Exhibit E.12.

Rule 1: Definitions

1, 2, 3, etc.

30-Day Implied Volatility

1. The term “30-Day Implied Volatility” has the meaning specified in Rule 5B.

A.

Applicant

1. The term “Applicant” means a person seeking admission to become a Participant having access to services provided by the Company.

Assets

2. The term “Assets” means all property, including Cash, Cash equivalents or securities, credited to a Participant Account. Assets are held by the Company in a Participant’s Participant Account to resolve Settlement Obligations.

B.

Bilateral Netting

1. The term “Bilateral Netting” means the netting method described in Rule 4.1A.

Board

2. See the definition of Board of Directors.

Board of Directors

3. The term “Board of Directors” means the board of directors of the Company.

Business Day

4. The term “Business Day” means any day on which DTC is open for business.

C.

Call Report

1. The term “Call Report” means a Consolidated Report of Condition and Income, which is a periodic filing of certain financial and other information required by the Federal Financial Institutions Examination Council.

Cash

2. The term "Cash" means United States dollars.

Cash Digitization

3. The term "Cash Digitization" means the process described in Rule 4 whereby the Company creates a security entitlement representing Cash. Upon a Participant depositing Cash in an account of the Company at a Settling Bank, the Cash Digitization process results in a credit to a Participant in its Participant Account on the Paxos Ledger.

Chief Executive Officer

4. The term "Chief Executive Officer" means the chief executive officer of the Company.

Close-Out Execution

5. The term "Close-Out Execution" means either a Discretionary Close-Out Execution or a Mandatory Close-Out Execution.

Close-Out Execution Notice

6. The term "Close-Out Execution Notice" means a notice, which is provided by a Participant effecting a Close-Out Execution, to the Company that must comply with the requirements set forth in Rule 6.

Close-Out Liability Obligation

7. The term "Close-Out Liability Obligation" means a Cash Settlement Obligation created by the Company that is due to be paid by a Failing Participant to a Non-Failing Participant in relation to the relevant Non-Failing Participant's Close-Out Execution.

Committee

8. See the definition of Committee of the Board of Directors.

Committee of the Board of Directors

9. The term "Committee of the Board of Directors" means a committee created to provide counseling or advice to the Board or to perform a particular task on the Board's agenda.

Company

10. The term "Company" means Paxos Securities Settlement Company, LLC.

Company Default

11. The term "Company Default" has the meaning specified in Rule 14.

Compliance and Risk Management Committee

12. The term "Compliance and Risk Management Committee" means the Compliance and Risk Management Committee of the Board of Directors.

Computed Margin Requirement

13. The term "Computed Margin Requirement" has the meaning specified in Rule 5B.

Confidential Information

14. The term "Confidential Information" means information that an Applicant or Settling Bank applicant furnishes to the Company, or that the Company furnishes to an Applicant or Settling Bank applicant, as applicable, in a writing designated as confidential, but does not include any such information that is or becomes generally available to the public or that is or becomes available from a source other than the furnishing party.

Controlling Management

15. The term "Controlling Management" means the chief executive officer, the chief financial officer and the chief operations officer, or their equivalents, of an Applicant or Participant.

Counterparty Pair

16. The term "Counterparty Pair" means a set of two Participants who have agreed in writing to settle transactions with each other on the Paxos Settlement Service, as provided in Rule 2D.

Credit Risk Rating

17. The term "Credit Risk Rating" means a rating assigned by the Company to each Participant or Settling Bank, as applicable, based on certain quantitative, and when available, publicly accessible, credit factors.

Credit Risk Rating Matrix

18. The term "Credit Risk Raking Matrix" means the matrix that the Company uses to determine the Credit Risk Rating for a Participant or Settling Bank, as applicable.

CUSIP

19. The term "CUSIP" means a number that identifies certain financial instruments consistent with the system developed by the Committee on Uniform Securities Identification Procedures.

D.

Daily Settlement Cut-Off Time

1. The term “Daily Settlement Cut-Off Time” means 3:10 p.m. and is the time by which a Participant is required to make sufficient Operating Cash or Eligible Securities, as applicable, available in its Participant Account to facilitate timely settlement of its Settlement Obligations on the Settlement Date, as described in Rule 6; provided, however, that the Company, upon at least ten (10) Business Days’ prior notice to all Participants, may specify a different time as may be necessary to accommodate exceptional circumstances on a particular Settlement Date, such as shortened Business Days on holidays. Any other change to the generally applicable time of 3:10 p.m. that is not made pursuant to a proposed rule change by the Company under the Securities Exchange Act must be made pursuant to the authority in Rule 12 regarding the suspension of the Company’s Rules in certain emergency circumstances.

