Exhibit A-3: Summary of Clearing Activities

Sporttrade DCO LLC

*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).*

Sporttrade DCO LLC ("Clearinghouse") Response:

Sporttrade DCO LLC is applying for registration as a Derivatives Clearing Organization to provide fully collateralized clearing services for products executed on the Sporttrade DCM LLC ("Exchange"). The Clearinghouse has two types of Members: Direct Access Participants, and Clearing Futures Commissions Merchants ("FCMs").

The Clearinghouse does not extend margin or credit to its members; all trading activity must be fully pre-funded and collateralized by the Member's account balance held at the Clearinghouse. The scope is limited to products traded on its affiliated DCM.

Clearing Membership Structure

The Clearinghouse will serve two types of Members:

1. **Direct Access Participants (DAPs):** Members who hold a balance with the Clearinghouse and trade on the Exchange directly without an intermediary.
2. **Clearing Futures Commission Merchants (FCMs):** Regulated intermediates who hold a balance with the Clearinghouse and clear trades for their own clients.

Products and Execution

1. **Clearing for a Designated Contract Market (DCM):** The Clearinghouse's primary function is to clear fully collateralized event contracts traded on the Exchange.
2. **Execution Methods:** Clearing is tied to transactions executed through the Exchange's order entry and matching engine process.
3. **Bilaterally Executed Products:** The Clearinghouse does not propose to clear bilaterally executed products.
4. **Swap Execution Facility (SEF) Clearing:** The Clearinghouse does not propose to clear products from a Swap Execution Facility.

Core Clearing Functions

The Clearinghouse performs the following critical functions, with an emphasis on real-time risk management and full segregation:

1. **Fund Transfers:** Manages cash transfers (electronic and wire) into and out of the segregated Member accounts, ensuring that the cash held in the Segregated Participant Funds Account (held at Axos Bank) always exceeds the cumulative liability to Members.
2. **Pre-Trade Risk Process:** Conducts a pre-trade check on every order to ensure the Member's Account Balance is sufficient to cover the maximum potential cost of the ensuing trade, thereby preventing members from ever holding a negative account balance.
3. **Post-Trade Processing:** Receives and records all executions and contract settlement prices from the Exchange to adjust the Account Balance of involved Members.
4. **Settlement:** Executes a multi-step reconciliation and dual-touch process to formally determine the settlement price of a Market Outcome, adjust Member balances, and store the official settlement record.
5. **Risk Management:** Maintains a policy to always hold a cash buffer to cover 100% of any non-guaranteed transfers, ensuring that one Member's funds are never used to cover the liability of another. The Sporttrade DCO LLC will employ risk management tools, including Transfer Limits, for individuals.

The Clearinghouse systems are designed to ensure full segregation of Member funds, robust KYC/AML compliance, and daily reconciliation of bank activities with account balances, all mirroring the segregation and reporting requirements of a Clearinghouse.

The Clearinghouse anticipates commencing clearing operations immediately upon registration. At launch, the Clearinghouse expects to provide clearing services for event contracts executed on the Exchange, a designated contract market under common ownership. Both Sporttrade DCO LLC and Sporttrade DCM LLC are wholly owned subsidiaries of Sporttrade USA Inc. Over time, the Clearinghouse intends to make its clearing services available to additional DCMs that choose to clear through the Clearinghouse, subject to Commission approval and consistent with the Clearinghouse’s rules and participation standards.