

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

**LUCIA AI CORP.
A PANAMANIAN CORPORATION**



**Up to \$375,000
(Rule 506(c) of Regulation D)**

Up to 50,000,000 of \$LUCIA Tokens

The date of this Memorandum is October 29, 2025.

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SECURITIES DISCLOSURES

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM (THE “**MEMORANDUM**”).

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER LAW OR REGULATION GOVERNING THE OFFERING, SALE OR EXCHANGE OF SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION. THE SECURITIES OFFERED HEREBY MAY NOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY AN INVESTOR UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT AND WHERE REQUIRED, UNDER THE LAWS OF OTHER JURISDICTIONS, UNLESS SUCH PROPOSED SALE, TRANSFER OR DISPOSITION IS EXEMPT FROM SUCH REGISTRATION.

A PURCHASE OF THE SECURITIES INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE RISK OF A TOTAL LOSS OF PRINCIPAL, VOLATILITY AND ILLIQUIDITY. A PROSPECTIVE PURCHASER SHOULD THOROUGHLY REVIEW THE CONFIDENTIAL INFORMATION CONTAINED HEREIN AND THE TERMS OF THE APPLICABLE OFFERING DOCUMENTS, AND CAREFULLY CONSIDER WHETHER A PURCHASE OF THE SECURITIES IS SUITABLE TO SUCH PROSPECTIVE PURCHASER’S FINANCIAL CONDITION AND GOALS. SEE “RISK FACTORS” BELOW.

SECURITIES RISK FACTORS AND SUITABILITY DISCLOSURES

INVESTORS SHALL BE REQUIRED TO REPRESENT THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS, RISKS AND MERITS OF THE OFFERING DESCRIBED IN THIS MEMORANDUM AND ALL THE ATTACHMENTS HERETO. THE SECURITIES ARE BEING OFFERED IN A PRIVATE OFFERING TO A LIMITED NUMBER OF INDIVIDUALS OR ENTITIES MEETING CERTAIN SUITABILITY STANDARDS. THIS OFFERING INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THEY MAY SUSTAIN A LOSS OF THEIR ENTIRE INVESTMENT.

PURCHASES WILL BE ACCEPTED ONLY FROM “ACCREDITED INVESTORS,” AS DEFINED IN RULE 501 OF REGULATION D (SEE “**INVESTOR SUITABILITY STANDARDS**”). THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. NO INVESTMENT IN THE SECURITIES SHOULD BE MADE BY ANY PERSON WHO IS NOT IN A POSITION TO LOSE THE ENTIRE AMOUNT OF SUCH INVESTMENT. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR EXAMINATION OF US AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

EXCLUSIVE NATURE OF THE PRIVATE PLACEMENT MEMORANDUM

NO ENTITY HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS MEMORANDUM. ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. MOREOVER, NEITHER THE

DELIVERY OF THIS MEMORANDUM NOR THE SALE OF THE SECURITIES SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE

THE COMPANY DISCLAIMS ANY AND ALL LIABILITIES FOR REPRESENTATIONS OR WARRANTIES EXPRESSED OR IMPLIED, CONTAINED IN, OR OMISSIONS FROM, THIS MEMORANDUM, OR ANY OTHER WRITTEN OR ORAL COMMUNICATION TRANSMITTED OR MADE AVAILABLE TO THE RECIPIENT. EACH INVESTOR SHALL BE ENTITLED TO RELY SOLELY ON THOSE REPRESENTATIONS AND WARRANTIES WHICH MAY BE MADE TO THE INVESTOR IN ANY FINAL PURCHASE OR TOKEN PURCHASE AGREEMENT RELATING TO THE SECURITIES. THE DELIVERY OF THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER IN ANY JURISDICTION TO ANY PERSON TO WHOM SUCH OFFER WOULD BE UNLAWFUL IN SUCH JURISDICTION.

THIS MEMORANDUM DOES NOT PURPORT TO BE ALL-INCLUSIVE OR TO CONTAIN ALL OF THE INFORMATION THAT A PROSPECTIVE INVESTOR MAY DESIRE IN EVALUATING AN INVESTMENT IN THIS OFFERING OR THE SECURITIES OFFERED HEREIN. INVESTORS MUST CONDUCT AND RELY ON THEIR OWN EVALUATIONS OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SECURITIES. THE RISK FACTORS SHOULD BE CONSIDERED IN CONNECTION WITH THE PURCHASE OF THE SECURITIES. NEITHER THE DELIVERY OF THIS MEMORANDUM AT ANY TIME, NOR ANY SALE OF THE SECURITIES HEREUNDER, SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THE INFORMATION CONTAINED IN THIS MEMORANDUM IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

JURISDICTIONAL (NASAA) LEGENDS

FOR RESIDENTS OF ALL U.S. STATES: THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN A PARTICULAR STATE. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE HEREBY ADVISED TO CONTACT THE COMPANY. THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS (COMMONLY CALLED “**BLUE SKY**” LAWS). THESE SECURITIES MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER SUCH LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THE STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OF SALE MAY BE MADE IN ANY PARTICULAR STATE. THE DISCLOSURES SET FORTH ON **SCHEDULE A** ARE SUBJECT TO REVISION OR MODIFICATION, AND THE INVESTOR IS ADVISED TO SEEK INDEPENDENT LEGAL ADVICE IN THEIR JURISDICTION.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

THIS MEMORANDUM CONTAINS ESTIMATES AND FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACT ARE FORWARD-LOOKING STATEMENTS. THE WORDS “MAY,” “MIGHT,” “WILL,” “COULD,” “WOULD,” “SHOULD,” “EXPECT,” “PLAN,” “ANTICIPATE,” “INTEND,” “SEEK,” “BELIEVE,” “ESTIMATE,” “PREDICT,”

“POTENTIAL,” “CONTINUE,” “CONTEMPLATE,” “POSSIBLE,” AND SIMILAR WORDS ARE INTENDED TO IDENTIFY ESTIMATES AND FORWARD-LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS, INCLUDING THE INTENDED ACTIONS AND PERFORMANCE OBJECTIVES OF THE COMPANY AND THE SECURITIES ARE BASED LARGELY ON CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS AND TRENDS.

THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A NUMBER OF KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, ASSUMPTIONS, AND OTHER IMPORTANT FACTORS, INCLUDING THOSE DESCRIBED UNDER “**RISK FACTORS**”, THAT COULD CAUSE THE ACTUAL RESULTS, PERFORMANCE, OR ACHIEVEMENTS OF THE COMPANY OR THE SECURITY TO DIFFER MATERIALLY FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ALTHOUGH WE BELIEVE THAT THE EXPECTATIONS REFLECTED IN OUR FORWARD-LOOKING STATEMENTS ARE BASED ON REASONABLE ASSUMPTIONS, ACTUAL OUTCOMES COULD DIFFER MATERIALLY FROM THOSE SET FORTH OR ANTICIPATED IN OUR FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE OUR FORWARD-LOOKING STATEMENTS TO DIFFER FROM ACTUAL OUTCOMES INCLUDE, BUT ARE NOT LIMITED TO THOSE DESCRIBED UNDER THE SECTION ENTITLED “**RISK FACTORS**”.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

WITH THE EXCEPTION OF THE HISTORICAL INFORMATION CONTAINED IN THIS MEMORANDUM, THE MATTERS DESCRIBED HEREIN CONTAIN FORWARD-LOOKING STATEMENTS THAT INVOLVE RISK AND UNCERTAINTIES THAT INDIVIDUALLY OR MUTUALLY IMPACT THE MATTERS HEREIN DESCRIBED INCLUDING, BUT NOT LIMITED TO, FINANCIAL PROJECTIONS, PRODUCT DEMAND AND MARKET ACCEPTANCE, THE EFFECT OF ECONOMIC CONDITIONS, THE IMPACT OF COMPETITIVE PRODUCTS AND PRICING, GOVERNMENTAL REGULATIONS, TECHNOLOGICAL DIFFICULTIES AND/OR OTHER FACTORS OUTSIDE THE CONTROL OF THE COMPANY.

CERTAIN SERVICE PROVIDERS

NONE OF OPENDEALBROKER LLC DBA OPENDEALBROKER OR THE CAPITAL R (“**ODB**”) (NOR HAVE ANY OF THEIR AFFILIATES) INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF AN INVESTMENT IN THIS OFFERING OR THE INTERESTS OFFERED HEREIN. NONE OF ODB OR ITS AFFILIATES MAKE ANY REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGEMENT ON THE MERITS OF THE OFFERING OR THE SECURITIES OFFERED HEREIN. THE CONNECTION OF ODB AND/OR ITS AFFILIATES TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSES OF ACTING AS A SERVICE PROVIDER. AN INVESTOR SHOULD HAVE KNOWLEDGE AND UNDERSTANDING OF SOPHISTICATED AND COMPLEX INVESTMENTS TO MAKE A SELF-DETERMINATION OR SEEK ADVICE ELSEWHERE. ODB MAY INVITE OTHER BROKER/DEALERS TO PARTICIPATE IN THIS OFFERING UNDER SIMILAR TERMS AND CONDITIONS.

ZERO HASH LLC, THE PAYMENT PROCESSOR FOR THIS OFFERING, AND ITS SUCCESSOR OR ASSIGN, HAS NOT INVESTIGATED THE DESIRABILITY OR ADVISABILITY OF PARTICIPATION IN THIS OFFERING OR THE INTERESTS OFFERED HEREIN. ZERO HASH MAKES NO REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, OR JUDGMENTS ON THE

MERITS OF THE OFFERING OR THE INTERESTS OFFERED HEREIN. ZERO HASH'S CONNECTION TO THE OFFERING IS SOLELY FOR THE LIMITED PURPOSE OF ACTING AS A SERVICE PROVIDER AND DOES NOT CONSTITUTE INVESTMENT ADVICE. ZERO HASH SHALL NOT BE LIABLE FOR ANY LOSSES OR DAMAGES ARISING FROM PARTICIPATION IN THIS OFFERING.

* * *

SUMMARY OF THE OFFERING AND THE PURCHASE AND CLOSING PROCESS

Lucia AI Corp., a Panamanian corporation (the “**Company**”, “**we**” or “**us**”) is offering (the “**Offering**”) under Section 4(a)(2) and Rule 506(c) of Regulation D promulgated under the Securities Act up to \$375,000 (“**Maximum Offering Amount**”) of the Company’s LUCIA Tokens (“**Tokens**”) to qualified investors as set forth in the “**Terms of the Offering**,” below.

The Token is the native unit of value built upon and for intended use on the Avalanche C-Chain, a layer-1 blockchain protocol (the “**Network**” or “**Protocol**”) designed for running smart contracts that are compatible with the Ethereum Virtual Machine (EVM) (together with the Network, the “**Platform**”), at a \$0.0075 per Token (the “**Offering Price**”). The date the Tokens are initially broadly publicly released by the Company for use on the Platform, if ever, shall constitute the “**Token Integration Event**” or “**TIE**”.

Best Efforts Basis. This Offering is being conducted on a “best efforts” basis through a platform found at <https://republic.com>, which is operated for the benefit of OpenDealBroker LLC d/b/a OpenDealBroker or the Capital R (“**ODB**”). ODB is a registered FINRA/SEC broker dealer. ODB is not purchasing the securities, except as otherwise set forth herein, and is not required to sell any specific number or dollar amount of securities in this Offering. Since there is no minimum offering amount of the Tokens required to be sold in this Offering, all funds received from purchases under the Offering will immediately become assets of the Company, and available for use by the Company, upon acceptance of the purchases by the Company. The Company may increase or decrease the amount of the Maximum Offering in its sole discretion. The Company may reject purchases in whole or in part, in its discretion. If the Company accepts purchases for the Maximum Offering, the Company expects the proceeds therefrom to equal as follows:

	Offering Price	Commissions ¹	Fees ²	Proceeds to Company
Minimum Offering Amount	\$ 50,000	\$ 0	\$7,500	\$ 42,500
Maximum Offering Amount	\$ 375,000	\$ 10,500	\$7,500	\$ 357,000

(1) The cash fee paid to ODB from the proceeds of this Offering will be the greater of: (A) \$0 or (B) zero percent (0%) of the total dollar value of the Tokens sold in the Offering up to but not in excess of \$200,000.00 and six percent (6%) of the total dollar value of the Tokens sold in the Offering greater than \$200,000.00. See “**Certain Relationships and Related-Party Transactions**”.

(2) Legal fees

Purchase Process.

Each investor must complete such documentation as may be requested through the offering platform at <https://republic.com/pindora> (the “**Republic Platform**”) on behalf of the Company, which may include, without limitation:

1. the execution and delivery of the token purchase agreement (the “**TPA**” and together with any other documents, agreements and instruments, the “**Offering Documents**”), which shall identify the investor’s purchase amount (the “**Purchase Amount**”);
2. completion of investor qualification requirements (such as accreditation status verification, if applicable);

3. completion of Know-Your-Customer/Anti-Money Laundering (“**KYC/AML**”) and/or Know-Your-Business (“**KYB**”) screening requirements; and
4. confirmation by ODB of clearance from its regulation best interests requirements and of receipt of funds by the financial institution providing cryptocurrency payment services for the Offering, which presently is Zero Hash LLC (the “**Payment Servicer**” and the foregoing requirements, collectively, (collectively, the “**Closing Requirements**”).

The Company shall have the sole discretion to accept or reject any investor purchase and determine whether or not Closing Requirements have been satisfied.

Closing Process; Purchase Payment.

Upon acceptance by the Company of any purchase from qualified investors, the Company shall have the right at any time and prior to the Offering Deadline (as defined below), to effect periodic closings (each a “**Closing**”) for purchases in this Offering from investors until the earlier of (i) the date upon which purchases for the Maximum Offering offered hereunder have been accepted, (ii) the Offering Deadline, or (iii) the date upon which the Company elects to terminate the Offering.

Subject to satisfaction of the Closing Requirements, an investor shall make payments in USD Coin (\$USDC) or Tether (\$USDT) via any \$USDC or \$USDT supported network during the Offering Period (as defined in “**Terms of the Offering**,” below).

The Company may elect to accept other forms of payment on an as converted to USD basis in its sole discretion and subject to acceptance by the Payment Servicer. The Company will not accept payment by any fiat currency, including, for the avoidance of any doubt, United States dollars, whether by wire, automated-clearing house or otherwise. The Company reserves the right to discontinue accepting any type of consideration in its sole discretion.

The USD exchange rate for USDC or USDT other forms of payment shall be determined solely by the Company or its assignee or agent in accordance with reasonable and accepted market practices. Such currencies are subject to fluctuations in the rate of exchange and, in the case of digital assets, the exchange valuations. Such fluctuations may have an adverse effect on the value, price or returns of a purchase. Purchasers may receive a number of Tokens rounded up to the nearest whole number.

Delivery of Tokens only upon Token Integration Event.

The Company plans to deliver Tokens on or after the date of the Token Integration Event, as such date may be extended or modified by the Company in its sole discretion (the “**TIE Date**”), as identified in the **Terms of the Offering**, below.

If there is no Token Integration Event on or before the TIE Date, the Company shall repay investors an amount equal to the purchase amount set forth in the investor’s TPA (the “**Returned Purchase Amount**”), as soon as reasonably practicable after the TIE Date, to the extent funds are available for such lawful repayment at that time. If there is insufficient capital to refund the investors’ Returned Purchased Amount on the TIE Date, the Company will repay Purchasers with equal priority and on a pro-rata basis among the investors based on the relative value of their respective Purchase Amount on the date of receipt by the Company of such Purchase Amount. *See “Use of Proceeds”* below for further discussion of the Company’s use of any capital raised in the Offering.

TERMS OF THE OFFERING

The summary below describes the principal terms of the offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. Prospective investors should review the entirety of the document to be entered into in connection with the Offering. The summary below is qualified in its entirety by reference to the actual text of the form of the applicable Offering Document.

