



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



DISCLOSURE QUESTIONNAIRE

Company Name: The SilverLogic
Date Submitted: 06/22/2023

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration	✓	
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other		✓

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

The SilverLogic

UPDATED AS OF:

06/22/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Litigation, Arbitration, and/or Penalties
ISSUE DATE	Past 5 years
TOPIC	Litigation, Arbitration, and/or Penalties related to a security breach.
SUMMARY OF ISSUE	The SilverLogic had a lawsuit against them made by a client for an alleged breach of their system and the unauthorized movement of bitcoin. The company countersued for non-payment of open balance, termination without cause, and breach of contract.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	Confidential
IMPACT ON STAKEHOLDERS	One client's bitcoin wallet. None of the employees, other clients, or their clients customers were impacted, aside from the time taken to investigate the issue.
RESOLUTION	Confidential
MANAGEMENT PRACTICES	<p>After the incident, the company implemented the following actions to prevent similar occurrences in the future:</p> <ul style="list-style-type: none">• Worked with their insurance broker to improve their cyber risk profile;• Tied achieving cybersecurity certifications to pay raises for all workers;• Offer reimbursement for cybersecurity training and certification for interested workers, provide on-the-job training time for eligible workers;• Implemented mandatory on-the-job phishing and social engineering training for all workers;• Rolled out stronger authentication functionality to active clients;• Implemented use of third party static analysis and risk monitoring tools to improve their risk profile.
REPORT	<p>A few months after the issue with the ex-client was resolved, a multi-state and multi-agency task force arrested company's ex-client on charges including money laundering. Press releases from various government agencies and some summary news articles are available below. No current or ex employee or contractor of The SilverLogic was charged with any crime.</p> <p>[United States Secret Service News Release] "Three Individuals and One Business Indicted on Engaging in a Pattern of Corrupt Activity Among Other Charges for Operating Cryptocurrency Kiosks in Northeast Ohio" https://www.secretservice.gov/newsroom/releases/2023/03/three-individuals-and-one-business-indicted-engaging-pattern-corrupt</p> <p>[Cuyahoga County] Cuyahoga County Prosecutor Michael O'Malley is set to announce an operation resulting in individuals being indicted for allegedly owning and operating cryptocurrency kiosks in Northeast Ohio. https://www.youtube.com/live/CUhJZ6jJLp0?feature=share&t=631</p>



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	<p>related article:</p> <p>[wkyc] Arrests announced in cryptocurrency investigation involving Bitcoin of America kiosks in Northeast Ohio</p> <p>https://www.wkyc.com/article/news/local/cleveland/cuyahoga-county-prosecutors-office-operation-cryptocurrency-kiosks/95-3b4e04cc-ba02-4054-887e-009f541a1a8c</p> <p>[State of Connecticut Department of Banking] "Banking Commissioner Announces Settlement with Bitcoin of America"</p> <p>https://portal.ct.gov/DOB/Newsroom/2023/Banking-Commissioner-Announces-Settlement-with-Bitcoin-of-America</p> <p>[yahoo!finance] "Bitcoin ATM firm accused of profiting from crypto scams via unlicensed machines: U.S. Secret Service"</p> <p>https://finance.yahoo.com/news/bitcoin-atm-firm-accused-profiting-111301541.html</p>
MANAGEMENT COMMENTS	<p>As a service provider, The SilverLogic cannot control what clients, client's employees, or client's contractors do on machines owned and managed by the client. In the situation in question, once The SilverLogic was aware of the issue, they immediately offered technical support to the client, took steps to attempt to trace the stolen items, and contacted local law enforcement and the FBI..</p> <p>After the incident, the company worked with their insurance provider to improve their cyber risk profile; tied achieving cybersecurity certifications to pay raises for all workers (employees and contractors); started a process of rolling out stronger authentication functionality to active clients; and implemented use of third party static analysis and risk monitoring tools - such as but not necessarily SecurityScorecard - to improve their risk profile.</p>
RELATED INCIDENTS (YES/NO)	No