
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 06, 2024

LM FUNDING AMERICA, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-37605
(Commission File Number)

47-3844457
(IRS Employer
Identification No.)

**1200 West Platt Street
Suite 100
Tampa, Florida**
(Address of Principal Executive Offices)

33606
(Zip Code)

Registrant's Telephone Number, Including Area Code: 813 222-8996

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock par value \$0.001 per share	LMFA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On August 6, 2024, LM Funding America, Inc. (the “Company”) entered into a Loan Agreement, dated August 6, 2024 (the “Loan Agreement”), by and among the Company, as borrower, each of LM Funding, LLC and US Digital Mining and Hosting Co., LLC (subsidiaries of the Company), as guarantors (jointly and severally, the “Guarantors”), and SE & AJ Liebel Limited Partnership, as lender (the “Lender”).

Pursuant to the Loan Agreement, Lender made to the Company a senior secured term loan in the amount of \$5,000,000 (the “Loan”) as evidenced by a Promissory Note, dated August 6, 2024 (the “Note”). The Note is secured by (i) a Pledge Agreement, dated August 6, 2024, by and between the Company and Lender, pursuant to which Borrower has pledged certain Bitcoin with a fair market value equal to no less than \$5,000,000 (the “Pledge Agreement”); (ii) a Security Agreement, dated August 6, 2024 (the “Security Agreement”), by the Company in favor of Lender, pursuant to which the Company has granted to Lender a first perfected security interest in substantially all the assets of the Company, including but not limited to approximately 11,100 Bitmain S21 Antminers (the “Miners”); and (iii) certain commercial guarantees and security agreements executed by the Guarantors pursuant to which each Guarantor guaranteed the Loan and granted a first priority perfected security interest in substantially all the assets of such Guarantor (the “Subsidiary Guaranty and Security Agreements”).

Further, in connection with the Loan and the Loan Agreement, the Company entered into an Intercreditor Agreement, dated August 6, 2024 (the “Intercreditor Agreement”), with Brown Family Enterprises LLC, holder of the Second Lien Obligations (as defined in the Intercreditor Agreement), pursuant to which the First Lien Obligations (as defined in the Intercreditor Agreement) and the Second Lien Obligations are subject to customary intercreditor arrangements.

The proceeds of the Loan will be used for expenses related to Bitcoin mining machine hosting and the acquisition of hosting infrastructure, including the purchase of the Miners.

The Loan bears interest at a rate of 12.0% per annum and will mature on August 6, 2026 (the “Maturity Date”). The Company will make monthly interest payments in the amount of \$50,000 on the last business day of each month until the Maturity Date, and on such date the entire principal balance, together with accrued and unpaid interest, shall become payable. The Company may prepay the Loan in whole or in part at any time without penalty.

The Loan Agreement contains customary negative and affirmative covenants, subject to certain exceptions, as well as events of default customary for transactions of this nature, including with respect to (subject in certain cases to cure periods, materiality and other qualifiers, as applicable), among other things, non-payment of principal, interest and other amounts, material inaccuracy of representations and warranties, covenant noncompliance, cross-defaults triggered by certain indebtedness, bankruptcy and insolvency, monetary judgments, change of control, failure to comply with certain financial covenants and other fundamental transactions. Subject to certain applicable cure periods, the occurrence of an event of default will result in the acceleration of the Loan Obligations (as defined in the Loan Agreement). Commencing upon the occurrence of an event of default (without regard to any applicable notice and cure period), the Loan Obligations and any judgment entered on account of the Note shall bear interest at the maximum rate permitted by law.

The foregoing descriptions of the Note, Loan Agreement, Security Agreement, Pledge Agreement, and Subsidiary Guaranty and Security Agreements do not purport to be complete and are qualified in their entirety by reference to the complete text thereof, copies of which are filed as Exhibits 4.1, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, and 10.7, respectively, to this Current Report on Form 8-K and are incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition.

On August 12, 2024, the Company issued a press release providing Bitcoin production and mining updates for the one month ended July 31, 2024. The information contained in the press release is incorporated herein by reference and furnished as Exhibit 99.1.

The information furnished in this Item 2.02, including Exhibit 99.1, is not deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability under that Section. This information will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On July 16, 2024, the Company announced that it had entered into a non-binding term sheet with SE & AJ Liebel Limited Partnership, a Nevada limited partnership (“Lender”), that contemplates a proposed senior secured term loan of up to \$5.0 million to be made by Lender to fund the Company’s purchase of additional mining machines. The loan, if consummated, is expected to have a principal maturity date of 24 months from the closing of the loan and is expected to accrue interest of 12% per annum, payable monthly, with a 1% loan fee due at funding. The loan would be secured by \$5 million of bitcoin collateral and substantially all the other assets of the Company. There is no assurance that the loan transaction will be completed.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
4.1	Promissory Note, dated August 6, 2024
10.1	Loan Agreement, dated as of August 6, 2024, by and among the Company, LM Funding, LLC, US Digital Mining and Hosting Co., LLC, and SE & AJ Liebel Limited Partnership
10.2	Security Agreement, dated as of August 6, 2024, by the Company in favor of SE & AJ Liebel Limited Partnership
10.3	Pledge Agreement, dated as of August 6, 2024, by and between the Company and SE & AJ Liebel Limited Partnership
10.4	Commercial Guaranty, dated August 6, 2024, by LM Funding, LLC
10.5	Commercial Guaranty, dated August 6, 2024, by US Digital Mining and Hosting Co., LLC
10.6	Security Agreement, dated as of August 6, 2024, by LM Funding, LLC in favor of SE & AJ Liebel Limited Partnership
10.7	Security Agreement, dated as of August 6, 2024, by US Digital Mining and Hosting Co., LLC in favor of SE & AJ Liebel Limited Partnership
99.1	Press release issued August 12, 2024
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

Forward-Looking Statements

This Current Report on Form 8-K may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainty. Words such as “anticipate,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. Such statements are based on the Company’s current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Investors are cautioned that there can be no assurance actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various risks and uncertainties. Investors should refer to the risks detailed from time to time in the reports the Company files with the SEC, including the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as well as other filings on Form 10-Q and periodic filings on Form 8-K, for additional factors that could cause actual results to differ materially from those stated or implied by such forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless required by law.

PROMISSORY NOTE

\$5,000,000.00 August 6, 2024

(the "Effective Date")

FOR VALUE RECEIVED, LM Funding America, Inc., a Delaware corporation (the "Borrower"), promises to pay to the order of SE & AJ Liebel Limited Partnership (the "Lender"), in the manner hereafter specified, the principal sum of Five Million and 00/100 Dollars (\$5,000,000.00), together with interest as provided below (the "Loan"). Principal and interest shall be paid in lawful money of the United States of America. This Promissory Note evidences the Loan indebtedness and is referenced hereunder as the "Note".

A. Commencing on the Effective Date, Interest shall accrue at a rate of 12% per annum.

B. Beginning on September 30, 2024 and continuing on the last business day of each month thereafter until the Maturity Date (hereinafter defined), the Borrower shall make monthly payments of interest only in the amount of \$50,000.00. The entire principal balance, together with accrued and unpaid interest, shall be payable in lawful money of the United States of America at the address of Lender on or before August 6, 2026 (the "Maturity Date")

Daily interest under this Note shall be computed on the basis of a 365-day year for the actual number of days elapsed. Any payment hereunder shall be applied first to accrued and unpaid interest, second to principal and the balance, if any, to unpaid fees.

Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the Loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Borrower may prepay all or any portion of the principal balance of the Loan. Borrower agrees not to send Lender payments marked "paid in full", "without recourse" or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to SE & AJ Liebel Limited Partnership at 1714 Independence Blvd, Sarasota, FL 34234.

This Note is secured by liens and security interests, and those liens and security interests, as well as other terms related to the Loan, are evidenced by a Loan Agreement of even date herewith (the "Loan Agreement"), a Pledge Agreement of even date herewith, a Security Agreement of even date herewith executed by Borrower in favor of Lender, Commercial Guarantees of even date herewith executed by each of LM Funding, LLC and US Digital Mining and Hosting Co., LLC, and Security Agreements of even date herewith executed by each of LM Funding, LLC and US Digital Mining and Hosting Co., LLC. This Note shall be governed by Florida law and venue shall be in Manatee County, Florida.

In addition to any rights of Lender under the Loan Agreement, the Pledge Agreement and other Loan Documents, Lender, upon the occurrence of an Event of Default (as defined in the Loan Agreement), may set off against the Loan any debt or claim owed by Lender in any capacity to each maker, endorser, accommodation party, guarantor or other obligor under this Note, whether or not due, upon written notice of the Event of Default to the Borrower.

Time is of the essence of this Note. If an Event of Default is not cured within the applicable cure period, Lender may, at Lender's option, accelerate this Note and declare the entire principal sum immediately due and payable, together with accrued interest and fees. If the Borrower or any endorser, accommodation party, guarantor, or other obligor under this Note becomes insolvent or bankrupt, or if any Borrower is dissolved, then Lender may immediately, at Lender's option and without notice (Borrower hereby expressly waives notice of default), accelerate this Note and declare the entire remaining principal sum immediately due and payable, together with accrued interest and fees. In addition, the entire principal amount, plus accrued interest shall be due and payable at the time of any transfer, sale, assignment or other type of disposition of, or at the time of any attachment of any encumbrance, lien or charge against,

any portion of the property referenced in the Pledge Agreement, the Security Agreements and/or the Loan Agreement, unless Lender consents to the transfer or lien.

Upon the occurrence of an Event of Default, each party liable for the payment hereof, as maker, endorser, guarantor, or otherwise, shall pay Lender, in addition to the sums stated above, reasonable attorney's fees, which shall include attorney's fees for trial, appellate, bankruptcy, reorganization, and other proceedings, together with all other reasonable collection costs incurred, whether or not suit is brought. Immediately upon the occurrence of an event of default (without regard to any applicable notice and cure period), the Loan Obligations and any judgment entered on account of this Note, shall bear interest at the maximum rate permitted by law. After a judgment is entered on account of this Note, the post-judgment interest rate shall be the greater of 18% per annum or the maximum permitted by law.

No delay or omission on the part of Lender in exercising any rights hereunder shall operate as a waiver of such right or of any other right under this Note.

So long as Lender has not exercised its right to accelerate as provided hereunder, in the event any periodic payment required under this Note is not received by Lender within three (3) days of the date when the payment is due, Borrower shall pay Lender a late charge of ten percent (10%) of the unpaid portion of the late payment. The parties agree that such charge is a fair and reasonable charge for late payment and shall not be deemed a penalty. Failure to exercise this option shall not constitute a waiver of the right to exercise the option in the event of any subsequent default.

Nothing contained herein, nor in any instrument or transaction related hereto, shall be construed or shall operate to require Borrower, or any person liable for payment of the Loan, to pay interest at a rate greater than the highest rate permissible under applicable law. Should any interest paid by Borrower or paid by any parties liable for the payment of the Loan, result in interest in excess of the highest rate permissible under applicable law, whether now or hereafter in effect, then any and all such excess shall be automatically credited against and paid in reduction of the principal balance, and any portion of said excess which exceeds the principal balance shall be paid by Lender hereof to Borrower and any parties liable for the payment of the Loan.

Each person liable hereon whether as maker, endorser, guarantor or otherwise waives presentment, demand and protest, and waives notice of protest, notice of dishonor and any other notice. Each maker or endorser expressly consents to any and all extensions, modifications and renewals, in whole or in part, including but not limited to changes in payment schedules and interest rates, and to all delays in time of payment or other performance which Lender may grant or permit at any time and from time to time, and to additions to, releases, reductions or exchanges of or substitutions for any collateral without limitation and without any notice to or further consent of any maker, endorser, guarantor, accommodation party or any other person.

This Note may only be assigned by the Lender with the consent of the Borrower. Written notice of such an assignment shall be given to Borrower and in the event of such an assignment, the assignee shall succeed to all of Lender's rights hereunder, as well as its duties, responsibilities and obligations.

For and in consideration of the funding of this Loan by Lender, Borrower hereby agrees to cooperate or to re-execute any and all loan documentation deemed necessary or desirable in the Lender's discretion, in order to correct or to adjust for any clerical errors or omissions contained in any document executed in connection with this Loan.

Whenever used herein, the terms "Lender" and "Borrower" shall be construed in the singular or plural as the context may require or admit.

[Execution Page Follows]

[Signature Page to Promissory Note]

Borrower has executed this Note as of the Effective Date.

LM Funding America, Inc., a Delaware corporation

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of August 6, 2024 (the "Effective Date") by LM Funding America, Inc. (the "Borrower"), LM Funding, LLC and US Digital Mining and Hosting Co., LLC (jointly and severally, the "Guarantors") and SE & SJ Liebel Limited Partnership, its successors and/or its assigns ("Lender"). For value received, and in consideration of the mutual covenants hereunder, the parties agree to the following recitals, terms and conditions:

1. Recitals

1.1 Lender has agreed to make a senior secured term loan to the Borrower in the amount of \$5,000,000.00 (the "Loan"), that is evidenced by that certain Promissory Note of even date (the "Note"). The proceeds of the Loan will be used for expenses related to hosting and the acquisition of hosting infrastructure, including the purchase of approximately 11,100 Bitmain S21 Antminers from Bitmain LTD (the "Bitcoin Antminers"). The Note is secured, inter alia, by a Pledge Agreement pursuant to which the Borrower has pledged the Bitcoins, a Security Agreement pursuant to which the Borrower has granted a first perfected security interest in the Borrower assets including but not limited to the Bitcoin Antminers, Commercial Guarantees and Security Agreements executed by the Guarantors pursuant to which each of the Guarantors guaranteed the Loan and granted a first priority perfected security interest in the assets of such Guarantor, and certain UCC-1s.

2. Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

2.1 "Accountant" shall mean any independent certified public accountant of recognized standing selected by Borrower and reasonably acceptable to Lender.

2.2 "Agreement" shall mean this Loan Agreement and any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

2.3 "Bitcoin" shall mean Bitcoin transferred as specified in Section 3 of this Agreement and any related Bitcoin resulting from a "soft" or "hard" fork in the Bitcoin blockchain, a revision or upgrade to the Bitcoin software code, reclassification, or other like change of the Bitcoin Pledged Collateral.

2.4 "Borrower" shall have the meaning assigned such term in the Preamble to this Agreement.

2.5 "Business Day" shall mean any day which is not a Saturday, Sunday or legal holiday in the State of Florida, on which banks are open for business in Tampa, Florida.

2.6 "Certificate" of a Person that is not an individual shall mean a certificate signed by the president, chief executive officer, chief financial officer, manager, managing member or general partner of that Person, as applicable.

2.7 "Collateral" shall mean that tangible and/or intangible property which secures repayment of the Loan Obligations as described in the Security Documents including but not limited to (i) the Bitcoin Pledged Collateral (hereinafter defined) and (ii) the Bitcoin Antminers and that certain other tangible and intangible property, fixtures, and equipment, and other property described in the certain Security Agreements of even date herewith.

2.8 "Currency Exchange Price" the parties agree to calculate the Bitcoins exchange price based on the Bloomberg Bitcoin United States Dollar Spot XBT Currency page.

2.9 "Default Floor" The FMV of the Bitcoin Pledged Collateral (hereinafter defined) is \$5,000,000 or the immediately available cash in United States Dollars (USD) ("Cash") in the Borrower's financial institution accounts ("Cash Accounts") is \$300,000.00.

2.10 Intentionally Omitted.

2.11 “Event of Default” shall mean any of the events specified in Section 7.1 and/or Section 3 of this Agreement, provided that, in connection with such event, any requirement for the giving of notice, or the lapse of time or the happening of any further condition, event, or act has been satisfied. Notwithstanding the foregoing for any event of default that cannot be cured, the breach or other event of default shall immediately be deemed an Event of Default and in connection with such event, there shall be no requirement for the giving of notice and/or satisfaction of and/or any other condition, event, or act.

2.12 “Fair Market Price” (“FMP”) shall mean with respect to the Bitcoin asset(s) provided as Bitcoin Pledged Collateral the last sale price on the closing of any business day quoted using the Bloomberg Generic Price (“BGN”) as posted by Bloomberg on the Bitcoin United States Dollar Spot XBT Currency page at 6pm EST.

2.13 “Fair Market Value” (“FMV”) shall mean the amount, expressed in dollars, equating to the FMP for each unit of the Bitcoin Pledged Collateral multiplied by the number of Bitcoin comprising the Bitcoin Pledged Collateral.

