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USSD is **not redeemable directly with Sonic**. Redemption of USSD requires that the holder first **unwrap USSD into frxUSD through the USSD smart contract**. Once converted to frxUSD, any redemption or other use of frxUSD must occur **through Frax Inc. and/or its authorized service providers**, as applicable.

frxUSD is a stablecoin **issued and administered by Frax Inc. The reserves, collateral management, custody arrangements, redemption operations, and compliance framework relating to frxUSD are managed by Frax Inc. and its service providers, and not by Sonic.**

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Holding or using USSD exposes users to various risks, including but not limited to smart contract risk, custodial risk, regulatory risk, counterparty risk, liquidity risk, and risks associated with the collateral assets backing frxUSD. Users should carefully review the official documentation for USSD and frxUSD provided by Frax Inc. and ensure they fully understand the underlying mechanisms and associated risks before interacting with USSD.