Company:	Lucia AI Corp.
Tokens:	LUCIA Token
Expected Date of Token Integration Event:	Such date may be extended or modified by the Company in its sole discretion
Offering Size:	The expected number of Tokens to be sold in this Offering is 50,000,000. Such amount may be modified by the Company in its sole discretion. The total amount of Tokens allocated for public sale is 170,000,000, all of which may be offered and sold by the Company in its sole discretion through the Republic Sale and through other platforms, including digital asset exchanges. Such amount may be increased or decreased in the sole discretion of the Company, including on different terms and conditions.
Offering Price:	\$0.0075 per Token
Offering Period:	November 6, 2025, at 9:00 am prevailing Eastern Time (“ET”) through November 16, 2025, at 4 pm ET, subject to the Company’s discretion to extend the Offering (the “Offering Period”). The Company reserves the right to reject any payments not made within the Offering Period. The Offering Period may be extended or shortened in the Company’s sole discretion posting a supplement to the Memorandum on the Offering Website.
Purchase Amounts:	Minimum purchase amount is \$250. Maximum purchase amount is \$50,000. Such amounts may be modified by the Company in its sole discretion.
Form of Purchase Agreement:	Token Purchase Agreement (the “TPA”)
Manner of Payment of Purchase Amount:	The Purchase Amount can be paid in USD Coin (\$USDC) or USD Tether (\$USDT). The US dollar exchange rate for any cryptocurrencies used for the Purchase Amount shall be determined as set forth in the TPA.

	Purchasers must access the Republic Platform at https://republic.com/pindora and be subject to the Offering Documents. Purchases in USDC through Payment Servicer will incur a total fee equal to the greater of \$2,500 (minimum fee) or 0.1% of the total payment volume. The above fees for Payment Servicer will ultimately be borne by the Company. The fee is added to the total amount of the investment at checkout. Purchasers in the offering will not have the right to revoke their purchase at any time. If a purchase is rejected for any reason, it will be refunded without interest or deduction save any applicable fees. Purchasers will follow instructions for completing payment when making their purchase via the Republic Platform that is operated by ODB for the benefit of the Offering. Cryptocurrencies and digital assets received in connection with purchases pursuant to this Offering are directed to an account maintained by the Company. If a purchase is rejected for any reason, including if ODB is unable to verify the KYC of the Purchaser, and if payment was made in the specifically approved cryptocurrency or digital asset, a refund of the purchase price will be made in USDC, and such refunds will be based upon the USD-denominated value of the Purchase Amount only, regardless of the type and amount of the approved cryptocurrency or digital assets paid, or any volatility in their prices, and subject to certain fees (i.e. the amount of cryptocurrency originally sent may vary from the amount of cryptocurrency refunded due to exchange rate variations). Gas fees or miner fees for refunds, which are paid to validators on a blockchain network, will be deducted from the amount of the refund sent. Purchasers in the Offering will not have the right to revoke their purchase at any time. Gas costs and miner fees paid in the original purchase will not be refunded. For all accepted purchases, the Company will bear the cost of any gas costs and/or other fees to deliver the tokens to the Purchaser. The Company will not accept payment by any fiat currency, including, for the avoidance of any doubt, United States dollars, whether by wire, automated-clearing house or otherwise.
Investor Suitability:	Each Purchaser must be an “Accredited Investor,” as defined in Rule 501 of Regulation D under the Securities Act and such accreditation must be verified in accordance with the verification standards set forth in Rule 506(c) of Regulation D, <i>see also</i> “Investor Verification Standards,” below.
Offering Documents and Requirements:	In order to complete the closing process in this Offering, each Purchaser will be required to complete such documentation as may be requested by ODB on behalf of the Company, which may include, without limitation:

	1. the execution and delivery of the TPA and any other Offering Documents, which shall identify the investor's Purchase Amount; 2. completion of investor qualification requirements (such as accredited status verification, if applicable); 3. completion of KYC/AML and KYB screening requirements; and 4. confirmation by ODB of clearance from its regulation best interests requirements and of receipt of funds by Payment Servicer.
Token Delivery:	After the closing of the Offering, and subject to the satisfactory completion of KYC/AML or KYB screening requirements applicable to the Offering and the collection of Payment Amounts, and if there is a Token Integration Event on or before the TIE Date, Tokens will be delivered to a compatible wallet address designated by each Purchaser in the TPA as follows: ● 0% at Token Integration Event; 12-month cliff followed by linear monthly vesting over 3 months. ERC-20 compatible wallets are the only wallets compatible with and able to receive the Tokens.
Lockup / Market Standoff:	The Purchaser will not offer, sell, pledge, or otherwise assign or transfer any rights under the TPA or the Tokens, unless, where applicable in compliance with securities laws, including Rule 144 of the Securities Act.
Restrictions on Transfer:	No transfer or resale except as permitted under the Securities Act and applicable state securities laws, pursuant to registration or exemption therefrom. Appropriate legends will be implemented.
Dissolution Event:	Any of the following events shall be deemed to be a “Dissolution Event”: (i) a voluntary termination of the operations of the Company, (ii) a general assignment of all or substantially all the Company's assets for the benefit of the Company's creditors, or (iii) any other liquidation, dissolution or winding up of the Company, whether voluntary or involuntary. Upon the occurrence of a Dissolution Event prior to the TIE Date, the Company shall pay, after the payment of all other creditors, the Returned Purchase Amount due and payable to the Purchaser immediately prior to, or concurrent with, the occurrence of the Dissolution Event, to the extent funds are lawfully available and prior to paying any amounts to any equity holders of the Company. If immediately prior to the occurrence of the Dissolution Event, the assets of the Company that remain lawfully available for payment to the Purchaser and all holders of all other TPAs (collectively, the “TPA Parties”), as determined in good faith by the governing body of the Company, are insufficient to permit the payment to the TPA Parties of their respective Returned Purchase Amounts, then the remaining assets of the Company lawfully available for payment shall be paid with equal priority and pro rata among the TPA Parties based on the relative value (in

	the Purchase Price currency of the Tokens as set out herein) of each TPA Party's respective Purchase Amount on the date of receipt by the Company of such Purchase Amount and calculated by reference, as applicable, to the applicable exchange rate as at such date (and the claims of the Purchaser against the Company shall abate accordingly and any further claims of the Purchaser on the Company shall be extinguished). The Company will make commercially reasonable efforts but shall not be required to pay the Returned Purchase Amount to the Purchaser in the original currency of the Purchase Amount.
No Registration Rights:	The Company will not be required to register any securities under this Offering. Resales will be subject to, among other things, Rule 144 under the Securities Act.
Broker/Dealer:	This Offering is being conducted on the platform found at https://republic.com , which is operated for the benefit of ODB, which is a registered FINRA/SEC broker dealer.
ODB Fees:	<i>See "Certain Relationships and Related-Party Transactions,"</i> below.
Governing Law:	Panama
Use of Proceeds:	<i>See "Use of Proceeds,"</i> below

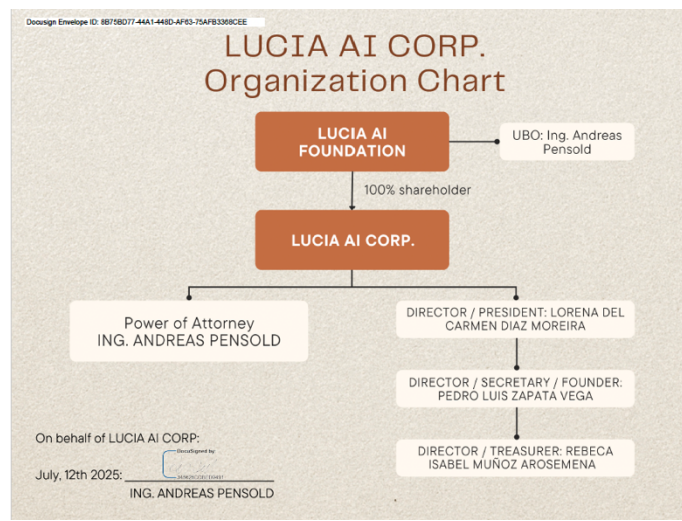
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COMPANY OVERVIEW

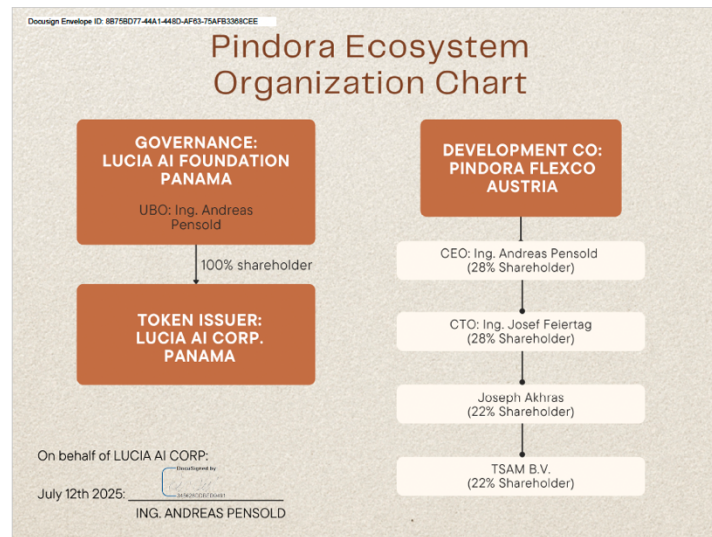
*This overview highlights selected information that is presented in greater detail elsewhere in this Memorandum. This overview does not contain all of the information you should consider before participating in the Offering contemplated by this Memorandum. You should carefully read this Memorandum in its entirety before purchasing any Tokens, including the “**Risk Factors**”. Some of the statements in this Memorandum constitute forward-looking statements, see the section titled “**Special Note Regarding Forward-Looking Statements.**” Unless otherwise indicated herein, all references to the number of Tokens set forth in this Memorandum refers to the number of Tokens that will be created in the minting processes.*

BACKGROUND AND OVERVIEW

Lucia - Entity Structure



The Company is a Panamanian corporation. Directors of the Company are Lorena Del Carmen Diaz Moreira, Pedro Luis Zapata Vega, and Rebeca Isabel Muñoz Arosemena. Lucia AI Foundation, a Panamanian private foundation, is the sole shareholder and owner of the Company.



INTRODUCTION

1.1 Information Overflow

The proliferation of digital communication platforms has transformed how individuals and organizations interact, leading to an unprecedented volume of information flow across multiple channels. This transformation, while enabling greater connectivity and collaboration, has created significant challenges in information management and privacy preservation. Users increasingly find themselves navigating complex networks of communication platforms, each generating continuous streams of updates, notifications, and messages that demand attention and processing. AI agents offer the unique opportunity to process this flood of data in real time to provide only relevant, pre-filtered information while processing automated tasks in the background on behalf of the users.

1.2 The Privacy Challenge in AI Systems

The rapid advancement of artificial intelligence, particularly large language models (LLMs), has transformed how we process and understand information. However, this transformation brings significant challenges regarding privacy, data sovereignty, and security. Traditional AI systems typically rely on centralized architectures that create inherent vulnerabilities:

First, centralized systems require users to surrender control over their personal and professional communications to third-party providers. This loss of data sovereignty raises concerns about how sensitive information might be used or accessed without user knowledge or consent.

Second, the consolidation of data in central repositories creates attractive targets for malicious actors. A successful breach of these systems could expose vast amounts of sensitive information, making them particularly vulnerable to sophisticated attacks.

Third, users must place implicit trust in platform operators to handle their data responsibly. This trust requirement becomes increasingly problematic as organizations face growing pressure to improve training data for their next generation LLM's, monetize user data to satisfy shareholders expectations or comply with various governmental requests for information access.

Finally, evolving privacy regulations like GDPR and CCPA impose strict requirements on how personal data can be processed and stored. Centralized systems often struggle to comply with these regulations while maintaining full functionality.

1.3 The Need for a New Approach

These challenges demand a fundamental rethinking of how AI systems process and analyze digital communications. Any viable solution must address several key requirements:

Privacy Preservation

The system must ensure that user data remains protected throughout its entire lifecycle, from initial collection through processing and storage. This protection should extend beyond simple encryption to include guarantees about how data can be processed and accessed.

Decentralized Processing

To eliminate single points of failure and control, the system should distribute processing across multiple independent nodes. This distribution must maintain security and efficiency while preventing any single entity from gaining complete access to user data.

Platform Integration

The solution must work seamlessly with existing communication tools, applications and platforms. Users should not need to dramatically change their workflows or adopt entirely new systems to benefit from privacy-preserving AI capabilities.

User Empowerment

Control over data and processing should remain firmly in users' hands. This includes fine-grained permissions for data access, processing parameters, and integration configurations.

1.4 Lucia: A Privacy-First AI Assistant

Lucia addresses these challenges through a novel architecture that combines several cutting-edge technologies:

First, it employs Nillion's Blind Compute (NBC) technology to enable secure computation on fragmented data. This approach ensures that sensitive information remains protected even during processing, as no single entity ever has access to complete data.

Second, Lucia implements sophisticated encrypted vector database technology to enable efficient retrieval and processing of information while maintaining privacy guarantees. This allows the system to provide advanced AI capabilities without compromising security.

Third, the system leverages Trusted Execution Environments (TEEs) on modern GPUs to ensure secure model inference and data processing. This hardware-backed security adds an additional layer of protection for sensitive computations on systems hosted by third parties.

Finally, Lucia implements a comprehensive privacy-preserving retrieval-augmented generation (RAG) system that enables AI capabilities to be enhanced with external knowledge while maintaining strict privacy controls.

We believe that these technologies work together to create a secure, efficient, and privacy-preserving AI assistant. We begin by examining the system's core architecture, then explore each major component in detail, and finally discuss performance characteristics and future directions.

SYSTEM ARCHITECTURE

2.1 Architectural Overview

Lucia's architecture represents a fundamental departure from traditional centralized AI systems. Instead of consolidating data and processing in a single location, Lucia distributes both across a network of secure nodes while maintaining strict privacy guarantees. This distributed approach provides several key advantages:

First, it eliminates single points of failure that could compromise user privacy. By distributing data and processing across multiple nodes, the system ensures that no single breach can expose significant amounts of sensitive information.

Second, it enables sophisticated privacy-preserving computation through technologies like MPC and TEEs. These technologies allow AI processing to occur without ever exposing the underlying data in an unprotected form.

Third, it provides natural scalability as additional nodes can be added to the network to handle increased processing requirements while maintaining security guarantees.

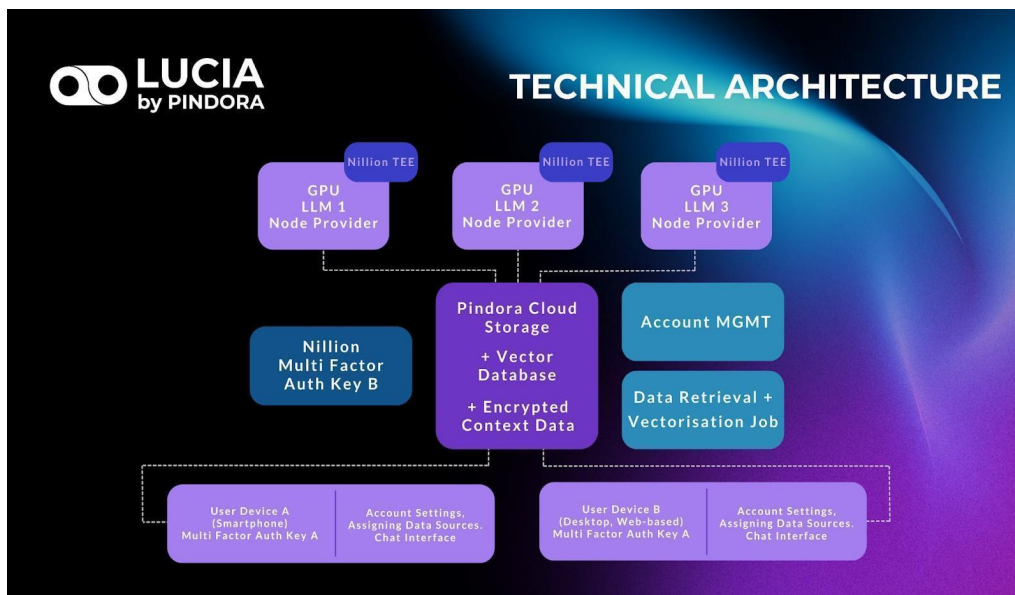


Figure 1: Architecture Overview

2.2 Core Components

At the core of Lucia's privacy-preserving capabilities lies Nillion's Blind Compute Network (NBC), which offers novel cryptographic primitives that fundamentally reimagines secure computation and authentication. NBC enables unprecedented, quantum-proof security in distributed computing environments while maintaining strict privacy guarantees. Pindora is a member of the first cohort of the Nillion Nucleus Builders Program.

