the immediate term another critical action item is figuring out a Solana wallet situation while Curv builds out support. This is going to require some careful thought.

Projects we're waiting to hear back on -

- Serum smart contract - Sam is still working on writing the distribution contract he plans to use for his other investors. We are waiting to have a look at this and decide our strategy accordingly
- Serum crank turning - Need to know if this is important to Sam
- Synthetix - we can add a ton of value here but would require a much larger deal at a much smaller strike to make it worth the work
- Kyber - They might want us to participate on their DEX

Projects we've punted down the line

- Solana node - don't need to be fast m
- Balancer integration - this may get more exciting if we can get a deal on the BAL token

For those interested in the discussion regarding our other projects

BAND - going to pass on this and let it expire. Not a big enough deal to warrant any more work and not a particularly exciting oracle play.

MKR - too tough to negotiate with, current deal too small to warrant any more work

HXRO - no regulatory clearance to participate further atm

OXT, CKB, KDA, NMR, DMG, SNA - not much more we can do atm.

Best,
Kanav

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From: Kanav Kariya <kakariya@jumptrading.com>
To: Jeff Bezaire; William DiSomma; Tim Wei; Tod Courtney; Victor Vainberg; Josh Siegel
CC: Team Illini
BCC: sjohansen@jumptrading.com; jsuter@jumptrading.com; dolsen@jumptrading.com; kbaran@jumptrading.com; kdamico@jumptrading.com; amass@jumptrading.com; cdrew@jumptrading.com; jfalkner@jumptrading.com; srosov@jumptrading.com; lsemien@jumptrading.com; frbrodlo@jumptrading.com; jzasowski@jumptrading.com; jumillich@jumptrading.com; jdesando@jumptrading.com; asiegel@jumptrading.com; padryer@jumptrading.com; vkaganovsky@jumptrading.com; bhermes@jumptrading.com; sharibhakti@jumptrading.com; rsagurton@jumptrading.com; tfujishima@jumptrading.com; kakariya@jumptrading.com; rkatzman@jumptrading.com; spepitts@jumptrading.com; kotsuki@jumptrading.com; jalick@jumptrading.com; wdai@jumptrading.com; ftariq@jumptrading.com; mcahill@jumptrading.com; cchapin@jumptrading.com
Sent: 12/10/2020 10:22:47 PM
Subject: Internal UST setup

Hey guys,

Jeff and I had a chat on our UST setup earlier today, recapping some of it here and adding in an initial proposal.

We need a scalable way to pipe UST into the system that accounts both for the early stage - print and sell as much as possible, and the mature stage - try to keep it in line accounting for the current on chain pool and inventory. Absence of the latter could lead to some fairly painful situations, so it's definitely important to keep in mind. As Jeff pointed out earlier today, demand for these projects can have sudden 0->1 moments and it would be **REALLY** terrible if we were to fall down as the project takes off.

Tod has completed the painful task of wrestling with the immature API to facilitate the LUNA<->UST swap, now we need to add in a few extra bells and whistles to make sure this scales. The key things we need to do are

1. Register the swap as a trade
2. Use the spread and marketPool delta params in the API spec to get a sense for what the effective price of a potential trade would be - <https://terra-project.github.io/terra.js/classes/marketapi.html>
3. Incorporate the mint/redeem into our trading systems in an automated fashion to -
 - a. Ensure that we're ready to keep this in line and importantly not hemorrhage money in the process
 - b. Enable UST mints to be a triple edged sword for us to sell LUNA, mint UST and avoid any public market impact in the process

Here is a proposed setup to get the conversation started -

1. Create a synthetic LUNA-UST book (like the Uniswap feed) using the params specified above.
2. Run a specialized liquidator in this LUNA-UST book. This would be an aggress only spyro (passiveThreshold=999, aggressThreshold=-300?) listening to a LUNAUSD midpoint signal
3. Setup a strategy/CTT thing that's watching our UST inventory and beginning to create/redeem UST when it hits certain bounds. We need to ensure that we're doing it while observing some max slippage parameters on chain. This will be run independently of bookstackers and liquidators so we need to ensure that the resulting LUNA exposure is hedged out. I'll leave to @jsiegel and @tweigh to opine on the best way to set this up.
4. Setup an internal USTUSD book with a position skew off of our total inventory. We'd want this to maintain 1-1 for the most part to instill confidence in the product and only begin to flare out once we're approaching some bands.

