Morton St Trading Investments, LLC

d/b/a Fanatics Markets FCM

Futures Commission Merchant Disclosure Document

July 20, 2026

I. Introduction

The U.S. Commodity Futures Trading Commission ("CFTC") requires each futures commission merchant ("FCM"), including Morton St Trading Investments, LLC ("the Firm"), to provide the enclosed information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities with the FCM.

Except as otherwise noted, the financial information set forth below is as of May 31, 2026. Financial information will be updated annually and as necessary to take into account any material change to the Firm's business operations, financial condition, or other factors that may be material to a client's decision to do business with the Firm. Please note that the Firm's business activities and financial data are not static and may change throughout any 12-month period.

II. Background Information

The firm's principal place of business is located:

Morton St Trading Investments, LLC

95 Morton St

New York, NY 10014

Phone: (212) 255-2139

Email: support@fanaticsmarkets.com

Public Website: FanaticsMarkets.com

III. Registered Principals

Provided below are the Firm's principals and their business backgrounds.

William Sexton

Chief Executive Officer

William Sexton serves as the Chief Executive Officer ("CEO") of Morton St Trading Investments, LLC. Mr. Sexton most recently served as Chief Executive Officer of Newedge USA, LLC and Head of the Americas for Newedge Group, SA, where he held a seat on the Executive Committee and was responsible for setting regional strategy, leading sales and marketing, and overseeing client relationships across the Americas. Throughout his career, he has held senior executive positions with industry-leading futures brokers and exchanges, with responsibility spanning all functional areas of both broker-dealer and futures commission merchant operations. Mr. Sexton has served on the Executive Committee of the Futures Industry Association and the Risk Advisory Committee of New York Portfolio Clearing.

Stephen Grady

Chief Risk Officer / Chief Operating Officer

Stephen Grady serves as the Chief Risk Officer and Chief Operating Officer of Morton St Trading Investments, LLC. Mr. Grady has 32 years of experience in the financial services industry, with a career focused on derivatives brokerage and operations. He spent 23 years with a leading brokerage services provider in the derivatives space, advancing through positions of increasing responsibility to serve as Chief Operating Officer, with direct oversight of a global staff of more than 2,000 professionals. Mr. Grady subsequently served as Chief Executive Officer of MF Global's Chicago operations, where he was responsible for the management, development, and integration of the firm's derivatives businesses. He also held the role of Managing Director of Global Prime Clearing Services at MF Global, where he was instrumental in growing that business into an industry leader.

Alex Smith

Chief Legal Officer

Alex Smith serves as Chief Legal Officer of Fanatics Betting & Gaming, where he leads legal, regulatory, compliance, and government affairs strategy for the company's sports betting and iGaming division. Mr. Smith joined Fanatics Betting & Gaming in 2021 as Vice President of Legal and Regulatory Compliance, advancing through roles of increasing responsibility before assuming his current position.

Prior to joining Fanatics Betting & Gaming, he served as Senior Director of Regulatory and Product Counsel at FanDuel, where he led the company's regulatory engagement and contributed to its growth into one of the leading sports betting brands in the United States. Mr. Smith began his legal career as an associate in the New York office of Skadden, Arps, Slate, Meagher & Flom LLP.

Ryan Fitzpatrick

Chief Compliance Officer

Ryan Fitzpatrick serves as the Chief Compliance Officer ("CCO") of Morton St Trading Investments, LLC, responsible for administering the Firm's compliance program and overseeing all aspects of its regulatory obligations as a registered Futures Commission Merchant ("FCM"). Prior to joining the Firm, Mr. Fitzpatrick served as a Supervisor at the National Futures Association, overseeing compliance examinations of registered firms. He subsequently served as FCM Compliance Officer at UBS Financial Services and later as a consultant with Protiviti, where he advised FCMs, swap dealers, and broker-dealers on regulatory compliance, supervisory framework design, internal controls, and risk management. Mr. Fitzpatrick has extensive experience with NFA, CFTC, FINRA, and SEC regulatory requirements.

Michael Rubin

Indirect Owner

Michael Rubin is the founder and Chief Executive Officer of Fanatics Holdings, Inc., the indirect parent of the Firm. Mr. Rubin has no operational involvement in the Firm's commodities business or customer funds.

