CAT NMS, LLC

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CAT NMS, LLC

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Chairman, Operating Committee
CAT NMS, LLC

We have audited the accompanying financial statements of CAT NMS, LLC (a Delaware Limited Liability Company), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CAT NMS, LLC as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter regarding going concern

The accompanying financial statements have been prepared assuming CAT NMS, LLC will continue as a going concern. As discussed in Note 2 to the financial statements, management intends to wind down CAT NMS LLC's operations. This condition raises substantial doubt about CAT NMS LLC's ability to continue as a going concern. Management's plans in regard to this matter are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Grant Thornton LLP

New York, New York
October 20, 2020

CAT NMS, LLC

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

ASSETS

	December 31, 2019	December 31, 2018
Assets:		
Cash	**$ 4,499,482**	$ 1,553,892
Cash held in escrow	**-**	325,000
Developed technology	**-**	75,205,874
Total Assets	**$ 4,499,482**	$ 77,084,766

LIABILITIES AND NET DEFICIT WITHOUT RESTRICTIONS

	2019	2018
Liabilities:		
Accounts payable and accrued expenses	**$ 838,613**	$ 2,578,735
Due to affiliate	**391,880**	-
Settlement award payable	**5,360,366**	-
Notes payable to SROs (members) - Operational	**23,627,208**	8,679,654
Notes payable to SROs (members) - Thesys CAT	**85,605,874**	75,530,874
Total Liabilities	**115,823,941**	86,789,263
Net Deficit Without Restrictions:	**(111,324,459)**	(9,704,497)
Total Liabilities and Net Deficit Without Restrictions	**$ 4,499,482**	$ 77,084,766

See Notes to the Financial Statements.

CAT NMS, LLC

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2019 AND 2018

	Years Ended December 31, 2019	2018
Revenues	**$ -**	$ -
Operating Expenses		
Impairment loss on developed technology	**75,205,874**	-
Transition fee	**10,075,000**	-
Legal	**8,429,166**	6,299,399
Settlement award	**5,360,366**	-
Consulting	**1,911,022**	4,346,089
CISO compensation	**325,000**	-
Professional and administration	**281,594**	360,324
Public relations	**44,355**	99,271
Total Operating Expenses	**101,632,377**	11,105,083
Change in Net Deficit from Operating Activities	**(101,632,377)**	(11,105,083)
Capital Activities:		
Contributions from SROs (members)	**12,415**	2,867,268
Change in net deficit from capital activities	**12,415**	2,867,268
Change in net deficit without restrictions	**(101,619,962)**	(8,237,815)
Net deficit without restrictions, beginning of year	**(9,704,497)**	(1,466,682)
Net deficit without restrictions, end of year	**$ (111,324,459)**	$ (9,704,497)

See Notes to the Financial Statements.

CAT NMS, LLC

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	Years Ended December 31, 2019	2018
Cash Flows from Operating Activities:		
Change in net deficit from operating activities	**$ (101,632,377)**	$ (11,105,083)
Adjustments to reconcile change in net deficit to net cash used in operating activities:		
Impairment loss on developed technology	**75,205,874**	-
Increase (decrease) in:		
Accounts payable and accrued expenses	**(1,740,122)**	1,112,053
Due to affiliate	**391,880**	-
Settlement award payable	**5,360,366**	-
Net Cash Used In Operating Activities	**(22,414,379)**	(9,993,030)
Cash Flows from Investing Activities:		
Investment in developed technology	**-**	(42,393,374)
Net Cash Used In Investing Activities	**-**	(42,393,374)
Cash Flows from Financing Activities:		
Proceeds from notes payable to SROs (members) - Operational	**14,947,554**	8,679,654
Proceeds from notes payable to SROs (members) - Thesys CAT	**10,075,000**	42,718,374
Proceeds from SROs transferred to affiliate	**8,414,725**	-
Technology costs transferred to affiliate	**(4,081,392)**	-
Developed technology costs transferred to affiliate	**(4,333,333)**	-
Contributions from SROs (members)	**12,415**	2,867,268
Net Cash Provided by Financing Activities	**25,034,969**	54,265,296
Net Increase in Cash and Cash Held in Escrow	**2,620,590**	1,878,892
Cash and Cash Held in Escrow:		
Beginning of year	**1,878,892**	-
End of year	**$ 4,499,482**	$ 1,878,892

See Notes to the Financial Statements.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION

Securities and Exchange Commission Rule 613

Effective October 1, 2012, the Securities and Exchange Commission ("SEC") adopted Rule 613 under the Securities Exchange Act of 1934 ("Rule 613") to create a consolidated audit trail (the "CAT System") that would allow regulators to efficiently and accurately track all activity throughout the U.S. markets in National Market System ("NMS") securities. Among other things, the rule required the national securities exchanges and the Financial Industry Regulatory Authority ("FINRA"), collectively the self-regulatory organizations, ("SROs" or "members") to jointly submit a plan, called an NMS plan, to create, implement and maintain a consolidated audit trail of the NMS activity. Rule 613 specifies the type of data to be collected and when the data is to be reported to a central repository.

