

DCO Exhibit A-3

Attach as Exhibit A-3, a narrative summary of Applicant's proposed clearing activities including (i) the anticipated start date of clearing products (or, if Applicant is already clearing products, the anticipated start date of activities for which Applicant is seeking an amendment to its registration) and (ii) a description of the scope of Applicant's proposed clearing activities (e.g., clearing for a designated contract market; clearing for a swap execution facility; clearing bilaterally executed products).

LedgerX will only clear swaps offered by the LedgerX SEF. LedgerX will not clear bilateral, off-SEF contracts. LedgerX's start date for clearing contracts offered by the LedgerX SEF will be on or after the CFTC approves LedgerX's application for registration as a DCO. LedgerX's proposed clearing activities for the LedgerX SEF are described below.

LedgerX is a fully collateralized and non-intermediated DCO that does not permit customer clearing. The derivatives contracts that LedgerX initially intends to offer are physically settled, meaning that a LedgerX Participant ("Participant") must transfer to LedgerX collateral in a form acceptable to LedgerX or the commodity underlying the contract, in each case in an amount that is sufficient to fully cover the maximum potential loss or delivery obligation of the contract before the Participant may enter an order for a contract or execute a trade on the LedgerX Platform. Below we have provided an overview of LedgerX's clearing operations.

All Participants will be self-clearing Participants of LedgerX, meaning that intermediated clearing through a Futures Commission Merchant will not be permitted on LedgerX. All Participants will be Eligible Contract Participants within the meaning of Section 1a(18) of the Commodity Exchange Act and CFTC Regulation 1.3(m) and will be required to demonstrate their operational capabilities and satisfy other eligibility criteria before being granted access to LedgerX. At the present time, LedgerX intends to offer European-style options contracts. Participants will not be permitted to exercise their options contracts early, and the options contracts will not automatically exercise. An option may only be exercised on the expiration date. When an option is exercised, LedgerX randomly allocates long option holders with short option holders.

All transactions effected on the LedgerX Platform and cleared by LedgerX will be fully collateralized. Before any order of a Participant is processed on the Platform, the Participant must have sufficient collateral in a LedgerX-approved depository credited to the trading account that LedgerX maintains on its books and records for such Participant. To begin trading and to ensure that a Participant has sufficient collateral in its account, the Participant must transfer funds to LedgerX's settlement bank account or transfer collateral (in the form of the commodity underlying the contract) to a designated account under the control of LedgerX. All collateral that Participants post to LedgerX is segregated from LedgerX's proprietary funds. Participants that transfer cash to LedgerX's settlement bank account must do so by wire transfer from deposit accounts established in their names at a commercial bank. At this time, LedgerX does not accept deposits of U.S. government securities, foreign currency, checks or monetary instruments in its settlement bank account, but reserves the right to do so in the future.

Before a Participant may enter an order for a short call, the Participant must transfer to LedgerX as initial margin the commodity underlying the contract in the potential fully deliverable amount specified in the contract specifications, sufficient to fully collateralize the contract. Conversely,

a Participant who wishes to enter an order for a long call must deposit the premium price of the option contract. Before a Participant may enter an order for a short put, the Participant must transfer to LedgerX as initial margin the full strike price (i.e., the amount required to purchase the commodity underlying the contract) in collateral acceptable to LedgerX (currently, U.S. dollars). To enter an order for a long put, a Participant must deposit the premium price of the option contract.

Before a Participant may exercise a long call, the Participant must transfer funds to LedgerX in the amount of the contract's strike price. If the Participant does not transfer the requisite funds, the Participant cannot exercise the long call. Before a Participant may exercise a long put, the Participant must transfer to LedgerX the commodity underlying the contract (i.e., the amount required for delivery as set forth in the contract specifications). If the Participant does not transfer the commodity underlying the contract in the required amount, the Participant cannot exercise the long put.

When a Participant exercises a contract or sends instructions to withdraw excess funds from its account, LedgerX will credit or debit the Participant's account on the books and records of LedgerX. For example, when a contract expires, a Participant may exercise a long put or a long call. In the case of an exercised long put, LedgerX will credit funds to the Participant who has exercised its long put option and will credit the commodity underlying the contract to the Participant who held a short put. In the case of an exercised long call, LedgerX will credit the commodity underlying the contract to the Participant who has exercised its long call option and will credit funds to the Participant who held a short call.

LedgerX has incorporated the functions necessary to perform clearing operations, including transferring cash or other collateral to and from Participants, in the Operations Manual. The Operations Manual is attached to Exhibit C-1.