IV. Business Activities

Morton St Trading Investments, LLC is registered with the U.S. Commodity Futures Trading Commission ("CFTC") as a Futures Commission Merchant ("FCM") (NFA ID: 0573035) and is a member of the National Futures Association ("NFA").

The Firm offers event contracts to retail customers based in the United States who are individuals and does not intend to support institutional or commercial accounts, proprietary trading firms, or omnibus accounts of other FCMs. All customer trading is self-directed and fully collateralized. The Firm does not provide investment advice, including but not limited to investment, trading, or tax advice to customers.

The Firm offers event contracts exclusively through Crypto.com | Derivatives North America's ("CDNA") designated contract market ("DCM"), accessed through direct membership. The Firm is a clearing member of CDNA, which is registered with the CFTC as both a derivatives clearing organization ("DCO") and a designated contract market ("DCM"). The Firm holds settlement accounts to self-clear customer event contract transactions and maintains sufficient capital and excess regulatory capital to support this business. The Firm does not engage in direct sales activities with customers, proprietary trading for its own account, over-the-counter ("OTC") products, or cash market trading.

The Firm is an affiliate of Morton St. Market Maker, LLC (the "Affiliated Market Maker"), which is registered, designated, or otherwise acts as a market maker, designated market maker, or liquidity provider on one or more DCMs on which the Firm executes or brokers event contracts for customers, including in the same contracts and markets in which the Firm executes customer orders. The Affiliated Market Maker may be the direct or indirect counterparty to, or take the opposite side of, customer orders and may receive preferential terms, benefits, or accommodations — such as reduced or rebated fees, volume or rebate programs, and enhanced market data, connectivity, or order entry access — that are not available to the Firm's customers. Customers consent to these arrangements pursuant to Section 3(l), and the related conflicts of interest are further described in Section 6 below.

This document focuses on the activities of the Firm and not its parent, affiliates, or related entities.

The following table sets forth the Firm's activity and product lines as a percentage of assets and capital:

Activity and Product Lines	**Percentage of Assets**	**Percentage of Capital**
Futures and Cleared Swaps Contracts	100%	100%

V. Permitted Depositories and Counterparties

CFTC Regulation 22.4 limits an FCM to depositing Cleared Swaps Customer Collateral, subject to the risk management policies and procedures of the FCM required by CFTC Regulation 1.11, with the following depositories: (1) a bank or trust company; (2) a derivatives clearing organization; or (3) another FCM (individually a "Cleared Swaps Depository" and collectively "Cleared Swaps Depositories").

As an FCM that exclusively clears event contracts and cleared swaps through Crypto.com | Derivatives North America ("CDNA"), the Firm deposits Cleared Swaps Customer Collateral with CDNA, which is registered with the CFTC as both a derivatives clearing organization ("DCO") and a designated contract market ("DCM"). The Firm may also hold customer collateral with one or more banks or trust companies located in the United States.

The Firm will perform appropriate due diligence, as required by CFTC Regulation 1.11, on any and all Cleared Swaps Depositories to ensure that each depository meets the Firm's criteria. Such due diligence will also ascertain that the depositories of Cleared Swaps Customer Collateral comply with the requirements of CFTC Regulations 22.2 and 22.4. If a Cleared Swaps Depository is a bank or trust company located outside of the United States, it must have in excess of $1 billion of regulatory capital.

VI. Material Risks

Below are the material risks of entrusting funds to the Firm, together with an explanation of how each risk may affect customers.

Nature of Investments Made by the Firm

The Firm does not invest FCM customer segregated funds.

The Firm's Significant Liabilities, Contingent or Otherwise, and Material Commitments

The Firm does not have any significant liabilities, contingent or otherwise, nor does it have any material commitments.

Customer Creditworthiness

Trading in traditional futures contracts can expose an FCM's customer to risks associated with the default of any of its other customers ("Fellow Customer Risk"). That risk is materially mitigated when transacting through the Firm. Specifically, the only type of contract that the Firm provides services with respect to is event contracts. Event contracts are structured as binary options that require the full payment of the amount due under the contract at execution of transaction. Event contracts are not marked-to-market and do not require customers to post collateral or make any payments with respect to the settlement of the contract or a transaction. As such, any customer's Fellow Customer Risk is effectively mitigated.