On September 30, 2014, the SROs submitted to the SEC the proposed NMS plan in accordance with Rule 613 which was eventually amended and replaced in its entirety on February 27, 2015 with the amended and restated CAT NMS Plan ("CAT NMS Plan"). On November 15, 2016, the SEC voted to approve the amended and restated CAT NMS Plan.

Nature of Organization

Subsequent to the SEC's approval of the CAT NMS Plan, CAT NMS, LLC (the "Organization") was formed by the SROs on November 21, 2016 as a not-for-profit organization, under Internal Revenue Code ("IRC") Section 501(c)(6), in response to SEC Rule 613 to create, implement and maintain the CAT System. The Organization is a limited liability company which was formed pursuant to the laws of the State of Delaware, and shall continue in perpetuity, unless dissolved as outlined in the Organization's operating agreement. As a result of the formation of Consolidated Audit Trail, LLC on August 29, 2019, described below, and the limited liability company agreement of CAT NMS, LLC no longer serving as the CAT NMS Plan, the Organization amended and restated its operating agreement on April 14, 2020. Pursuant to the amended and restated operating agreement, the purpose of the Organization is to engage in the defense and resolution of the dispute between the Organization and Thesys CAT LLC, and to conduct any business activity to accomplish this purpose. In September 2020, such dispute was settled. It is management's present intention to wind down the Organization.

The Organization's sole members are the SROs. The SROs all have the same rights, powers, preferences and privileges, and shall be subject to the same restrictions, qualifications and limitations to the Organization. Each SRO is entitled to one vote, and has equal interest in the Organization.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Nature of Organization (continued)

To develop the CAT System and pay for operating and support expenditures of the Organization, the Organization is funded by each of the SROs through notes payable (Note 4) and capital contributions. In February 2019, a new SRO was admitted to the Organization for a participation fee of $12,415, which balance has been recorded as a contribution in the accompanying statement of activities for the year ended December 31, 2019. Total contributions for the year ended December 31, 2018 were $2,867,268.

The Organization formed an operating committee (the "Operating Committee") to manage the Organization. The Operating Committee shall have the general charge and supervision of the business, and shall be the sole manager of the Organization. The Operating Committee is comprised of one voting member and one alternate member from each of the SROs, with one elected Chair, who will serve a two year term. No later than three months prior to the expiration of the then current term, the Operating Committee will elect a successor. No person shall serve as Chair for more than two successive full terms. The current Chair was re-elected for another two year term on January 22, 2019. Actions of the Operating Committee are outlined in the Organization's operating agreement.

Formation of Consolidated Audit Trail, LLC

On August 29, 2019, the SROs formed a new Delaware limited liability company, Consolidated Audit Trail, LLC ("CAT LLC"), an exempt organization under IRC Section 501(c)(6), for the purpose of conducting activities relating to the CAT System. Pursuant to an amendment to the CAT NMS Plan filed with the SEC on August 29, 2019, the limited liability company agreement of CAT LLC now serves as the CAT NMS Plan. The SROs are the limited liability company members of CAT LLC and have the same rights, powers, preferences and privileges, and are subject to the same restrictions, qualifications and limitations. Each SRO is entitled to one vote, and has an equal interest in CAT LLC.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Formation of Consolidated Audit Trail, LLC (continued)

The language of the limited liability company agreement of CAT LLC is the same as the language of the limited liability company agreement of CAT NMS, LLC, except for changes related to the name of the new limited liability company and the date of the agreement. Accordingly, the revisions to the CAT NMS Plan are limited only to those that are necessary to accommodate the creation of the new limited liability company, not to change any of the substantive provisions of the CAT NMS Plan that govern the way activities with regard to the CAT System are performed. In addition, the Organization has assigned its agreement with the Plan Processor, FINRA CAT, and the technical specifications for the CAT System to CAT LLC. CAT LLC has agreed to guarantee the payment obligations under the notes payable made by the Organization to the SROs for costs related to the CAT System for the period prior to the creation of CAT LLC. CAT LLC has also taken the necessary steps to enter into new contracts with other third parties performing administrative and other functions on behalf of CAT LLC.