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On chain spreads for doing conversions are also currently quite high and governance is a slow process so Jeff and I are also parallelly working on proposing a new set of parameters to enable us to use the system smoothly. It's thoughtfulness in things like this that help us differentiate and win super deals (MIR for example) in a highly competitive environment

I'll setup a time for us to discuss this early next week

Best,
Kanav

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From: Kanav Kariya <kakariya@jumptrading.com>
To: Team Illini
BCC: wdisomma@jumptrading.com; sjohansen@jumptrading.com; jsuter@jumptrading.com; tcourtney@jumptrading.com; dolsen@jumptrading.com; kbaran@jumptrading.com; kdamico@jumptrading.com; amass@jumptrading.com; cdrew@jumptrading.com; srosov@jumptrading.com; jbezaire@jumptrading.com; jsiegel@jumptrading.com; twel@jumptrading.com; lsemien@jumptrading.com; frbrodlo@jumptrading.com; jzasowski@jumptrading.com; jumillich@jumptrading.com; jdesando@jumptrading.com; asiegel@jumptrading.com; vvainberg@jumptrading.com; padryer@jumptrading.com; vkaganovsky@jumptrading.com; sharibhakti@jumptrading.com; rsagurton@jumptrading.com; tfujishima@jumptrading.com; kakariya@jumptrading.com; spepitts@jumptrading.com; kotsuki@jumptrading.com; jalick@jumptrading.com; wdai@jumptrading.com; mcahill@jumptrading.com
Sent: 9/9/2020 6:07:22 PM
Subject: Terra Deal
Attachments: image001.png; image002.png

Hey guys, we have a second deal with Terra on the books and it's a big one! I sincerely request each of you to read through this one to the end to get a sense of the opportunity we have on our hands and be able to think creatively on our best approach to monetize.

Headline item - We have the ability to earn options on up to 65M LUNA struck at \$0.4.

If you aren't already familiar with workings of the protocol and the stability mechanism please refer back to my previous email and feel free to reach out. I'm going to focus here on how the network currently functions and the paths it's evolving down so that we better understand how to reach our targets.

Terra as a payments network

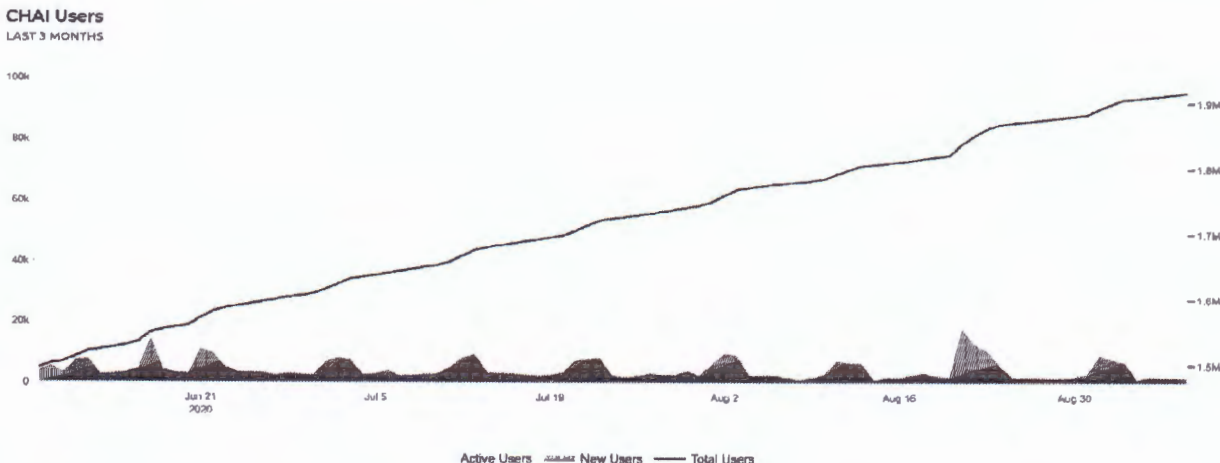
The payments network leverages Terra stable coins to facilitate transactions between its participants. The fiat gateway apps 'top up' wallet balances by purchasing the local currency denominated stablecoin either on exchange or OTC and then circulate the stablecoins around the merchant network as a form of payment. This model unlocks a ton of efficiencies and enables merchants to significantly cut costs relative to traditional payment processors. The current processing fees are 0.5% vs 2% from Visa and mastercard which has proved very popular with merchants and lead to total of 2M accounts across terra backed payment assets.