Operational Risk

The Firm's business and a customer's ability to enter into event contract transactions is dependent on electronic trading software and platforms developed and maintained by the Firm and third parties. Any failure of that software or platform could materially limit a customer's ability to enter into new event contracts or offset existing positions. As the Firm offers 24-hour trading seven days a week, these risks are heightened during non-traditional trading hours (nights, weekends, and holidays). In addition, any failure of that software or platforms could affect the Firm's ability to accurately track individual customers' event contract positions and their performance, potentially hindering the Firm's ability to pay money due to its customers on a timely and accurate basis.

Additionally, various forms of state regulatory actions and pending and potential litigation concerning the legality of sports-related event contracts listed on DCMs may impact the availability of sports-related event contracts in particular states or jurisdictions. Specifically, such contracts may not be available in a particular state or jurisdiction or may cease to be available. Note that the CFTC has not, to date, been requested to take or taken any official action to approve the listing for trading of sports-related event contracts on any DCM pursuant to the Commodity Exchange Act ("CEA") or CFTC regulations. All sports-related event contracts that are currently listed for trading on DCMs have been listed pursuant to self-certifications filed by the relevant DCM under the CEA and CFTC regulations, and the CFTC has not, to date, made a determination regarding whether any such contracts involve an activity prohibited under the CEA or CFTC regulations. Should a customer's open position cease to be available in a particular state or jurisdiction, such position may be liquidated in the Firm's sole discretion as described in Section 8 of the Firm's Customer Agreement.

Counterparty Risk

In the normal course of business, the Firm enters into various transactions with banks and other financial institutions. The Firm is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any losses from these counterparties.

Market Risk

As an FCM, the Firm has limited exposure to market risk. When the Firm acts as a broker on behalf of customers, it is only subject to market risk if it executes customers' transactions in error. In this regard, operational problems can expose the Firm to market fluctuations in event contract values.

Liquidity Risk

The Firm measures liquidity risk as the ability for an entity to efficiently meet both expected and unexpected current and future cash flow needs without adversely affecting daily operations or the financial condition of the entity. Given that the Firm's customers must fully fund their event contract purchases at the time of execution of a transaction and that the resulting positions are not subject to margin requirements, the Firm's liquidity risk is limited. However, the Firm still maintains liquidity reserves in the form of cash to fund activity and for contingency stress events.

Capital Requirements

The Firm is a privately held entity and as such, does not hold a formal credit rating with a rating agency.

The Firm is registered as an FCM and as such, is required to maintain sufficient capital to meet its regulatory obligations at all times, including nights, weekends, and holidays, as the Firm offers 24-hour trading seven days a week. Capital levels are reported monthly to its regulator, and if any deficiencies in capital occur, reporting such a deficiency must take place immediately. The Firm has maintained sufficient regulatory capital, which was $4,988,479 as of May 31, 2026, which was $3,988,479 more than regulatory requirements.

The Firm's principal liabilities to its futures and brokerage customers can be found in the financial statements of the Firm dated May 31, 2026, the link to which is located within this Disclosure Document. The Firm does not maintain any other lines of business beyond its FCM activities.

The Firm's Interaction with the Business of Its Affiliates and Financial Condition

The Firm does engage in a number of activities with certain of its affiliates but does not believe that any such activities present a material risk to its customers. For example, the Firm utilizes certain shared services from its affiliates. The Firm does not invest customer funds in any affiliated entities. The Company, in accordance with and pursuant to Section 10 of the FCM Customer Agreement, may transfer funds between a Customer's Account and the Customer's Affiliate Account. For additional information regarding the risks associated with Combination Trades involving both event contract transactions and daily fantasy sports positions, please see the Firm's Event Contract Risks Disclosure Document.

The Firm is a wholly owned subsidiary of Morton St. Trading Intermediate Holdco, LLC and an indirect subsidiary of Fanatics Holdings, Inc. The Firm is affiliated with an introducing broker, Paragon Global Markets, LLC and Morton St. Market Maker, LLC.