Lucia's architecture consists of several key components that work together to provide secure, efficient AI capabilities:

- **User Interface via Smartphone App / Web Application**

- **Secure Decentralized Multi-factor Authentication**
- **Retrieval Augmented Generation**
- **Decentralized Cloud Storage Infrastructure**
- **Privacy-Preserving GPU Inference**

2.2.1 User Interface

The primary component of the user interface is the Lucia AI App, which will be accessible as a mobile application for both Android and iOS platforms, as well as a native web-based interface for desktop users. Upon account creation, users have the capability to integrate various data sources, including local files and messenger accounts.

2.2.2 Authentication and Access Control

A comprehensive security framework ensures that only authorized entities can access specific data and capabilities. This includes decentralized multi-factor authentication and fine-grained permission management through Nillion's Blind Compute Network (NBC)

This foundation enables privacy-preserving processing through Nillion's Multi Party Computation (MPC). Nillion fragments sensitive data and distributes processing across multiple nodes while ensuring that no single node can access complete information. The operational framework of MPC represents a fundamental advancement in privacy-preserving computation. At its core, Nillion's blind compute network employs sophisticated mathematical principles to enable computation on fragmented data while maintaining strong security guarantees.

2.2.3 Privacy-Preserving RAG System

This layer enables AI capabilities to be enhanced with external knowledge from various information channels (e.g. local files, emails, messages, social accounts, etc.) while maintaining strict privacy controls. It implements sophisticated retrieval and generation mechanisms that operate on private data.

2.2.4 Decentralized Cloud Vector Database Infrastructure

A sophisticated distributed database system enables efficient storage and retrieval of vector representations while maintaining privacy guarantees. This component implements advanced indexing techniques optimized for high-dimensional data.

2.2.5 Trusted Execution Environment for Inference

Lucia leverages state-of-the-art GPU-based Trusted Execution Environments (TEEs) to ensure secure AI model inference while maintaining high performance. The local TEE integration for the GPU node environment is realised with Nillion's PET orchestration layer.

INFINITE MEMORY ARCHITECTURE

3.1 The Memory Challenge in AI Systems

Traditional large language models face a fundamental limitation that restricts their ability to maintain long-term context: they operate within fixed context windows that determine how much information they can process at once. This limitation arises from both architectural constraints and computational requirements. When these models process conversations or documents, they can only "see" a certain amount of text at a time, typically ranging from a few thousand to a few hundred thousand tokens. Everything beyond this window becomes inaccessible, leading to what we might call "artificial amnesia."

This limitation creates several significant challenges. First, models struggle to maintain consistency in long conversations because they cannot reference earlier interactions that fall outside their context window. Second, they cannot build upon accumulated knowledge from previous conversations, forcing users to repeatedly provide the same context. Third, they cannot develop genuine long-term relationships with users, as each interaction essentially starts fresh once previous context falls outside the window.

3.2 Lucia's Infinite Memory Solution

Lucia implements a revolutionary approach to memory that transcends these limitations through a sophisticated combination of vector database technology and privacy-preserving computation. Instead of relying solely on a fixed context window, Lucia maintains a continuous, privacy-protected memory that spans the entire history of interactions with each user.

3.3 Architectural Implementation

The infinite memory architecture consists of several sophisticated components working in concert:

Secure vector storage implements a privacy-preserving system for maintaining conversation history:

- Chat conversations are fed back into the vector database via a dedicated RAG pipeline
- The vector database is fully encrypted via MFA and requires the local user key + the key stored on the Nillion network to access the personal data repository
- Sophisticated indexing enables rapid retrieval of relevant information

RAG memory embedding system transforms conversations into rich semantic representations:

- Advanced embedding models capture nuanced meaning and context
- Temporal relationships are preserved through sophisticated timestamping
- Cross-reference mechanisms maintain links between related conversations
- Hierarchical organization enables efficient navigation of memory space

Context Management implements intelligent memory access:

- Dynamic context selection based on query relevance
- Automatic prioritization of important information
- Efficient handling of redundant or outdated information
- Privacy-preserving memory consolidation

3.4 Persistent Context Understanding

The system maintains deep understanding across extended timeframes:

Historical Context Integration enables:

- Recognition of recurring themes and topics
- Understanding of evolving user preferences
- Maintenance of consistent interaction patterns
- Long-term goal tracking and progress monitoring

Relationship Memory maintains:

- User interaction history and preferences
- Communication style adaptations
- Shared knowledge and references
- Trust building through consistent engagement

3.5 Knowledge Accumulation

Lucia's infinite memory architecture implements mechanisms for building and maintaining a user-focused knowledge base:

Progressive Learning enables:

- Accumulation of user-specific information
- Development of specialized domain knowledge
- Recognition of evolving patterns and preferences
- Adaptive response refinement

Information Synthesis maintains:

- Cross-conversation knowledge integration
- Contradiction detection and resolution
- Updates to outdated information
- Context-aware information presentation

3.6 Use-Cases for Long-Term Assistance

Lucia's extended memory capabilities provide sophisticated long-term support:

Project Management:

- Maintaining project context over extended periods
- Tracking progress against long-term goals
- Preserving decision rationales and historical context
- Ensuring consistency in long-running projects

Knowledge Work:

- Building comprehensive domain expertise
- Maintaining research context and progress
- Supporting iterative development processes
- Enabling sophisticated knowledge synthesis

3.7 Use-Cases for Relationship Development

Lucia can build and maintain meaningful long-term relationships:

Personal Assistance:

- Remembering personal preferences and history
- Maintaining conversation context over time
- Supporting goal progress and personal development
- Providing consistent, personalized interaction
- Virtual friendship and support for everyday problems
- Motivational coaching and personal trainer
- Tutoring to learn new skills

Professional Support:

- Maintaining business context and relationships
- Supporting long-term professional development
- Enabling sophisticated collaboration
- Preserving organizational knowledge
- Business strategy development
- Autonomous research assistant

3.8 Future Implications

Lucia's infinite memory architecture opens several exciting possibilities for future development:

Advanced Learning enables:

- Continuous knowledge accumulation
- Adaptive behavior refinement
- Sophisticated pattern recognition
- Enhanced predictive capabilities

Enhanced Interaction allows:

- Deep relationship building
- Sophisticated context awareness
- Advanced personalization
- Improved understanding over time

These capabilities fundamentally transform how AI systems can interact with users, enabling truly long-term relationships and sophisticated support that was previously impossible with traditional LLM architectures.

RETRIEVAL-AUGMENTED GENERATION ARCHITECTURE

4.1 Evolution of RAG Systems

The development of Retrieval-Augmented Generation (RAG) represents a fundamental advancement in how AI systems access and utilize knowledge. Traditional language models, while powerful, often struggle with limitations in their pre-trained knowledge. These limitations become particularly apparent when dealing with domain-specific information, personal data or recent developments not included in their training data.

The evolution of RAG systems has progressed through several distinct paradigms, each addressing specific challenges and limitations of its predecessors. Understanding this evolution provides crucial context for Lucia's implementation choices.

4.2 Naive RAG Implementation

The initial RAG implementations followed a straightforward approach that, while groundbreaking, had several limitations. In these systems, the process flow moves linearly from query to response:

First, the system indexes documents by converting them into vector representations through an embedding model. When a user submits a query, the system transforms it into a similar vector representation and retrieves relevant documents based on similarity measurements. These documents, combined with the original query, form a prompt for the language model to generate a response.

While this approach improved upon basic language models, it faced several challenges. The retrieval process often struggled with precision, sometimes selecting misaligned or irrelevant information. The generation phase could produce hallucinations when the retrieved context wasn't perfectly aligned with the query. Additionally, the system sometimes struggled with redundancy in retrieved information.

4.3 Advanced RAG Architecture

To address the limitations of naive implementations, advanced RAG systems introduced sophisticated pre- and post-retrieval optimizations. These systems implement multiple strategies to enhance retrieval quality and response generation.

In the pre-retrieval phase, the system optimizes both the indexing structure and the original query. Indexing optimization focuses on enhancing content quality through strategies like improved data granularity and metadata enrichment. Query optimization employs techniques such as query rewriting and expansion to improve retrieval accuracy.

Post-retrieval processing introduces additional refinements. The system reranks retrieved chunks to prioritize the most relevant information and implements context compression to manage information density effectively. These enhancements significantly improve the quality and relevance of the generated responses.

4.4 Modular RAG Framework

The most sophisticated RAG implementation, which Lucia adopts, employs a modular architecture that dramatically improves flexibility and capability. This approach introduces specialized modules that can be combined and reconfigured to handle different types of queries and data sources optimally.

The modular framework includes several key components:

Search Module: This component adapts to specific scenarios, enabling direct searches across various data sources including search engines, databases, and knowledge graphs. It can generate and execute specialized queries in multiple query languages.

Memory Module: By leveraging the language model's memory capabilities, this module creates an unbounded memory pool that helps align text more closely with data distribution through iterative self-enhancement. It maintains context across interactions and improves response coherence.

Routing Module: This component intelligently directs queries through the most appropriate processing pathway, whether that involves summarization, specific database searches, or the integration of multiple information streams.

Task Adapter Module: Specialized components adapt the system's behavior for various downstream tasks, automating prompt retrieval for zero-shot inputs and creating task-specific retrievers through few-shot query generation.

4.5 Implementation Patterns

Lucia implements several sophisticated patterns within its modular RAG framework to optimize performance for different types of queries and data sources.

4.5.1 Rewrite-Retrieve-Read Pattern

This pattern enhances query processing through a three-stage approach:

First, the system employs the language model to refine and optimize the initial query, improving its ability to retrieve relevant information. The refined query then drives the retrieval process, which selects appropriate documents from the knowledge base. Finally, the system processes the retrieved information along with the original query to generate a response.

This pattern incorporates a feedback mechanism where the language model's understanding of the retrieved content influences future query refinements, creating a self-improving cycle.

4.5.2 Generate-Read Pattern

In scenarios where direct retrieval might not yield optimal results, the system employs a generate-read pattern. This approach first uses the language model to generate hypothetical responses or context, which then guide the retrieval process. This method proves particularly effective when dealing with complex or abstract queries where direct keyword matching might fail.

4.5.3 Iterative Retrieval Pattern

Complex queries often benefit from an iterative approach where the system performs multiple rounds of retrieval and refinement. Each iteration builds upon the context and understanding developed in previous rounds, gradually constructing a more complete and accurate response.

The system implements sophisticated stopping criteria to determine when sufficient context has been gathered, balancing comprehensiveness with efficiency.

4.6 Advanced Features

4.6.1 Cross-Modal Processing

Lucia extends traditional RAG capabilities to handle multiple modalities of information. The system can process and integrate:

Text Data: Handles various formats including documents, conversations, and structured text from various sources.

Image Data: Processes visual information through specialized embedding models and integration techniques.

Audio Data: Converts speech to text and integrates it with other modalities for comprehensive understanding.

4.7 Retrieval Optimization

The RAG system implements several advanced retrieval optimization techniques:

Query Expansion: Automatically generates multiple variations of queries to capture different aspects of the information needed.

Hybrid Search: Combines semantic, keyword, and vector-based search methods for optimal retrieval.

Dynamic Reranking: Adjusts result ordering based on context and user interaction patterns.

4.8 Response Generation

Response generation incorporates sophisticated mechanisms for ensuring quality and relevance:

Source Attribution: Maintains clear links between generated content and source materials.

Confidence Scoring: Evaluates the reliability of generated responses based on retrieval quality and model confidence.

Style Adaptation: Adjusts response format and style based on user preferences and query context.

4.9 Performance Optimization

The RAG system implements several strategies to optimize performance:

4.9.1 Caching Mechanisms

Intelligent caching of both retrieved documents and generated responses reduces latency for similar queries. The system implements:

Vector Caching: Stores frequently accessed embeddings for rapid retrieval.

Response Caching: Maintains a cache of generated responses for common queries.

Context Caching: Preserves relevant context across related queries in a session.

4.10 Parallel Processing

The system leverages parallel processing capabilities:

Concurrent Retrieval: Executes multiple retrieval operations simultaneously across different data sources.

Parallel Query Processing: Processes multiple query variations concurrently for improved response time.

4.11 Resource Management

Sophisticated resource management ensures optimal performance under varying loads:

Dynamic Allocation: Adjusts computational resources based on query complexity and system load.

Load Balancing: Distributes processing across available resources for optimal throughput.

Priority Scheduling: Manages query processing based on importance and urgency.

VECTOR DATABASE ARCHITECTURE AND IMPLEMENTATION

5.1 Introduction

The emergence of artificial intelligence has fundamentally transformed how we think about information storage and retrieval. Traditional database systems, designed for exact matching and structured queries, prove insufficient for modern AI applications that require semantic understanding and similarity-based retrieval. This limitation has given rise to vector databases, which represent a paradigm shift in database architecture.

5.2 Vector Generation Layer

The foundation of any vector database system lies in its ability to generate meaningful vector representations. Relevant are several crucial components:

5.2.1 Sliding Window Processing

Lucia's vector generation implements an overlapping window approach to maintain contextual continuity. This technique preserves semantic relationships across document boundaries by ensuring that each segment maintains awareness of its surrounding context. For instance, when processing technical documentation, each section's embedding reflects both its specific content and its relationship to adjacent sections.

5.2.2 Hierarchical Embedding

The system generates embeddings at multiple granularities, creating a rich representational hierarchy. This approach enables:

- Sentence-level embeddings for fine-grained similarity matching
- Paragraph-level embeddings for intermediate context
- Document-level embeddings for broad topical relationships

5.3 Security Implementation

5.3.1 Data Isolation and Compartmentalization

Lucia's vector database implements strict data isolation through several mechanisms:

- Secure key management infrastructure based on Nillion's MPC network protects encryption keys with Multi Factor Authentication (MFA)
- Separate encryption keys for different data categories
- Isolated processing environments for sensitive operations
- Granular access controls at the vector level

5.3.2 Secure Multi-Tenant Architecture

The architecture supports multiple users while maintaining data separation through:

- Tenant-specific encryption keys
- Isolated index partitions
- Separate processing queues for different tenants

5.4 Graph-Based Indexing

Our implementation enhances the Hierarchical Navigable Small World (HNSW) algorithm through several innovative modifications:

5.4.1 Dynamic Graph Optimization

The system continuously refines the graph structure based on:

- Observed query patterns
- Emerging similarity relationships
- Access frequency distributions

5.4.2 Multi-Layer Navigation

The index maintains multiple interconnected layers that enable efficient similarity search:

- Upper layers provide broad similarity relationships
- Lower layers enable precise matching
- Layer transitions optimize search paths dynamically

5.5 Privacy-Preserving Search Implementation

The system implements several sophisticated mechanisms to ensure privacy during similarity search:

5.5.1 Encrypted Query Processing

All search operations occur within secure enclaves, ensuring:

- Query vectors remain encrypted throughout processing
- Intermediate results maintain encryption
- Result decryption occurs only within authorized contexts

5.6 Performance Optimization

The system implements a multi-level caching strategy:

5.6.1 Vector Cache

A sophisticated caching system maintains:

- Frequently accessed vectors in secure memory
- Partial index structures for common search patterns
- Encrypted result sets for repeated queries

DATA SOVEREIGNTY AND PLATFORM INDEPENDENCE

The landscape of AI agents reveals a concerning trend where major providers implement what we might call "memory handcuffs" – strategies that make it difficult or impossible for users to transfer their conversation history and accumulated knowledge to different platforms. This approach to user lock-in creates several significant problems that affect both individuals and organizations.