2.14 “Financial Statements” shall mean a balance sheet, income statement and statement of retained earnings and cash flows prepared in accordance with GAAP, as of the end of and for the applicable period.

2.15 “GAAP” shall mean generally accepted accounting principles, consistently applied.

2.16 “Guarantors” shall mean LM Funding, LLC and US Digital Mining and Hosting Co., LLC.

2.17 “Indebtedness” shall mean the Loan Obligations and all other indebtedness and obligations (whether represented by notes, debentures, or debt securities) for the payment of borrowed money or extensions of credit which are due from Borrower to Lender or any other Person, including, without limitation, amounts of principal, interest, advances, costs of collection, attorney’s fees and other expenses, whether such amounts are now due or hereafter incurred, directly or indirectly, and whether such amounts are from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred.

2.18 “Lender” shall have the meaning assigned such term in the Preamble to this Agreement.

2.19 “Loan” shall mean the senior secured Loan referred to in Section 1.1 of this Agreement, together with any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

2.20 “Loan Documents” shall mean this Agreement, the Note, the Security Documents (including but not limited to the Pledge Agreement), and any and all other documents or instruments executed in connection with the Loan.

2.21 “Loan Obligations” shall mean all obligations which are due from Borrower to Lender under the Note and the other Loan Documents, including, without limitation, principal, interest, advances, out of pocket costs of collection (including reasonable attorney’s fees and other expenses), whether such amounts are now due or hereafter incurred, directly or indirectly, and whether such amounts are from time to time reduced and thereafter increased or entirely extinguished and thereafter reincurred.

2.22 “Loan Parties” shall jointly and severally mean the Borrower and the Guarantors.

2.23 “Note” shall mean the Note referred to in Section 1.1 of this Agreement, together with any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

2.24 “Obligations” shall mean all obligations of Borrower, whether direct, indirect or contingent, to pay money, however arising, including, without limitation, general accounts payable, payments under leases, installment purchase contracts, and any indebtedness or liability for borrowed money (including any liability on account of deposits or advances), and any other indebtedness evidenced by notes, debentures, bonds or similar obligations.

2.25 "Permitted Liens" shall mean (i) security interests and other liens in favor of Lender securing the repayment of the Loan Obligations, (ii) liens or other similar encumbrances for taxes not delinquent or for taxes being diligently contested in good faith by Borrower by appropriate proceedings, (iii) mechanic's, workman's, materialman's, landlord's, carrier's and other like liens arising in the ordinary course of business with respect to obligations which are not due or which are being diligently contested in good faith by Borrower by appropriate proceedings, and (iv) liens specifically consented to by Lender in writing.

2.26 "Permitted Obligations" shall mean (i) the Loan Obligations, (ii) Obligations incurred in the ordinary course of business, and (iii) other Obligations that shall not exceed the total sum of \$200,000.00.

2.27 "Person" shall mean an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, or any government or any department or agency or authority thereof.

2.28 "Pledge Agreement" shall mean the Pledge Agreement dated the date hereof between Borrower and Lender, by which the Bitcoin Pledged Collateral is pledged to the Lender.

2.29 "Pledged Collateral" shall mean the Bitcoins and any related units resulting from a "soft" or "hard" fork in the Bitcoin blockchain, a revision or upgrade to the Bitcoin software code, reclassification, or other like change.

2.30 "Security Documents" shall mean the Pledge Agreement, those certain Commercial Guarantees of even date herewith executed by the Guarantors, the Security Agreements of even date herewith executed by the Borrower and the Guarantors, the Bitcoin Pledged Collateral Account Agreement, the Bitcoin Pledged Collateral Custodian Agreement, and any and all other document or instruments currently in force or executed in the future that create a lien or security interest that secures any part of the Loan Obligations, and any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

2.31 "Valuation Event" shall mean any time the FMV of the Bitcoin Pledged Collateral in the Bitcoin Pledged Collateral Account or the Cash in the Cash Accounts has fallen below the Default Floor. On each Friday of every week of the year that any part of the Loan Obligations remains unpaid, the Borrower shall email to the Lender by electronic transmission email a report (together with copies of the Cash Account statements) confirming the Cash in the Cash Accounts as of 3:00 p.m. Tampa, Florida time (or such other time as may be agreed upon by the Lender and the Borrower) on each such Friday. Lender reserves the right to verify the Cash Account balance through screen shots, bank statements, and view access only to the Cash Accounts. There shall be a Valuation Event if at any time the Bitcoin Pledged Collateral in the Bitcoin Pledged Collateral Account or the Cash in the Cash Accounts has fallen below the Default Floor.

2.32 "Verification Day" shall mean the Business Day after the Bitcoin Pledged Collateral is received in the Bitcoin Pledged Collateral Account prior to Closing.

3. Loan and Bitcoin Pledged Collateral.

3.1 Loan. Subject to all of the terms and conditions of this Agreement, the Lender agrees to make a loan to the Borrower in an amount equal to \$5,000,000.00 (the "Loan Principal Amount"). The Loan Principal Amount minus (less) the Origination Fee and any and all other Lender fees, costs and/or expenses required to be paid by Borrower pursuant to the Loan Documents and not satisfied in cash by the Borrower (the "Balance Payment") shall be disbursed on the Closing Date. The Closing Date shall be no later than one (1) Business Day after the Verification Day. Lender and the Borrower shall agree upon the Closing Statement prior to the Closing Date. The Balance Payment shall be disbursed to the vendor of the Bitcoin Antminers or the Borrower's account (as agreed by the Lender and the Borrower prior to the Closing Date) using written wire instruction provided and confirmed by the Borrower. The Borrower shall pay any and all fees, costs, and expenses incurred by the Lender in connection with the Loan and/or the Loan Documents, including but not limited to the Lender's attorney's fees.

3.2 Bitcoin Pledged Collateral Account. One (1) Business Day prior to the Verification Day, the Borrower shall deliver Bitcoins representing the Pledged Collateral with an aggregate FMV of no less than \$5,000,000.00 (as of the Verification Day) (the "Bitcoin Pledged Collateral") to Gemini Trust Company, LLC NY Entity No: 5002896,315 Park Avenue South, 18th Floor New York, NY 10010-3653 ("Gemini") under a three party account agreement

between Gemini, Lender, and Borrower (“Bitcoin Pledged Collateral Account Agreement”), wherein solely Lender controls account withdrawals (the “Bitcoin Pledged Collateral Account”). Borrower shall initially designate Todd Liebel as its representative for the Bitcoin Pledged Collateral Account Agreement and his successor’s designation shall require the consent of Lender. As soon as practicable, Borrower and Lender may elect to enter into an account custody and control agreement with a third party custodian (the “Bitcoin Pledged Collateral Custodian”) (e.g., Galaxy Asset Management, Fidelity Digital Assets, Coinbase) satisfactory to Lender (the “Bitcoin Pledged Collateral Custodian Account”), which Bitcoin Pledged Collateral Custodian Account shall be subject to a custody and control agreement and other account agreements by and among Borrower, Lender and the Bitcoin Pledged Collateral Custodian in form satisfactory to Lender in all respects (the “Bitcoin Pledged Collateral Custodian Agreement”). The election to enter into a Bitcoin Pledged Collateral Custodian Account, and the terms and conditions of the custody and control and other account agreements, shall be subject to the Lender’s approval in its sole discretion. If the Lender, the Borrower and the Bitcoin Pledged Collateral Custodian enter into the custody and control and other account agreements after such approval by the Lender in its sole discretion, the Bitcoin Pledged Collateral shall be held in the Bitcoin Pledged Collateral Custodian Account, the Bitcoin Pledged Collateral Custodian Account shall be deemed to be the “Bitcoin Pledged Collateral Account” under the terms and conditions of this Agreement and the other Loan Documents, and the Lender and the Borrower shall amend the Loan Documents including but not limited to this Agreement as may be required to reflect the Bitcoin Pledged Collateral Custodian Account as the Bitcoin Pledged Collateral Account.

3.3. Bitcoin Pledged Collateral. The Lender’s obligation to make the Loan is subject to (i) the Borrower’s delivery of the Bitcoin Pledged Collateral to the Bitcoin Pledged Collateral Account with an aggregate FMV of no less than the Default Floor of \$5,000,000.00 as set forth in Section 3.2 and (ii) the Borrower’s delivery of Cash Account information as set forth in Section 2.31 that confirms that the Cash in the Cash Accounts is no less than the Default Floor of \$300,000.

3.4 Bitcoin Pledged Collateral Event of Default; Bitcoin Pledged Collateral Partial Release.

(a) If a Valuation Event occurs because the FMV of the Bitcoin Pledged Collateral falls below the Default Floor (the “Bitcoin Pledged Collateral Valuation Event”), the Lender shall provide written email notice of such Bitcoin Pledged Collateral Valuation Event to the Borrower, and, upon receipt of such written email notice to Borrower (“Bruce@lmfunding.com” “RRussell@lmfunding.com”), Borrower shall have two (2) Business Days commencing on the date the written notice is received to top up the Bitcoin Pledged Collateral in the Bitcoin Pledged Collateral Account to cure the deficiency in value. Within such cure period, the Borrower must cure this default by the delivery to the Lender of the additional Bitcoin to the Bitcoin Pledged Collateral Account in an amount equal to the deficiency. Any additional Bitcoin tendered to cure the Valuation Event shall become part of the Bitcoin Pledged Collateral. If the Borrower fails to cure the Bitcoin Pledged Collateral Valuation Event, there shall be an Event of Default under this Agreement and the other Loan Documents. If a Valuation Event occurs because the Cash in the Cash Accounts falls below the Default Floor (the “Cash Valuation Event”), there shall be an immediate Event of Default without any requirement of Lender notice and/or Borrower right to cure the Cash Account Valuation Event. Without limiting the Lender’s rights and remedies under this Agreement for an Event of Default, if there is a Bitcoin Pledged Collateral Valuation Event (and the Borrower fails to cure as provided in this Section 3.4(a) or there is a Cash Valuation Event, the Lender may elect to sell or transfer the Bitcoin Pledged Collateral and apply the proceeds to the Loan Principal Amount and/or any unpaid interest and/or other fees, costs and/or expenses relating to the Loan for which Borrower is obligated and take other actions the Lender determines are necessary for repayment of the Loan.

(b) If the FMV of the aggregate Bitcoin Pledged Collateral during any calendar quarter shall have an average FMV in excess of \$5,000,000.00, Borrower shall be entitled to withdraw during the first ten (10) Business Days of the calendar quarter immediately following such calendar quarter an amount of Bitcoins from the Bitcoin Pledged Collateral Account equal to the difference between (i) the average FMV of the Bitcoin Pledged Collateral for such immediately ended calendar quarter and (ii) \$5,000,000.00. If Borrower elects to make a withdrawal of Bitcoin Pledged Collateral pursuant to this Section 3.4, the Lender shall reasonably cooperate and provide all documentation and instructions required by the Bitcoin Pledged Collateral Custodian to facilitate such withdrawal. Notwithstanding anything to the contrary in this Agreement, the FMV of the Bitcoin Pledged Collateral in the Bitcoin Pledged Collateral Account and the Cash in the Cash Account must be greater than the Default Floor at all times.

3.5 Risk Factors. Borrower has carefully reviewed, acknowledged, understands and assumes the following risks, as well as all other risks associated with the Bitcoin Pledged Collateral (including those not discussed herein), all of which could render Bitcoin worthless or of little value: (i) There is no guarantee or representation of liquidity and/or transferability of the Bitcoin Pledged Collateral in the future; (ii) The Bitcoin Pledged Collateral may be subject to expropriation and/or theft, intentional or unintentional bugs or weaknesses that may negatively affect the Bitcoin Pledged Collateral or result in loss or ability to access the Bitcoin Pledged Collateral Account; (iii) Loss of Bitcoin Pledged Collateral Account information will result in loss of Bitcoin Pledged Collateral; (iv) The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact the Bitcoin Pledged Collateral in various ways; and the Borrower acknowledges that the Lender has all rights, title, ownership and interest associated with the Bitcoin Pledged Collateral Account and the Bitcoin Pledged Collateral during the term of this Agreement. Lender shall use commercially reasonable best efforts to protect the Bitcoin Pledged Collateral against loss of the Bitcoin Pledged Collateral Account Number. Lender shall indemnify and hold Borrower harmless for any losses incurred as a result of Lender's gross negligence, willful misconduct or fraud with respect to the Bitcoin Pledged Collateral.

4. Representations and Warranties. The Loan Parties jointly and severally represent and warrant, and so long as this Agreement is in effect or any part of the Loan Obligations remains unpaid, shall continue to warrant at all times, that:

4.1 Existence and Authority. (a) If Borrower is not a natural person (*e.g.*, corporation, partnership, limited liability company), it is duly organized, validly existing and in good standing under the laws of Delaware and authorized to transact business in Florida and will do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges as a the type business entity it was as of the date of this Agreement, under the laws of the State of Delaware and the State of Florida; (b) Borrower has the full power and authority to execute and deliver this Agreement and the other Loan Documents, and to perform its obligations thereunder; (c) the execution and delivery of this Agreement and the other Loan Documents will not (i) violate any applicable law of any governmental authority or any judgment or order of any court, other governmental authority or arbitrator; (ii) violate any agreement to which Borrower is a party; or (iii) result in a lien or encumbrance on any of Borrower's assets (other than the liens of the Security Documents); (d) Borrower's articles of incorporation, by-laws, partnership agreement, articles of organization, operating agreement or other organizational or governing documents ("**Governing Documents**") do not prohibit any term or condition of this Agreement or the other Loan Documents; (e) each authorization, approval or consent from, each registration and filing with, each declaration and notice to, and each other act by or relating to, any party required as a condition of Borrower's execution, delivery or performance of this Agreement or any other Loan Document has been duly obtained and is in full force and effect and no other action is required under its Governing Documents or otherwise; and (f) Borrower has the power and authority to transact the business in which it is engaged and is duly licensed or qualified and in good standing in each jurisdiction in which the conduct of its business or ownership of property requires such licensing or such qualifications except where the failure to so qualify or be licensed would not result in a material adverse effect on Borrower.

4.2 No Default. Borrower is not in default and has not breached in any material respect any material agreement or instrument to which it is a party or by which Borrower may be bound.

4.3 Intentionally Omitted.

4.4 Intentionally Omitted.

4.5 Legal or Administrative Proceedings. There are no civil or criminal actions, suits or proceedings by any public or governmental body, agency or authority or litigation by any Person, or by any public or governmental body, agency, or authority pending or threatened against the Loan Parties or against the Collateral involving the possibility of any judgment or liability not fully covered by insurance or by adequate reserves set upon its books, or which may result in any material adverse change in its business or in its condition, financial or otherwise, and to the best of the knowledge and belief of the Loan Parties, Borrower has complied in all material respects with all applicable laws and requirements of governmental authorities, including, without limitation, those relating to environmental

protection and pollution control. Borrower shall promptly notify Lender of any enforcement proceeding brought by any environmental agency against it.

4.6 Assets. Borrower has good, marketable title to all of its assets, including, without limitation, the Collateral (including but not limited to the Bitcoin Pledged Collateral), and such assets are free and clear of all liens, charges and encumbrances and/or agreements to permit liens, charges or encumbrances, except the Permitted Liens.

4.7 Losses. Neither the Collateral nor the Borrower business has been adversely affected in any substantial way as the result of any accident, strike, lockout, combination of workmen, embargo, riot, war or act of God or public enemy. Although Borrower has made no specific inquiry, it is not aware of any material adverse fact concerning the conditions of Borrower which has not been fully disclosed to Lender.

4.8 Contractual Restrictions. Borrower is not a party to any contract or subject to any agreement or restriction which would materially and adversely affect the Collateral and/or Borrower's property or business, or Borrower's ability to perform Borrower's obligations under this Agreement or any other Loan Document.

4.9 Tax Returns. Borrower has filed all federal, state and local tax returns which are required to be filed, and has paid all taxes as shown on the returns and all assessments received with respect to taxes that have become due.

4.10 No Liens or Restrictions. As of the date of this Agreement, the Bitcoins constituting the Bitcoin Pledged Collateral are owned by the Borrower free and clear of any Liens and said Bitcoins are free of any restriction, are freely tradable and transferable Bitcoins.

