

Paxos Trust Company, LLC
Examination of Management Assertions
Reserve Accounts Report
June 28, 2019 at 5:00 PM Eastern Time
With Independent Accountants' Report

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INDEPENDENT ACCOUNTANTS' REPORT

Paxos Trust Company, LLC
New York, NY 10017

We have examined Paxos Trust Company, LLC's below assertions. Paxos Trust Company, LLC's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions based on our examination. Management's assertions, which are summarized in the attached report, (hereafter referred to as the "Reserve Accounts Report"), which we examined are as follows:

- The Reserve Accounts Report refers to the total supply of Paxos Standard tokens ("PAX") as of June 28, 2019 at 5:00 pm Eastern Time ("ET"). Such PAX, (which also represents the total circulating supply) as denoted under contract 0x8e870d67f660d95d5be530380d0ec0bd388289e1 at 18 decimals at 5:00 pm ET on June 28, 2019 (the "Report Date and Time") is 164,099,588.07, as reported by the EtherScan API, the Ethplorer API, and an internally maintained and operated node on the Ethereum network.
- The Reserve Accounts Report refers to the accounts held by the Company at U.S. depository institutions, including U.S. depository institutions to which cash is swept pursuant to a certain deposit placement agreement. The USD balance and, when applicable, amounts held in U.S. treasuries in the Reserve Accounts is at least equal to or greater than \$164,099,588.07 at the Report Date and Time. This does not contemplate the impact of outstanding checks/wires, deposits in transit or other reconciling items.
- The total PAX supply, for which each PAX is assigned a redemption value, strictly pegged at 1:1 to the U.S Dollar by the Company, does not exceed the balance of the Reserve Accounts reported below.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions are fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We did not perform any procedures regarding the operating effectiveness of the Company's internal controls. Accordingly, we do not express an opinion thereon.

We direct your attention to the accompanying notes of the Reserve Accounts Report for risks and uncertainties related to cryptocurrencies and background information provided by management. We have not audited, reviewed or performed any procedures to provide assurance with respect to these notes. Accordingly, we provide no opinion or any other form of assurance with respect to these accompanying notes to the Reserve Accounts Report.

The expressed examination opinion on the above assertions are limited solely to the Reserve Accounts Report at the Report Date and Time noted above. Any activity prior to or after June 28, 2019 at 5:00 pm ET was not considered when testing the assertions described above. In addition, we have not performed any procedures or provided any level of assurance on the financial or non-financial activity of the Reserve Accounts on dates or times other than the Report Date and Time noted within this report.

In our opinion, management's assertions noted above are fairly stated as of June 28, 2019 at 5:00 pm ET, in all material respects.

Withum Smith & Brown, PC

July 2, 2019