

## Arbitraging.co Update 9/10/19

Hello! Once again there have been changes to the arbitraging.co website that affect your account. Please read this information carefully and if you have specific questions about the information presented here, send them in to our office for clarification.

Please note that we do not have any information more than what is written here and all of our information is based on announcements and updates made on the arbitraging.co site itself. If the answer to your question is not here, we do not have the answer. You may be able to find it by searching the FAQs on arbitraging.co. or by asking it in the ARB Main Telegram chat: <https://t.me/ARBpage>

### A Brief Review of Arbitraging.co Recent Developments

**You may recall that on 7/9/19**, the announcement on arbitraging.co stated that the APEX trading platform would feature manual arbitraging opportunities using aUSD to finance the trades and ARB to pay the fees associated with the trade. At that time, Woodford Research recommended that you continue to hold all ARB and aUSD until the live APEX tool was released and we could assess the potential for withdrawing funds from the site using one of the newly established trading pairs of ARB/aUSD or aUSD/ETH.

**On 8/10/19**, the announcement on the arbitraging.co site stated that the exchange would be off-line in order to implement the new trading pairs, ARB/aUSD or aUSD/ETH.

The proposed aUSD/ETH pair gave the impression that there would be the possibility of selling your aUSD (aBOT balance) for ETH. At that time, we needed APEX to go live so traders who wanted to trade with it would have a reason to buy aUSD to fund their trades. Theoretically, those traders would use their ETH to buy aUSD from us, the former aBOT holders, allowing us to cash out our accounts for ETH and send them off the platform, if we so desired.

The pairs were launched and the exchange appeared to function correctly, however there were no buyers on the exchange willing to use ETH to buy aUSD. This was in part due to the fact that the only use for aUSD was to trade on APEX and APEX was not yet live for trading. Hence, there was no reason for anyone to purchase aUSD yet. Again, the hope was that once APEX went live, there would be buyers for aUSD.

**Then on 8/31/19** the arbitraging.co development team switched gears completely again and instead of having two tokens or crypto-coins as previously stated, they instead combined all of the ARB and aUSD in all accounts and converted everyone's personal holdings to a new coin called APX. The announcement stated that going forward all functions of the platform will require APX and all fees associated with trading on APEX will also use APX.

## The Conversion Process from aUSD and ARB to APX

The conversion rates for the coins were:

1 ARB = 1 APEX - This, in effect, just changed the name of the ARB you were holding to APX. This change by itself had no effect on the value of your ARB holdings.

1 aUSD = .59 APEX – If you assume that each aUSD you held was worth approximately \$1.00, this exchange rate equated to each of us paying \$.59 for each APEX. It's not clear where that value came from and we were not given a choice to hold off for a better price. The exchange was made for us automatically and without warning.

The effect of these actions was that the new APEX coin suddenly had a much larger presence in the market place; where the reported circulating supply of ARB had been 8-9 million total ARB, the addition of aUSD into the equation means that now there is a circulating supply of up to 100 million APX. As with any market, additional supply of any product or commodity causes the value of that product to decrease. That is exactly what the increased supply of APX did to the value of APX.

The market price for APX crashed to about \$.02 immediately after the conversion. In other words, the coin that we all just paid \$.59 for just decreased in value to \$.02- a 97% loss in the value of our accounts. As one might imagine, there was much complaining about this depreciation on the Telegram chat.

## Roll-Back Button One-Time Option

In response to these voiced concerns, the arbitrating team has implemented a one-time “rollback” option for anyone who wants to manage their account manually. Please note that this is a ONE TIME ONLY option; once you use the button, you will not be able to take this action again. Also, it is not absolutely necessary for you to use this option. If you take the roll-back option, you will be required to manually convert all of your existing aUSD to APX. That process, under current limits and restrictions could take several months or even years of daily account management to complete, depending on the size of your aUSD balance. If you do not wish to commit to daily, active account management, you should not take the roll-back option.

Here are the things you need to know:

1. If you choose to roll-back the aUSD to APX conversion that was done for you automatically, the APX balance in your main wallet will decrease and revert to aUSD. This newly reverted aUSD will be visible in the system, however **you will not be able to sell it on the exchange until you move it to your main wallet.**
2. There are limits in place right now that limit the number of APX you can move to your main wallet in a 24-hour period. That limit is 5000 APX/24-hour period. At the current market price of about \$.02, that means you will only be able to move about 100-110 aUSD every 24 hours to your main wallet. Here's what that looks like:

- If before the conversion happened on 8/31, you had 1,000 aUSD in your account, it would have been converted to APX at a rate of \$.59. You would now be holding 1,695 APX. ALL OF THIS APEX IS IN YOUR MAIN WALLET AND AVAILABLE FOR USE.
  - If you choose to roll back that conversion, your main wallet will be reduced by 1,695 APX and the 1,000 aUSD will be placed in the system. That 1,000 aUSD is no longer in your main wallet and will not be available for use until you move it to your main wallet.
  - Because there is a limit of 5000 APX on the amount of aUSD you can convert to APX and move on a 24-hour period, it will now take you at least 10 days to convert all of your aUSD to APX and move it to your main wallet at a rate of about 100 aUSD (5000 APX) each day.
  - If your account was at 5,000 aUSD before the conversion, it will take you at least 50 days to complete the conversion; for a 10,000 aUSD account, it will take over 100 days to move it all to your wallet, etc.
  - **You will need to factor in this information when deciding whether or not to use the roll-back button. If you are not willing or able to manually attend to this account every day for the next several months, you may not want to utilize this option at this time.**
  - On a 1,000 aUSD account if you convert all of your aUSD to APX, using the current APX market price of \$.02, at the end of that process you will have around 50,000 APX in your main wallet, instead of the 1,695 APX you would have at the previous rate. Obviously, that number will change if the value of APX changes during the conversion process.
  - It's possible that the limits on the amount of APX you can move in a day will change in the future, but we have no indication right now if and when that will happen.
3. If you don't want to manually manage this account for the next several months, you can decide not to use the roll-back option. If you choose to leave your account as it is, here's what that looks like:
- Your APX balance stays in your main wallet at the current value of .59 aUSD/APX. There is no need for you to take any further action on that account total. i.e. an account that held 1000 aUSD before the conversion will now hold 1695 APX. The current market value of APX is about \$.02, so the market value of your holdings would equate to about \$34.00 before fees and exchange rates are considered.
  - However, if the APEX trading platform becomes viable, the value of APX could rise. If that happens and APX reaches and holds a value of \$.59 then your 1,695 APX will again be worth \$1,000.
  - **By NOT using the roll-back function you are saying that 1) you are not able to invest the time and effort required to manually manage this account every day for the next several months and/or 2) you think there is a chance that the value of APX will rebound to a point where your loss in account value will be small enough that you are willing to take that loss in order to not have to manage your account manually.**

It is important to note that right now, there are no buyers for APX in the exchange, even at the price of \$.02. In other words, there is no one on the exchange to sell your APX to. As with any product or commodity, you can only liquidate your position if there is someone willing to buy it from you. Therefore, whether you have 50,000 APX on your wallet or 1,695 APX in your wallet is a moot point, as without someone willing to buy the APX from you, both wallets are currently worth \$0. If buyers do come to the market in the future, obviously, that figure will change, but you will want to weigh your confidence that buyers will come in the future when deciding how much time and effort to invest in accumulating more APX.

To help you decide, we have outlined your options in this decision matrix:

	I am <b>not able or willing</b> to actively manage my account over the next several months.	I am <b>ready, willing, and able</b> to actively manage my account over the next several months.
I have <b>little or no confidence</b> that the value of my APX will increase over time.	<b>Do Nothing</b> - The number of APX in your wallet will remain as is. If buyers do come to the platform, you can sell your APX for the going market rate, which may be as low as \$.02 per APX resulting in a near total loss of value for the account.	<b>Use the Roll-Back button</b> - this one-time option will revert your APX back to aUSD. You will then need to manually move your remaining aUSD balance to your main wallet by converting it to APX, under the set limits. If, after you convert your aUSD to APX, buyers do come to the platform, you can sell your APX for the going market rate. That may be as low as \$.02 per APX but at least you will have a lot more APX to sell at that time so you may be able to recoup some of your account value.
I have <b>Some or High confidence</b> that the value of my APX will increase over time.	<b>Do Nothing</b> - The number of APX in your wallet will remain as is. If buyers do come to the platform, they could raise the price of APX to near the \$.59/APX that you paid in the auto-conversion, meaning you will be able to sell your APX for that price and retain the original value of your account.	<b>Use the Roll-Back button</b> - this one-time option will revert your APX back to aUSD. You will then need to manually move your remaining aUSD balance to your main wallet by converting it to APX, under the set limits. If, after you convert your aUSD to APX, buyers do come to the platform, you can sell your APX for the going market rate. Since your conversion to aUSD was potentially completed at a rate of \$.02/APX, any sale of APX over that price will result in an increase on your return above the actual value of your account.

If you have decided to use the Roll-Back Option, go to the document titled “Roll-Back Button Use”

If you choose not to use the Roll-Back option, go to the document titled: “Converting aUSD to APX”