4.11 Consents. This Agreement and all the other Loan Documents executed by and to be executed by the Borrower constitute valid and binding obligations of the Borrower enforceable in accordance with its respective terms to be construed and interpreted as a whole, the same being part of an integrated transaction. To the Borrower's knowledge, no consent of any other party and no consent, license, approval, or authorization of any governmental authority is required in connection with the borrowing by the Borrower hereunder, the execution, delivery, and performance of this Agreement, and any of the other Loan Documents executed or to be executed in connection herewith.

4.12 No Conflicts. The borrowing by the Borrower hereunder and the execution and delivery by the Borrower of this Agreement and any other Loan Documents executed and to be executed by the Borrower, do not materially conflict with or result in the breach of any agreement, mortgage or similar instrument under which Borrower is bound, or, to the Borrower's knowledge, any law, rule, or regulation of any governmental agency applicable to it.

4.13 No Default. The Borrower is not in default under any note, bond, mortgage or indenture, contract, agreement, lease, sublease, license, permit, franchise or other instrument or arrangement to which the Borrower is a party or by which the Borrower or the Bitcoin Pledged Collateral and/or Bitcoin Pledged Collateral Account (if applicable) are bound or affected or which would have an effect on the ability of the Borrower to consummate the transactions contemplated by this Agreement.

4.14 No Additional Liens. The Borrower covenants that so long as the Loan or any Obligations to the Lender remain outstanding and unpaid, the Borrower shall not create, assume or suffer to exist any Lien of any kind (other than Permitted Liens) upon any of the Collateral including but not limited to the Bitcoin Pledged Collateral.

4.15 Anti-Money Laundering Program. Borrower represents and warrants that (i) it did, now does, and will continue to comply with anti-money laundering laws and regulations and (ii) it has established and maintains an anti-money laundering program. At the request of Lender, Borrower shall provide such written further assurances as Lender may reasonably request that Borrower maintains an anti-money laundering program. Borrower further represents and warrants that where Borrower pledges the Bitcoin hereunder none of the Bitcoin being pledged to Lender violated, or were otherwise suspected of violating, Borrower's anti-money laundering program.

4.16 OFAC. Borrower hereby agrees and acknowledges that it is obligated to and hereby represents and warrants that it did, now does, and will continue to comply with rules and regulations enforced by the U.S. Treasury

Department's Office of Foreign Assets Control ("OFAC"). Borrower represents and warrants that neither it nor any person who controls Borrower bears a name that appears on the List of Specially Designated Nationals and Blocked Persons maintained by OFAC from time to time. Borrower hereby represents and warrants that none of the Bitcoin pledged to Lender hereunder came from a third party that violated, or otherwise would violate, the provisions of any rules, regulations, or laws administered by OFAC, or be subject to other restriction based on such relevant government lists as may be published from time to time.

4.17 Source and Use of Bitcoin Pledged Collateral. Borrower represents and warrants that (i) to its knowledge, none of the Bitcoin it pledges to Lender hereunder were sourced from a third party that is/was engaged in unlawful activities under state, federal or non-U.S. statutes (e.g., the Federal Controlled Substances Act) and (ii) any Bitcoin it pledges to Lender hereunder has been lawfully obtained by Borrower and has not been, is not, and will not be, used in any illegal activities. In addition, Borrower represents and warrants that neither it nor any person who controls Borrower resides in or whose subscription funds are transferred from or through an account in a Non-Cooperative Jurisdiction. For purposes of this Agreement, a "Non-Cooperative Jurisdiction" shall mean any country or territory that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur.

4.18 Foreign Shell Bank. Borrower represents and warrants that neither it nor any person who controls Borrower is a Foreign Bank without a Physical Presence in any country, but does not include a regulated affiliate. For purposes of this Agreement, a "Foreign Bank" shall mean an organization that (i) is organized under the laws of a foreign country, (ii) engages in the business of banking, (iii) is recognized as a bank by the bank supervisory or monetary authority of the country of its organization or principal banking operations, (iv) receives deposits to a substantial extent in the regular course of its business, and has the power to accept demand deposits, but does not include the U.S. branches or agencies of a foreign bank. In addition, "Physical Presence" shall mean a place of business that is maintained by a Foreign Bank and is located at a fixed address, other than solely a post office box or an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities, at which location the Foreign Bank (i) employs one or more individuals on a full-time basis, (ii) maintains operating records related to its banking activities, and (iii) is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities.

4.19 No Material Information. Except as previously disclosed to Lender, there is no material fact known to the Borrower regarding any Bitcoin Pledged Collateral or other Collateral pledged to Lender hereunder which materially and adversely affects or is reasonably likely to materially and adversely affect such Bitcoin Pledged Collateral or other Collateral.

5. Affirmative Covenants. The Loan Parties jointly and severally covenant and agree that from the date hereof and until the Loan Obligations are paid in full:

5.1 Documents.

(a) The Loan Parties shall deliver to Lender the following:

(1) Annually, within one hundred twenty (120) days after the end of each fiscal year, Financial Statements for each of the Loan Parties for the fiscal year ended, prepared by an Accountant and certified by the Accountant to be true, correct and complete; and

(2) Annually, within thirty (30) days after the end of each fiscal year, signed copies of Federal and other governmental tax returns for the most recently ended tax year for the Loan Party, prepared by an Accountant.

(b) Promptly upon Borrower gaining knowledge of the occurrence of any Event of Default, Borrower shall deliver to Lender a written notice thereof, specifying the nature thereof.

(c)The Loan Parties shall deliver to Lender such financial, Bitcoin Pledged Collateral or other information as Lender may from time to time reasonably request.

5.2 Books of Account. Borrower shall maintain books of account in accordance with generally accepted accounting principles, which shall disclose the information necessary for determining compliance with Borrower's covenants in this Agreement.

5.3 Right of Inspection. Whenever Lender, in its sole discretion, deems it necessary, and upon one (1) Business Day's prior notice, Borrower shall permit Lender, or any agent designated by Lender, to visit and inspect any property of Borrower and to inspect and make excerpts of its accounting records, all at such reasonable times during normal business hours and as often as Lender may request. In conducting any such inspection, Lender shall not interfere with Borrower's operations.

5.4 Insurance. Borrower shall maintain adequate insurance with responsible insurers with coverage normally obtained by businesses similar to Borrower but covering at least damage to physical property from fire and other hazards for the full insurable value of such property, liability on account of injury to persons, and theft, forgery or embezzlement or other illegal acts of officers or employees. Prior to the Effective Date, Borrower shall provide Lender, a Certificate specifying the types and amounts of insurance in force and the insurers of each risk covered by such insurance which, among other things, names the Lender as an additional insured and loss payee, as applicable.

5.5 Payment of Taxes, Liens, etc. Borrower shall pay all the taxes, assessments, levies, liabilities, obligations and encumbrances of every nature now imposed, levied or assessed, or that hereafter may be imposed, levied or assessed upon Borrower unless such taxes, assessments, levies, liabilities, obligations and encumbrances are being diligently contested in good faith by Borrower by appropriate proceedings. All such payments shall be made when due and shall be payable according to applicable law before they become delinquent and before any interest attaches or any penalty is incurred. Insofar as any indebtedness is of record, the same shall be promptly satisfied and evidence of such satisfaction shall be promptly given to Lender.

5.6 Compliance with Laws. Borrower shall comply in all material respects with all requirements applicable to it under the laws or regulations of the United States, of any state or states and of any other governmental authority, including all laws and regulations relating to pollution control, environmental protection and public health.

5.7 Use of Proceeds. The funds borrowed under the Note will be used by Borrower only for costs relating to hosting and hosting infrastructure, including the purchase of the Bitcoin Antminers, and for other valid business or commercial purposes and not for personal, family or household purposes.

5.8 Further Assurances. If, at any time, counsel for Lender is of the reasonable opinion that Lender's liens and security interests under the Security Documents are not first priority liens or security interests on the Collateral, subject only to Permitted Liens, then the Loan Parties shall, immediately after written notice of such opinion from Lender, do all things necessary as requested by Lender to assure, to the reasonable satisfaction of counsel for Lender, that the Loan Obligations are secured or will be secured as contemplated by this Agreement.

5.9 Maintenance of Property. Borrower shall maintain the Collateral in the condition required by the Security Documents.

5.10 Litigation Notice. Borrower shall deliver to Lender prompt written notice of any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency which, if adversely determined, would adversely affect the business, properties or condition, financial or otherwise, of any Loan Party. This shall include notification as to any and all enforcement proceedings brought by any environmental agency, the Florida Department of Revenue, or any other county, state or federal agency.

5.11 Loan Origination Fee. Prior to the funding of the Loan by the Lender on the Closing Date, the Borrower shall pay to the Lender an agreed upon loan origination fee of 1.5% of the Loan Principal Amount. The Lender is authorized to deduct the loan Origination Fee from the Loan Principal Amount.

6. Negative Covenants. The Loan Parties jointly and severally covenant and agree that from the date hereof until the Loan Obligations are paid in full, without the prior written consent of the Lender, which consent shall not be unreasonably withheld:

6.1 **Liens.** Borrower shall not create, incur, assume or suffer to exist any mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever, except Permitted Liens, on any of its Collateral now or hereafter owned (including without limitation, the Bitcoin Pledged Collateral, or enter into or suffer to exist any conditional sales contracts or other title retention agreements.

6.2 **Merger; Consolidation; Sale of Substantial Assets.** Borrower shall not merge into, consolidate with, or sell, lease, transfer or otherwise dispose of all or a substantial part of its properties, shares or assets to, or acquire all or a substantial part of the properties, (excluding inventory purchased in the normal course of business) shares or assets of, any other Person.

6.3 **No Other Obligations or Guarantees.** The Loan Parties shall not become obligated in any way for any Obligations, except for (i) that certain obligation in the amount of \$1,500,000.00 to the Brown Family Enterprises LLC evidenced by that certain Secured Promissory Note dated May 13, 2024 (the "Brown Family Loan") and (ii) Permitted Obligations, nor will it in any way become responsible for the obligations of any other Person, directly or indirectly, whether by agreement to purchase the obligations of any other Person, by guaranty, endorsement, surety agreement or otherwise, except endorsement of negotiable instruments for collection in the ordinary course of business. The Borrower shall cause the Brown Family to execute the Lender's form of Intercreditor Agreement prior to the Closing Date.

6.4 **Intentionally Omitted.**

6.5 **Nature of Business.** Borrower shall not engage in any business if, as a result, the general nature of its business would be materially changed from the general nature of the businesses engaged in by it on the date of this Agreement.

6.6 **Sale, Pledge, etc., of Property.** Borrower shall not sell, transfer, pledge or otherwise dispose of any of its interest in the Collateral except in the ordinary course of its business.

6.7 **Sale and Leaseback.** Borrower shall not enter into any arrangement, direct or indirect, with any Person whereby it shall sell or transfer any property used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being transferred.

6.8 **Ownership.** There shall be no change in the ownership of Borrower.

7. Defaults and Remedies.

7.1 **Event of Default.** Any one of the following shall constitute an Event of Default under this Agreement:

(a) Failure by Borrower to repay all amounts due under the Note at maturity.

(b) Failure by Borrower to pay any installment of principal or interest due under the Note within three (3) Business Days of the due date therefor, time being of the essence.

(c) Failure by Borrower to pay any other sums to be paid by Borrower under any other Loan Document or instrument evidencing or securing the Loan Obligations within five (5) Business Days after written notice thereof.

(d) Failure by any Loan Party to duly keep, perform and observe any other covenant, condition or agreement in the Loan Documents, or any other instrument evidencing or securing the Loan Obligations for a period of 15 days after written notice thereof.

(e) If any Loan Party: (i) files a voluntary petition in bankruptcy; or (ii) is adjudicated a bankrupt or insolvent; or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors; or (iv) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any substantial part of the Collateral; or (v) makes any general assignment for the benefit of creditors; or (vi) makes any admission in writing of its inability to pay its debts generally as they become due.

(f) A court of competent jurisdiction enters an order, judgment or decree approving a petition filed against any Loan Party seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days whether or not consecutive from the date of entry thereof.

(g) Any trustee, receiver or liquidator of any Loan Party, or of all or any substantial part of the property of any Loan Party, is appointed without the prior written consent of Lender.

(h) Any breach of any warranty or material untruth of any representation of any Loan Party contained in the Loan Documents or any other instrument evidencing or securing the Loan Obligations.

(i) The occurrence of any default under the terms of any Loan Document including but not limited to any Security Document that is not cured within the applicable cure period provided therein.

(j) The occurrence of any default under the terms of any other security instrument which creates a lien or other interest on or in the Collateral which is not cured within the applicable cure period provided in such other security instrument.

(k) If Borrower defaults in any payment of principal or interest on any material Obligation other than the Loan Obligations, beyond any period of grace provided with respect thereto or in the performance of any other agreement, term, or condition contained in any agreement under which any such Obligation is created, and either such default continues beyond maturity of such Obligation (whether by acceleration or otherwise) or the effect of such default is to cause, or permit the holder or holders of such Obligation (or trustee on behalf of such holder or holders) to cause such Obligation or any part thereof to become due prior to its stated maturity.

(l) If any judicial or administrative order is issued by a body of competent jurisdiction ordering the discontinuance of any material portion of Borrower's operations and such order remains in effect for forty five (45) days.

(m) Intentionally omitted.

(n) Intentionally omitted.

(o) With respect to any Loan Party that is not a natural person, any act or omission leading to, or resulting in the termination, invalidation (total or partial), revocation, suspension, interruption, or unenforceability of such Loan Party's legal existence, rights, licenses, franchises, and permits, or the transfer or disposition (whether by sale, lease, or otherwise) to any person or entity of all or a substantial part of such Loan Party's assets.

(p) The occurrence of a Valuation Event "Event of Default" as described in Section 3.4 of this Agreement.

(q) Intentionally omitted.

(r) The occurrence of any default or event of default under any present or future obligation, indebtedness or guaranty of any Loan Party to Lender not evidenced by the Loan Documents and such default results in a material adverse change in such Loan Party's business.

(s) If the Bitcoin ceases, or all trading is otherwise halted, on all exchanges globally, centralized and de-centralized, for more than three (3) consecutive business days for any other reason.

7.2 Remedies after an Event of Default.

(a) If an Event of Default shall have occurred, Lender may accelerate and declare the Loan Obligations to be due and payable immediately, without demand or notice. As provided in the Note, immediately upon the occurrence of an event of default (without regard to any applicable notice and cure period) the Loan Obligations and any judgment entered on account of the Note and other Loan Documents, shall bear interest at the default interest rate at the maximum interest rate permitted by law.

(b) Additionally, upon an Event of Default, Lender may proceed by suit at law or in equity or by any other appropriate proceeding or remedy to (i) enforce payment of the Note and any instrument evidencing the Loan Obligations or the performance of any term thereof or any other right; (ii) foreclose the Security Documents and any other instrument securing the Loan Obligations and to sell the Collateral under the judgment or decree of a court or courts of competent jurisdiction; (iii) in the Borrower's sole and absolute discretion, select and appoint a receiver to take possession and control the Collateral, maintain the Collateral and take any other actions that the receiver deems necessary to protect the Collateral; and (iv) pursue any other remedy available to it including, but not limited to, taking possession of the Collateral without notice or hearing to Borrower.

(c) No delay or omission of Lender or of any holder of the Note and other instruments evidencing the loans evidenced by the Note, to exercise any right, power or remedy accruing upon any event of default shall exhaust or impair any such right, power or remedy or shall be construed to waive any event of default or to constitute acquiescence therein.

(d) No right, power or remedy conferred upon or reserved to Lender by the Loan Documents or any other instrument evidencing or securing the Loan Obligations is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given under the Loan Documents or any other instrument evidencing or securing the Loan Obligations, now or hereafter existing at law, in equity or by statute.

(e) Additionally, Lender shall have the right, upon the occurrence of an Event of Default, to set-off against the Loan Obligations any debt or claim owed by Lender in any capacity to Borrower, whether or not due, and the set-off shall automatically occur, with record entries to evidence the same made after occurrence of the automatic set-off.

(f) Upon the occurrence of an Event of Default described in Section 3.4 of this Agreement, exercise the Bitcoin Pledged Collateral rights and remedies described in Section 3.4 of this Agreement.