Defaulting Participant

2. The term “Defaulting Participant” means a Participant that incurs a Settlement Failure of a Close-Out Liability Obligation as described in Rule 6, or a Participant that fails to satisfy a margin call as described in Rule 5C.

Designated Trade Submission Participant

3. The term “Designated Trade Submission Participant” has the meaning specified in Rule 4.

Discretionary Close-Out Execution

4. The term “Discretionary Close-Out Execution” has the meaning specified in Rule 6.

DTC

5. The term “DTC” means The Depository Trust Company.

DTC Account

6. The term “DTC Account” means an account maintained at DTC.

Dynamic Spot Price

7. The term “Dynamic Spot Price” has the meaning specified in Rule 5B.

E.

Eligible Participant

1. The term “Eligible Participant” has the meaning specified in Rule 14.

Eligible Securities

2. The term “Eligible Securities” means securities that the Company will accept in its DTC Account from the DTC Account of a Participant, as described in Rule 3.

Eligible Trading Venue

3. The term “Eligible Trading Venue” means a trading venue approved by and integrated by the Company.

Enhanced Netting

4. The term “Enhanced Netting” means the netting method described in Rule 4.2A.

Excessive Fails Penalty

5. The term “Excessive Fails Penalty” has the meaning specified in Rule 5B.

Exchange Act

6. See the definition of Securities Exchange Act.

F.

Fail

1. The term “Fail” means a Participant’s failure to deliver either Operating Cash or Eligible Securities on the Settlement Date for a Settlement Obligation.

Failing Participant

2. The term “Failing Participant” means a Participant that fails to make sufficient Operating Cash or Eligible Securities available in its Participant Account on a Settlement Date by the Daily Settlement Cut-Off Time to settle any of its Settlement Obligations to another Participant (*i.e.*, the Non-Failing Participant). The term Failing Participant applies in relation to a particular Non-Failing Participant to whom the Settlement Failure has occurred. A Participant simultaneously may be a Non-Failing Participant in connection with a Settlement Failure by a Participant and a Failing Participant to that same Participant or a different Participant regarding a separate Settlement Failure.

Fails Charges

3. The term “Fails Charges” has the meaning specified in Rule 5B.

FATCA

4. The term “FATCA” means (a) the provisions of Sections 1471 through 1474 of the Internal Revenue Code which were enacted as part of The Foreign Account Tax Compliance Act (or any amendment thereto or successor sections thereof), and related Treasury Regulations and other official interpretations thereof, as in effect from time to time, and (b) the provisions of any intergovernmental agreement to implement The Foreign Account Tax Compliance Act as in effect from time to time between the United States and the jurisdiction of the FFI Participant’s residency.

FATCA Certification

5. The term “FATCA Certification” means an executed copy of the relevant tax form required by the Internal Revenue Service under FATCA, as in effect from time to time, that each Participant or Applicant shall provide from time to time to the Company as set forth under these Rules.

FATCA Compliance Date

6. The term “FATCA Compliance Date” means, as applicable, either (a) January 1, 2014, with respect to any FFI Participant approved for membership by the Company on January 1, 2014 or thereafter (or, if the commencement of all FATCA withholding with respect to such FFI Participants is delayed beyond January 1, 2014 under FATCA, two (2) calendar months plus one (1) day before such delayed effective date), or (b) May 1, 2014, with respect to any FFI Participant approved for membership by the Company at any time prior to January 1, 2014 (or, if the commencement of all FATCA withholding with respect to such FFI Participants is delayed beyond July 1, 2014 under FATCA, two (2) calendar months plus one (1) day before such delayed effective date).

FATCA Compliant or FATCA Compliance

7. The term “FATCA Compliant” or “FATCA Compliance” means, with respect to an FFI Participant, that such FFI Participant has qualified under such procedures promulgated by the Internal Revenue Service as are in effect from time to time to establish exemption from withholding under FATCA such that the Company will not be required to withhold under FATCA either (a) on “gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States” within the meaning of Section 1473(1)(A)(ii) of the Internal Revenue Code, or (b) on interest, dividends, etc. from sources within the United States within the meaning of Section 1473(1)(A)(i) of the Internal Revenue Code, in each case, paid to such FFI Participant.

Federal Bankruptcy Code

8. The term “Federal Bankruptcy Code” means the U.S. Bankruptcy Code.

Federal Deposit Insurance Act

9. The term “Federal Deposit Insurance Act” means the Federal Deposit Insurance Act of 1950, as may be amended from time to time.