CHAI pay is the first and largest payment provider using the Terra blockchain as it's back end. They have 1.9M accounts (~40k new users every week) and raised \$40M on a \$220M valuation series B round (as a company independent of Terra) . Due to the low processing fees, most integrated merchants have set CHAI to be their preferred payment solution at checkout. There are also ecosystem rewards (in LUNA) for payment processors and apps that process the most transactions. This becomes a further incentive for merchants to use CHAI as default as they own more LUNA over time and get a cut of the transaction fees they generate. They have dozens of integrations with the largest e-commerce players in Korea and have just recently launched their CHAI card that enables CHAI pay to be used ubiquitously across the country (while they continue the native integrations with each payment provider). Their next short term goal is to leverage the card to reach 10M accounts in Korea (20% of the population).

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English version of CHAI card commercial in Korea - <https://www.youtube.com/watch?v=yBQrn4bc2Xw>

Another big focus for CHAI is expanding to the B2B payments sector to capture some more regular high value transfers. Their first step in the direction is their acquisition of iamport (<https://www.iamport.kr/>), a payments provider that processes \$3B in annual volume. They are currently in the process of porting over the backend of iamport to the Terra blockchain.

Government support - The Korean government was quite unhappy with foreign payment processors charging chunky fees to local merchants and taking a chunk of the value created out of the country. Hence, they are quite supportive of CHAI. Current B2B and B2C payment processors are also very extractive and rent seeking with walled off APIs only accessible to the boys club. This is another reason for excitement for CHAI in the venture and investment scene in Korea as it is a long overdue overhaul of payments in the region. The UK government also recently granted AAVE a FCA license to serve as a fiat onramp onto their lending protocol. This seems to be normalizing over time and is really positive for the space and for Terra.

They currently have 1 other payment asset - Meme pay in Mongolia that's integrated into the dominant chat app in the region. There is currently very little cellular penetration in the country and they hope to grow with the space. Once they reach their immediate targets in Korea they aim to expand to Singapore, Vietnam and then on through the rest of South East Asia.

Remittances - Another long term focus on the payments side is remittances and FX kiosks. Airport desks in smaller SEA countries sometimes charge 7-10% conversation rates to get local fiat and don't have other mature payments systems to circumvent this electronically. Terra airport kiosks and digital foreign payments are on the long term roadmap.

The Terra wallet providers - The payments network can accept stablecoins from any Terra wallet and they are now working on getting balances on Upbit usable through CHAI. This is just a flavor for what's possible with the open system.

Terra as layer 1

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The base terra protocol is a layer 1 with a native protocol level stable asset. It has support for full smart contract functionality to build applications that leverage the native assets. This means payments is just the 'first killer use case' for Terra! The LUNA token is the base asset for the whole DeFi world on Terra

The first 2 native applications they're working on are

1. Mirror - Synthetic asset protocol with first use case being synthetic US equities. They want to bring Tesla to South East Asian retail!
 - a. It solves a bunch of scaling problems that Synthetix has and uses Terra stablecoins as collateral rather than SNX or another volatile token allowing for more capital efficiency.
 - b. They're building a slick mobile app that runs on Mirror in the background with a native Terra wallet in app
 - c. It allows for composability with the rest of DeFi through these assets. Custom index funds, yield protocols, the potential for innovation is unbounded here.
 - d. Mirror token is going to be farmed by participating in the Oracle based AMM native to the protocol
2. Anchor - Yield/Lending protocol that uses bonded POS staking tokens as collateral for borrowing Terra stablecoins. <https://anchorprotocol.com/#2>
 - a. Bonded POS tokens represent a validators staking position on a POS chain. The tokens have a right to some/all of the yield from staking. This is attempting to be a standard and has buy in from Solana, Polkadot, Cosmos and Terra to start. (basically everyone that matters)
 - b. The staking yields across assets are then distributed to the Terra stablecoin lenders (should theoretically provide a more stable rate as it's averaged across PoS rewards from a number of blockchains). They're attempting to market this as a Federal Funds rate of Crypto.
 - c. The magical piece - They're going to integrate this lending protocol into CHAI pay and other payments assets to let users earn crypto yield on their balances in app (can also be dollarized). Here is where the composability really starts to shine
 - d. Their tag line for developers is "yield in 10 lines of code" (borrowed from Stripes payments in 7 lines of code)