8. Miscellaneous.

8.1 Lender's Right to Make Certain Payments. In the event Borrower fails to pay or discharge any taxes, assessments, levies, liabilities, obligations and encumbrances by the date such payments or due, including any applicable grace period, Lender may, at its option, pay or discharge the taxes, assessments, levies, liabilities, and obligations and encumbrances or any part thereof. In such an event, Lender shall have no obligation on its part to determine the validity or necessity of any payment thereof and any such payments shall not waive or affect any option, lien, equity, or right of Lender under or by virtue of this Agreement. The full amount of each and every such payment shall be immediately due and payable and shall bear interest from the date thereof until paid at the maximum interest allowable under applicable law. Nothing contained herein shall be construed as requiring Lender to advance or expend monies for any of the purposes mentioned in this paragraph.

8.2 Enforcement Expenses. The Loan Parties shall pay all the costs, charges and expenses, including reasonable attorney's fees, whether incurred at trial or appellate level or in connection with bankruptcy proceedings, including proceedings seeking relief from the automatic stay or seeking to prohibit or limit the use of cash collateral, incurred or paid at any time by Lender due to the failure on the part of Borrower and/or the Guarantors to promptly and fully to perform, comply with and abide by each and every stipulation, agreement, condition and covenant of the Loan Documents or any other instrument evidencing or securing the Loan Obligations. Such costs, charges and expenses shall be immediately due and payable, whether or not there is notice given, demand, attempt to collect or suit pending. The Loan Parties shall also pay any and all fees, costs and/or expenses incurred by the Lender relating in any manner to the Loan and/or the Loan Documents. The full amount of each and every such payment shall bear interest from the date thereof until paid at the maximum interest rate allowed under applicable law. All such costs, charges and expenses so incurred or paid, together with such interest, shall be secured by the lien of the Security Documents and any other instrument securing the Loan Obligations.

8.3 Payments on Business Days. Time is of the essence of this Agreement. Notwithstanding the foregoing, whenever any payment to be made under the Loan Documents or any other instrument evidencing or securing the Loan Obligations, shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, due in connection with such payment.

8.4 Survival of Representations and Warranties. All representations and warranties contained herein or made in writing by any Loan Party in connection with this Agreement shall survive the execution and delivery of this Agreement.

8.5 Successors and Assigns. All covenants and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not.

8.6 Notices. Unless otherwise provided herein, any notice or other communication required to be given pursuant to this Agreement shall be in writing and shall be personally delivered, mailed by certified, return receipt requested U.S. mail, delivered by recognized overnight delivery service or delivered by electronic transmission email. Any such notice shall be deemed to have been given upon the earlier of: (i) the date when personally delivered to the party or the date of the electronic transmission email delivery; (ii) the next Business Day, if sent by overnight delivery, (iii) the third Business Day after mailing, if mailed by certified, return receipt requested U.S. mail, or (iv) when signed for or refused, as evidenced by the return or delivery receipt.

8.7 Applicable Law; Venue; Jurisdiction. The laws of the State of Florida (without giving effect to its conflicts of law principles) shall govern all matters arising out of or related to the Loan Documents or any of the transactions contemplated thereby, except to the extent that any such Loan Document expressly specifies the application of the law of another state. Any legal action or proceeding arising out of or related to the Loan Documents or any of the transactions contemplated thereby shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida (the "Selected Courts"). Lender and the Loan Parties each consent to the exclusive jurisdiction of the Selected Courts for the purpose of all legal actions and proceedings arising out of or related to the Loan Documents or any of the transactions contemplated thereby; provided, however, that the foregoing shall not prohibit the enforcement, in the Selected Courts or any other appropriate forum, of any judgment obtained in connection with such legal action or proceeding; provided, however, if required by applicable Florida law, any legal action or proceeding arising out of or related to the Bitcoin Pledged Collateral or any of the transactions contemplated thereby shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida. Lender and the Loan Parties each waive, to the fullest extent permitted by law, any objection which it may now or later have to the laying of venue of any legal action or proceeding arising out of or related to the Loan Documents or any of the transactions contemplated thereby brought in the Selected Courts, and any claim that any legal action or proceeding brought in any of the Selected Courts has been brought in an inconvenient forum.

8.8 Headings. The descriptive section headings herein have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provisions hereof.

8.9 Counterparts. This Agreement may be executed simultaneously in several original or electronic transmission email pdf or DocuSign counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

8.10 Remedies Cumulative. All rights and remedies of Lender hereunder are cumulative and in addition to any rights and remedies which Lender may have under the laws of Florida or the laws of the United States, and the exercise of any one right or remedy by Lender against any Loan Party will not deprive Lender of any other right or remedy against any other Loan Party.

8.11 Severability. If any portion of any Loan Document or any other instrument evidencing or securing the Loan Obligations is declared void by any court as illegal or against public policy the remainder of the instrument in question shall continue in full effect.

8.12 Waiver. Each Loan Party waives presentment, notice of dishonor and protest as to all obligations under the Loan Documents and any other instrument evidencing or securing the Loan Obligations.

8.13 Waiver by Lender. No delay or omission by the Lender in exercising any right under the Loan Documents or any other instrument evidencing or securing the Loan Obligations shall operate as a waiver of that or any other right, and no single or partial exercise of any right shall preclude the Lender from any other or further exercise of any other right or remedy. Lender may cure any Event of Default in any reasonable manner without waiving the Event of Default so cured and without waiving any other prior or subsequent Event of Default. All rights and remedies of the Lender under this Agreement and under the Uniform Commercial Code and other applicable laws shall be deemed cumulative.

8.14 No Joint Venture. Borrower and Lender acknowledge and agree that the relationship between them is strictly a lender/borrower relationship and that, notwithstanding this Agreement, any provision in the Note or Security Documents or any other instrument evidencing or securing the Loan Obligations, or any course of conduct presently existing or arising in the future between the parties, the relationship between the parties shall not constitute a partnership or joint venture.

8.15 No Tort Liability. The Loan Parties agree that Lender shall have no tort liability whatsoever in connection with the Loan or any of the Loan Documents, including without limitation, liability for any intentional or negligent misrepresentation. It is expressly agreed that the sole and exclusive remedies arising from or related to the relationship of any Loan Party and Lender with respect to the Loan shall be enforcement of this Loan Agreement and any other Loan Documents and the remedies provided for herein or therein.

8.16 Joint and Several Liability. The Loan Parties' liability hereunder shall be joint and several.

[Signature Page to Loan Agreement]

Lender and the Loan Parties have executed this Agreement as of the date first written above.

Lender:

SE & AJ Liebel Limited Partnership

By: /s/ Steven Liebel
Name: Steven Liebel
Title: General Partner

Borrower:

LM Funding America, Inc.

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

Guarantors:

LM Funding, LLC

By: LM Funding America, Inc., its Manager

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

US Digital Mining and Hosting Co., LLC

By: LM Funding America, Inc., its Manager

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of August 6, 2024, by LM Funding America, Inc., a Delaware corporation (the "Debtor"), in favor of SE & AJ Liebel Limited Partnership, a Florida limited partnership of 1714 Independence Blvd, Sarasota, FL 34234 (the "Secured Party"). For value received, and in consideration of the mutual promises made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor agrees to the following recitals, terms and conditions:

1. Recitals.

- 1.1 Debtor is the Borrower of the \$5,000,000.00 Loan (the "Loan") as evidenced by that certain \$5,000,000.00 Promissory Note in favor of Lender of even date.
- 1.2 Debtor has agreed to secure all of the obligations due Secured Party under the Loan Documents by granting to Secured Party a security interest in the Collateral described in this Agreement, all in accordance with the terms and conditions set forth below. The Note, the Loan Agreement, this Security Agreement, the Pledge Agreement and the UCC-1 of even date herewith, and any other documents executed in connection with the Loan shall hereinafter be referred to herein as the "Loan Documents".

2. Grant of Security Interest.

2.1 Debtor hereby grants Secured Party an unconditional and continuing security interest in and to any and all of Debtor's right, title and interest in and to all of its personal property, including, without limitation, all right, title and interest in and to the items and types of property, described or referred to below, whether now owned or hereafter acquired (the "Collateral"):

- (a) Accounts;
 - (b) Chattel Paper;
 - (c) Contract Rights;
 - (d) Deposit Accounts and certificates of deposit;
 - (e) Documents;
 - (f) Equipment; and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (g) Financial Assets;
 - (h) Fixtures;
 - (i) General Intangibles (including but not limited to patents, trademarks, licenses, copyrights and other intellectual property);
 - (j) Goods and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (k) Receivables;
 - (l) Instruments;
 - (m) Inventory and documents of title evidencing or representing Inventory;
-

- (n) Investment Property;
 - (o) Letter-of-Credit Rights;
 - (p) Leases to third parties;
 - (q) Payment Intangibles;
 - (r) Software and all rights with respect thereto (including without limitation, all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing);
 - (s) Supporting Obligations; and
 - (t) To the extent not included in the foregoing, all other tangible and intangible personal property of any kind or description;
- together with all accessories, accessions, replacements, additions, substitutions, add-ons and upgrades thereto, all books, records, writings, data bases, information and other property relating to, used and useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all Proceeds (including, without, limitation, insurance proceeds), products, offspring, rents, issues, profits and returns of and from any of the foregoing. Capitalized terms not defined in this Agreement or the other Loan Documents shall have the meaning assigned such term by the Florida Uniform Commercial Code, as amended or revised from time to time.

2.2 The Collateral constitutes and will constitute continuing security for the prompt payment, when payable, of all principal, interest and other amounts payable due under the Note and the Loan Documents, together with all renewals, extensions, modifications, refinancings, consolidations, and substitutions thereof (the "Indebtedness").

3. Assurances. Debtor covenants to Secured Party that, during the term of this Agreement:

- a) Debtor is and will be the sole legal and equitable owner of the Collateral.
- b) Except for the security interests granted to Secured Party by this Agreement, the Collateral is and will be free and clear of all liens, charges, assessments, encumbrances, restrictions, adverse claims, and security interests of every kind and nature.
- c) Except for the security interests granted to Secured Party by this Agreement and Permitted Liens, Debtor will not sell, assign, convey, pledge, transfer, hypothecate, or in any other way encumber or dispose of the Collateral except in the ordinary course of its business.
- d) Debtor will defend its title or interest in the Collateral against any and all liens, charges, offsets, defenses, assessments, encumbrances, adverse claims, and security interests of every kind and nature.
- e) Debtor shall execute and deliver any assignment, notice of lien, financing statement, continuation statement, statement of change, membership interest transfer power, or other document, and do all other acts and things that Secured Party may reasonably request from time to time to create, perfect, and preserve a valid and first security interest in the Collateral or to enable Secured Party to exercise and enforce Secured Party's rights and powers under this Agreement with respect to the Collateral. Debtor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a UCC financing or continuation statement describing the Collateral under this agreement.
- f) Debtor's principal place of business is located at 1200 W. Platt Street, Suite 100, Tampa, FL 33606 and Debtor will promptly notify Secured Party in writing of any change in the location of its principal place

of business.

g) In the event of loss or theft of any part of the Collateral or the making of any levy, seizure or attachment thereof or thereon or the placing of any lien or liens thereon or generally on the property of Debtor, Debtor will give prompt notice thereof to Secured Party.

h) Debtor operates under no trade names except the name set forth above, has not operated or conducted business under any other name during the immediately preceding five years and will promptly notify Secured Party of any change in its name.

i) Debtor's records concerning that part of the Collateral constituting accounts, general intangibles or chattel paper are kept at the address specified in subsection (f) above.

j) Debtor will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; upon Secured Party's request, Debtor will mark any of such records and all or any of the Collateral to give notice of the security interests created by this Agreement and will permit Secured Party or its agents to inspect the Collateral and to audit and make abstracts of such records or any of the Debtor's books, ledgers, reports, correspondence and other records and will reimburse Secured Party for its reasonable costs and expenses in inspecting the Collateral and/or auditing or copying Debtor's records.

k) Upon receipt, Debtor will promptly deliver to Secured Party any documents of title and any chattel paper representing the Collateral or any part thereof, and, upon demand, Debtor will promptly deliver to Secured Party any and all schedules, invoices, shipping or delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or to purchases or other acquisitions or sales, or leases or other dispositions of the Collateral and proceeds thereof and any and all other schedules, documents and statements which the Secured Party may from time to time request.

l) Debtor holds in full force and effect all material permits, licenses and franchises necessary for it to carry on its operations in conformity with applicable laws and regulations.

m) Debtor will keep the Collateral in good condition and repair and will not use the Collateral in violation of any provision of this Agreement, any applicable statute, regulation or ordinance or any policy of insurance insuring the Collateral.

n) Debtor will prevent any part of the Collateral from becoming an accession to other goods not covered by this Agreement or from becoming a fixture.

o) Debtor will post all accounts receivable to Debtor's books and records promptly upon the creation of such accounts receivable.

p) If any certificate of title is issued with respect to any of the Collateral, Debtor will cause Secured Party's interest under this Agreement to be noted on the certificate and will deliver the original certificate to Secured Party.

q) Debtor will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral.

r) Debtor will insure the Collateral against risks by obtaining policies (none of which shall be cancelable without thirty (30) days advance written notice to Secured Party) in coverage, form and amount and with companies satisfactory to Secured Party, containing a loss payee provision in favor of Secured Party, and at Secured Party's request will deliver each policy or certificate of insurance therefor to Secured Party.

s) Each account, general intangible, and chattel paper constituting the Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor").

t)The amount represented by Debtor to Secured Party as owing by each Account Debtor or by all of the Account Debtors is the correct amount actually and unconditionally owing by such Account Debtor(s), except for normal cash discounts applicable.

u)No Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party, whether in any proceeding to enforce the Collateral or otherwise.

v)Debtor will notify Secured Party promptly of any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral or of the bankruptcy or insolvency of any Account Debtor.

4. Possession and Use of Collateral.

a)After an Event of Default, Secured Party shall have the right to take possession of the Collateral and to sell, assign, transfer, or set over the Collateral, or any portion thereof, and apply the proceeds therefrom to the Indebtedness.

b)Before or after any default by Debtor under this Agreement, Secured Party may notify all or any Account Debtors of the security interest evidenced by this Agreement and may also direct such Account Debtors to make all payments on the Collateral to Secured Party. All payments on and other proceeds from the Collateral received by Secured Party directly from Account Debtors or from Debtor shall be applied to the Indebtedness in such order and manner and at such time as Secured Party shall in its sole discretion determine. Debtor shall also promptly notify Secured Party of the return to or repossession by Debtor of goods underlying any Collateral.

5. Events of Default. As used in this Agreement, the term "Event of Default" shall mean and include, and Debtor shall be in default hereunder upon the happening of, any one of the following events or conditions:

a)The occurrence of an Event of Default under the Note, the Loan Agreement and/or any of the Loan Documents;

b)Failure of Debtor to perform punctually and properly any covenant, agreement, obligation, or condition contained or referred to in this Agreement and the continuation of such failure for a period of three (3) days after written notice thereof from Secured Party to Debtor;

c)The material breach of any warranty or the material untruth of any representation of Debtor contained in this Agreement; or

d)The uninsured loss, damage or destruction of a material portion of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon.

6. Remedies.

a)At any time after an Event of Default, Secured Party, at its option and without further notice to Debtor, may (i) accelerate all or any of the Indebtedness and declare it to be immediately due and payable, and (ii) exercise from time to time all rights and remedies of a secured creditor under applicable law, including the Uniform Commercial Code in effect for the State of Florida.

b)In addition to the foregoing, Secured Party shall have the following rights and remedies (to the extent permitted by applicable law):

(1)Secured Party may, at any time and from time to time, with or without judicial process and the aid or assistance of others, dispose of any part or all of the Collateral; and/or sell, resell, lease or assign all or any part of the Collateral in its then condition or following any commercially reasonable preparation or processing, at public or private sale or proceeding,

by one or more contracts, in one or more parcels, at the same or different times, with or without having the Collateral at the place of sale or other disposition, for cash and/or credit, and upon any terms, at such places and times and to such persons, firms or corporations as Secured Party deems best, all without demand for performance or any notice or advertisement whatsoever, except that where an applicable statute requires reasonable notice of sale or other disposition. Debtor hereby agrees that the sending of five (5) days notice by registered or certified mail, postage prepaid, to Debtor as provided below of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof. If any of the Collateral is sold by Secured Party upon credit or for future delivery, Secured Party shall not be liable for the failure of the purchaser to pay for same, and, in such event, Secured Party may resell such Collateral. Secured Party may buy any part or all of the Collateral at any sale. Secured Party may apply the cash proceeds from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing, and the like, to reasonable attorneys' fees and all legal expenses, travel, and other expenses which may be incurred by Secured Party in attempting to enforce this Agreement or in the prosecution or defense of any action or proceeding related to the subject matter of this Agreement; and then to the Note or other Indebtedness owed to Secured Party in such manner as it may elect, and Debtor shall remain liable and will pay Secured Party on demand any deficiency remaining and the balance of any expenses unpaid, with any surplus to be paid to Debtor, subject to any duty of Secured Party imposed by law to the holder of any subordinate security interest in the Collateral known to Secured Party.