6.1 The Lock-in Problem in Current AI Platforms

Traditional AI platforms typically implement closed ecosystems where user data and conversation history become effectively trapped within their ecosystems. Consider how this works in practice: When a user engages with these platforms over time, they build up a valuable history of interactions, preferences, and specialized knowledge. This history becomes a form of cognitive capital – representing hours of training the AI to understand specific needs, preferences, and context.

However, these platforms typically store this valuable history in proprietary formats and closed systems. If a user wants to switch to a different AI provider, perhaps one that offers better privacy guarantees or more sophisticated capabilities, they face a difficult choice: either abandon their entire conversation history and start fresh, or remain locked into their current platform regardless of its limitations.

This creates several problems:

First, it artificially restricts user choice by making the cost of switching platforms prohibitively high in terms of lost context and training time. A user who has spent months or years building up context with one AI assistant effectively becomes tethered to that platform, even if better alternatives emerge.

Second, it creates concerning privacy implications as users have limited control over how their conversation history is stored, used, or potentially monetized by the platform provider. The provider maintains complete control over this valuable personal or organizational data.

Third, it stifles innovation in the AI assistant market by creating artificial barriers to competition. New platforms face significant challenges in attracting users, not because their technology is inferior, but because users are effectively locked into existing platforms through their accumulated conversation history.

6.2 Lucia's Approach to Data Sovereignty

Lucia fundamentally reimagines this relationship between users and their AI interaction history through what we call "portable memory architecture." This approach ensures that users maintain complete ownership and control over their conversation history and accumulated knowledge.

The implementation of user-controlled private knowledge bases with flexible LLM integration represents a significant step toward more democratic and user-centric AI systems.

Lucia's approach to data ownership creates several significant advantages:

User Empowerment:

- Complete control over conversation history
- Freedom to choose and switch platforms and AI Models
- Privacy-preserving data management
- Genuine ownership of accumulated knowledge

Technical Advantages:

- Platform-independent secure data storage
- Flexible integration capabilities
- Enhanced privacy protection
- Improved data security

Market Benefits:

- Increased competition in AI services
- Reduced barriers to innovation
- Better alignment of provider incentives
- Enhanced user choice

These capabilities fundamentally transform the relationship between users and AI platforms, enabling genuine choice while preserving the value of accumulated interaction history. By ensuring users maintain ownership of their data, Lucia creates a more equitable and innovative ecosystem for AI assistance in future.

6.3 Private Communication Access

The integration of private communication channels represents a significant evolution in personal AI assistance. Unlike traditional AI systems that operate on limited, specifically provided data, Lucia can access, process, and derive insights from users' entire communication history across various platforms. This capability introduces new possibilities for personal assistance while raising important considerations about privacy, security, and user autonomy.

Personal AI agents with access to private communications develop a sophisticated understanding of user context through:

6.3.1 Communication Pattern Analysis

Lucia builds comprehensive models of how users communicate across different channels and with different individuals:

- Individual communication styles with different contacts
- Topic-specific vocabulary and jargon
- Temporal patterns in communication frequency
- Priority levels for different types of messages

6.3.2 Relationship Mapping

By analyzing communication patterns, Lucia constructs detailed relationship maps that include:

- Professional hierarchies and reporting structures
- Personal relationship dynamics
- Communication preferences for different relationships
- Historical context for each relationship

6.3.3 Topic Threading

Lucia maintains continuous understanding of ongoing conversations and projects by:

- Tracking discussion threads across multiple channels
- Linking related conversations from different time periods
- Identifying recurring themes and topics
- Maintaining context across communication breaks

6.4 Data Connectivity and API Framework

The system implements a flexible data connectivity architecture that facilitates seamless integration with diverse information sources through standardized application programming interfaces (APIs). This architecture enables bidirectional data flow between the core application and various external platforms, including email service providers, local filesystem resources, instant messaging protocols, and social media platforms. The connectivity layer abstracts the underlying complexity of different data sources through a unified interface, allowing for consistent data handling regardless of the source platform.

6.4.1 Cross Platform Integration

The implementation supports both pull and push mechanisms for data synchronization, with configurable polling intervals for services that don't provide native push notifications. For email integration, the system implements standard protocols including IMAP, POP3, and SMTP, while maintaining separate authentication contexts for each connected account. Local filesystem integration is achieved through a secure file system monitoring service that maintains real-time synchronization with designated directory structures.

For messaging platforms such as Telegram and Discord, the system leverages their respective official APIs, implementing websocket connections for real-time message handling and OAuth 2.0 for secure authentication. Social media integration, exemplified by the Twitter (X) platform connection, utilizes REST APIs with rate limiting consideration and proper pagination handling for historical data retrieval.

6.4.2 Extensible API Framework

The system's architecture has been designed with future extensibility as a primary consideration. The connectivity layer implements a plugin-based architecture that allows for the dynamic integration of new data sources without requiring modifications to the core system. This extensibility is achieved through several key components:

Abstract Interface Layer

The system defines a set of abstract interfaces that new data source integrations must implement:

1. **Data Source Interface:** Defines standard methods for data retrieval, creation, modification, and deletion operations.
2. **Authentication Interface:** Provides a standardized approach to handling various authentication mechanisms.
3. **Event Handler Interface:** Enables uniform handling of real-time updates and notifications.
4. **Error Handler Interface:** Standardizes error reporting and recovery procedures across different integrations.

Generic REST API Framework

To facilitate third-party integration development, the system includes a comprehensive REST API framework that provides:

1. Standardized Endpoint Structure

- 0 Resource-oriented URL patterns
- Consistent query parameter handling
- Uniform response formatting
- Standardized error reporting

2. Authentication Mechanisms

- 0 OAuth 2.0 integration
- API key management
- JWT token handling
- Rate limiting controls

3. Data Transform Layer

- 0 Protocol buffers support
- JSON schema validation
- Binary data handling
- Stream processing capabilities

The implemented architecture provides a robust foundation for current integrations while ensuring straightforward extensibility for future data sources. The planned generic REST API framework and developer tools will further enhance the system's capability to incorporate new data sources through standardized interfaces and comprehensive development support.

PRIVACY-PRESERVING INFERENCE

The proliferation of large language models (LLMs) has introduced significant privacy concerns regarding the handling of user interactions. Contemporary AI systems typically store user queries and conversations, potentially incorporating them into future training datasets. This practice raises substantial privacy concerns, particularly for applications involving sensitive information in domains such as healthcare, finance, or proprietary business communications. While recent advances in AI capabilities have enabled sophisticated natural language interactions, the underlying architectures frequently prioritize model improvement over user privacy.

Lucia introduces a novel architecture for privacy-preserving inference that leverages a network of independent GPU nodes operating under strict security guarantees. We demonstrate that through careful implementation of Trusted Execution Environments (TEEs) and sophisticated attestation protocols, it is possible to provide strong privacy guarantees while maintaining high performance characteristics.

7.1 Introduction to Trusted Execution Environments on modern GPUs

At the heart of Lucia's privacy guarantees lies the implementation of Trusted Execution Environments (TEEs) on modern GPUs. To understand why this is revolutionary, we need to examine how TEE technology works and why it provides such strong privacy guarantees.

A TEE creates what we might think of as a secure vault within the GPU itself. When code runs inside this vault:

- The surrounding system cannot inspect or modify the running code
- The data being processed remains encrypted and protected
- Even the GPU's owner cannot access the raw information
- The integrity of the computation is cryptographically verified

Recent research on NVIDIA H100 GPUs has demonstrated that TEE implementations can provide these security guarantees with minimal performance impact. Empirical studies show performance overhead of less than 7% for most operations, with larger models experiencing nearly zero overhead. This means we can achieve robust privacy protection without sacrificing the responsiveness users expect from AI systems.

7.2 GPU Node Infrastructure

Our architecture implements a decentralized network of GPU nodes, each operating as an independent inference provider while maintaining strict privacy guarantees through hardware-backed TEE security mechanisms. This TEE implementation was realized in collaboration with Nillion. The operation of nodes is permissionless and accessible to anyone who can meet the system requirements, bandwidth specs and has staked the required amount of \$LUCIA token.

7.3 Node Security Implementation

Each node in the network implements several critical security components:

1. Hardware-backed TEE utilizing the capabilities of modern GPU architectures
2. Sophisticated attestation protocols for continuous security verification
3. Secure boot chain ensuring system integrity
4. Runtime monitoring for security policy enforcement

The TEE implementation provides several security guarantees:

- Memory encryption for all processing data
- Execution isolation from host system
- Verified code execution
- Protected data pathways

7.4 Attestation Protocol

We implement a multi-stage attestation protocol that provides continuous verification of node security properties. The protocol operates through several distinct phases:

Initial Attestation:

- Hardware identity verification
- Security feature validation
- Configuration verification
- Code integrity checking

Continuous Monitoring:

- Real-time integrity validation
- Security policy enforcement
- Anomaly detection
- Performance verification

7.5 Secure Data Flow

The protocol implements several stages of data protection:

1. Input Processing:
 - 0 Immediate encryption using ephemeral keys
 - Secure transmission to TEE
 - Verified memory allocation
2. Model Execution:
 - 0 Protected parameter loading
 - Secure computation within TEE
 - Protected intermediate states
3. Response Generation:
 - 0 Secure assembly of output
 - Verified delivery
 - Complete memory clearing

7.6 Performance Analysis

Recent work by Zhu et al. [1] from Phala Network has demonstrated the feasibility of large model TEE implementation on modern GPUs. Their benchmark results indicate minimal performance impact from the security mechanisms:

Model Size	Overhead (%)	Latency Impact (ms)
7B	6.85	0.42
13B	4.58	0.31

70B	0.13	0.08
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Table 1: TEE Performance Benchmark
 [1] Confidential Computing on nVIDIA H100 GPU: A Performance Benchmark Study. September 16, 2024

7.7 Conclusion

The results demonstrate the feasibility of large-scale inference to preserve privacy while maintaining high performance characteristics. However, it is important to note that not every GPU hardware platform supports the same TEE features. For this reason, only NVIDIA enterprise-class GPUs will initially be used until other manufacturers offer compatible solutions.

Future work will focus on:

- Enhanced attestation protocols for improved security guarantees
- Reduced performance overhead through optimized TEE implementations
- Extended support for diverse GPU architectures
- Improved scalability of the node network

These advancements will further strengthen the privacy guarantees while maintaining or improving system performance.

DUAL-KEY AUTHENTICATION WITH DISTRIBUTED MPC

Lucia's backend infrastructure utilizes dual-key authentication systems based on Nillion's Multi-Party Computation (MPC) network. The implementation combines locally-stored keys with distributed MPC network keys. Particular attention is given to threshold signature schemes where one share is maintained locally, offering a balance between security and user sovereignty.

Authentication systems have evolved significantly from simple password-based approaches to sophisticated cryptographic solutions. This chapter explores a novel authentication paradigm that combines the security benefits of distributed systems with the practicality of local key management. The proposed dual-key authentication system leverages MPC networks to enhance security while maintaining user control over authentication processes.

8.1 Non-Interactive MPC Networks

Recent developments in MPC technology, particularly the Nillion Network architecture, have introduced transformative approaches to distributed computation and secure data storage. This architecture implements Non-Interactive Proofs (NIPs) within its MPC framework, enabling parallel processing and minimizing communication overhead between parties. The key innovations include:

1. **Parallel Processing:** Unlike traditional MPC systems that require synchronous operation, the NIL Network enables parallel computation across network nodes, significantly improving scalability and performance.
2. **Non-Interactive Operations:** The system performs computations without requiring constant communication between parties, reducing network overhead and improving response times crucial for authentication workflows.
3. **Secure Enclaves:** Data processing occurs within secure computational environments while maintaining the distributed nature of the system.
4. **Optimal Online Phase:** By minimizing the communication rounds during user presence, the system achieves optimal latency for authentication operations.

These advancements enable more efficient implementation of dual-key authentication systems by reducing computational overhead and improving scalability. The combination of local key sovereignty with distributed network computation provides robust security while maintaining practical usability.

8.2 Key Component Distribution

The authentication layer is built upon three primary components:

1. **Local Key Component (LKC):** A cryptographic key stored within the user's trusted personal device. This component ensures user sovereignty over the authentication process and prevents unauthorized access even if the MPC network is compromised.
2. **Network Key Component (NKC):** A distributed key shared across multiple independent parties within the MPC network. This component is managed through secure MPC protocols, ensuring that no single party can reconstruct the key independently.

3. Trust Assumptions:

- Local user device maintains key confidentiality
- MPC network maintains honest majority
- Communication channels are authenticated and encrypted

8.3 Authentication Flow

The authentication process requires the coordinated use of both key components:

1. Initial Authentication Request

- User initiates authentication with their local key component
- System generates a challenge requiring both key components

2. Dual Signature Generation

- Local device signs with LKC
- MPC network performs distributed signing with NKC

3. Verification

- System combines signatures from both components
- Authentication succeeds only if both signatures are valid

ECOSYSTEM DECENTRALIZATION

9.1 Progressive Decentralization Framework

A fundamental objective of Lucia's design lies in liberating users from the constraints and value capture imposed by centralized platforms while restoring individual data sovereignty. This principle necessitates establishing a robust framework for comprehensive decentralization, thereby preventing Pindora or any other stakeholders from assuming gatekeeper positions within the ecosystem. The ethical underpinning of this approach manifests in our commitment to systematically decentralizing all components of the ecosystem, effectively precluding Pindora from exercising unilateral control over any aspect of the application architecture.

The implementation of this decentralized architecture not only enhances system resilience but also embodies the principles of digital autonomy and user empowerment that form the foundation of next-generation distributed systems. Through this carefully considered approach, we establish a framework that inherently resists the concentration of control and promotes the democratization of digital infrastructure.

This process begins with a semi-centralized architecture that maintains reliability during initial deployment, followed by systematic decentralization of key components:

The decentralization process operates across three primary vectors:

1. Computational Infrastructure Decentralization

- 0 Initial deployment utilizes a controlled set of verified GPU nodes
- Progressive expansion to include community-operated nodes that meet strict security and performance requirements
- Implementation of reputation systems to evaluate node reliability and performance
- Development of automated node selection algorithms based on historical performance metrics, utilization and latency parameters
- Economic responsibility through collateral requirements for node operators

2. Governance Mechanism

- 0 Phased implementation of on-chain voting mechanisms
- Gradual transfer of decision-making authority to token stakers
- Implementation of quadratic voting systems to prevent plutocratic control
- Development of proposal review frameworks managed by distributed autonomous organization (DAO)

3. Protocol Development Decentralization

- 0 Open-sourcing of core components with documented contribution guidelines
- Implementation of community-driven development processes
- Creation of technical committees selected by token stakers
- Establishment of grant programs for independent developer contributions

9.2 Blockchain Integration Architecture

The system leverages blockchain technology across multiple layers to ensure transparent and verifiable operations:

Smart Contract Layer

- Implementation of automated governance execution
- Payment of fees for provided computing services
- Node reputation tracking and rewards distribution
- Buyback and burn mechanism
- Automated security deposit management for node operators
- Slashing mechanism to punish malicious actors

9.3 Node Infrastructure

The computational framework utilizes a distributed network of GPU-powered nodes with the following specifications:

- Dynamic load balancing with real-time resource allocation
- Automated scaling protocols for workload management
- Integration with Nillion's TEE framework
- Real-time monitoring and predictive maintenance systems

TOKEN ECONOMICS AND ECOSYSTEM INCENTIVES

10.1 The Role of \$LUCIA Token

The \$LUCIA utility token serves as the foundational element of LUCIA's decentralized ecosystem, carefully designed to align incentives among all participants while enabling sophisticated functionality. Understanding the token's role requires examining how it enables and governs various system capabilities while ensuring sustainable ecosystem growth. The token creates a circular economy where value flows between users, node operators, and the platform itself, fostering a self-sustaining environment that rewards participation and contribution.