Plan Processor Agreements

On January 17, 2017, the Organization selected Thesys CAT LLC ("Thesys CAT") as the plan processor to develop the CAT System. Effective April 6, 2017, the Organization and Thesys CAT entered into the Consolidated Audit Trail Plan Processor Agreement ("Thesys PPA"), pursuant to which Thesys CAT provided services in connection with the creation, implementation and maintenance of the CAT System. The initial term of the Thesys PPA was for seven years with automatic renewals for successive three-year periods, unless terminated, and also provided for development and implementation fees amounting to $37,500,000 based on achieving milestones as defined, until November 15, 2017, after which, assuming achievement of milestones, a quarterly recurring fee was required in the amount of $9,375,000.

In May 2018, the Organization and Thesys CAT approved a term sheet that amended certain payment provisions of the Thesys PPA. Pursuant to this term sheet, the parties agreed to revised payment terms, by replacing quarterly payments with time-based and milestone payments ending on November 15, 2018, aggregating $37,500,000. All other terms and conditions of the Thesys PPA remained in full force and effect.

Effective January 30, 2019, the Thesys PPA was terminated.

NOTE 1 - ORGANIZATION BACKGROUND AND DESCRIPTION (CONTINUED)

Plan Processor Agreements (continued)

In connection with the replacement of Thesys CAT as the plan processor, Thesys CAT performed transition services from January 30, 2019 through April 15, 2019 for a total fee of $10,075,000.

On February 26, 2019, FINRA CAT, LLC ("FINRA CAT"), an affiliate of FINRA, formally replaced Thesys CAT as the successor plan processor. Effective March 29, 2019 (the "Effective Date"), FINRA CAT and the Organization entered into a Consolidated Audit Trail Plan Processor Agreement ("FINRA PPA"), to create, implement and maintain a consolidated audit trail with respect to the trading of national market system securities and which has been extended to OTC equity securities as approved by the SEC.

Pursuant to an Assignment and Assumption Agreement effective August 30, 2019, the Organization assigned, transferred and conveyed to CAT LLC all rights, title and interest in the FINRA PPA, and CAT LLC assumed all obligations, duties, liabilities, losses, rights, powers and remedies of the Organization arising out of or relating to the FINRA PPA.

Chief Information Security Officer ("CISO")

In connection with the Thesys PPA, an employee of Thesys CAT was designated as the CISO who was responsible for creating and enforcing appropriate policies, procedures, standards and control structures to monitor and address data security issues for Thesys CAT and the CAT System. A total of $643,750 was placed in escrow as compensation of the CISO beginning in April 2018. The balance of the escrow account was $325,000 at December 31, 2018 and is included in cash held in escrow in the accompanying statement of financial position at December 31, 2018; with such balance being paid to the CISO in 2019. The FINRA PPA also provides for a CISO, an employee of FINRA CAT, who has the same responsibilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting, prepared in accordance with generally accepted accounting principles in the United States of America and are presented pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 958, *Not-for-Profit Entities.*

Program Services and Supporting Activities

Program services consisted of the application development stage costs of the developed technology, which costs were capitalized and then subsequently impaired on January 23, 2019 (Note 3). Expenses relating to supporting activities are presented by their natural expense classification in the accompanying statements of activities.

Recent Accounting Pronouncements

Adopted

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which amends guidance on the classification and presentation of restricted cash in the statement of cash flows. On January 1, 2019, the Organization adopted ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash* and retrospectively applied the guidance to the Statements of Cash Flows for both years presented. The adoption of ASU 2016-18 requires the inclusion of cash held in escrow with cash when reconciling the beginning-of-year and end-of-year total amounts shown on the statements of cash flows.

The following table provides a reconciliation of cash and cash held in escrow reported within the statements of financial position that sum to the total of the same such amounts shown in the statements of cash flows.

	12/31/2019	12/31/2018
Cash	**$ 4,499,482**	$ 1,553,892
Cash held in escrow	**-**	325,000
Total cash and cash held in escrow	**$ 4,499,482**	$ 1,878,892

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements (continued)

In June 2018, the FASB issued ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made,* to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This guidance clarifies how an entity determines (1) whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities,* or as exchange (reciprocal) transactions subject to other guidance, and (2) whether a contribution is conditional. The adoption of ASU 2018-08 did not have a material effect on the financial statements.

Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606) ("Topic 606"),* which affects virtually all aspects of an entity's revenue recognition. The core principle of the new standard is that revenue should be recognized to depict the transfer of promised goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In May 2020, the FASB amended the effective date of the adoption of Topic 606 by one year, effective for the Organization's 2020 fiscal year. The Organization is evaluating the impact of ASU 2014-09 on the financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases*. The amendments in this ASU establish a right-of-use model that requires a lessee to record a right-of-use asset and a lease liability on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. In May 2020, the FASB amended the effective date of the adoption of ASU 2016-12 by one year, effective for the Organization's 2022 fiscal year. The Organization is evaluating the impact of ASU 2016-02 on the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Developed Technology

The developed technology asset, which represents capitalizable application development stage costs incurred in the development of the CAT System, is stated at cost. At the inception of the Thesys PPA, the developed technology was in the application development stage, and accordingly such costs were capitalized. Application development stage costs should be amortized over the term of the associated developed technology on a straight-line basis commencing at the point when the software is ready for its intended use, after all substantial testing is completed and ending at the expiration of the initial contract term. The Organization evaluates the remaining useful life of the developed technology asset that is being amortized each reporting period to determine whether events or circumstances warrant a revision to the remaining period of amortization. If the estimate of the remaining life is changed, the remaining carrying amount of the developed technology assets will be amortized prospectively over the revised remaining useful life. Preliminary project stage costs are expensed in the period incurred.

Impairment of Long-Lived Assets

The Organization reviews the carrying value of its long-lived assets, namely the developed technology asset, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. When it is no longer probable that software being developed will be completed and placed in service, the asset shall be reported at the lower of the carrying amount or fair value, if any. Indications that the software may no longer be expected to be completed and placed in service include circumstances when the software is not expected to provide substantive service potential or significant changes are made to the software. An impairment loss is recognized if the carrying amount of the asset exceeds its fair value. An impairment loss of $75,205,874 was recorded for the year ended December 31, 2019 (Note 3).

Income Taxes

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is “more-likely-than-not” to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (continued)

The Organization is exempt from federal income tax under IRC section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. In addition, the Organization has not recorded a provision for income taxes as it has no material tax liability from unrelated business income activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Going Concern

In connection with our assessment of going concern considerations in accordance with Financial Accounting Standard Board's Accounting Standards Updated ("ASU") 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern", management has determined that the subsequent wind down described below raises substantial doubt about the Organization's ability to continue as a going concern. No adjustments have been made to the carrying amounts of assets or liabilities that may result should the Organization be unable to continue as a going concern.

The Organization's financial assets consist of cash of $4,499,482 at December 31, 2019, which is available to meet the Organization's operational needs.

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. Through an ongoing budgeting process, the Operating Committee reviews projected expenditures and funds the Organization's future operating needs through the issuance of promissory notes to the SROs. The Organization generally strives to maintain liquid financial assets sufficient to cover 90 days of expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Going Concern (continued)

The Organization has incurred significant losses, with a large cumulative net deficit as of December 31, 2019. Management has taken actions to ensure that the Organization will have sufficient liquidity to fund all known liabilities, through its dissolution; wherein the SROs will fund the Organization for legal and administrative costs, for costs to settle the amounts due to CAT LLC and for costs to settle the arbitration award payable to Thesys CAT (Note 5). Thereafter, management intends to wind down the Organization's operations.

NOTE 3 - DEVELOPED TECHNOLOGY

The CAT System, or the software, is comprised of its main component, the Background Technology, along with Foreground Technology, and Intellectual Property Rights of each. Application development stage costs incurred to develop the CAT System under the Thesys PPA amounted to $75,205,874, which costs have been presented as developed technology in the statement of financial position at December 31, 2018. All such costs were paid directly to Thesys CAT by the SROs on behalf of the Organization.

Impairment Loss

In January 2019, the Operating Committee concluded that the software could no longer be expected to be completed and placed in service pursuant to the specifications set forth in the Thesys PPA. On January 23, 2019, the Organization notified Thesys CAT that it was terminating the Thesys PPA, effective January 30, 2019. Consequently, on January 23, 2019, the Operating Committee determined that the developed technology was impaired, and recorded an impairment loss of the full carrying amount of $75,205,874 in 2019.