(2)Secured Party may appropriate, set off, or apply in payment of any and all debts, any and all balances, sums, property, claims, credits, deposits, accounts, reserves, collections, drafts, notes, or other items or proceeds of the Collateral in or coming into the possession of Secured Party or its agents, or belonging or owing to Debtor and in such manner as Secured Party may in its sole discretion determine.

c)Upon the occurrence of an Event of Default, any proceeds of the Collateral received by Debtor shall be segregated, held by debtor in trust as the exclusive property of Secured Party, and Debtor will promptly deliver to Secured Party the identical checks, moneys, or other proceeds of Collateral received, except to the extent Secured Party may otherwise agree in writing.

d)To effectuate the terms and provisions of this Agreement, Debtor hereby designates and appoints Secured Party and its designees or agents as attorneys-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, or other evidence of payment or proceeds of the Collateral that may come into Secured Party's possession; to sign the name of Debtor on any invoices, documents, drafts, notices to Account Debtors of Debtor, assignments, and requests for verification of accounts; to execute proofs of claim and loss; to execute any endorsements, assignments, or other instruments of conveyance or transfer, to adjust and compromise any claims under insurance policies, in Debtor's name or otherwise; to demand, sue for, collect, and give acquittances for any and all moneys due or to become due upon or in respect of the Collateral and to compromise, prosecute, or defend any action, claim, or proceeding with respect thereof; to execute releases; and to do all other acts and things necessary and advisable in the sole discretion of Secured Party to carry out and enforce this Agreement. All acts of such attorney or designee are hereby ratified and approved and such attorney or designee shall not be liable, except for willful misconduct, for any acts of commission or omission, nor for any error of judgment or mistake of fact or law. This power of attorney, being coupled with an interest, is irrevocable while any of the Indebtedness shall remain unpaid.

e)Debtor hereby irrevocably consents to any act by Secured Party or its agents in reasonably entering upon any premises for the purpose of inspecting the Collateral or taking possession of the Collateral after any Event of Default, and Debtor hereby waives its right to assert against Secured Party or its agents any claim based upon trespass or any similar causes of action for entering upon any premises where the Collateral may be located.

f) Secured Party may exercise any of its rights or remedies hereunder serially, wholly, partially, or collectively, and the exercise of any one right does not preclude the exercise of any other right.

7. Miscellaneous.

a) No Waiver. No failure on the part of Secured Party to exercise and no delay in exercising, any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any right, remedy, or power hereunder preclude any other or future exercise of any other right, remedy, or power. Each and every right, remedy, and power hereby granted to Secured Party or allowed it by law or other agreement shall be cumulative and not exclusive, and may be exercised by Secured Party from time to time.

b) Secured Party's Costs. Debtor agrees to pay, on demand, all costs and expenses, including reasonable attorney's fees, incurred by Secured Party in connection with, or incidental to the custody, care, management, sale, or collection of, or realization upon, any of the Collateral or in any way relating to the enforcement or protection of the rights of Secured Party hereunder or under any Indebtedness; and Secured Party may at any time apply to the payment of all such costs and expenses all moneys of Debtor or other proceeds arising from the possession, foreclosure, or disposition of all or any portion of the Collateral.

c) Care of Collateral. Other than the responsibility of exercising reasonable care to prevent loss, theft, or misappropriation of the Collateral while it is in the possession of Secured Party, under no circumstances shall Secured Party be deemed to assume any responsibility for or obligation or duty with respect to any part or all of the Collateral, of any nature or kind, or any matter or proceedings arising out of or relating thereto, but the same shall be at Debtor's sole risk at all times. Secured Party shall not be required to take any action of any kind to collect, preserve, or protect its or Debtor's rights in the Collateral or against any other party. Secured Party's prior recourse to any part or all of the Collateral shall not constitute a condition of any demand, suit, or proceeding for the payment or collection of the Indebtedness.

d) Severability. If any provision of this Agreement is determined to be invalid, the invalidity of such provision shall not affect or invalidate the other provisions of this Agreement.

e) Successors and Assigns. This Agreement binds and inures to the benefit of the heirs, personal representatives, successors and assigns of Debtor and Secured Party; however, this Agreement may not be assigned by Debtor without the written consent of Secured Party.

f) Applicable Law; Venue; Jurisdiction. The laws of the State of Florida (without giving effect to its conflicts of law principles) shall govern all matters arising out of or related to this Agreement. Any legal action or proceeding arising out of or related to this Agreement shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida (the "Selected Courts"). Debtor consents to the exclusive jurisdiction of the Selected Courts for the purpose of all legal actions and proceedings arising out of or related to this Agreement; provided, however, that the foregoing shall not prohibit the enforcement, in the Selected Courts or any other appropriate forum, of any judgment obtained in connection with such legal action or proceeding. Debtor waives, to the fullest extent permitted by law, (a) any objection which Debtor may now or later have to the laying of venue of any legal action or proceeding arising out of or related to this Agreement brought in the Selected Courts, and any claim that any legal action or proceeding brought in any of the Selected Courts has been brought in an inconvenient forum.

g) Entire Agreement. This Agreement constitutes the entire agreement of Debtor and Secured Party and supersedes and replaces any previous verbal or written agreements concerning the subject matter hereof. This Agreement cannot be altered or modified except in writing signed by Debtor and Secured Party.

h) Notice. Unless otherwise provided herein, any notice or other communication required to be given pursuant to this Agreement shall be in writing and shall be delivered by telefacsimile or electronic

transmission email, personally delivered, mailed by certified, return receipt requested U.S. mail or by recognized overnight delivery service to the addresses set forth in the Preamble to this Agreement (or such other address as may be noticed to the addressee by the other party in accordance with this provision). Any such notice shall be deemed to have been given upon the earlier of: (i) the date when personally delivered to the party; (ii) the next business day, if sent by overnight delivery; (iii) the third business day after mailing, if mailed by certified, return receipt requested U.S. mail; (iv) when signed for or refused, as evidenced by the return or delivery receipt; or (v) when delivered by telefacsimile or electronic transmission email.

i)Time. Time is of the essence of this Agreement.

j)Captions. Section headings and captions have been inserted for convenience only and do not in any way limit the provisions set out in the various Sections hereof.

k)Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute one instrument. Signatures may be evidenced by electronic transmissions, including but not limited to DocuSign.

l)Attorney's Fees. In the event of a dispute arising under or related to this Agreement, whether or not a lawsuit or other proceeding is filed, including, but not limited to trial, appellate and bankruptcy proceedings, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of recoverable attorneys' fees and costs. The reasonable costs to which the prevailing party is entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including, but not limited to, costs of investigation, copying costs, electronic discovery costs, telephone charges, mailing and delivery charges, consultant and expert witness fees, travel expenses, court reporter fees and mediator fees, regardless of whether such costs are taxable.

[Execution Page Follows]

[Signature Page to Security Agreement]

Debtor has executed this Agreement as of the date first written above.

DEBTOR:

LM Funding America, Inc., a Delaware corporation

By: /s/ Bruce Rodgers _____
Name: Bruce Rodgers
Title: Chief Executive Officer

PLEDGE AGREEMENT

This Pledge Agreement (this “Pledge Agreement”) is made and entered on August 6, 2024 by and between LM Funding America, Inc., a Delaware corporation, with its principal office at 1200 W. Platt St., Tampa, FL 33606 (the “Pledgor”) and SE & AJ Liebel Limited Partnership, a Nevada limited partnership, with its principal office at 1714 Independence Blvd, Sarasota, FL 34234 (the “Lender”).

RECITALS:

A. Among other loan documents, the Pledgor, and LM Funding, LLC and US Digital Mining and Hosting Co, LLC (“Guarantors”) and the Lender are entering into a Loan Agreement contemporaneously herewith (the “Loan Agreement”) providing for the making of a loan to the Pledgor in the amount, and subject to the terms and conditions, specified in the Loan Agreement.

B. The Pledgor is the sole legal and beneficial owner of the Bitcoin Pledged Collateral (as defined in the Loan Agreement).

C. The execution and delivery of this Pledge Agreement and the pledge by the Pledgor to the Lender of its rights in the Bitcoin Pledged Collateral constitute conditions precedent to the obligation of the Lender to make a loan to the Pledgor pursuant to the terms of the Loan Agreement.

ACCORDINGLY, in consideration of and in order to induce the Lender to execute and deliver the Loan Agreement and to make and maintain a loan thereunder, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Pledgor hereby agrees as follows:

SECTION 1

DEFINITIONS

1.1 **Defined Terms.** Capitalized terms that are not defined herein have the respective meanings ascribed to them in the Loan Agreement.

1.2 **Use of Defined Terms.** Unless otherwise expressly specified herein, defined terms denoting the singular number shall, when in the plural form, denote the plural number of the matter or item to which such defined terms refer, and vice-versa. The Section, Schedule and Exhibit headings used in this Pledge Agreement are descriptive only and shall not affect the construction or meaning of any provision of this Pledge Agreement. Unless otherwise specified, the words “hereof,” “herein,” “hereunder” and other similar words refer to this Pledge Agreement as a whole and not just to the Section, subsection or clause in which they are used.

1.3 **Statements as to Knowledge.** Any statements, representations or warranties which are based upon the knowledge of the Pledgor shall be deemed to have been made after due inquiry with respect to the matter in question but without the Pledgor being required to seek an opinion of counsel with respect thereto.

SECTION 2

PLEDGE

2.1 **Pledge by Pledgor.** The Pledgor hereby pledges and assigns to the Lender, and hereby transfers to the Lender, all right, title, ownership and interest in and to the following described property: the Bitcoin Pledged Collateral and all cash, or other property representing a distribution in respect of the Bitcoin Pledged Collateral, or resulting from a split-up, revision, reclassification or other like change of the Bitcoin Pledged Collateral or otherwise received in exchange therefore.

SECTION 3

SCOPE OF PLEDGE

3.1 **Pledge Absolute**. The Pledgor hereby agrees that this Pledge Agreement shall be binding upon the Pledgor and any representatives, heirs, successors and assigns and that the Pledge of the Bitcoin Pledged Collateral hereunder shall be irrevocable and unconditional. The Lender may take any actions with respect to the Bitcoin Pledged Collateral as expressly permitted under this Pledge Agreement and/or the Loan Agreement as the Lender, in its sole and absolute discretion, may deem to be advisable.

3.2 **Risk of Loss**. This Pledge Agreement and the Loan Documents are not intended to, nor do they, reduce the risk of loss or opportunity for gain for the Pledgor. The Pledgor retains all opportunity for gain or loss on the Bitcoins over the term of the agreements until maturity and termination.

SECTION 4

REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties**. The Pledgor hereby represents and warrants as follows to the best of its knowledge and belief:

(a) The Pledgor has legal title to the Bitcoin Pledged Collateral and is the sole record and beneficial owner of the Bitcoin Pledged Collateral. The Pledgor has good and lawful authority to pledge all of the Pledged Collateral in the manner hereby done or contemplated. The Bitcoin Pledged Collateral is not now subject to any Liens, security interests, charges or encumbrances of any kind or nature. The Bitcoin Pledged Collateral is not subject to any contractual, statutory, regulatory or other restriction upon the transfer thereof, and no right, warrant or option to acquire any of the Bitcoin Pledged Collateral exists in favor of any other Person.

(b) The Bitcoin Pledged Collateral is freely transferable and no authorizations, approvals and consents, and no filings or registrations with any governmental or regulatory authority or agency or any other Person are necessary for the execution, delivery or performance by the Pledgor of this Pledge Agreement or for the validity or enforceability hereof.

(c) Any information furnished by the Pledgor to the Lender in connection with the negotiation and preparation of the Loan Documents do not contain any omissions or misstatements of fact which would make the statements contained therein misleading or incomplete in any material respect.

(d) This Pledge Agreement constitutes the legal, valid and binding obligation of the Pledgor, enforceable against the Pledgor in accordance with its terms.

SECTION 5

APPOINTMENT OF AGENTS AND ACTIONS BY LENDER

5.1 **Lender's Appointment of Agent and Lender's Rights**. The Lender shall have the right to appoint one or more agents for the purpose of receiving possession of the Bitcoin Pledged Collateral, which may be held in the name of the Lender or any nominee of the Lender or any agent appointed by the Lender. The Lender may combine the Bitcoin Pledged Collateral with other assets and is under no obligation to sequester or escrow the Bitcoin Pledged Collateral.

5.2 **Authority and Rights of the Bitcoin Pledged Collateral**. The Pledgor acknowledges that the Lender has all rights associated with the Bitcoin Pledged Collateral, including any distributions associated with the Bitcoin Pledged Collateral, during the term of this Pledge Agreement.

5.3 **Lender Application of Money or Funds Received Resulting from the Disposition of Bitcoin Pledged Collateral.** The Lender, in its sole discretion, may apply money or funds received from any Lender disposition of the Bitcoin Pledged Collateral pursuant to the Loan Agreement to interest, Loan principal and/or fees, costs or expenses due to the Lender under the Loan Agreement.

SECTION 6

EVENTS OF DEFAULT AND REMEDIES

6.1 **Events of Default.** An “Event of Default” shall exist if any one or more of the events set out in the Loan Agreement shall occur with respect to the Pledgor.

6.2 **Rights Upon an Uncured Event of Default.** If at any time an Event of Default has occurred and is continuing beyond any applicable cure period, the Lender shall be entitled to the remedies hereunder and/or the other Loan Documents including but not limited to the Loan Agreement.

SECTION 7

INDEMNITY AND LIMITATION OF LIABILITY

7.1 The Pledgor shall indemnify and hold the Lender harmless from and against any and all claims, demands, proceedings, suits, actions, damages, liabilities, losses, expenses and costs (which shall include, but not limited to all costs of defense, investigation and accounting and legal fees) to which the Lender may become subject as a result of the Pledgor’s breach of any obligation under this Pledge Agreement and/or any other Loan Document including but not limited to the Loan Agreement.

SECTION 8

MISCELLANEOUS

8.1 **Notices.** All notices, requests or other communications to either of the parties by the other shall be in writing, sent to as provided in the Loan Agreement.

8.2 **Governing Law.** This Agreement and all instruments delivered hereunder shall be governed by and construed in accordance with the laws of the State of Florida and venue shall be in Manatee County, Florida. Any and all claims, controversies, and causes of action arising out of or relating to this agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the State of Florida, including its statutes of limitations, without giving effect to any conflict-of-laws rule that would result in the application of the laws of a different jurisdiction.

8.3 **Further Assurances.** The Pledgor hereby agrees to execute and deliver such further instruments and documents as may be reasonably requested by the Lender in order to carry out fully the intent and accomplish the purposes of this Agreement and the transactions referred to herein. The Pledgor agrees to take any action which the Lender may reasonably request in order to obtain and enjoy the full rights and benefits granted to the Lender by this Pledge Agreement and each other agreement, instrument and document delivered to the Lender in connection herewith.

8.4 **Survival of Agreements.** Except as herein provided, all agreements, representations and warranties made herein and in any certificate delivered pursuant hereto, shall survive the execution and delivery of this Pledge Agreement.

8.5 **Waivers.** No failure to exercise and no delay in exercising, any right, power or privilege under this Pledge Agreement or any agreement or instrument delivered to either party hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof

or the exercise of any other right, power or privilege. No waiver of any provision of this Pledge Agreement shall be effective unless agreed to in writing by the parties and any such waiver shall not constitute a waiver in the future of any of the provisions of any of the foregoing documents, except as may be specifically provided in any such waiver. No course of dealing between the Pledgor and the Lender shall operate as a waiver of any of the rights of the parties under this Agreement.

8.6 **Captions.** Captions used herein are inserted for convenience only and shall not be given any legal effect.