Affiliated Market Maker; Conflicts of Interest

The Affiliated Market Maker acts as a market maker, designated market maker, or liquidity provider on one or more DCMs on which the Firm executes or brokers event contracts for customers, including in the same contracts and the same markets in which the Firm executes customer orders. As a result: (i) the Affiliated Market Maker may quote, bid, offer, or otherwise be active in those markets contemporaneously with the Firm's execution of customer orders, and the Affiliated Market Maker may be the direct or indirect counterparty to, or take the opposite side of, such orders; and (ii) the Affiliated Market Maker may receive preferential terms, benefits, or accommodations from a DCM, the Firm, or another affiliate that are not available to the Firm's customers. These arrangements may give the Firm an economic incentive to direct or facilitate order flow, or to structure its services, in a manner that benefits the Affiliated Market Maker, and may cause the results of customer transactions to differ significantly from those achieved by the Affiliated Market Maker. Customers consent to these arrangements pursuant to Section 3(l) of the Customer Agreement, and the related conflicts of interest are further described in [Insert Link to Important Risk Disclosures].

VII. Self-Regulatory Authority Information

The Firm's designated self-regulatory organization is the National Futures Association ("NFA"). NFA's website address is www.nfa.futures.org.

VIII. Material Complaints and Actions

There are no material complaints or actions required to be disclosed under CFTC Regulation 1.55(k)(4).

IX. Overview of Customer Fund Segregation and Collateral Management

CFTC regulations require the Firm to maintain customer funds in segregated accounts, separate from the Firm's own funds. FCMs may maintain up to three types of accounts for customers, depending on the products a customer trades:

- A Customer Segregated Account for customers who trade futures and options on futures listed on U.S. futures exchanges;
- A Secured or 30.7 Account ("Secured Account") for customers who trade futures and options on futures listed on foreign boards of trade; and
- A Cleared Swaps Customer Account for customers trading swaps that are cleared on a DCO registered with the CFTC.

The requirement to maintain these separate accounts relates to the different risks posed by the various products. Cash, securities, and other collateral required to be held in one type of account (e.g., the Customer Segregated Account) may not be commingled with funds required to be held in another type of account (e.g., the 30.7 Account), except as the CFTC may permit by order.

X. Relevant Financial Data

The following financial data is provided as required by CFTC Regulation 1.55(k)(5) and is as of the dates indicated. As of the date of this Disclosure Document, the Firm has not yet commenced accepting customer funds. Accordingly, certain financial metrics below reflect zero balances or are otherwise not yet applicable. These figures will be updated as the Firm commences operations and on a monthly basis thereafter.

Financial data is updated monthly and made available on the NFA website and the CFTC website as described in Sections XVI and XVII of this Disclosure Document.

Item	Value
Total Equity	https://fanaticsmarkets.com/regulatory
Regulatory Capital	https://fanaticsmarkets.com/regulatory
Net Worth	https://fanaticsmarkets.com/regulatory
Annual Certified Financial Statements	https://fanaticsmarkets.com/regulatory
The dollar value of the futures commission merchant's proprietary margin requirements as a percentage of the aggregate margin requirement for Futures Customers and Cleared Swaps Customers.	The Firm does not engage in proprietary trading.
The smallest number of Futures Customers and Cleared Swaps Customers that comprise 50 percent of the futures commission merchant's total funds held for Futures Customers and Cleared Swaps Customers.	0 — The Firm has not yet accepted customer funds as of the date of this Disclosure Document.
The aggregate notional value, by asset class, of all non-hedged, principal over-the-counter transactions into which the futures commission merchant has entered.	The Firm has not entered into over-the-counter transactions on a hedged or non-hedged basis.
The amount, generic source and purpose of any committed unsecured lines of credit (or similar short-term funding) the futures commission merchant has obtained but not yet drawn upon.	The Firm does not have any committed unsecured lines of credit.
The aggregated amount of financing the futures commission merchant provides for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices.	The Firm does not provide financing for customer transactions involving illiquid financial products.
The percentage of Futures Customers and Cleared Swaps Customers receivable balances that the futures commission merchant had to write-off as uncollectable during the past 12-month period, as compared to the current balance of funds held for Futures Customers and Cleared Swaps Customers.	0 — The Firm has not yet accepted customer funds as of the date of this Disclosure Document.