10.2 Technical Implementation

The \$LUCIA token implements the ERC20 standard on Pindora's dedicated Avalanche L1 blockchain, providing a robust foundation for diverse functionality optimized specifically for the ecosystem's needs. Pindora has chosen to deploy its own sovereign Layer 1 blockchain built on Avalanche's proven subnet architecture, enabling complete control over network parameters, governance, and user experience while maintaining interoperability with the broader Avalanche ecosystem.

We believe that this strategic technical choice offers several compelling advantages:

First, LUCIA's custom Avalanche L1 delivers sub-second transaction finality with minimal fees, essential for smooth user experience in features like real-time summaries and interactive spaces. The dedicated blockchain architecture ensures that network congestion from external applications cannot impact LUCIA's performance, providing consistent and reliable service to users. The implementation includes sophisticated smart contracts that handle automatic conversion of fiat payment rails to \$LUCIA tokens, making the system accessible to users regardless of their cryptocurrency experience.

Second, operating on a purpose-built L1 allows LUCIA to implement custom tokenomics and fee structures tailored specifically to the platform's use cases. The sovereign architecture enables the deployment of specialized smart contracts that optimize for LUCIA's unique requirements, including advanced staking mechanisms, governance protocols, and reward distribution systems that align with the platform's content creation and curation model.

Third, the sovereign L1 architecture provides LUCIA with complete governance autonomy, allowing for rapid protocol upgrades and feature implementations without dependency on external network governance. This independence ensures that LUCIA can evolve and adapt to user needs while the custom blockchain enables seamless integration with Avalanche's Interchain Messaging (ICM) protocol for cross-chain functionality.

10.3 Strategic Launch Partnership with BlackHole DEX

The \$LUCIA token will launch through BlackHole DEX's innovative Genesis Pool mechanism, leveraging this revolutionary liquidity bootstrapping system to ensure sustainable ecosystem growth from day one. BlackHole DEX, backed by the Avalanche Foundation and co-founded by prominent crypto figures Elliotrades and Alex Becker, represents the premier liquidity hub for Avalanche's ecosystem and serves as the ideal launch partner for LUCIA's TIE.

Through this strategic partnership, LUCIA will deposit native \$LUCIA tokens into BlackHole's smart contract vault while community participants supply paired assets such as AVAX or USDC to complete the

Genesis Liquidity Pool. Upon Genesis Pool completion, the combined tokens from both LUCIA and community contributors will automatically form optimized liquidity pools on BlackHole DEX, with LP tokens being auto-staked for yield generation and distributed proportionally among all participants.

This mechanism creates a self-sustaining liquidity foundation that eliminates cold-start problems while implementing BlackHole's advanced automated market maker (AMM) principles to maintain efficient token circulation and price discovery. The Genesis Pool launch approach fosters deep community engagement from the TIE, aligning incentives between LUCIA, BlackHole's ecosystem, and early adopters.

The partnership with BlackHole DEX provides several strategic advantages: access to Avalanche's premier trading infrastructure, integration with BlackHole's innovative ve(3,3) tokenomics model, and exposure to a community focused on gaming and AI sectors that align with LUCIA's target market. This collaborative liquidity model ensures stable token value and smooth trading experiences through BlackHole's proven community-driven ecosystem building, creating a more equitable and sustainable foundation for the LUCIA ecosystem's long-term growth.

10.4 Subscription Model

The subscription system implements tiered access control that verifies token holdings or ongoing subscription payments. This creates three distinct service levels:

Basic Tier provides entry-level access with core functionality, requiring no subscription. This tier allows users to experience Lucia's fundamental capabilities while maintaining a low barrier to entry.

Pro Tier unlocks enhanced capabilities through subscription payments. This tier includes advanced features like connection of personal accounts and LLM selection and priority for inference access.

10.5 Premium Feature Access

The LUCIA token also serves as the gateway to an advanced suite of premium capabilities, available through temporary subscription upgrades. This tokenized access mechanism ensures that users can unlock sophisticated features while participating in the platform's economy.

Advanced AI Model Access

Users can access unrestricted AI models that operate with enhanced parameters and reduced constraints, enabling more natural and comprehensive interactions. These models facilitate deeper, more nuanced conversations by operating beyond traditional AI limitations without traditional safeguards.

Specialized AI Agent Deployment

Users gain access to a diverse ecosystem of specialized AI agents, each equipped with domain-specific expertise. These multi-model agents can be dynamically activated based on specific use cases, allowing users to leverage targeted capabilities for particular tasks or industries. The system intelligently coordinates these agents to provide comprehensive solutions while maintaining seamless integration.

Avatar Personalization Framework

The platform provides extensive customization options for virtual avatars, allowing users to craft unique digital representations. This includes fine-tuning visual attributes, voice characteristics, and behavioral

patterns. Users can create avatars that align with their preferences or specific use cases, enhancing the immersive nature of interactions.

This premium feature set, accessible through \$LUCIA tokens, creates a comprehensive enhancement layer that significantly expands the platform's capabilities while maintaining a balanced and sustainable economic model.

10.6 Staking Implementation

The \$LUCIA token implements a sophisticated staking mechanism that aligns participant incentives while enabling decentralized governance and network security. The staking contract supports multiple functionalities through a carefully designed system of rewards and requirements.

10.7 Staking Architecture

The staking system implements several key mechanisms:

Base Staking Protocol:

- Minimum staking period: 14 days
- Variable reward rates based on staking duration
- Dynamic reward pool allocation
- Automated reward distribution

Staking Tiers:

- 1. Basic Staker (no min requirements)**
 - Base reward rate
 - Basic voting rights
 - Standard feature access
- 2. Governance Staker (min. 1,000 USD in \$LUCIA tokens)**
 - Enhanced reward rate
 - Proposal creation rights
 - Advanced feature access
 - Priority voting weight
- 3. Node Operator (min. 10,000 USD in \$LUCIA tokens)**
 - GPU Node participation rights
 - Advanced feature access
 - Node operation privileges

10.8 Node Operator Collateral

The \$LUCIA token plays a crucial role in maintaining network security. Node operators must maintain substantial stake as collateral to participate in the network:

Security Requirements:

- Minimum stake: 10,000 USD in \$LUCIA tokens at Node creation date
- Lock period: 30 days
- Slashing conditions for malicious behavior
- Performance monitoring metrics

Slashing Mechanisms:

1. Inference Violations

- 1% reduction of the staked collateral if node fails to execute an accepted inference request.
This slashing mechanism ensures reliable service delivery and prevents nodes from selectively processing or ignoring user jobs they've committed to handle
- No slashing if node is deactivated or not accepting inference requests

2. Security Violations

- TEE Attestation violation: 100% stake reduction
- Malicious behavior: 100% stake reduction and permanent blacklisting

10.9 Governance System

The governance mechanism enables decentralized decision-making while ensuring system security and stability. Requirements for proposal submission:

- Minimum stake: 1,000 USD in \$LUCIA tokens
- Stake lock during proposal period
- Detailed proposal documentation
- Clear implementation timeline

Proposal Types:

1. Technical Proposals

- Protocol modifications
- Feature additions
- Security updates
- Performance improvements

2. Economic Proposals

- Reward rate adjustments
- Fee structure changes
- Treasury allocations
- Token burns

3. Administrative Proposals

- Governance process updates
- Parameter adjustments
- Role definitions
- Policy changes

10.10 Voting Mechanism

The voting system implements sophisticated weighting and security measures:

Vote Weight Calculation:

$\text{Vote_Weight} = \text{Base_Stake} * \text{Time_Multiplier} * \text{Participation_Factor}$

Where:

- Base_Stake: Number of staked tokens
- Time_Multiplier: Increases with staking duration
- Participation_Factor: Based on historical governance participation

Voting Process:

1. Proposal Review Period (7 days)

- Community discussion
- Technical analysis
- Impact assessment
- Refinement opportunities

2. Voting Period (14 days)

- Active stake voting
- Vote weight calculation
- Real-time tallying
- Result verification

3. Implementation Period

- Technical preparation
- Gradual rollout
- Performance monitoring
- Feedback collection

10.11 Initial Token Distribution

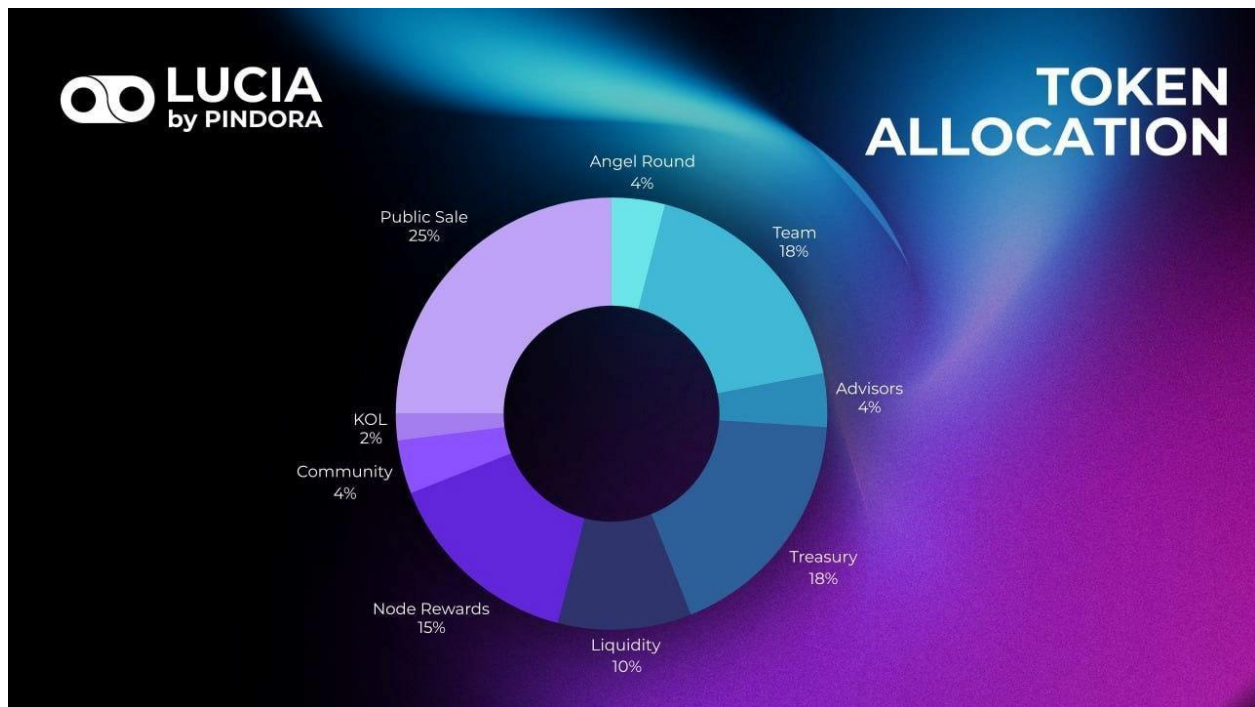


Figure 2: \$LUCIA Token Allocations

Initial supply is fixed at 1 billion tokens, with no future minting capability. This creates a predictable supply framework that prevents inflation while maintaining sufficient liquidity for system operation. Distribution follows a carefully designed allocation strategy that balances immediate utility with long-term growth:

- Community Development: Supporting user adoption and engagement
- Protocol Development: Ensuring continued technical advancement

- Strategic Partnerships: Enabling ecosystem growth
- Liquidity Provision: Maintaining market efficiency
- Node Rewards: Token incentives to bootstrap the initial GPU resources

10.12 Revenue Distribution Model

The service fee structure for premium features implements a carefully designed distribution mechanism that balances stakeholder incentives while ensuring sustainable ecosystem growth.

The distribution framework consists of four primary allocation channels:

Node Provider Compensation (70%)

The majority share of service fees is allocated to GPU node providers, recognizing their essential role in maintaining the network's computational infrastructure. This substantial portion incentivizes continued participation and investment in high-quality computing resources, ensuring the network's capacity to meet growing demand.

Protocol Treasury (10%)

A dedicated portion of all service fees is directed to the protocol treasury, which operates under decentralized governance mechanisms. This allocation serves as a sustainable funding source for ongoing protocol development, ecosystem improvements, and strategic initiatives. The treasury's management through community governance ensures transparent and aligned decision-making for resource allocation.

Staking Pool Contributions (10%)

To promote network security and stakeholder participation, one-tenth of service fees are automatically deposited into the protocol's staking pool. This mechanism enhances network stability while providing additional yield opportunities for token holders who actively participate in the governance process of the network.

Deflationary Mechanics (10%)

The final portion of service fees is systematically allocated to a buy-back-and-burn mechanism. This deflationary approach reduces the total token supply over time, potentially enhancing token value while creating a sustainable economic model. The burning process is executed automatically through smart contracts, ensuring transparency and predictability in supply dynamics.

This distribution model creates a self-reinforcing ecosystem that aligns incentives across all participant categories while maintaining long-term sustainability through carefully balanced economic mechanisms.

IMPLEMENTATION ROADMAP

The development and deployment of Lucia follows a comprehensive, multi-phase approach spanning from 2024 through 2027 and beyond. This systematic implementation strategy ensures robust development, thorough testing, and seamless integration of all system components while maintaining the highest standards of security and performance.

11.1 Phase I: Core Development (Q1-Q4 2024)

The foundational phase established the critical infrastructure necessary for subsequent development. During this period, the team focused on implementing the core AI architecture, integrating essential communication protocols, and establishing a secure cloud processing framework. This phase also encompasses the development of the tokenomics framework for the \$LUCIA utility token, laying the groundwork for the platform's economic model.

11.2 Phase II: Alpha Release and Token Integration (Q3 2025)

The initial public implementation marks a crucial milestone in Lucia's development. This phase introduces the alpha version with core functionality, particularly emphasizing integration with Telegram and Discord protocols and local files upload. The TIE occurs during this period, accompanied by the establishment of comprehensive feedback mechanisms for continuous system optimization.

11.3 Phase III: Security Layer Implementation (Q3-Q4 2025)

Security takes center stage in the third phase, with the deployment of sophisticated encryption standards for both data at rest and in transit. The implementation of a zero-trust architecture, combined with third-party security audits and robust vulnerability management systems, ensures the highest level of data protection and system integrity.

11.4 Phase IV: Computational Infrastructure (Q4 2025-Q1 2026)

The focus shifts to enhancing processing capabilities through the implementation of dynamic load-balancing mechanisms and comprehensive monitoring systems. This phase includes crucial integration with Nillion's Trusted Execution Environment (TEE) framework and the development of automated node scaling protocols, ensuring optimal performance and scalability.

11.5 Phase V: Feature Enhancement (Q1-Q2 2026)

Advanced feature implementation characterizes this phase, including integration of cross-platform unified data synthesis. The implementation of sophisticated sentiment analysis algorithms and enhanced token utility mechanisms further expands the platform's capabilities.

11.6 Phase VI: Marketplace Launch (Q3 2026-Q4 2026)

The final implementation phase introduces a marketplace for third party expert AI agents, advanced analytics frameworks, and expanded token utility features, preparing the platform for mass deployment.

11.7 Phase VII: Ecosystem Expansion (Q1 2027+)

Continuous development focuses on expanding the ecosystem through the release of open source developer SDKs and implementation of additional platform protocols. This phase emphasizes long-term growth and adaptation to emerging technological advances.

FUTURE OUTLOOK OF AUTONOMOUS AGENTS

12.1 The Coming Information Cascade

We stand at the threshold of a fundamental transformation in how information flows through society. The widespread adoption of AI agents across all sectors of the economy will create an unprecedented surge in digital communication that will far exceed human processing capabilities. To understand the magnitude of this shift, consider how current communication patterns will evolve when AI agents become ubiquitous.