8.7 **Counterparts.** This Agreement may be executed in any number of electronic email or DocuSign counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

8.8 **Confidentiality.** This Pledge Agreement is to be kept confidential and is not to be reproduced in any manner whatsoever for persons other than the parties hereto. Each party agrees not to circumvent the legitimate interests of the other party and to maintain this transaction in strict confidentiality. Each Party (*Receiving Party*) agrees that in the course of performance of this Pledge Agreement it may obtain or otherwise become aware of information of a confidential nature pertaining to the business, finances, trade, operations or other information (*Confidential Information*) belonging to or pertaining to the other party (*Disclosing Party*). The Receiving Party shall not disclose any part of the Confidential Information to any person other than whose knowledge is essential for the performance of this Pledge Agreement. The obligations specified in this clause do not apply to any Confidential Information to the extent that it is now or subsequently becomes publicly available through no fault of the Receiving Party or which the Receiving Party can demonstrate was known to it before receipt from the Disclosing Party, or which is or has been received from another source without obligation as to confidentiality, or which is required to be disclosed by law or regulating authority, or which is or has been independently developed by the Receiving Party without reference to the information disclosed to it by the Disclosing Party. The provisions of this Section 8.8 shall survive the termination of this Pledge Agreement.

8.9 **Assignment.** This Pledge Agreement cannot be assigned nor transferred by the Pledgor without the prior written consent of the Lender in the Lender's sole discretion.

8.10 **Entire Agreement.** This Pledge Agreement, the Loan Agreement and the Loan Documents contain the entire agreement between the parties hereto. In the event of any conflict between this Pledge Agreement and the Loan Agreement, the Loan Agreement shall control.

8.11 **Amendments.** Amendments to this Pledge Agreement (including the adding or updating of any Annex, appendices, annexures or schedule) shall not be effective unless in writing and signed by authorized signatories on behalf of both parties.

[Execution Page Follows]

IN WITNESS WHEREOF, the Pledgor and the Lendor have duly executed this Pledge Agreement and it is effective as of the date first above written.

PLEDGOR:

LM Funding America, Inc.

By: /s/ Bruce Rodgers

Name: Bruce Rodgers

Title: Chief Executive Officer

LENDER:

SE & AJ Liebel Limited Partnership

By: /s/ Steven Liebel

Name: Steven Liebel

Title: General Partner

COMMERCIAL GUARANTY

Borrower: LM Funding America, Inc.
1200 W. Platt Street, Suite 100
Tampa, FL 33606

Lender: SE & AJ Liebel Limited Partnership
1714 Independence Blvd
Sarasota, FL 34234

Guarantor: LM Funding, LLC
1200 W. Platt Street, Suite 100
Tampa, FL 33606

AMOUNT OF GUARANTY. The amount of this Guaranty is unlimited.

CONTINUING GUARANTY. For good and valuable consideration, LM Funding, LLC, a Florida limited liability company (the "**Guarantor**"), absolutely and unconditionally guarantees and promises to pay to SE & AJ Liebel Limited Partnership (the "**Lender**"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of LM Funding America, Inc., a Delaware corporation (the "**Borrower**"), to Lender, on the terms and conditions set forth in this Guaranty. This Guaranty is a guaranty of payment and not a guaranty of collection. The obligations of Guarantor are continuing, unconditional, joint and several.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender, including without limitation any and all amounts owed by Borrower arising out of or related to the Loan evidenced by the Note (hereinafter defined) and/or the Related Documents (hereinafter defined), and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such Indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness is fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender, including any extensions, renewals, substitutions or modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; and (G) to sell, transfer, assign or grant participation in all or any part of the Indebtedness.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty which are not set forth in this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not

materially conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's reasonable request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition, as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or non-action on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

In addition to the waivers set forth herein, if now or hereafter Borrower is or shall become insolvent and the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and gives up in favor of Lender and Borrower, and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral or the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender

and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided, however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender, Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alternation of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorney's Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorney's fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorney's fees and legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be awarded by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Applicable Law; Venue; Jurisdiction. The laws of the State of Florida (without giving effect to its conflicts of law principles) shall govern all matters arising out of or related to this Guaranty. Any legal action or proceeding arising out of or related to the Guaranty shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida (the "Selected Courts"). Guarantor consents to the exclusive jurisdiction of the Selected Courts for the purpose of all legal actions and proceedings arising out of or related to this Guaranty; provided, however, that the foregoing shall not prohibit the enforcement, in the Selected Courts or any other appropriate forum, of any judgment obtained in connection with such legal action or proceeding. Guarantor waives, to the fullest extent permitted by law, (a) any objection which Guarantor may now or later have to the laying of venue of any legal action or proceeding arising out of or related to this Guaranty brought in the Selected Courts, and any claim that any legal action or proceeding brought in any of the Selected Courts has been brought in an inconvenient forum.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lenders attorney's fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor," respectively, shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Loan indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when delivered by telefacsimile or electronic transmission email, when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under

this Guaranty by giving written notice to the other party, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current residence address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Electronic Signatures. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Note are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signatures means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "**Borrower**" means LM Funding America, Inc., a Delaware corporation, the Borrower under the Note and all other persons and entities signing the Note and/or Related Documents in whatever capacity.

Guarantor. The word "**Guarantor(s)**" means LM Funding, LLC, a Florida limited liability company.

Guaranty. The word "**Guaranty**" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all of the Borrower obligations under the Note.

Indebtedness. The word "**Indebtedness**" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "**Lender**" means SE & AJ Liebel Limited Partnership, its successors and assigns.

Note. The word "**Note**" means that certain \$5,000,000.00 Promissory Note executed by the Borrower in favor of the Lender, together with any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

Related Documents. The words "**Related Documents**" mean all pledge agreement, security agreements, UCC-1s, and other documents related in any manner to the Note, including but not limited to the Mortgage, Security Agreement and Fixture Filing of even date herewith that secures the obligations of Borrower under the Note, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THE GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE.

[Signature Page Follows]

[Signature Page of Commercial Guaranty]

Guarantor has executed this Guaranty effective as of August 6, 2024.

GUARANTOR: LM Funding, LLC, a Florida limited liability company

By: LM Funding America, Inc., a Delaware corporation, its Manager

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

COMMERCIAL GUARANTY

Borrower: LM Funding America, Inc.
1200 W. Platt Street, Suite 100
Tampa, FL 33606

Lender: SE & AJ Liebel Limited Partnership
1714 Independence Blvd
Sarasota, FL 34234

Guarantor: US Digital Mining and Hosting Co., LLC
1200 W. Platt Street, Suite 100
Tampa, FL 33606

AMOUNT OF GUARANTY. The amount of this Guaranty is unlimited.

CONTINUING GUARANTY. For good and valuable consideration, US Digital Mining and Hosting Co., LLC, a Florida limited liability company (the "**Guarantor**"), absolutely and unconditionally guarantees and promises to pay to SE & AJ Liebel Limited Partnership (the "**Lender**"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of LM Funding America, Inc., a Delaware corporation (the "**Borrower**"), to Lender, on the terms and conditions set forth in this Guaranty. This Guaranty is a guaranty of payment and not a guaranty of collection. The obligations of Guarantor are continuing, unconditional, joint and several.

INDEBTEDNESS GUARANTEED. The Indebtedness guaranteed by this Guaranty includes any and all of Borrower's indebtedness to Lender, including without limitation any and all amounts owed by Borrower arising out of or related to the Loan evidenced by the Note (hereinafter defined) and/or the Related Documents (hereinafter defined), and is used in the most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations and debts to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such Indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness is fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender, including any extensions, renewals, substitutions or modifications of the Indebtedness. This Guaranty shall bind Guarantor's estate as to Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; and (G) to sell, transfer, assign or grant participation in all or any part of the Indebtedness.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty which are not set forth in this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not

materially conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's reasonable request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition, as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or non-action on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to pursue any other remedy within Lender's power; or (F) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

In addition to the waivers set forth herein, if now or hereafter Borrower is or shall become insolvent and the Indebtedness shall not at all times until paid be fully secured by collateral pledged by Borrower, Guarantor hereby forever waives and gives up in favor of Lender and Borrower, and Lender's and Borrower's respective successors, any claim or right to payment Guarantor may now have or hereafter have or acquire against Borrower, by subrogation or otherwise, so that at no time shall Guarantor be or become a "creditor" of Borrower within the meaning of 11 U.S.C. section 547(b), or any successor provision of the Federal bankruptcy laws.

Guarantor also waives any and all rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral or the indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted law or public policy.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender

and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided, however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender, Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alternation of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorney's Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorney's fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorney's fees and legal expenses whether or not there is a lawsuit, including reasonable attorney's fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be awarded by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Applicable Law; Venue; Jurisdiction. The laws of the State of Florida (without giving effect to its conflicts of law principles) shall govern all matters arising out of or related to this Guaranty. Any legal action or proceeding arising out of or related to the Guaranty shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida (the "Selected Courts"). Guarantor consents to the exclusive jurisdiction of the Selected Courts for the purpose of all legal actions and proceedings arising out of or related to this Guaranty; provided, however, that the foregoing shall not prohibit the enforcement, in the Selected Courts or any other appropriate forum, of any judgment obtained in connection with such legal action or proceeding. Guarantor waives, to the fullest extent permitted by law, (a) any objection which Guarantor may now or later have to the laying of venue of any legal action or proceeding arising out of or related to this Guaranty brought in the Selected Courts, and any claim that any legal action or proceeding brought in any of the Selected Courts has been brought in an inconvenient forum.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lenders attorney's fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor," respectively, shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any Loan indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when delivered by telefacsimile or electronic transmission email, when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under

this Guaranty by giving written notice to the other party, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current residence address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Electronic Signatures. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Note are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signatures means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "**Borrower**" means LM Funding America, Inc., a Delaware corporation, the Borrower under the Note and all other persons and entities signing the Note and/or Related Documents in whatever capacity.

Guarantor. The word "**Guarantor(s)**" means US Digital Mining and Hosting Co., LLC, a Florida limited liability company.

Guaranty. The word "**Guaranty**" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all of the Borrower obligations under the Note.

Indebtedness. The word "**Indebtedness**" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "**Lender**" means SE & AJ Liebel Limited Partnership, its successors and assigns.

Note. The word "**Note**" means that certain \$5,000,000.00 Promissory Note executed by the Borrower in favor of the Lender, together with any and all amendments, extensions, renewals, replacements, substitutions, modifications and consolidations thereof.

Related Documents. The words "**Related Documents**" mean all pledge agreement, security agreements, UCC-1s, and other documents related in any manner to the Note, including but not limited to the Mortgage, Security Agreement and Fixture Filing of even date herewith that secures the obligations of Borrower under the Note, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THE GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE.

[Signature Page Follows]
Page 4 of NUMPAGES 2

[Signature Page of Commercial Guaranty]

Guarantor has executed this Guaranty effective as of August 6, 2024.

UARANTOR: US Digital Mining and Hosting Co., LLC

By: LM Funding America, Inc., a Delaware corporation, its Manager

By: /s/ Bruce Rodgers
Name: Bruce Rodgers
Title: Chief Executive Officer

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of August 6, 2024, by LM Funding, LLC, a Florida limited liability company (the "Debtor"), in favor of SE & AJ Liebel Limited Partnership, a Florida limited partnership of 1714 Independence Blvd, Sarasota, FL 34234 (the "Secured Party"). For value received, and in consideration of the mutual promises made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor agrees to the following recitals, terms and conditions:

1. Recitals.

- 1.1 Debtor is the Guarantor of the \$5,000,000.00 Loan (the "Loan") to LM Funding America, Inc. evidenced by that certain \$5,000,000.00 Promissory Note in favor of Lender of even date, as evidenced by that certain Commercial Guaranty of even date herewith.
- 1.2 Debtor has agreed to secure all of the obligations due Secured Party under the Loan Documents by granting to Secured Party a security interest in the Collateral described in this Agreement, all in accordance with the terms and conditions set forth below. The Note, the Commercial Guaranty, the Loan Agreement, the Pledge Agreement, this Security Agreement and the UCC-1 of even date herewith, and any other documents executed in connection with the Loan shall hereinafter be referred to herein as the "Loan Documents".

2. Grant of Security Interest.

2.1 Debtor hereby grants Secured Party an unconditional and continuing security interest in and to any and all of Debtor's right, title and interest in and to all of its personal property, including, without limitation, all right, title and interest in and to the items and types of property, described or referred to below, whether now owned or hereafter acquired (the "Collateral"):

- (a)Accounts;
 - (b)Chattel Paper;
 - (c)Contract Rights;
 - (d)Deposit Accounts and certificates of deposit;
 - (e)Documents;
 - (f)Equipment; and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (g)Financial Assets;
 - (h)Fixtures;
 - (i)General Intangibles (including but not limited to patents, trademarks, licenses, copyrights and other intellectual property);
 - (j)Goods and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (k)Receivables;
 - (l)Instruments;
 - (m)Inventory and documents of title evidencing or representing Inventory;
-

- (n) Investment Property;
 - (o) Letter-of-Credit Rights;
 - (p) Leases to third parties;
 - (q) Payment Intangibles;
 - (r) Software and all rights with respect thereto (including without limitation, all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing);
 - (s) Supporting Obligations; and
 - (t) To the extent not included in the foregoing, all other personal property of any kind or description;
- together with all accessories, accessions, replacements, additions, substitutions, add-ons and upgrades thereto, all books, records, writings, data bases, information and other property relating to, used and useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all Proceeds (including, without, limitation, insurance proceeds), products, offspring, rents, issues, profits and returns of and from any of the foregoing. Capitalized terms not defined in this Agreement or the other Loan Documents shall have the meaning assigned such term by the Florida Uniform Commercial Code, as amended or revised from time to time.

2.2 The Collateral constitutes and will constitute continuing security for the prompt payment, when payable, of all principal, interest and other amounts payable due under the Note and the Loan Documents, together with all renewals, extensions, modifications, refinancings, consolidations, and substitutions thereof (the “Indebtedness”).

3. Assurances. Debtor covenants to Secured Party that, during the term of this Agreement:

- a) Debtor is and will be the sole legal and equitable owner of the Collateral.
- b) Except for the security interests granted to Secured Party by this Agreement, the Collateral is and will be free and clear of all liens, charges, assessments, encumbrances, restrictions, adverse claims, and security interests of every kind and nature.
- c) Except for the security interests granted to Secured Party by this Agreement and Permitted Liens, Debtor will not sell, assign, convey, pledge, transfer, hypothecate, or in any other way encumber or dispose of the Collateral except in the ordinary course of its business.
- d) Debtor will defend its title or interest in the Collateral against any and all liens, charges, offsets, defenses, assessments, encumbrances, adverse claims, and security interests of every kind and nature.
- e) Debtor shall execute and deliver any assignment, notice of lien, financing statement, continuation statement, statement of change, membership interest transfer power, or other document, and do all other acts and things that Secured Party may reasonably request from time to time to create, perfect, and preserve a valid and first security interest in the Collateral or to enable Secured Party to exercise and enforce Secured Party’s rights and powers under this Agreement with respect to the Collateral. Debtor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a UCC financing or continuation statement describing the Collateral under this agreement.
- f) Debtor’s principal place of business is located at 1200 W. Platt Street, Suite 100, Tampa, FL 33606 and

Debtor will promptly notify Secured Party in writing of any change in the location of its principal place of business.

g) In the event of loss or theft of any part of the Collateral or the making of any levy, seizure or attachment thereof or thereon or the placing of any lien or liens thereon or generally on the property of Debtor, Debtor will give prompt notice thereof to Secured Party.

h) Debtor operates under no trade names except the name set forth above, has not operated or conducted business under any other name during the immediately preceding five years and will promptly notify Secured Party of any change in its name.

i) Debtor's records concerning that part of the Collateral constituting accounts, general intangibles or chattel paper are kept at the address specified in subsection (f) above.

j) Debtor will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; upon Secured Party's request, Debtor will mark any of such records and all or any of the Collateral to give notice of the security interests created by this Agreement and will permit Secured Party or its agents to inspect the Collateral and to audit and make abstracts of such records or any of the Debtor's books, ledgers, reports, correspondence and other records and will reimburse Secured Party for its reasonable costs and expenses in inspecting the Collateral and/or auditing or copying Debtor's records.

k) Upon receipt, Debtor will promptly deliver to Secured Party any documents of title and any chattel paper representing the Collateral or any part thereof, and, upon demand, Debtor will promptly deliver to Secured Party any and all schedules, invoices, shipping or delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or to purchases or other acquisitions or sales, or leases or other dispositions of the Collateral and proceeds thereof and any and all other schedules, documents and statements which the Secured Party may from time to time request.

l) Debtor holds in full force and effect all material permits, licenses and franchises necessary for it to carry on its operations in conformity with applicable laws and regulations.

m) Debtor will keep the Collateral in good condition and repair and will not use the Collateral in violation of any provision of this Agreement, any applicable statute, regulation or ordinance or any policy of insurance insuring the Collateral.

n) Debtor will prevent any part of the Collateral from becoming an accession to other goods not covered by this Agreement or from becoming a fixture.

o) Debtor will post all accounts receivable to Debtor's books and records promptly upon the creation of such accounts receivable.

p) If any certificate of title is issued with respect to any of the Collateral, Debtor will cause Secured Party's interest under this Agreement to be noted on the certificate and will deliver the original certificate to Secured Party.

q) Debtor will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral.

r) Debtor will insure the Collateral against risks by obtaining policies (none of which shall be cancelable without thirty (30) days advance written notice to Secured Party) in coverage, form and amount and with companies satisfactory to Secured Party, containing a loss payee provision in favor of Secured Party, and at Secured Party's request will deliver each policy or certificate of insurance therefor to Secured Party.

s) Each account, general intangible, and chattel paper constituting the Collateral is genuine and enforceable

in accordance with its terms against the party obligated to pay the same (the "Account Debtor").

t)The amount represented by Debtor to Secured Party as owing by each Account Debtor or by all of the Account Debtors is the correct amount actually and unconditionally owing by such Account Debtor(s), except for normal cash discounts applicable.

u)No Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party, whether in any proceeding to enforce the Collateral or otherwise.

v)Debtor will notify Secured Party promptly of any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral or of the bankruptcy or insolvency of any Account Debtor.