XI. Filing a Complaint

A customer that wishes to file a futures-related complaint with the NFA about Morton St Trading Investments, LLC or one of its employees may do so via one of the following methods:

- Electronically complete the online "File-A-Complaint" Form located at http://www.nfa.futures.org/basicnet/Complaint.aspx
- Fax or mail the printable Complaint Form located at https://www.nfa.futures.org/complaintnet/FileAComplaint.aspx
- Call NFA directly at (800) 621-3570.

A customer may also file a complaint about Morton St Trading Investments, LLC or one of its employees with the CFTC by contacting the CFTC's Division of Enforcement either electronically or by calling the Division of Enforcement toll-free number:

- CFTC Division of Enforcement Complaint Form: https://forms.cftc.gov/Forms/Complaint/Screen1
- CFTC Toll-Free Number: 866-FON-CFTC (866-366-2382)

XII. Summary of Risk Practices, Controls and Procedures

Morton St Trading Investments, LLC has implemented a comprehensive Risk Management Program ("RMP") for monitoring and management of material risks to the Firm. Material risks to the Firm's business include market, credit, liquidity, foreign currency, legal, operational, settlement, technological, and capital risks, among others. The RMP defines key risks of the Firm and assigns risk tolerance limits.

The RMP includes policies and procedures for detecting breaches of risk tolerance limits set by the Firm, and alerting supervisors and senior management, as appropriate. Exceptions to risk tolerance limits are subject to written policies and procedures. Senior management reviews and approves risk tolerance limits on a periodic basis.

XIII. Certain Financial and Account Statements

The following financial information about the Firm is publicly available on its website at FanaticsMarkets.com/Regulatory.

- The daily Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Exchanges for the most current 12-month period.
- The daily Statement of Secured Amounts and Funds Held in Separate Accounts for 30.7 Customers Pursuant to CFTC Regulation 30.7 for the most current 12-month period.
- The daily Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under CEA Section 4d(f) for the most current 12-month period.
- The Statement of Financial Condition, the Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Exchanges, the Statement of Secured Amounts and Funds Held in Separate Accounts for 30.7 Customers Pursuant to CFTC Regulation 30.7, the Statement of Cleared Swaps Customer Segregation Requirements and Funds in Cleared Swaps Customer Accounts Under CEA Section 4d(f), and all related footnotes to the above schedules that are part of the Firm's most current certified annual report pursuant to CFTC Regulation 1.16.

XIV. Schedule of Capital Accounts

A summary schedule of the Firm's adjusted net capital, net capital, and excess net capital, all computed in accordance with CFTC Regulation 1.17 and reflecting balances as of the month end for the 12 most recent months is available on the Firm's website at www.FanaticsMarkets.com/regulatory.

XV. FOCUS Report and Other Information

The Statement of Segregation Requirements and Funds in Segregation for Customers Trading on U.S. Exchanges, the Statement of Secured Amounts and Funds Held in Separate Accounts for 30.7 Customers Pursuant to CFTC Regulation 30.7, and the Statement of Cleared Swaps Customer Accounts Under CEA Section 4d(f) that are part of the Firm's FOCUS Report for the most current 12-month period is available on the Firm's website at FanaticsMarkets.com/Regulatory.

XVI. NFA Website — FCM Financial Information

Financial information for the Firm, including monthly segregated funds data and FOCUS Reports, is publicly available on the NFA's website at the following address:

https://www.nfa.futures.org/NFA-registration/FCM-information/index.HTML

Customers may access the Firm's financial data by searching for the Firm's name or NFA ID on the above webpage.

XVII. CFTC Website — Additional FCM Financial Information

Additional financial information for FCMs, including the Firm, is available on the CFTC's website at the following address:

https://www.cftc.gov/MarketReports/financialfcmdata/index.htm

The CFTC publishes monthly reports on FCM financial data, including segregated funds information, which may be accessed at the above URL.