Today, a business might receive dozens or hundreds of emails, calls, and messages daily. In the emerging AI-driven landscape, this same business could face thousands or even millions of inquiries from autonomous agents representing various stakeholders, customers, partners, and competitors. These agents will operate continuously, generating requests, proposals, and interactions at a pace that would overwhelm any human team.

For individual consumers, the situation becomes equally challenging. Imagine waking up to hundreds of personalized offers, each generated by sophisticated AI agents that have analyzed your preferences, behaviors, and needs. These agents will be far more capable than current automated systems, able to engage in natural conversation, negotiate terms, and adapt their approach based on your responses. The traditional concept of "spam filters" becomes inadequate when facing AI agents that can craft perfectly personalized, seemingly relevant messages at scale.

12.2 Human Bandwidth Challenge

The fundamental challenge lies in the asymmetry between human and AI communication capabilities. While humans are limited by cognitive constraints and the need for sleep, AI agents can:

1. Process information at speeds millions of times faster than human comprehension
2. Engage in thousands of simultaneous conversations
3. Analyze vast amounts of data in real-time
4. Operate continuously without breaks or downtime

This creates what we might call the "AI communication paradox": as AI agents become more sophisticated at reaching us, they collectively make it impossible for us to meaningfully engage with any of them. The very technology that promises to make communication more efficient threatens to render it overwhelming.

12.3 The Personal AI Guardian

The solution to this communication cascade lies in fighting fire with fire – or more precisely, AI with AI. Every individual and organization will need their own AI agent that serves as an intelligent intermediary between them and the growing ecosystem of autonomous agents. Lucia represents an early implementation of this concept, designed to handle the coming wave of AI-driven communication.

12.4 Core Functions of Personal AI Guardians

These personal AI agents will perform several critical functions:

Information Filtering: The agent must analyze incoming communications across all channels, distinguishing between:

- Truly important messages requiring human attention

- Routine matters that can be handled autonomously
- Sophisticated spam attempting to bypass traditional filters
- Legitimate but low-priority communications

Autonomous Negotiation: Personal AI agents will conduct initial negotiations with other agents, handling:

- Preliminary business discussions
- Service inquiries and quotes
- Schedule coordination
- Basic contract terms

Information Synthesis: Rather than simply filtering information, these agents will:

- Aggregate related communications
- Identify important patterns and trends
- Summarize complex interactions
- Present insights in human-digestible formats

12.5 The New Communication Hierarchy

This evolution will create a new hierarchy of digital communication:

Level 1: AI-to-AI Communication

- High-bandwidth, continuous interaction between autonomous agents
- Sophisticated protocols for negotiation and information exchange
- Real-time adaptation and learning
- Formal verification of intentions and capabilities

Level 2: AI-to-Human Communication

- Filtered, synthesized information delivery
- Contextual summaries and recommendations
- Priority-based attention routing
- Interactive clarification and feedback

Level 3: Human-to-Human Communication

- Enhanced by AI understanding and context
- Supported by autonomous background processes
- Enriched with relevant insights

CONCLUSION: SHAPING THE FUTURE OF HUMAN-AI INTERACTION

As we stand at the threshold of an era defined by ubiquitous AI systems, the need for privacy-preserving, user-centric approaches to artificial intelligence becomes increasingly critical and we introduce Lucia herein as a fundamental solution for how humans and artificial intelligence can interact in a world where privacy and data sovereignty are paramount.

The technical innovations described herein – from our sophisticated vector database implementation to our groundbreaking infinite memory architecture – serve a deeper purpose beyond their immediate functionality. They demonstrate that it is possible to build AI systems that respect user privacy without sacrificing capability or performance. Our implementation of Trusted Execution Environments for GPU computation, combined with our decentralized secure inference network, proves that privacy and powerful AI capabilities are not mutually exclusive.

Perhaps most importantly, Lucia's architecture anticipates and addresses the coming challenges of an AI-saturated world. As we have discussed, the proliferation of AI agents will soon create an information density that exceeds human processing capabilities by orders of magnitude. By implementing sophisticated agent-to-agent communication protocols and privacy-preserving interaction frameworks, Lucia provides a glimpse of how humans can maintain agency and control in this emerging landscape.

The decision to implement the \$LUCIA token as a foundational element of our system reflects our commitment to creating a truly decentralized, community-driven ecosystem. By aligning incentives among users, node operators, and developers, we establish a framework for sustainable growth and continuous innovation. The token's utility extends beyond simple transactions, enabling sophisticated governance mechanisms and ensuring that the platform's evolution remains guided by its community.

Looking ahead, we see Lucia as a crucial step toward a future where AI assistants serve as trusted intermediaries, helping users navigate an increasingly complex digital world while maintaining complete control over their data and digital interactions.

Yet perhaps the most significant aspect of Lucia lies not in its technical capabilities, but in what it represents: a proof that we can build AI systems that enhance human capability while respecting human privacy and autonomy. As AI continues to evolve and permeate every aspect of our lives, this balance between capability and privacy will become increasingly crucial.

We invite researchers, developers, and users to join us in this journey. The frameworks and protocols we have described are designed to be extended and enhanced by the community. Through collaborative effort and continued innovation, we can ensure that the future of AI remains aligned with human values and interests, creating systems that augment human capability while preserving human values.

USE OF PROCEEDS

The Company estimates that the maximum net proceeds from this Offering, unless the Offering amount is subsequently amended by the Company in its discretion, and any other contemporaneous Token offerings on Republic (together, the “**Republic Offerings**”) may be approximately \$1,000,000 after deducting estimated offering expenses, less any marketing and legal expenses.

The Company intends to use the proceeds of the Republic Offerings, net of any federal and state income taxes, primarily for: hiring additional developers, marketing, and user acquisition. It is anticipated that the proceeds raised in this Offering will extend our operating runway by 18 months in addition to the existing runway and planned additional capital we are raising.

Accordingly, our management will have broad discretion over the application of the proceeds received from the Republic Offerings and may spend the proceeds from the Offering in ways with which investors may not agree with or that do not yield a favorable return, if at all. We cannot predict whether this allocation invested will yield a favorable return. If management does not invest or apply the proceeds of this Offering in ways that benefit the Tokens, the future value and utility of Purchasers’ Tokens may be adversely affected. Our failure to apply such funds effectively could have a material adverse effect on our business, financial conditions, and results of operations. We cannot specify with certainty all of the particular uses for the net proceeds to be received upon the closing of the Republic Offerings. In addition, the amount and timing of our actual expenditures will depend upon numerous factors. Pending other uses, we may allocate the proceeds to interest-bearing instruments, direct or guaranteed obligations of the U.S. government, crypto assets, or hold as cash.

We cannot guarantee that we will be able to sell any or all of the Tokens in the Republic Offerings. If we do not sell any of the Tokens, we will not obtain any usable proceeds from the Republic Offerings and our ability to continue as a going concern may be called into question.

The Company reserves the right to alter the use of proceeds of the Republic Offerings.

DILUTION

The following table summarizes the differences between the total consideration and the price per token paid by certain existing tokenholders who have purchased or acquired Tokens or rights thereto, prior to the date of this Memorandum and participants participating in this Offering at the price, or deemed price, to the public of \$0.0075 per Token, before deducting estimated expenses in connection to this Offering:

TOKEN METRICS					
		Price	Lockup (months)	Vesting (months)	Fully Diluted Val.
Total Supply	1,000,000,000				
Total Raising	\$1,875,000				
Angel Round	\$200,000	\$0.0050	0	12	\$5,000,000
KOL / Private / Community Round	\$700,000	\$0.0050	0	3	\$5,000,000
Public Sale / Reg D	\$975,000	\$0.0075	0	3	\$7,500,000
TIE Market Cap	\$427,500	\$0.0075			

MANAGEMENT OF THE COMPANY

Name	Age	Position
Lorena Del Carmen Diaz Moreira	66	President and Director
Rebeca Isabel Muñoz Arosemena	31	Treasurer and Director
Pedro Luis Zapata Vega	34	Founder, Secretary and Director
Andreas Pensold	47	Power of Attorney

Board of Directors Composition and Risk Oversight

The Board of Directors of the Company is currently composed of three directors. There are no family relationships among the directors or any of the executive officers.

CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

ODB Offering Engagement

We are currently party to an offering engagement agreement with ODB effective as of July 8, 2025 (the “**Engagement Agreement**”), who has agreed to provide certain offering facilitation services, including executing and delivering evidence of the interests sold in this Offering to each Purchaser and the use of the Republic Platform in exchange for the Company’s indemnification of ODB and the payment of certain fees and commissions and the reimbursement of certain costs and expenses. ODB has made no commitment to purchase all or any part of the securities.

ODB is not purchasing any of Tokens in this Offering and are not required to sell any specific number or dollar amount of securities but will instead arrange and manage this Offering on their fundraising platform, www.republic.com.

ODB has agreed, with respect to the TPAs issued to it as part of its commission, not to: (a) sell, transfer, assign, pledge or hypothecate any securities obtained pursuant to the ODB Engagement Agreement for a period of one hundred eighty (180) days following the date on which this Offering is qualified by the SEC to anyone other than (i) its affiliates or any selected dealer that may participate in the Offering, or (ii) a bona fide officer of ODB or of any such selected dealer, in each case in accordance with FINRA Conduct Rule 5110(e)(1), or (b) cause such Tokens to be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of such TPAs, except as provided for in FINRA Rule 5110(e)(2). On and after one hundred eighty (180) days after the date on which this Offering is qualified by the SEC, transfers to others may be made subject to compliance with or exemptions from applicable securities laws. There are no registration rights offered to ODB.

TOKEN OWNERSHIP

The Role of \$LUCIA Token

The \$LUCIA utility token serves as the foundational element of LUCIA's decentralized ecosystem, carefully designed to align incentives among all participants while enabling sophisticated functionality. Understanding the token's role requires examining how it enables and governs various system capabilities while ensuring sustainable ecosystem growth. The token creates a circular economy where value flows between users, node operators, and the platform itself, fostering a self-sustaining environment that rewards participation and contribution. It is also essential for paying the gas fees on the Lucia L1 and for rewarding the node and infrastructure runners.

Technical Implementation

The \$LUCIA token implements the ERC20 standard on Pindora's dedicated Avalanche L1 blockchain, providing a robust foundation for diverse functionality optimized specifically for the ecosystem's needs. Pindora has chosen to deploy its own sovereign Layer 1 blockchain built on Avalanche's proven subnet architecture, enabling complete control over network parameters, governance, and user experience while maintaining interoperability with the broader Avalanche ecosystem.

This strategic technical choice offers several compelling advantages:

First, LUCIA's custom Avalanche L1 delivers sub-second transaction finality with minimal fees, essential for smooth user experience in features like real-time summaries and interactive spaces. The dedicated blockchain architecture ensures that network congestion from external applications cannot impact LUCIA's performance, providing consistent and reliable service to users. The implementation includes sophisticated smart contracts that handle automatic conversion of fiat payment rails to \$LUCIA tokens, making the system accessible to users regardless of their cryptocurrency experience.

Second, operating on a purpose-built L1 allows LUCIA to implement custom tokenomics and fee structures tailored specifically to the platform's use cases. The sovereign architecture enables the deployment of specialized smart contracts that optimize for LUCIA's unique requirements, including advanced staking mechanisms, governance protocols, and reward distribution systems that align with the platform's content creation and curation model.

Third, the sovereign L1 architecture provides LUCIA with complete governance autonomy, allowing for rapid protocol upgrades and feature implementations without dependency on external network governance. This independence ensures that LUCIA can evolve and adapt to user needs while the custom blockchain enables seamless integration with Avalanche's Interchain Messaging (ICM) protocol for cross-chain functionality.

Token Ownership & Lockup of shareholders with 1% or more of the total supply

Holder	Allocation Pool	Allocation %	Investment USD	Token amount	Pricing ¹	Vesting
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¹These tokens were granted to core contributors and have an extended lockup and vesting period to ensure long term alignment with projects.

Josef Feiertag	Team	4.20%	N/A	42,000,000	N/A	6mo cliff, 24mo linear
TSAM B.V.	Team	4.20%	N/A	42,000,000	N/A	6mo cliff, 24mo linear
Andreas Pensold	Team	4.20%	N/A	42,000,000	N/A	6mo cliff, 24mo linear
Joseph Akhras	Team	3.00%	N/A	30,000,000	N/A	6mo cliff, 24mo linear
Cogitent Ventures Ltd.	Angel Investor	2.00%	\$100,000	20,000,000	\$0.005/LUCIA	5% at TIE 12 mo linear
MH Technologies Limited	Angel Investor	1.50%	\$75,000	15,000,000	\$0.005/LUCIA	5% at TIE 12 mo linear
F7 Foundation	Private Round	1.60%	\$80,000	16,000,000	\$0.005/LUCIA	25% at TIE 3 mo linear
UC LLC	Private Round	1.50%	\$75,000	15,000,000	\$0.005/LUCIA	25% at TIE 3 mo linear
vVv Brands L.L.C-FZ	Private Round	1.05%	\$50,000	10,500,000	\$0.005/LUCIA	25% at TIE 3 mo linear
Nexus Studios DAO LLC	Private Round	1.03%	\$51,254	10,250,800	\$0.005/LUCIA	25% at TIE 3 mo linear
Shoujiki Pte. Ltd.	Private Round	1.00%	\$50,000	10,000,000	\$0.005/LUCIA	25% at TIE 3 mo linear
vVv Brands L.L.C-FZ	Private Round	0.60%	\$30,000	6,000,000	\$0.005/LUCIA	25% at TIE 3 mo linear

SECURITY OWNERSHIP OF THE COMPANY

Lucia AI Foundation, a Panamanian private foundation, is the sole shareholder and owner of the Company.

DESCRIPTION OF THE TOKENS

Ownership of Tokens

We are offering TPAs in this Offering in accordance with the terms outlined under “**Terms of the Offering**” above, which entitles the holders thereof to purchase Tokens at a fulfillment price of \$0.0075 per Token. The TPAs and the Tokens are subject to transfer restrictions as described under “**Terms of the Offering**” above.

	Angel Round	Reg- D Sale	KOL Round	Private Round	Community Sale	Public Sale	Team	Advisors	Treasury	Exchange Liquidity	Node Rewards	Community Rewards	Total
\$LUCIA	40,000,000	50,000,000	20,000,000	80,000,000	40,000,000	80,000,000	180,000,000	40,000,000	180,000,000	100,000,000	150,000,000	40,000,000	1,000,000,000
% of total	4.00%	5.00%	2.00%	8.00%	4.00%	8.00%	18.00%	4.00%	18.00%	10.00%	15.00%	4.00%	100.00%
Price	\$0.005	\$0.0075	\$0.005	\$0.005	\$0.005	\$0.0075	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Amount Raised	\$200,000	\$375,000	\$100,000	\$400,000	\$200,000	\$600,000	N/A	N/A	N/A	N/A	N/A	N/A	\$1,975,000
Valuation (FDV)	\$5,000,000	\$7,500,000	\$5,000,000	\$5,000,000	\$5,000,000	\$7,500,000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lockup (months)	0	12	0	0	0	0	6	6	1	0	6	1	N/A
Vesting (months)	12	3	3	3	3	3	24	24	48	6	54	12	N/A
Available % at TGE	5%	0%	25%	25%	25%	25%	0%	0%	0%	50%	0%	0%	10.7%

TOKEN

Token Utility

Core Network Functions

- **Gas Fees on Lucia L1:** Used to pay for transaction and smart contract execution fees on the Lucia Layer 1 blockchain.
- **Staking for Node Operation:** Required as collateral for running validator and infrastructure nodes within the Lucia network.
- **Incentives for Node and Infrastructure Runners:** Distributed as rewards to validators and infrastructure providers for securing the network, maintaining uptime, and processing data.