4.Possession and Use of Collateral.

a)After an Event of Default, Secured Party shall have the right to take possession of the Collateral and to sell, assign, transfer, or set over the Collateral, or any portion thereof, and apply the proceeds therefrom to the Indebtedness.

b)Before or after any default by Debtor under this Agreement, Secured Party may notify all or any Account Debtors of the security interest evidenced by this Agreement and may also direct such Account Debtors to make all payments on the Collateral to Secured Party. All payments on and other proceeds from the Collateral received by Secured Party directly from Account Debtors or from Debtor shall be applied to the Indebtedness in such order and manner and at such time as Secured Party shall in its sole discretion determine. Debtor shall also promptly notify Secured Party of the return to or repossession by Debtor of goods underlying any Collateral.

5.Events of Default. As used in this Agreement, the term "Event of Default" shall mean and include, and Debtor shall be in default hereunder upon the happening of, any one of the following events or conditions:

a)The occurrence of an Event of Default under the Note and/or any of the Loan Documents;

b)Failure of Debtor to perform punctually and properly any covenant, agreement, obligation, or condition contained or referred to in this Agreement and the continuation of such failure for a period of three (3) days after written notice thereof from Secured Party to Debtor;

c)The material breach of any warranty or the material untruth of any representation of Debtor contained in this Agreement; or

d)The uninsured loss, damage or destruction of a material portion of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon.

6.Remedies.

a)At any time after an Event of Default, Secured Party, at its option and without further notice to Debtor, may (i) accelerate all or any of the Indebtedness and declare it to be immediately due and payable, and (ii) exercise from time to time all rights and remedies of a secured creditor under applicable law, including the Uniform Commercial Code in effect for the State of Florida.

b)In addition to the foregoing, Secured Party shall have the following rights and remedies (to the extent permitted by applicable law):

(1)Secured Party may, at any time and from time to time, with or without judicial process and the aid or assistance of others, dispose of any part or all of the Collateral; and/or sell, resell, lease or assign all or any part of the Collateral in its then condition or following any commercially reasonable preparation or processing, at public or private sale or proceeding,

by one or more contracts, in one or more parcels, at the same or different times, with or without having the Collateral at the place of sale or other disposition, for cash and/or credit, and upon any terms, at such places and times and to such persons, firms or corporations as Secured Party deems best, all without demand for performance or any notice or advertisement whatsoever, except that where an applicable statute requires reasonable notice of sale or other disposition. Debtor hereby agrees that the sending of five (5) days notice by registered or certified mail, postage prepaid, to Debtor as provided below of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof. If any of the Collateral is sold by Secured Party upon credit or for future delivery, Secured Party shall not be liable for the failure of the purchaser to pay for same, and, in such event, Secured Party may resell such Collateral. Secured Party may buy any part or all of the Collateral at any sale. Secured Party may apply the cash proceeds from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing, and the like, to reasonable attorneys' fees and all legal expenses, travel, and other expenses which may be incurred by Secured Party in attempting to enforce this Agreement or in the prosecution or defense of any action or proceeding related to the subject matter of this Agreement; and then to the Note or other Indebtedness owed to Secured Party in such manner as it may elect, and Debtor shall remain liable and will pay Secured Party on demand any deficiency remaining and the balance of any expenses unpaid, with any surplus to be paid to Debtor, subject to any duty of Secured Party imposed by law to the holder of any subordinate security interest in the Collateral known to Secured Party.

(2)Secured Party may appropriate, set off, or apply in payment of any and all debts, any and all balances, sums, property, claims, credits, deposits, accounts, reserves, collections, drafts, notes, or other items or proceeds of the Collateral in or coming into the possession of Secured Party or its agents, or belonging or owing to Debtor and in such manner as Secured Party may in its sole discretion determine.

c)Upon the occurrence of an Event of Default, any proceeds of the Collateral received by Debtor shall be segregated, held by debtor in trust as the exclusive property of Secured Party, and Debtor will promptly deliver to Secured Party the identical checks, moneys, or other proceeds of Collateral received, except to the extent Secured Party may otherwise agree in writing.

d)To effectuate the terms and provisions of this Agreement, Debtor hereby designates and appoints Secured Party and its designees or agents as attorneys-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, or other evidence of payment or proceeds of the Collateral that may come into Secured Party's possession; to sign the name of Debtor on any invoices, documents, drafts, notices to Account Debtors of Debtor, assignments, and requests for verification of accounts; to execute proofs of claim and loss; to execute any endorsements, assignments, or other instruments of conveyance or transfer, to adjust and compromise any claims under insurance policies, in Debtor's name or otherwise; to demand, sue for, collect, and give acquittances for any and all moneys due or to become due upon or in respect of the Collateral and to compromise, prosecute, or defend any action, claim, or proceeding with respect thereof; to execute releases; and to do all other acts and things necessary and advisable in the sole discretion of Secured Party to carry out and enforce this Agreement. All acts of such attorney or designee are hereby ratified and approved and such attorney or designee shall not be liable, except for willful misconduct, for any acts of commission or omission, nor for any error of judgment or mistake of fact or law. This power of attorney, being coupled with an interest, is irrevocable while any of the Indebtedness shall remain unpaid.

e)Debtor hereby irrevocably consents to any act by Secured Party or its agents in reasonably entering upon any premises for the purpose of inspecting the Collateral or taking possession of the Collateral after any Event of Default, and Debtor hereby waives its right to assert against Secured Party or its agents any claim based upon trespass or any similar causes of action for entering upon any premises where the Collateral may be located.

f)Secured Party may exercise any of its rights or remedies hereunder serially, wholly, partially, or collectively, and the exercise of any one right does not preclude the exercise of any other right.

7.Miscellaneous.

a)No Waiver. No failure on the part of Secured Party to exercise and no delay in exercising, any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any right, remedy, or power hereunder preclude any other or future exercise of any other right, remedy, or power. Each and every right, remedy, and power hereby granted to Secured Party or allowed it by law or other agreement shall be cumulative and not exclusive, and may be exercised by Secured Party from time to time.

b)Secured Party's Costs. Debtor agrees to pay, on demand, all costs and expenses, including reasonable attorney's fees, incurred by Secured Party in connection with, or incidental to the custody, care, management, sale, or collection of, or realization upon, any of the Collateral or in any way relating to the enforcement or protection of the rights of Secured Party hereunder or under any Indebtedness; and Secured Party may at any time apply to the payment of all such costs and expenses all moneys of Debtor or other proceeds arising from the possession, foreclosure, or disposition of all or any portion of the Collateral.

c)Care of Collateral. Other than the responsibility of exercising reasonable care to prevent loss, theft, or misappropriation of the Collateral while it is in the possession of Secured Party, under no circumstances shall Secured Party be deemed to assume any responsibility for or obligation or duty with respect to any part or all of the Collateral, of any nature or kind, or any matter or proceedings arising out of or relating thereto, but the same shall be at Debtor's sole risk at all times. Secured Party shall not be required to take any action of any kind to collect, preserve, or protect its or Debtor's rights in the Collateral or against any other party. Secured Party's prior recourse to any part or all of the Collateral shall not constitute a condition of any demand, suit, or proceeding for the payment or collection of the Indebtedness.

d)Severability. If any provision of this Agreement is determined to be invalid, the invalidity of such provision shall not affect or invalidate the other provisions of this Agreement.

e)Successors and Assigns. This Agreement binds and inures to the benefit of the heirs, personal representatives, successors and assigns of Debtor and Secured Party; however, this Agreement may not be assigned by Debtor without the written consent of Secured Party.

f)Applicable Law; Venue; Jurisdiction. The laws of the State of Florida (without giving effect to its conflicts of law principles) shall govern all matters arising out of or related to this Agreement. Any legal action or proceeding arising out of or related to this Agreement shall be brought in the state or federal courts having jurisdiction over Manatee County, Florida (the "Selected Courts"). Debtor consents to the exclusive jurisdiction of the Selected Courts for the purpose of all legal actions and proceedings arising out of or related to this Agreement; provided, however, that the foregoing shall not prohibit the enforcement, in the Selected Courts or any other appropriate forum, of any judgment obtained in connection with such legal action or proceeding. Debtor waives, to the fullest extent permitted by law, (a) any objection which Debtor may now or later have to the laying of venue of any legal action or proceeding arising out of or related to this Agreement brought in the Selected Courts, and any claim that any legal action or proceeding brought in any of the Selected Courts has been brought in an inconvenient forum.

g)Entire Agreement. This Agreement constitutes the entire agreement of Debtor and Secured Party and supersedes and replaces any previous verbal or written agreements concerning the subject matter hereof. This Agreement cannot be altered or modified except in writing signed by Debtor and Secured Party.

h)Notice. Unless otherwise provided herein, any notice or other communication required to be given pursuant to this Agreement shall be in writing and shall be personally delivered, mailed by certified,

return receipt requested U.S. mail or by recognized overnight delivery service to the addresses set forth in the Preamble to this Agreement (or such other address as may be noticed to the addressee by the other party in accordance with this provision). Any such notice shall be deemed to have been given upon the earlier of: (i) the date when personally delivered to the party; (ii) the next business day, if sent by overnight delivery; (iii) the third business day after mailing, if mailed by certified, return receipt requested U.S. mail; (iv) when signed for or refused, as evidenced by the return or delivery receipt; or (v) when delivered by telefacsimile or electronic transmission email.

i)Time. Time is of the essence of this Agreement.

j)Captions. Section headings and captions have been inserted for convenience only and do not in any way limit the provisions set out in the various Sections hereof.

k)Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute one instrument. Signatures may be evidenced by electronic transmissions, including but not limited to DocuSign.

l)Attorney's Fees. In the event of a dispute arising under or related to this Agreement, whether or not a lawsuit or other proceeding is filed, including, but not limited to trial, appellate and bankruptcy proceedings, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs, including attorneys' fees and costs incurred in litigating entitlement to attorneys' fees and costs, as well as in determining or quantifying the amount of recoverable attorneys' fees and costs. The reasonable costs to which the prevailing party is entitled shall include costs that are taxable under any applicable statute, rule, or guideline, as well as non-taxable costs, including, but not limited to, costs of investigation, copying costs, electronic discovery costs, telephone charges, mailing and delivery charges, consultant and expert witness fees, travel expenses, court reporter fees and mediator fees, regardless of whether such costs are taxable.

[Execution Page Follows]

[Signature Page to Security Agreement]

Debtor has executed this Agreement as of the date first written above.

DEBTOR:

LM Funding, LLC, a Florida limited liability company

By: LM Funding America, Inc., a Delaware corporation, its Manager

By: /s/ Bruce Rodgers

Name: Bruce Rodgers

Title: Chief Executive Officer

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made and entered into as of August 6, 2024, by US Digital Mining and Hosting Co., LLC, a Florida limited liability company (the "Debtor"), in favor of SE & AJ Liebel Limited Partnership, a Florida limited partnership of 1714 Independence Blvd, Sarasota, FL 34234 (the "Secured Party"). For value received, and in consideration of the mutual promises made herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor agrees to the following recitals, terms and conditions:

1. Recitals.

- 1.1 Debtor is the Guarantor of the \$5,000,000.00 Loan (the "Loan") to LM Funding America, Inc. evidenced by that certain \$5,000,000.00 Promissory Note in favor of Lender of even date, as evidenced by that certain Commercial Guaranty of even date herewith.
- 1.2 Debtor has agreed to secure all of the obligations due Secured Party under the Loan Documents by granting to Secured Party a security interest in the Collateral described in this Agreement, all in accordance with the terms and conditions set forth below. The Note, the Commercial Guaranty, the Loan Agreement, the Pledge Agreement, this Security Agreement and the UCC-1 of even date herewith, and any other documents executed in connection with the Loan shall hereinafter be referred to herein as the "Loan Documents".

2. Grant of Security Interest.

2.1 Debtor hereby grants Secured Party an unconditional and continuing security interest in and to any and all of Debtor's right, title and interest in and to all of its personal property, including, without limitation, all right, title and interest in and to the items and types of property, described or referred to below, whether now owned or hereafter acquired (the "Collateral"):

- (a)Accounts;
 - (b)Chattel Paper;
 - (c)Contract Rights;
 - (d)Deposit Accounts and certificates of deposit;
 - (e)Documents;
 - (f)Equipment; and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (g)Financial Assets;
 - (h)Fixtures;
 - (i)General Intangibles (including but not limited to patents, trademarks, licenses, copyrights and other intellectual property);
 - (j)Goods and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
 - (k)Receivables;
 - (l)Instruments;
-

- (m) Inventory and documents of title evidencing or representing Inventory;
 - (n) Investment Property;
 - (o) Letter-of-Credit Rights;
 - (p) Leases to third parties;
 - (q) Payment Intangibles;
 - (r) Software and all rights with respect thereto (including without limitation, all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing);
 - (s) Supporting Obligations; and
 - (t) To the extent not included in the foregoing, all other personal property of any kind or description;
- together with all accessories, accessions, replacements, additions, substitutions, add-ons and upgrades thereto, all books, records, writings, data bases, information and other property relating to, used and useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all Proceeds (including, without, limitation, insurance proceeds), products, offspring, rents, issues, profits and returns of and from any of the foregoing. Capitalized terms not defined in this Agreement or the other Loan Documents shall have the meaning assigned such term by the Florida Uniform Commercial Code, as amended or revised from time to time.

2.2 The Collateral constitutes and will constitute continuing security for the prompt payment, when payable, of all principal, interest and other amounts payable due under the Note and the Loan Documents, together with all renewals, extensions, modifications, refinancings, consolidations, and substitutions thereof (the "Indebtedness").

3. Assurances. Debtor covenants to Secured Party that, during the term of this Agreement:

- a) Debtor is and will be the sole legal and equitable owner of the Collateral.
- b) Except for the security interests granted to Secured Party by this Agreement, the Collateral is and will be free and clear of all liens, charges, assessments, encumbrances, restrictions, adverse claims, and security interests of every kind and nature.
- c) Except for the security interests granted to Secured Party by this Agreement and Permitted Liens, Debtor will not sell, assign, convey, pledge, transfer, hypothecate, or in any other way encumber or dispose of the Collateral except in the ordinary course of its business.
- d) Debtor will defend its title or interest in the Collateral against any and all liens, charges, offsets, defenses, assessments, encumbrances, adverse claims, and security interests of every kind and nature.
- e) Debtor shall execute and deliver any assignment, notice of lien, financing statement, continuation statement, statement of change, membership interest transfer power, or other document, and do all other acts and things that Secured Party may reasonably request from time to time to create, perfect, and preserve a valid and first security interest in the Collateral or to enable Secured Party to exercise and enforce Secured Party's rights and powers under this Agreement with respect to the Collateral. Debtor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a UCC financing or continuation statement describing the Collateral under this agreement.