This made me dig up this tweet from Avichal Garg, couldn't summarize it better - "The really native stuff is emerging. Early iPhone apps were shrunk down desktop apps. It missed the point. They missed the GPS and camera."

Interop - Terra is building bridges to Ethereum, Solana, Polkadot and Cosmos to start. They're going to have stablecoins tradeable on Serum, have yield farming programs on Ethereum and aim to be the stablecoin for all of crypto! The traction, initial applications, interop capabilities and scalability make this a very strong next gen platform play for DeFi.

Extensibility of stablecoins - As I have mentioned before, adding a new fiat denominated stablecoin to terra is simply getting the validators to publish another multiplied price and it just works. Once our creation redemption loops are well lubricated we can begin trying to push our foreign partners to start using/settling in Terra stablecoins and far more easily support projects across the globe. The use of these stablecoins more broadly also increases the value of our LUNA position

Where they're currently lacking

While they've nailed the payments piece, they have a long way to becoming established players within the DeFi community. By focusing most of their efforts on building out payments and CHAI, they haven't really figured out how to build a community around the project, get trending on twitter and generally get the buzz going. They have 2M users, but Do has 1k twitter followers, which is the opposite of the ratio for the rest of crypto.

Where we come in is in making Terra stablecoins feel real. Stability mechanisms and protocols are fun to debate and important to consider. But for most of crypto it's seeing it on exchanges everyday maintain its peg and be integrated into their favorite services. If we can continue to provide thick liquid markets in terra stablecoins

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across crypto, we have a pretty good shot at making this happen.

All the native applications, developments in payments, yield farming on ETH and more general use of these coins across crypto will over time create natural demand for these tokens which is when we can strike to meet our targets. Given the general scope of permissionless stablecoin demand across crypto, the creation targets should be achievable in short order once the winds start blowing.

How this accrues value to LUNA - the only way to create terra stablecoins to participate in those apps or in yield farming is through converting LUNA to stablecoins on chain. This means buying LUNA on exchanges. As these stablecoins move around, LUNA staking yield rises which further increases LUNA demand. A big part of our deal is smoothly facilitating these feedback loops (feed them when their mouths are open) to enable parabolic growth when the opportunity arises. The more Terra stablecoins exist, the more valuable LUNA gets (I believe in a super linear fashion past an inflection point)

Teething problems - In the meantime however, there is likely to be a painful teething phase where we might be forced to be net redeemers and have to start from a hole. There is not much we can do about this atm and can only continue to try to make UST feel real in the interim. The initial friction around creation and redemption is also likely to be high and painful so we'll have to make sure to keep our eyes on the prize as we work through those troubles. There's likely work arising from this that we haven't scheduled, Do is moving at a 100 miles an hour in every direction atm and we might have trouble keeping up. All that being said, I hope you're convinced that this going to be worth the effort.

What we can do now

1. Listed on Centralized exchanges - Bittrex and KuCoin to start. Tak is already on this
2. Build out Curve pools, Uniswap pools, assist in Yield farming efforts
3. Vote for them as Collateral assets on Compound, reach out to Leshner, Kain, Maker and others to help get it more adopted across DeFi.
4. Get Sam excited about this on Serum, if he talks about this it goes a long way towards helping them build their community. This is a win-win for all involved as this will be a truly trustless stablecoin. Doesn't involvd going through FTX and adds a feeling of openness to it. This is what he built the exchange for!
5. Participate in the apps built on top of the terra blockchain. Mirror and Anchor are of course the first 2 apps and have some clear paths of interaction. These can also turn into additional app level deals. These are of course individually not likely to be as large deals given fair governance approaches and lower valuations. We're working with Do to find ways to get creative on participation to align incentives and give us some additional upside on the app level. Importantly, success on apps built on Terra accrues a ton of value to our big LUNA deal!