Federal Reserve

10. When referencing regulatory jurisdiction, the term “Federal Reserve” means the Board of Governors of the Federal Reserve System.

Federal Reserve System

11. The term “Federal Reserve System” means the central banking system of the United States created by the Federal Reserve Act of 1913, as may be amended from time to time.

Fee Schedule

12. The term “Fee Schedule” means the Company’s fee schedule.

FFIEC

13. The term “FFIEC” means the Federal Financial Institutions Examination Council.

FFI Participant

14. The term “FFI Participant” means any Participant that is treated as a non-U.S. entity for U.S. federal income tax purposes. For the avoidance of doubt, FFI Participant includes any Participant that is a U.S. branch of an entity that is treated as a non-U.S. entity for U.S. federal income tax purposes.

FINRA

15. The term “FINRA” means the Financial Industry Regulatory Authority, Inc.

FOCUS Report

16. The term “FOCUS Report” means the Financial and Operational Combined Uniform Single Report, which is filed with FINRA by broker-dealer members of FINRA on a periodic basis, pursuant to Rule 17a-5 under the Securities Exchange Act, as may be amended from time to time.

G.

GAAP

1. The term “GAAP” means the Generally Accepted Accounting Principles issued by the Financial Accounting Standards Board.

Government Securities

2. The term “Government Securities” means securities that meet the definition of “government securities” in Section 3(a)(42) of the Securities Exchange Act, as may be amended from time to time, including direct obligations of, or obligations guaranteed as to principal or interest by, the United States.

H.

Hague Securities Convention

1. The term “Hague Securities Convention” means the Convention on the Law Applicable to Certain Rights in Respect of Securities Held with an Intermediary, July 5, 2006, T.I.A.S. No. 17,401 (entered into force April 1, 2017).

I.

Initial Margin Deposit

1. The term “Initial Margin Deposit” means the amount of Margin Assets that a Participant must deposit with the Company to access services as set forth in Rule 5B.

Insurance Company

2. The term “Insurance Company” means any person who is subject to supervision or regulation pursuant to the provisions of state insurance law and issues insurance contracts.

Insurance Entity

3. The term “Insurance Entity” means an insurance company, partnership, corporation, limited liability corporation or other organization or entity who is licensed to sell insurance products and is subject to supervision or regulation pursuant to the provisions of state insurance laws.

Interested Person

4. The term “Interested Person” has the meaning specified in Rule 10.

Internal Revenue Code

5. The term “Internal Revenue Code” means the Internal Revenue Code of 1986, as may be amended from time to time.

Internal Revenue Service

6. The term “Internal Revenue Service” means the Internal Revenue Service of the United States.

Intraday Additional Computed Margin Requirement

7. The term “Intraday Additional Computed Margin Requirement” has the meaning specified in Rule 5B.

Intraday Computed Margin Requirement

8. The term “Intraday Computed Margin Requirement” has the meaning specified in Rule 5B.

Investment Advisers Act

9. The term “Investment Advisers Act” means the Investment Advisers Act of 1940, as may be amended from time to time.

Investment Company Act

10. The term “Investment Company Act” means the Investment Company Act of 1940, as may be amended from time to time.

IRS

11. The term “IRS” means the Internal Revenue Service of the United States.

ISIN

12. The term “ISIN” means a number that identifies certain financial instruments consistent with the International Securities Identification Number system developed by the International Organization for Standardization.

J.

Reserved.

K.

KYC

1. The term “KYC” means procedures that require financial services entities to verify the identity, suitability and risks involved with maintaining a business relationship, known as Know Your Customer procedures.

L.

Last Cured Failures Date

1. The term “The Last Cured Failures Date” has the meaning specified in Rule 14.

Last Settlement Date

2. The term “Last Settlement Date” has the meaning specified in Rule 14.

Last Transaction Acceptance Date

3. The term “Last Transaction Acceptance Date” has the meaning specified in Rule 14.

Liquidity Exposure Requirement

4. The term “Liquidity Exposure Requirement” has the meaning specified in Rule 5B.

M.

Mandatory Close-Out Execution

1. The term “Mandatory Close-Out Execution” has the meaning specified in Rule 6.

Margin Assets

2. The term “Margin Assets” means Assets that a Participant posts to the Margin Cash Account, consistent with Rule 5A, to collateralize the risk that the Participant may not timely perform its Settlement Obligations to another Participant that is its Counterparty Pair.