NOTE 3 - DEVELOPED TECHNOLOGY (CONTINUED)

Transition Fee

In connection with the replacement of Thesys CAT as plan processor and in accordance with the Thesys PPA, Thesys CAT performed transition services from January 30, 2019 through April 15, 2019. Such transition services included ingesting, validating and securing data, retaining books and records relating to the CAT System, and transferring such data and books and records to the Organization, among other transition services. This transition fee for these services aggregated $10,075,000 and was expensed.

Assignment and Assumption Agreement

The Organization incurred various costs related to the CAT System under the FINRA PPA from the Effective Date of March 29, 2019 through July 2019. In August 2019, subsequent to the formation of CAT LLC, pursuant to an Assignment and Assumption Agreement effective August 30, 2019, the total costs incurred by the Organization under the FINRA PPA, including the capitalized developed technology asset, technology costs, as well as the notes payable used to fund such costs were transferred to CAT LLC. Accordingly, the aforementioned costs and the related notes payable, are not reflected in the accompanying financial statements, but rather in the financial statements of CAT LLC.

These costs and the related notes payable to SROs (members) are summarized as follows:

Developed technology, net of accumulated amortization of $119,298	$ 4,214,035
Technology costs, inclusive of amortization expense	4,200,690
	$ 8,414,725
Notes payable to SROs (members)	$ 8,414,725

NOTE 4 - RELATED PARTY TRANSACTIONS

Notes Payable to SROs (Members)

The Organization is funded by each of the SROs through notes payable. The Organization has issued various secured, non-interest bearing notes payable. The notes are payable on demand, if requested in writing by the holders of the notes representing at least two-thirds of the outstanding principal amount of indebtedness represented by all notes. Any repayment shall be concurrent with a corresponding pro rata repayment of all other notes. The notes payable are secured by the assets of the Organization. The SROs do not intend on calling the outstanding notes payable due from the Organization prior to its dissolution.

The notes payable, by issuance date, are summarized as follows as of December 31, 2019:

Notes payable to SROs - Thesys CAT:	
April 2017	$ 9,375,000
July 2017	9,375,000
October 2017	9,375,000
December 2017	4,687,500
February 2018	5,208,633
March 2018	4,687,500
April 2018	122,618
May 2018	12,495,833
June 2018	725,000
July 2018	725,000
August 2018	5,571,535
September 2018	1,086,798
November 2018	9,041,666
December 2018	3,053,791
January 2019	1,200,000
February 2019	8,875,000
	$ 85,605,874

Notes payable to SROs - Operational:	
June 2018	$ 6,425,541
September 2018	1,864,502
December 2018	389,611
February 2019	1,320,346
April 2019	3,134,075
August 2019	18,907,858
Subtotal	32,041,933
Less: amount transferred to affiliate	(8,414,725)
	$ 23,627,208

NOTE 4 - RELATED PARTY TRANSACTIONS (CONTINUED)

Notes Payable to SROs (Members)

As part of the aforementioned Assignment and Assumption Agreement, notes payable in the amount of $8,414,725 arising as a result of the FINRA PPA were transferred to CAT LLC (see Note 3).

Due to Affiliate

The net amount due to CAT LLC was $391,880 at December 31, 2019, and is reflected in due to affiliate in the accompanying statement of financial position at December 31, 2019. There was no such amount due at December 31, 2018.

New Participant

In February 2019, a new SRO was admitted to the Organization for a participation fee of $12,415, which balance has been recoded as a contribution in the accompanying statement of activities for the year ended December 31, 2019.

Guarantee

CAT LLC has agreed to guarantee the payment obligations under the notes payable made by the Organization to the SROs for costs related to the CAT System for the period prior to the creation of CAT LLC, amounting to $109,233,082 as of December 31, 2019.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Cash Credit Concentration Risk

The Organization maintains cash accounts with a bank located in New York. The excess of deposit balances over amounts that would have been covered by federal insurance were approximately $4,249,000 and $1,304,000 at December 31, 2019 and 2018, respectively.

NOTE 5 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Arbitration

In 2019, the Organization engaged legal counsel to file an arbitration claim against Thesys CAT to recoup certain damages incurred by the Organization. Thesys CAT also filed a counterclaim against the Organization. In September 2020, Thesys CAT was awarded $5,360,366 as settlement of the arbitration proceeding, which has been accrued for in the accompanying financial statements.

NOTE 6 - SUBSEQUENT EVENTS

In July 2020, the Organization has been funded by issuing additional notes payable to the SROs in the aggregate amount of $3,500,000.

In October 2020, the Organization has been funded in the aggregate amount of $6,300,000.

Subsequent events have been evaluated through October 20, 2020, which is the date the financial statements were available to be issued.