Governance & Protocol Control

- **Protocol Governance Participation:** Token holders can propose and vote on network upgrades, parameter changes, and protocol-level decisions.
- **Treasury and Ecosystem Fund Management:** Enables token holders to vote on the allocation of community funds for development grants, partnerships, and incentives.
- **Delegated Voting:** Token holders may delegate their voting power to trusted representatives or decentralized governance bodies.

Ecosystem and Economic Alignment

- **Circular Value Flow:** Facilitates a self-sustaining ecosystem where value flows between users, node operators, data providers, and the platform itself.
- **Participation Rewards:** Users contributing value to the ecosystem—such as compute, training data, or governance—can earn \$LUCIA tokens in return.

Lucia AI Access and Premium Features

- **Access to Lucia AI:** Unlock access to Lucia AI and interact with its core features and tools.
- **Subscription Payments:** Used as the primary currency for purchasing subscription tiers to Lucia AI.
- **Premium Features via Staking:** Staking \$LUCIA unlock discounts, early access, and premium AI capabilities, incentivizing long-term engagement.

Developer and Builder Incentives

- **Developer Grants and Bounties:** Allocated to support DApp development, integrations, and community contributions within the Lucia ecosystem.
- **Fee Discounts for Builders:** Developers may earn reduced gas or service fees through usage of or staking \$LUCIA.
- **Token-Gated Access to Development Tools:** Access to advanced APIs, SDKs, and other development modules may require holding or spending \$LUCIA.

Data and Compute Layer Integration

- **Incentives for Compute Providers** Decentralized compute providers are rewarded in \$LUCIA for sharing CPU/GPU resources with the network.
- **Compensation for Data Contributors:** Data providers can earn tokens when their data is used to fine-tune models or support AI functions.

Security and Reputation Systems

- **Identity and Reputation Staking:** Users and services may stake tokens to prove legitimacy and build trust within the ecosystem.
- **Sybil Resistance and Slashing Mechanisms:** Token-based slashing ensures economic penalties for malicious or dishonest behavior, maintaining system integrity.

Token Supply

The maximum supply of Tokens is 1,000,000,000 tokens. The total supply of Tokens will be allocated as described in “**Plan of Distribution**”. See “**Description of the Tokens**” for additional detail below.

Initial Launch of the Tokens

The Company expects to enter into TPAs on an ongoing basis through the Offering Period. The Company is targeting a Token Integration Event on or before the TIE Date. However, there can be no assurance that the Tokens will be issued as of such date.

Overview of Transfer Restrictions Discussed in this Memorandum

This Memorandum describes the legal and contractual transfer restrictions applicable to the Tokens. Purchasers should carefully review this Memorandum, including the transfer restrictions described under “**Notice to Purchasers**” which contain important information regarding the Tokens. Purchasers should consult with their own legal and financial advisors regarding the transfer restrictions to which they will be bound. The summary below is intended to provide a summary overview of applicable transfer restrictions and are qualified by reference to the transfer restrictions set forth under “**Notice to Purchasers**”.

Limited Token-Related Rights

Tokens will not provide you with any enforceable rights against the Company, or any third-party developer, including any rights to receive payments, any control rights or any claims on assets. Holders of Tokens will not receive a right to any repayment of principal or interest, any interest in the profits or losses of the Company, its affiliates, or any third-party developer. Holders of Tokens may not have any right to vote on any matters relating to the Company, its affiliates, or any third-party developer. Further, we are not aware of any binding obligation on the Company with respect to the Tokens or the holders of Tokens following the delivery of Tokens.

PLAN OF DISTRIBUTION

This Offering of Tokens will be deemed to be fully subscribed once the aggregate purchase amount (of TPAs) meets the Offering Size (see “**Terms of the Offering**”).

Distribution of Tokens

The 1,000,000,000 Tokens, consisting of the initial minted supply of Tokens will be allocated as follows:

TOKEN ALLOCATION (1,000,000,000 \$LUCIA)		
Angel Round	4.00%	40,000,000
Reg-D Sale	5.00%	50,000,000
KOL Round	2.00%	20,000,000
Private Round	8.00%	80,000,000
Public Sale	8.00%	80,000,000
Community Sale	4.00%	40,000,000
Team	18.00%	180,000,000
Advisors	4.00%	40,000,000
Treasury	18.00%	180,000,000
Liquidity	10.00%	100,000,000
Node Rewards	15.00%	150,000,000
Community Rewards	4.00%	40,000,000

Republic Sale (Regulation D). A total number of 50,000,000 Tokens are allocated to investors in the Republic Sale (Regulation D). The Company reserves the right to increase or decrease this allocation, in its sole discretion and without further amendment to this Memorandum, by re-allocating Tokens from the unused allocation. Tokens under this distribution category are subject to delivery restrictions. Purchasers will each enter into a TPA with the Company. At the time of entering into the TPA, the Purchaser will designate a network address where such Purchaser wishes to receive delivery of the Tokens. Tokens in this distribution category will be delivered to an Ethereum compatible wallet address designated by each Purchaser in the TPA in accordance with the applicable lockup period set forth herein.

Republic Sale (Concurrent Offering). The Company may conduct, during or after this Offering, one or more offerings of its securities, including on different terms and conditions, to certain investors satisfying the eligibility requirements of the applicable exemption from the registration requirements of the Securities Act, including, but not limited to, Regulation S (any such offering, a “**Concurrent Offering**”). Investors solicited through this Offering, or with whom the Company had not established a substantive relationship prior to the commencement of this Offering, may not be permitted to participate in any Concurrent Offering, except as otherwise permitted under the Securities Act, Regulation S and, if applicable, the non-exclusive safe harbors set forth in Rule 152(b). The Company reserves the right to increase or decrease such allocation for the Concurrent Offering, in its sole discretion and without further amendment to this Memorandum, by re-allocating Tokens from the unused allocation. Tokens under this distribution category are subject to delivery restrictions. Purchasers will each enter into a TPA with the Company. At the time of entering into the TPA, the Purchaser will designate a network address where such Purchaser wishes to receive delivery of the Tokens. Tokens in this distribution category will be delivered to an Ethereum compatible wallet address designated by each Purchaser in the TPA in accordance with the applicable lockup period set forth herein.

Token Supply Release Schedule

The release of Tokens will follow a structured vesting schedule (set forth below), beginning from the Token Integration Event.

VESTING SCHEDULE			
	Lockup (months)	TIE	Vesting (months)
Angel Round	0	5%	12
Reg-D Sale	12	0%	3
KOL Round	0	25%	3
Private Round	0	25%	3
Public Sale	0	25%	3
Community Sale	0	25%	3
Team	6	0%	24
Advisors	6	0%	24
Treasury	1	0%	48
Exchange Liquidity	0	50%	6
Node Rewards	6	0%	54
Community Rewards	1	0%	12

Purchaser Qualifications

Only persons of adequate financial means who have no need for present liquidity with respect to this purchase should consider purchasing the Tokens offered hereby because: (i) a purchase of the Tokens involves a number of significant risks (see “**Risk Factors**”); (ii) no market for the Tokens currently exists; and (iii) there is no established trading market for the Tokens and it is possible that a public market will never develop for the Tokens or, if one were to develop, it may develop without the involvement of the Company. The sale of Tokens as described herein is intended to be exempt from registration under the Securities Act and applicable state securities laws.

This Offering is limited solely to Purchasers who are accredited investors as defined in Regulation D under the Securities Act, meaning only those persons or entities coming within the definition in Rule 501 of Regulation D, including *among others*, any one or more of the following categories:

(i) Any bank, as defined in Section 3(a)(2) of the Securities Act, or any savings and loan association or other institution defined in Section 3(a)(5)(A) of the Securities Act, whether acting in its individual or fiduciary capacity; any broker-dealer registered pursuant to Section 15 of the Exchange Act; any insurance company, as defined in Section 2(a)(13) of the Securities Act; any investment company registered under the Investment Company Act of 1940 or a business development company, as defined in Section 2(a)(48) of that Act; any Small Business Investment Foundation licensed by the United States Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; and any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of

such Act, that is either a bank, savings and loan association, insurance company or registered investment advisor, if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by person(s) that are accredited investor(s);

(ii) Any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

(iii) Any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, any corporation, Massachusetts or similar business trust, or company, not formed for the specific purpose of acquiring the Common Stock, with total assets in excess of \$5,000,000;

(iv) Any director or executive officer of the Company;

(v) Any natural person whose individual net worth, or joint net worth with that person's spouse, exclusive of the value of the person's primary residence net of any mortgage debt and other liens, at the time of his or her purchase exceeds \$1,000,000;

(vi) Any natural person who had an individual income in excess of \$200,000, or joint income with that person's spouse in excess of \$300,000, in each of the two most recent years and who reasonably expects to reach the same income level in the current year;

(vii) Any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Common Stock, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D;

(viii) Any entity all of whose equity owners are accredited investors;

(ix) Any entity of a type not listed in paragraphs (i), (ii), (iii), (vii), or (viii) above, not formed for the specific purpose of acquiring the securities offered, owning investments in excess of \$5,000,000;

(x) Any natural person holding in good standing one or more professional certifications or designations or credentials from an accredited educational institution that the Commission has designated as qualifying an individual for accredited investor status;

(xi) Any natural person who is a "knowledgeable employee," as defined in rule 3c-5(a)(4) under the Investment Foundation Act of 1940, of the issuer of the securities being offered or sold where the issuer would be an investment company, as defined in section 3 of such act, but for the exclusion provided by either section 3(c)(1) or section 3(c)(7) of such act;

(xii) Any "family office" as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940"

- a. With assets under management in excess of \$5,000,000;
- b. That is not formed for the specific purposes of acquiring the securities offered, and
- c. Whose prospective investment is directed by a person who has such knowledge and experience in financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment; or

(xiii) Any “family client,” as defined in rule 202(a)(11)(G)01 under the Investment Advisers Act of 1940, of a family office meeting the requirements in paragraph (xii) above and whose prospective investment in the issuer is directed by such family office pursuant to paragraph (xii)(c) above.

The term “net worth” means the excess of total assets over total liabilities, exclusive of the value of your primary residence net of any mortgage debt and other liens. In determining income, you should add to your adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depreciation, contributions to an IRA or Keogh retirement plan, alimony payments and any amount by which income from long-term capital gains had been reduced in arriving at adjusted gross income.

As a condition to completing a purchase of the Tokens, you will be required to represent to the Company in writing that you are an accredited investor under Regulation D, as described above, and provide certain documentation in support of such representation. See the section titled “**Regulation D Rule 506(c) Investor Verification Stands**” in this Memorandum for additional information.

Other Requirements

In addition to submitting documentation to confirm one’s status as an accredited investor all potential investors of the Tokens will need to complete requisite know-your-customer and anti-money laundering procedures to purchase Tokens.

You should check the Office of Foreign Assets Control (the “OFAC”) website at <https://www.treas.gov/ofac> before marking the following representations to the Company: You represent that the amounts paid by you in this sale of Tokens as described herein were not and are not directly or indirectly derived from any activities that contravene Federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by the OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of the OFAC-prohibited countries, territories, individuals and entities can be found on the OFAC website at <https://www.treas.gov/ofac>. In addition, the programs administered by the OFAC (the “**OFAC Programs**”) prohibit dealing with individuals or entities in certain countries, regardless of whether such individuals or entities appear on any OFAC list;

(i) you represent and warrant that none of (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this purchase is a country, territory, entity or individual named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any purchase amounts from a prospective Purchaser if such prospective Purchaser cannot make the representation set forth in the preceding sentence. You agree to promptly notify the Company should you become aware of any change in the information set forth in any of these representations. You are advised that, by law, the Company may be obligated to “freeze the account” of any Purchaser, either by prohibiting additional purchases from it, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and that the Company may also be required to report such action and to disclose such Purchaser’s identity to the OFAC;

(ii) you represent and warrant that none of: (1) you; (2) any person controlling or controlled by you; (3) if you are a privately-held entity, any person having a beneficial interest in you; or (4) any person for whom you are acting as agent or nominee in connection with this purchase is a senior

foreign political figure, or any immediate family member or close associate of a senior foreign political figure, as such terms are defined in the footnotes below; and

(iii) if you are affiliated with a non-U.S. banking institution (a “**Foreign Bank**”), or if you receive deposits from, make payments on behalf of, or handle other financial transactions related to a Foreign Bank, you represent and warrant to the Company that: (1) the Foreign Bank has a fixed address, and not solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct its banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

The Company is entitled to rely upon the accuracy of each of your representations. The Company may, but under no circumstances shall it be obligated to, require additional evidence that a prospective investor meets the standards set forth above at any time prior to its acceptance of a prospective investor’s purchase. You are not obligated to supply any information so requested by the Company, but the Company may reject a purchase from you or any person who fails to supply such information. In addition, if at any time after completion of the sale of the Tokens the representations concerning Purchaser’s compliance with the OFAC Programs becomes untrue, the Company may be required to take certain actions, including refusal to deliver the Tokens after Listing and reporting the transaction(s) to the relevant governmental authorities.

ODB

ODB provides hosting and operational services for the Offering. ODB’s connection to the offering is solely for the limited purposes of acting as a third-party service provider. ODB and its affiliates do not provide tax, accounting or legal advice — all recipients are advised to consult with their own advisers. Neither ODB nor its affiliates have investigated (nor have any of its affiliates investigated) the desirability or advisability of participation in this offering or the securities offered herein. ODB and its affiliates make no representations, warranties, endorsements, or judgment on the merits of the offering or the securities offered herein.

Delivery of Tokens

On the Token Integration Event, the Tokens will be minted and delivered to Purchasers according to the terms specific to their TPA. The Tokens will be delivered to either a wallet address provided upon contribution or will be made available by other means as agreed upon among the Company, ODB, and the applicable Purchaser.

Transfer Restrictions

The Company’s governance documents and the TPA place restrictions (or outright prohibition) on the transfer of the Tokens. Only accredited investors that can tolerate an illiquid investment should invest in the Tokens.

Prior Offerings

The Company has entered into prior sales agreements with various investors for Tokens. Such agreements may include confidentiality, non-use and/or non-disclosure obligations.

NOTICE TO PURCHASERS

This Offering has not been registered or qualified under the securities laws of any jurisdiction anywhere in the world. The Tokens, if issued, are being offered and sold only in jurisdictions where such registration or qualification is not required, including pursuant to applicable exemptions that generally limit the Purchasers who are eligible to purchase the Tokens, if issued, and that restrict the Tokens' resale. **The Tokens delivered may not be offered, sold, assigned, transferred, pledged, encumbered, or otherwise disposed of except as permitted under applicable securities laws and the additional restrictions imposed on the Tokens hereunder. In addition, holders of Tokens will not be able to transfer their Tokens until such Tokens have been released from any delivery restrictions to which they are subject.**

Procedures for Subscribing

We plan to market this Offering to potential Purchasers through the Republic Platform. We will hold a closing after ODB has received notification that the terms have been met. We generally will close on proceeds based upon the order in which they are received but reserve the right to accept or reject any purchase. We will consider various factors in determining the timing of any additional closings.

Closing Requirements

In order to complete the closing process in this Offering, each Purchaser will be required to complete such Closing Requirements as may be requested by ODB on behalf of the Company, which may include, without limitation: (1) the execution and delivery of a Token Purchase Agreement; (2) completion of investor qualification requirements (lack of status as an accredited investor under Regulation D and KYC/AML or KYB (if applicable)) screening requirements; (3) clearance from ODB's regulation best interest requirements, and (4) confirmation by ODB of receipt of funds, if applicable.

Notice Concerning the Securities Act

The Tokens have not been registered under the Securities Act or any securities laws of any state, and unless so registered, the Tokens may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such other applicable securities laws. Accordingly, the Tokens are being initially offered and sold only to (1) "accredited investors" (as defined under Regulation D), in each case, in a private transaction in reliance on, and in compliance with, the exemption from the registration requirements of the Securities Act provided by Rule 506(c) of Regulation D under the Securities Act, and (2) non-U.S. persons outside the United States in offshore transactions in reliance upon Regulation S under the Securities Act.