Margin Cash Account

3. The term “Margin Cash Account” means an omnibus Cash custody account at a Settling Bank maintained in the name of the Company for the purpose of holding Cash deposited by Participants that represents Margin Assets of each Participant.

Market Venues

4. The term “Market Venues” means any securities trading execution platform, broker-dealer or other entity that serves as the execution venue for accepted transactions.

Minimum Required Margin Deposit

5. The term “Minimum Required Margin Deposit” means the minimum amount of Margin Assets that each Participant must keep with the Company at all times, which shall be ten thousand dollars ($10,000); provided, however, that the Company, in consideration of the factors specified in Rule 5.1.1B, may require a higher Minimum Required Margin Deposit for any Participant.

Minor Rule Decision

6. The term “Minor Rule Decision” means a written statement by a Minor Rule Violation Panel provided to a Participant of such Minor Rule Violation Panel’s decision in a Minor Rule Violation hearing pursuant to Rule 10.4.1.

Minor Rule Violation

7. The term “Minor Rule Violation” means a violation of the Rules for which a fine may be assessed against a Participant in an amount not to exceed two thousand, five hundred dollars ($2,500), consistent with Rule 10.4.1.

Minor Rule Violation Panel

8. The term “Minor Rule Violation Panel” means a panel composed of three (3) officers of the Company pursuant to Rule 10.4.1, responsible for a hearing related to a matter that is a Minor Rule Violation.

Money Market Mutual Fund

9. The term “Money Market Mutual Fund” means any security issued by an investment company registered under Section 8 of the Investment Company Act that is considered a money market fund under Rule 2a-7 under the Investment Company Act.

N.

Non-Eligible Participant

1. The term “Non-Eligible Participant” has the meaning specified in Rule 14.

Non-Failing Participant

2. The term “Non-Failing Participant” means a Participant that has not received sufficient Operating Cash or Eligible Securities when due on a Settlement Date from another Participant. The term Non-Failing Participant applies in relation to another Participant that is responsible for a Settlement Failure to the Non-Failing Participant. A Participant simultaneously may be a Non-Failing Participant in connection with a Settlement Failure by a Participant and a Failing Participant to that same Participant or a different Participant regarding a separate Settlement Failure.

Non-Participant

3. The term “Non-Participant” means a person that is not a Participant.

Notice of Decision

4. The term “Notice of Decision” has the meaning specified in Rule 10.

Notice of Intent to Close-Out

5. The term “Notice of Intent to Close-Out” means a notice provided by a Non-Failing Participant to a Failing Participant in a Counterparty Pair and the Company that the Non-Failing Participant intends to perform a Close-Out Execution pursuant to Rule 6.

NSCC

6. The term “NSCC” means National Securities Clearing Corporation.

NYUCC

7. The term “NYUCC” means the New York Uniform Commercial Code.

O.

OFAC

1. The term “OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

Operating Cash

2. The term “Operating Cash” means Cash that is designated for use in resolving Settlement Obligations, as distinct from Cash that represents Margin Assets designated for use in resolution of Close-Out Liability Obligations.

Operating Cash Account

3. The term “Operating Cash Account” means an omnibus Cash custody account at a Settling Bank maintained in the name of the Company that holds Operating Cash deposited by Participants for the purpose of settling obligations to purchase Eligible Securities from Counterparty Pairs and to settle fees owed to the Company.

P.

Panel

1. The term “Panel” means a panel selected from the Board of Directors or their designees pursuant to Rule 10.4.2, responsible for a hearing related to a matter that is not a Minor Rule Violation or is an appeal of a Minor Rule Decision.

Participant

2. The term “Participant” means a participant who has been approved to access the Company’s services.

Participant Account

3. The term “Participant Account” means a “securities account” within the meaning of Section 8-501(a) of the NYUCC that the Company will carry on behalf of a Participant.

Participant Advisory Committee

4. The term “Participant Advisory Committee” means a committee designed to represent and inform Participants regarding significant matters that may affect Participants and their access to the Company’s services.

Participant Agreement

5. The term “Participant Agreement” means an agreement between the Company and a specific Participant that provides for certain terms with respect to the Company’s services and must be executed prior to such Participant accessing the Company’s services.

Paxos Ledger

6. The term “Paxos Ledger” means the Company’s blockchain-based application that tracks the movement of Assets between Participant Accounts.

Paxos Settlement Service

7. The term “Paxos Settlement Service” means the systems used by the Company to provide clearance and settlement services to Participants.