The more this feels like a real dollar to the crypto world, the more all of this works. I'm sure this is not close to an exhaustive list of things we can do, so I'm keen to hear thoughts on this.

Monetization strategy

How we create and redeem - We need to have LUNA accumulation and liquidation strategies to facilitate creation redemption in a smooth continuous fashion. In a first quick brainstorm session with Jeff, the simplest strategy we came with would be to setup OTCs that aim to maintain min/max UST balances.

I believe we can set up a slightly different monetization strategy given the targets we're trying to hit and our alignment with the project. Instead of selling LUNA in the open market, we could convert the planned amount of LUNA into stablecoin and in turn sell that into the open market. This has the dual benefit of helping us hit our tiers and avoiding putting any pressure into the LUNA market. We of course still need to have sizeable LUNA offers into the market to facilitate smooth price discovery and prevent spikes but can then recycle all the offers

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into bids to provide support in the market. This gives us the ability to monetize our position when the protocol is really running which is exactly what we want to do. We also have no native desire to be short, and supporting the price with our market making strategies is a big win for the team as it enables them to print more stablecoins from their reserves and facilitate chunkier transfers through their networks.

Deal

All LUNA numbers below are for 2 year options struck at \$0.40. All vesting schedules on a monthly basis.

The maximum number of LUNA tokens that can be vested within 1 year: 30M LUNA

Cumulative Net stable coin creation tiers -

1. \$500,000 - 5M LUNA - Vesting over 2 years
2. \$2,500,000 - 5M LUNA - Vesting over 2 years
3. \$5,000,000 - 5M LUNA - Vesting over 1 year
4. \$10,000,000 - 5M LUNA - Vesting over 1 year
5. \$20,000,000 - 5M LUNA - Vesting over 6 months
6. \$35,000,000 - 5M LUNA - Vests instantly
7. \$50,000,000 - 5M LUNA - Vests instantly

Jump volume traded across all terra stable coin pairs on decentralized exchanges - (Rolling ADV for 30 days)

1. \$500,000 - 5M LUNA - Vesting over 2 years
2. \$1,000,000 - 5M LUNA - Vesting over 1 year
3. \$2,500,000 - 5M LUNA - Vesting over 1 year
4. \$5,000,000 - 5M LUNA - Vesting over 6 months
5. \$10,000,000 - 5M LUNA - Vests instantly
6. \$20,000,000 - 5M LUNA - Vests instantly

Gentleman's agreement -

1. We will support trading on terra stable coin pairs on all exchanges we're connected to and help maintain the peg
2. We will thicken up LUNA markets further
3. We will tap our partners to help grow adoption of Terra stable coins (exchanges, DeFi partners, OTC, etc..)
4. Terraform labs will facilitate OTC creation/redemption of Terra stable coins on best efforts basis
5. We will support them in Korea on a best efforts basis (probably without touching Fiat). Upbit is their preferred they claim that retail interest is now moving more to that platform even though volumes on the majors are higher on Bithumb
6. We will not bring on more than 40M-50M LUNA online into staking at any point in time and will be sensitive to dampening yields early on

This network has the potential to redefine FinTech. We're sitting on an opportunity to own 10% of the payment processor, open bank and stable asset protocol of South East Asia and beyond. Playing for anything less than \$100M would be severely underplaying our hand here. There's very real and large value being created here independently of crypto/DeFi hype and we have long term vested interests in seeing this grow. As long as we do our job and Do and his team continue to kick major ass, there's nothing stopping Terra from being a multi-billion dollar enterprise. I'm definitely drinking the kool aid here, but I hope you are a little too. If all goes well, we'll be sitting on a pile of profits and money printing machine that spits out a continuous stream of widely adopted stablecoins. Like any ambitious project this may of course go to zero, but in the positive scenario it has the potential to work out in a very grand fashion.

CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER

Onward and upward,
Kanav

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