- f) Debtor's principal place of business is located at 1200 W. Platt Street, Suite 100, Tampa, FL 33606 and Debtor will promptly notify Secured Party in writing of any change in the location of its principal place of business.
- g) In the event of loss or theft of any part of the Collateral or the making of any levy, seizure or attachment thereof or thereon or the placing of any lien or liens thereon or generally on the property of Debtor, Debtor will give prompt notice thereof to Secured Party.
- h) Debtor operates under no trade names except the name set forth above, has not operated or conducted business under any other name during the immediately preceding five years and will promptly notify Secured Party of any change in its name.
- i) Debtor's records concerning that part of the Collateral constituting accounts, general intangibles or chattel paper are kept at the address specified in subsection (f) above.
- j) Debtor will keep, in accordance with generally accepted accounting principles consistently applied, accurate and complete records concerning the Collateral; upon Secured Party's request, Debtor will mark any of such records and all or any of the Collateral to give notice of the security interests created by this Agreement and will permit Secured Party or its agents to inspect the Collateral and to audit and make abstracts of such records or any of the Debtor's books, ledgers, reports, correspondence and other records and will reimburse Secured Party for its reasonable costs and expenses in inspecting the Collateral and/or auditing or copying Debtor's records.
- k) Upon receipt, Debtor will promptly deliver to Secured Party any documents of title and any chattel paper representing the Collateral or any part thereof, and, upon demand, Debtor will promptly deliver to Secured Party any and all schedules, invoices, shipping or delivery receipts, purchase orders, contracts or other documents representing or relating to the Collateral or to purchases or other acquisitions or sales, or leases or other dispositions of the Collateral and proceeds thereof and any and all other schedules, documents and statements which the Secured Party may from time to time request.
- l) Debtor holds in full force and effect all material permits, licenses and franchises necessary for it to carry on its operations in conformity with applicable laws and regulations.
- m) Debtor will keep the Collateral in good condition and repair and will not use the Collateral in violation of any provision of this Agreement, any applicable statute, regulation or ordinance or any policy of insurance insuring the Collateral.
- n) Debtor will prevent any part of the Collateral from becoming an accession to other goods not covered by this Agreement or from becoming a fixture.
- o) Debtor will post all accounts receivable to Debtor's books and records promptly upon the creation of such accounts receivable.
- p) If any certificate of title is issued with respect to any of the Collateral, Debtor will cause Secured Party's interest under this Agreement to be noted on the certificate and will deliver the original certificate to Secured Party.
- q) Debtor will pay or cause to be paid all taxes, assessments and other charges of every nature which may be levied or assessed against the Collateral.
- r) Debtor will insure the Collateral against risks by obtaining policies (none of which shall be cancelable without thirty (30) days advance written notice to Secured Party) in coverage, form and amount and with companies satisfactory to Secured Party, containing a loss payee provision in favor of Secured Party, and at Secured Party's request will deliver each policy or certificate of insurance therefor to Secured Party.

s) Each account, general intangible, and chattel paper constituting the Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor").

t) The amount represented by Debtor to Secured Party as owing by each Account Debtor or by all of the Account Debtors is the correct amount actually and unconditionally owing by such Account Debtor(s), except for normal cash discounts applicable.

u) No Account Debtor has any defense, set-off, claim or counterclaim against Debtor which can be asserted against Secured Party, whether in any proceeding to enforce the Collateral or otherwise.

v) Debtor will notify Secured Party promptly of any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral or of the bankruptcy or insolvency of any Account Debtor.

4. Possession and Use of Collateral.

a) After an Event of Default, Secured Party shall have the right to take possession of the Collateral and to sell, assign, transfer, or set over the Collateral, or any portion thereof, and apply the proceeds therefrom to the Indebtedness.

b) Before or after any default by Debtor under this Agreement, Secured Party may notify all or any Account Debtors of the security interest evidenced by this Agreement and may also direct such Account Debtors to make all payments on the Collateral to Secured Party. All payments on and other proceeds from the Collateral received by Secured Party directly from Account Debtors or from Debtor shall be applied to the Indebtedness in such order and manner and at such time as Secured Party shall in its sole discretion determine. Debtor shall also promptly notify Secured Party of the return to or repossession by Debtor of goods underlying any Collateral.

5. Events of Default. As used in this Agreement, the term "Event of Default" shall mean and include, and Debtor shall be in default hereunder upon the happening of, any one of the following events or conditions:

a) The occurrence of an Event of Default under the Note and/or any of the Loan Documents;

b) Failure of Debtor to perform punctually and properly any covenant, agreement, obligation, or condition contained or referred to in this Agreement and the continuation of such failure for a period of three (3) days after written notice thereof from Secured Party to Debtor;

c) The material breach of any warranty or the material untruth of any representation of Debtor contained in this Agreement; or

d) The uninsured loss, damage or destruction of a material portion of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon.

6. Remedies.

a) At any time after an Event of Default, Secured Party, at its option and without further notice to Debtor, may (i) accelerate all or any of the Indebtedness and declare it to be immediately due and payable, and (ii) exercise from time to time all rights and remedies of a secured creditor under applicable law, including the Uniform Commercial Code in effect for the State of Florida.

b) In addition to the foregoing, Secured Party shall have the following rights and remedies (to the extent permitted by applicable law):

(1) Secured Party may, at any time and from time to time, with or without judicial process and the aid or assistance of others, dispose of any part or all of the Collateral; and/or sell, resell, lease or assign all or any part of the Collateral in its then condition or following any

commercially reasonable preparation or processing, at public or private sale or proceeding, by one or more contracts, in one or more parcels, at the same or different times, with or without having the Collateral at the place of sale or other disposition, for cash and/or credit, and upon any terms, at such places and times and to such persons, firms or corporations as Secured Party deems best, all without demand for performance or any notice or advertisement whatsoever, except that where an applicable statute requires reasonable notice of sale or other disposition. Debtor hereby agrees that the sending of five (5) days notice by registered or certified mail, postage prepaid, to Debtor as provided below of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof. If any of the Collateral is sold by Secured Party upon credit or for future delivery, Secured Party shall not be liable for the failure of the purchaser to pay for same, and, in such event, Secured Party may resell such Collateral. Secured Party may buy any part or all of the Collateral at any sale. Secured Party may apply the cash proceeds from any sale or other disposition to the reasonable expenses of retaking, holding, preparing for sale, selling, leasing, and the like, to reasonable attorneys' fees and all legal expenses, travel, and other expenses which may be incurred by Secured Party in attempting to enforce this Agreement or in the prosecution or defense of any action or proceeding related to the subject matter of this Agreement; and then to the Note or other Indebtedness owed to Secured Party in such manner as it may elect, and Debtor shall remain liable and will pay Secured Party on demand any deficiency remaining and the balance of any expenses unpaid, with any surplus to be paid to Debtor, subject to any duty of Secured Party imposed by law to the holder of any subordinate security interest in the Collateral known to Secured Party.

(2)Secured Party may appropriate, set off, or apply in payment of any and all debts, any and all balances, sums, property, claims, credits, deposits, accounts, reserves, collections, drafts, notes, or other items or proceeds of the Collateral in or coming into the possession of Secured Party or its agents, or belonging or owing to Debtor and in such manner as Secured Party may in its sole discretion determine.

c)Upon the occurrence of an Event of Default, any proceeds of the Collateral received by Debtor shall be segregated, held by debtor in trust as the exclusive property of Secured Party, and Debtor will promptly deliver to Secured Party the identical checks, moneys, or other proceeds of Collateral received, except to the extent Secured Party may otherwise agree in writing.

d)To effectuate the terms and provisions of this Agreement, Debtor hereby designates and appoints Secured Party and its designees or agents as attorneys-in-fact of Debtor, irrevocably and with power of substitution, with authority to endorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, or other evidence of payment or proceeds of the Collateral that may come into Secured Party's possession; to sign the name of Debtor on any invoices, documents, drafts, notices to Account Debtors of Debtor, assignments, and requests for verification of accounts; to execute proofs of claim and loss; to execute any endorsements, assignments, or other instruments of conveyance or transfer, to adjust and compromise any claims under insurance policies, in Debtor's name or otherwise; to demand, sue for, collect, and give acquittances for any and all moneys due or to become due upon or in respect of the Collateral and to compromise, prosecute, or defend any action, claim, or proceeding with respect thereof; to execute releases; and to do all other acts and things necessary and advisable in the sole discretion of Secured Party to carry out and enforce this Agreement. All acts of such attorney or designee are hereby ratified and approved and such attorney or designee shall not be liable, except for willful misconduct, for any acts of commission or omission, nor for any error of judgment or mistake of fact or law. This power of attorney, being coupled with an interest, is irrevocable while any of the Indebtedness shall remain unpaid.

e)Debtor hereby irrevocably consents to any act by Secured Party or its agents in reasonably entering upon any premises for the purpose of inspecting the Collateral or taking possession of the Collateral after any Event of Default, and Debtor hereby waives its right to assert against Secured Party or its agents any claim based upon trespass or any similar causes of action for entering upon any premises where the

Collateral may be located.

f) Secured Party may exercise any of its rights or remedies hereunder serially, wholly, partially, or collectively, and the exercise of any one right does not preclude the exercise of any other right.

7. Miscellaneous.

a) No Waiver. No failure on the part of Secured Party to exercise and no delay in exercising, any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Secured Party of any right, remedy, or power hereunder preclude any other or future exercise of any other right, remedy, or power. Each and every right, remedy, and power hereby granted to Secured Party or allowed it by law or other agreement shall be cumulative and not exclusive, and may be exercised by Secured Party from time to time.

b) Secured Party's Costs. Debtor agrees to pay, on demand, all costs and expenses, including reasonable attorney's fees, incurred by Secured Party in connection with, or incidental to the custody, care, management, sale, or collection of, or realization upon, any of the Collateral or in any way relating to the enforcement or protection of the rights of Secured Party hereunder or under any Indebtedness; and Secured Party may at any time apply to the payment of all such costs and expenses all moneys of Debtor or other proceeds arising from the possession, foreclosure, or disposition of all or any portion of the Collateral.

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pursuant to this Agreement shall be in writing and shall be personally delivered, mailed by certified, return receipt requested U.S. mail or by recognized overnight delivery service to the addresses set forth in the Preamble to this Agreement (or such other address as may be noticed to the addressee by the other party in accordance with this provision). Any such notice shall be deemed to have been given upon the earlier of: (i) the date when personally delivered to the party; (ii) the next business day, if sent by overnight delivery; (iii) the third business day after mailing, if mailed by certified, return receipt requested U.S. mail; (iv) when signed for or refused, as evidenced by the return or delivery receipt; or (v) when delivered by telefacsimile or electronic transmission email,

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j)Time. Time is of the essence of this Agreement.

k)Captions. Section headings and captions have been inserted for convenience only and do not in any way limit the provisions set out in the various Sections hereof.

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[Execution Page Follows]

[Signature Page to Security Agreement]

Debtor has executed this Agreement as of the date first written above.

DEBTOR:

US Digital Mining and Hosting Co., LLC, a Florida limited liability company

By: LM Funding America, Inc., a Delaware corporation, its Manager

By: /s/ Bruce Rodgers

Name: Bruce Rodgers

Title: Chief Executive Officer



**LM Funding America, Inc. Provides Monthly Operational and Bitcoin Mining Update for Month Ended July 31, 2024;
Announces LOI to Acquire a Mining Facility with 72 MW Potential**

Total Bitcoin holdings were approximately 132.5 BTC as of July 31, 2024, or approximately \$8.1 million based on an estimated August 10, 2024, BTC price of \$61,000

TAMPA, FL, August 12, 2024—LM Funding America, Inc. (NASDAQ: LMFA) (“LM Funding” or the “Company”), a cryptocurrency mining and technology-based specialty finance company, today provided a preliminary, unaudited Bitcoin mining and operational update for the month ended July 31, 2024.

Metrics *	One Month January 31, 2024	One Month February 29, 2024	One Month March 31, 2024	One Month April 30, 2024	One Month May 31, 2024	One Month June 30, 2024	One Month July 31, 2024	Seven Months Ended July 31, 2024
Bitcoin Beginning Balance	95.1	126.8	153.6	163.4	155.1	163.1	160.5	95.1
Bitcoin Mined, net	31.7	26.8	27.9	24.7	14.0	5.4	4.6	135.1
Bitcoin Sold	-	-	(18.0)	(33.0)	(6.0)	(8.0)	(32.5)	(97.5)
Service Fee	-	-	(0.1)	-	-	-	(0.1)	(0.2)
Bitcoin Holdings at Month End	126.8	153.6	163.4	155.1	163.1	160.5	132.5	132.5
Approximate Miners Deployed at Month End	5,950	5,940	5,940	5,880	5,510	1,878	3,800	
Approximate Miners In-Transit at Month End					370	4,002	2,080	
Approximate Potential Hash Rate at Month End (PH/s)	615	614	614	639	639	639	639	

*Unaudited

The Company estimates that the value of its 132.5 Bitcoin holdings on July 31, 2024, was approximately \$8.1 million, based on an estimated August 10, 2024, BTC price of \$61,000.

Bruce M. Rodgers, Chairman and CEO of LM Funding, stated, “Our potential hashrate remains static at 639 petahash, while our decreased production reflects that we have 2,080 miners currently in transit to a

new hosting location. The Company is pleased to announce a nonbinding Letter of Intent to acquire a mining site in Texas. This site offers 12 MW of initial power capacity with the potential for an additional 60 MW expansion.” Rodgers continued, “We believe that this acquisition, if completed, will provide us with a cost-effective location to energize all our existing machines. The mining site is currently generating 55 petahash of mining capacity using immersion mining techniques. Our primary goal with this acquisition is to invest capital to mine the full potential 72 megawatts.”

To facilitate these expansion initiatives, LM Funding America, Inc. has secured a \$5 million non-convertible loan, finalized on August 6, 2024. The proceeds from this facility will be dedicated to acquiring additional miners and their infrastructure, further bolstering the Company's mining capabilities.

Bruce Rodgers, Chief Executive Officer of LM Funding America, Inc., stated, "Our strategy is to leverage our Bitcoin holdings to finance the acquisition of 72 MW of market-priced power that can be used for Bitcoin mining or resold to the grid. This strategic acquisition provides a home for the balance of our existing mining fleet along with an existing 55 petahash of mining capacity and an introduction to the advantages of immersion mining." Rodgers added, "We believe we now have a sound path to grow from our current position to quickly mining 12 MW and then to a steady leveraged capital expansion plan aimed at expanding our Company's capacity to mine 72 MW, which is currently projected to yield about 1,000 Bitcoin annually at current network difficulty rates."

About LM Funding America

LM Funding America, Inc. (Nasdaq: LMFA), together with its subsidiaries, is a cryptocurrency mining business that commenced Bitcoin mining operations in September 2022. The Company also operates a technology-based specialty finance company that provides funding to nonprofit community associations (Associations) primarily located in the state of Florida, as well as in the states of Washington, Colorado, and Illinois, by funding a certain portion of the Associations' rights to delinquent accounts that are selected by the Associations arising from unpaid Association assessments.

Forward-Looking Statements

This press release may contain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” and “project” and other similar words and expressions are intended to signify forward-looking statements. Forward-looking statements are not guaranties of future results and conditions but rather are subject to various risks and uncertainties. Some of these risks and uncertainties are identified in the Company's most recent Annual Report on Form 10-K and its other filings with the SEC, which are available at www.sec.gov. These risks and uncertainties include, without limitation, uncertainty created by the risks of entering into and operating in the cryptocurrency mining business, uncertainty in the cryptocurrency mining business in general, problems with hosting vendors in the mining business, the capacity of our Bitcoin mining machines and our related ability to purchase power at reasonable prices, the ability to finance and grow our cryptocurrency mining operations, our ability to acquire new accounts in our specialty finance business at appropriate prices, the potential need for additional capital in the future, changes in governmental regulations that affect our ability to collect sufficient amounts on defaulted consumer receivables, changes in the credit or capital markets, changes in interest rates, and negative press regarding the debt collection industry. The occurrence of any of these risks and uncertainties could have a material adverse effect on our business, financial condition, and results of operations.

Contact:

Crescendo Communications, LLC
Tel: (212) 671-1021
Email: LMFA@crescendo-ir.com