Penalty Notice

8. The term “Penalty Notice” means a written statement sent, pursuant to the imposition of a sanction by the Company under Rule 9, by the Company to a Participant describing the reason for the proposed sanction and notifying the Participant that it has an opportunity to respond, pursuant to Rule 10.

Preliminary Computed Margin Requirement

9. The term “Preliminary Computed Margin Requirement” means an initial calculation of a Participant’s Computed Margin Requirement that is adjusted to arrive at a Computed Margin Requirement, as specified in Rule 5B.

PSS

10. See the definition of Paxos Settlement Service.

Q.

Reserved.

R.

Required Margin Amount

1. The term “Required Margin Amount” means the greater of the Initial Margin Deposit, Minimum Required Margin Deposit and Computed Margin Requirement, as specified in Rule 5B.

Required Margin Deposit

2. The term "Required Margin Deposit" has the meaning specified in Rule 5B.

Rules

3. The term "Rules" means the rules of the Company.

S.

SEC

1. See the definition of Securities and Exchange Commission.

Securities Act

2. The term "Securities Act" means the Securities Act of 1933, as may be amended from time to time.

Securities and Exchange Commission

3. The term "Securities and Exchange Commission" means the U.S. Securities and Exchange Commission.

Securities Digitization

4. The term "Securities Digitization" means the process described in Rule 4 whereby the Company creates a security entitlement representing securities. Upon a Participant depositing Eligible Securities in the Company's DTC Account, the Securities Digitization process results in a credit to a Participant in its Participant Account on the Paxos Ledger.

Securities Exchange Act

5. The term "Securities Exchange Act" means the Securities Exchange Act of 1934, as may be amended from time to time.

Settlement Date

6. The term "Settlement Date" means the date on which a Counterparty Pair elects to settle a transaction.

Settlement Failure

7. The term "Settlement Failure" means a Settlement Obligation for which a Participant fails to make sufficient Operating Cash or Eligible Securities available in its Participant Account on a Settlement Date by the Daily Settlement Cut-Off Time.

Settlement Obligation

8. The term “Settlement Obligation” means a Participant’s obligation, which may be a net obligation or a gross obligation as described in Rule 4A, to deliver Cash or Eligible Securities to another Participant that is its Counterparty Pair, as the result of a transaction that is accepted by the Company for clearance and settlement. As the context requires, a Settlement Obligation may also be a Settlement Failure or a Close-Out Liability Obligation.

Settlement Service Termination Event

9. The term “Settlement Service Termination Event” means either a Company Default or a Voluntary Termination of Services.

Settling Bank

10. The term “Settling Bank” means a bank or trust company described in Rule 13 that has been approved by the Compliance and Risk Management Committee in the manner specified in Rule 13 and that is a party to an effective Settling Bank agreement whereby the Settling Bank undertakes to perform settlement services for a Participant.

SRO

11. The term “SRO” means a “self-regulatory organization” as defined in Section 3(a)(26) of the Securities Exchange Act.

Statutory Disqualification

12. The term “Statutory Disqualification” has the meaning provided in Section 3(a)(39) of the Securities Exchange Act.

T.

Termination of Services Date

1. The term “Termination of Services Date” has the meaning specified in Rule 14.

Termination Date

2. The term “Termination Date” means the effective date of the Company’s termination of a Participant pursuant to Rule 7, on which date the Company will no longer accept transactions for settlement from the Participant.

Transferee

3. The term “Transferee” means an entity to which the Company will transfer its business, as contemplated under Rule 14.

Transfer Time

4. The term "Transfer Time" means the date and time of a transfer of the Company's business to a Transferee, as contemplated under Rule 14.

Two-Day Standard Deviation

5. The term "Two-Day Standard Deviation" has the meaning specified in Rule 5B.

U.

Unsettled Settlement Obligation

1. The term "Unsettled Settlement Obligation" means a Settlement Obligation of a Participant that has not been settled.

U.S. Code

2. The term "U.S. Code" means the United States Code published by the Office of the Law Revision Counsel of the U.S. House of Representatives to codify the general and permanent laws of the United States.

V.

Voluntary Termination of Services

1. The term "Voluntary Termination of Services" has the meaning specified in Rule 14.

W.

Watch List

1. The term "Watch List" means a list kept by the Company of Participants or Settling Banks, as applicable, that may be subject to enhanced surveillance by the Company, pursuant to Rule 2B or Rule 13, respectively.

Wind-Down Plan

2. The term "Wind-Down Plan" has the meaning specified in Rule 14.

X.

Reserved.

Y.

Reserved.

Z.

Reserved.