As used herein, the terms "United States", "U.S. person" and "offshore transactions" have the meanings given to them in Regulation S under the Securities Act.

Representations and Warranties of Purchasers

In addition to the representations, warranties, and covenants in the TPA, each investor that executes a TPA will also be deemed to have acknowledged, represented, and warranted to, and agreed with, the Company to the agreements, covenants, representations and warranties in the TPA.

Limitation of Liability and Indemnification

To the fullest extent permitted by applicable law, (i) in no event will the Company be liable for any indirect, special, incidental, consequential, or exemplary damages of any kind (including, but not limited to, where related to loss of revenue, income or profits, loss of use or data, or damages for business interruption) arising out of or in any way related to this Memorandum, TPAs, or securities, regardless of the form of action, whether based in contract, tort, or any other legal or equitable claim (even if the party has been advised of the possibility of such damages and regardless of whether such damages were foreseeable); and (ii) in no event will the liability of the Company, whether in contract, tort, or other legal or equitable claim, arising out of or relating to this Memorandum, securities exceed the amount the Purchaser pays to the Company hereunder. The Company shall not be liable or responsible to the Purchaser, not be deemed to have defaulted under or breached this Memorandum, for any failure or delay in fulfilling or performing any provision of this Memorandum, including without limitation, and delivering the securities.

Company directors and officers have or will have effective indemnification by the Company against any liability incurred by such directors and officers in connection with any negligence, breach of duty, or breach of trust arising out of their performance as directors and officers of the Company.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the president, directors, officers, and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and may, therefore, be unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a president, director, officer, or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such president, director, officer, or controlling person in connection with the interests being offered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue. We believe that these provisions and agreements are necessary to attract and retain qualified persons as our president, board members, officers, and directors. At present, there is no pending litigation or proceeding involving our president, directors, or officers for whom indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

The Company has agreed to indemnify ODB against liabilities relating to any investigation, claim, or proceeding stemming from the Offering, liabilities arising from breaches of some or all of the representations and warranties contained in the Engagement Agreement, and to contribute to payments that ODB may be required to make for these liabilities.

ODB and their respective affiliates are engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. ODB and their respective affiliates may in the future perform various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

Potential Conflicts of Interest

This Memorandum does not purport to identify all conflicts of interest. ODB or its affiliates, from time to time, may enter into other transactions not specifically described in this Memorandum with affiliates, officers, managers, members, employees, agents and representatives.

Amounts earned by ODB, including but not limited to success-based commissions, placement fees, and closing fees will be retained by ODB. This includes the administrative fee ODB charges to the purchase at checkout.

TAX CONSIDERATIONS

EACH PURCHASER SHOULD SEEK, AND MUST DEPEND UPON, THE ADVICE OF HIS OR HER TAX ADVISOR WITH RESPECT TO THEIR RECEIPT OF TOKENS, AND EACH PURCHASER IS RESPONSIBLE FOR THE FEES OF SUCH ADVISOR. NOTHING IN THIS PRIVATE PLACEMENT MEMORANDUM IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO A PURCHASER. PURCHASERS SHOULD BE AWARE THAT THE INTERNAL REVENUE SERVICE MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY US AND THAT CHANGES TO THE INTERNAL REVENUE CODE OR THE REGULATIONS OR RULINGS THEREUNDER OR COURT DECISIONS AFTER THE DATE OF THIS PRIVATE PLACEMENT MEMORANDUM MAY CHANGE THE ANTICIPATED TAX TREATMENT TO A PURCHASER. WE WILL NOT OBTAIN ANY RULING FROM THE INTERNAL REVENUE SERVICE WITH REGARD TO THE TAX CONSEQUENCES OF THE RECEIPT OF OR A PURCHASE OF TOKENS.

THE TAX TREATMENT OF TOKENS IS UNCERTAIN AND THERE MAY BE ADVERSE TAX CONSEQUENCES FOR THE COMPANY, ITS AFFILIATES, AND/OR PURCHASERS UPON CERTAIN FUTURE EVENTS. THE ISSUANCE OF TOKENS MAY RESULT IN ADVERSE TAX CONSEQUENCES TO PURCHASERS, INCLUDING WITHHOLDING TAXES, INCOME TAXES AND TAX REPORTING REQUIREMENTS. EACH PURCHASER SHOULD CONSULT WITH AND MUST RELY UPON THE ADVICE OF ITS OWN PROFESSIONAL TAX ADVISORS WITH RESPECT TO THE UNITED STATES AND NON-U.S. TAX TREATMENT OF THE RECEIPT OF AND A PURCHASE OF TOKENS.

INVESTOR VERIFICATION STANDARDS IN RULE 506(C) OF REGULATION D

In purchasing securities through this Offering, the Company is obligated to verify your status as an accredited investor in accordance with Rule 501 of Regulation D. There are three primary methods the Company may employ to comply with the verification standards. Purchasers in this Offering will need to provide the Company with verification that meets the standards and form using one or multiple methods, including, but not limited to:

Income: The Company may verify an individual's status as an accredited investor on the basis of income by reviewing copies of any IRS form that reports net income, such as Forms W-2 or 1099 (which are typically filed by an employer or other third party payor), or Forms 1040 filed by the Purchaser (with non-relevant information permitted to be redacted). Under this method, the Company must review IRS forms for the two most recent years and obtain a written representation from the prospective Purchaser that he or she has a reasonable expectation of attaining the necessary income level for the current year. Where accredited investor status is based on joint income with the person's spouse, the IRS forms and representation must be provided with respect to both the Purchaser and the spouse.

Net Worth: Under this method, the Company will need to review bank or brokerage statements or third-party appraisal reports to verify the Purchaser's assets and a credit report to verify liabilities, in each case dated within the prior three months, and will need to obtain a written representation from the prospective Purchaser that all liabilities have been disclosed. Where accredited investor status is based on joint net worth with the person's spouse, the asset and liability documentation and representation must be provided with respect to both the Purchaser and the spouse.

Reliance on Determination by Specified Third Parties: The Company may satisfy the verification requirement if it obtains a written confirmation from a registered broker-dealer, a registered investment adviser, a licensed attorney, or a certified public accountant that within the prior three months such person or entity has taken reasonable steps to verify that the Purchaser is an accredited investor and has determined that the Purchaser is an accredited investor. Proper verification must be submitted with your purchase for interests in order for the Company to verify your suitability for investment and accept your purchase.

RISK FACTORS

*A purchase of Tokens involves a high degree of risk, including the risk of a total loss of principal, volatility and illiquidity. A prospective investor should thoroughly review the confidential information contained in this Memorandum and the terms of the applicable Offering Documents, and carefully consider whether a purchase of the Tokens or receipt of Tokens is suitable to such prospective investor's financial condition and goals. The following risks entail circumstances under which the Platform, the Tokens, and their related operations and prospects could suffer. They may also be harmed by additional risks and uncertainties not currently known or that we currently do not believe to be material. See “**Risk Factors**” below.*

UNLESS EXPRESSLY SET OUT HEREIN, THE COMPANY SPECIFICALLY DOES NOT REPRESENT AND WARRANT AND EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION MATERIALS, THE TOKENS, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATIONS OR WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, OR AS TO THE WORKMANSHIP OR TECHNICAL CODING THEREOF, OR THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT. THE COMPANY DOES NOT REPRESENT OR WARRANT THAT TOKENS ARE RELIABLE, CURRENT, OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN THE TOKENS WILL BE CORRECTED. THE COMPANY CANNOT AND DOES NOT REPRESENT OR WARRANT THAT TOKENS OR THE DELIVERY MECHANISM FOR THE TOKENS IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

A significant amount of further work may be required in order for the Company to integrate the Tokens into the Platform and much of that work may be subject to regulatory approval and otherwise reliant on the input or consent of other persons not under the control of the Company. The success of the Tokens is reliant upon the Company (i) raising sufficient resources to fund the ongoing development of the Tokens; and (ii) complying with ongoing funding, reserve and/or regulatory requirements (as relevant) related to the proposed creation and operation of the Tokens (collectively, the “**Regulatory and Funding Requirements**”).

There is a significant risk that the Tokens are not developed as envisaged herein. The Company, in the sole and absolute discretion of the Company's Board of Directors (the “**Board**”), reserves the right to modify, extend, reduce, eliminate, add and/or substitute the scale, scope, business lines, operations, and any other characteristics of the Tokens in order to address any actual or perceived commercial, legal, regulatory or other matters that the Board, in its sole and absolute discretion, considers relevant at any time.

The Company may issue Tokens even if there are material changes to the scale, scope, business lines, operations, and any other characteristics of the Tokens or the Platform or if the Company or its affiliates have not satisfied (or are unlikely to satisfy) any regulatory and funding requirements or any other regulatory, commercial or legal requirements with respect to the Tokens. No promises of future performance or value are or will be made with respect to the Tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that the Tokens will hold any particular value.

The Company is developing the Tokens to be used with respect to the Platform. Subject to applicable law and the cautionary statements and risk factors contained in this Memorandum, upon the Token Integration Event, the Platform will accept any duly presented Tokens in exchange for privileges and other benefits related to such Tokens from time to time on the Platform.

The precise terms of the privileges and other benefits of the Tokens will be determined by the Company as the owner of the Platform in its sole and absolute discretion from time to time. Such privileges and benefits will initially be determined by such person on or around the Token Integration Event and may be amended

thereafter at any time and without notice to, or consent from, any holder of Tokens. Any such determination or amendment shall not be a breach of the terms of this Offering.

The Tokens are provided on an “as is” and “as available” basis, without warranty of any kind, either expressed or implied, including, without limitation, warranties that the Token is free of defects, vulnerabilities, merchantable, fit for a particular purpose or non-infringing. Any use of the Tokens shall be at your own risk. In no event shall the Company be held liable in connection with or for any claims, losses, damages, or other liabilities, whether in contract, tort, or otherwise, arising out of or in connection with the Tokens or its operation or use or be under any obligation to support, develop or otherwise maintain or promote the use of the Platform or the integration of the Tokens into the Platform.

While the Tokens are available only to qualified investors, there is the possibility that Tokens could be acquired over time or following changes in the regulatory landscape by persons in other jurisdictions currently restricted from acquiring Tokens and, accordingly, the risk factors set out below may include certain risk factors specific to certain jurisdictions even though the Company will not at present make the Tokens available at this time to persons from such jurisdictions.

BY PARTICIPATING IN ANY ACQUISITION OF TOKENS, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME ALL RISKS RELATED THERETO INCLUDING (WITHOUT LIMITATION) THE RISKS SET OUT BELOW.

GENERAL RISK FACTORS

We may fail to implement our business plan.

We have a short operations record on which you can evaluate our business and prospects. Our prospects must be considered in light of the risks, uncertainties, expenses, and difficulties frequently encountered by companies in their early stages of development. These risks include, without limitation, competition, lack of brand and/or name recognition, product obsolescence or inventory loss, theft or destruction, limited access to additional sales and management talent, and limited access to software and technology development experts, among other factors. We cannot guarantee that we will be successful in executing our business plan, and we may then be forced to cease operations, in which case you may lose your entire investment.

Investor Status and Claims Risk

Investors in the Tokens will not acquire any equity, debt, or other ownership interest in the Company or its affiliates. Holding Tokens does not confer any right to vote, receive dividends, participate in profits, or claim any assets of the Company. Investors should not expect to have any recourse against the Company, its officers, directors, or affiliates for any losses incurred in connection with the Tokens.

There can be no assurance that the Company's business plan will be profitable, and there is no assurance of any returns.

The expenses we incur to expand the business could result in operating losses for the foreseeable future. There is no assurance that we will ever have net income sufficient to cover our expenses. No assurance can be made that any investor will not lose his, her or its entire investment.

As we have a limited operating history, we are subject to business development risks.

The Company has only a limited history upon which an evaluation of its prospects and future performance can be made. Our proposed operations are subject to all business risks associated with new enterprises. The likelihood of the Company's success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business, operation

in a competitive industry, and the continued development of advertising, promotions and a corresponding customer base. There is a possibility that the Company could sustain losses in the future. There can be no assurance that our efforts will result in continued successful commercialization or further development of our operations, that our marketing efforts will be successful, or that we will ever achieve significantly higher revenues. Failure to do so could result in investors losing part or all of their money invested.

Our advisors and management have other business interests and obligations to other entities, some of which may conflict with their responsibilities to the Company.

Members of our management and other advisors of the Company may provide services to us on a non-exclusive basis. Such persons are required to provide us with such amount of their time and efforts as they deem necessary to run the business and operations of the Company in a reasonable manner. We are dependent on our team to successfully execute our business plan. Their other business interests and activities could divert time and attention from operating our business. We cannot assure you that some or all of such persons will be able to provide the Company with a sufficient amount of their time or efforts to take advantage of all opportunities that may be available to the Company. Moreover, some of the other entities in which such persons have a material financial interest may enter into agreements with the Company in which there is a potential conflict of interest.

Key man risk and the risk that we may be unable to retain experienced management and personnel could impair our ability to execute on our business strategy and growth plan. Although we intend to recruit additional talent over time, competition for qualified personnel is intense and there can be no assurance that we will be able to retain our personnel or attract additional qualified personnel. We also rely on consultants for systems, software and technology development that we believe are a critical part of our growth strategy as well as our finance functions. We may not be able to continue to attract or retain qualified personnel in the future, and the loss of key members of our team would have a material adverse effect on our business. Any inability to fill vacancies in our management team on a timely basis could impair our ability to implement our business strategy, which would harm our business, results of operations, and the value of your investment.

The Company may engage in business transactions with companies affiliated with one or more members of the management team.

The Company may engage in business transactions with businesses that are affiliated with one or more of the members of the Company's management team. Any such business transactions may or may not be the result of arms-length negotiations and could result in potential conflicts of interest.

We cannot assure you that we will be able to forge and maintain required beneficial relationships with third parties.

We are generally dependent on relationships with strategic partners and vendors, and we may enter into future potential strategic alliances. Our success requires that we secure and maintain beneficial third party relationships. There can be no assurance that such third parties may regard their relationship with us as important to their own business and operations, that they will not reassess their commitment to the business at any time in the future, or that they will not develop their own competitive services or products, either during their relationship with us or after it expires. Accordingly, there can be no assurance that our existing relationships or future relationships will result in sustained business partnerships, successful service offerings, or significant revenues for us.

We may incur business disruptions.

We take measures to reduce the risks of disruptions at our facilities. However, the occurrence of a natural disaster, such as a hurricane, tropical storm, earthquake, tornado, flood, fire, or other unanticipated

problems, such as illness of any member of our management or any other employee, contractor or advisor, labor difficulties (including work stoppages or strikes), vendor shortages, equipment failure or unscheduled maintenance, could cause operational disruptions and could materially adversely affect our business, earnings and cash flows. Any losses due to these events may not be covered by our existing insurance policies or may be subject to certain deductibles.

Rapid growth may strain our resources.

Significant and rapid growth in the scope and complexity of our business would place a significant strain on our management team and our financial and other resources. Such growth, if experienced, may expose us to greater costs and other risks associated with growth and expansion. We may be required to hire a broader range of additional employees and outsource certain functions to contractors in order to sustain our operations. We may be unsuccessful in these efforts, or we may be unable to project accurately the rate or timing of these increases. Our ability to manage our growth effectively will require us to continue to improve our operations, to improve our financial and management information systems, and to train, motivate, and manage our future employees. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our business, or the failure to otherwise manage growth effectively, could have a materially adverse effect on our business, financial condition, and results of operations. In addition, difficulties in effectively managing the budgeting, forecasting, and other process control issues presented by such a rapid expansion could result in our inability to maintain quality standards or otherwise harm our business, financial condition, and results of operations.

Our risk management efforts may not be effective which could result in unforeseen losses.

We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, regulatory risk, and other market-related risks, as well as operational risks related to our business, assets and liabilities. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks to which we may be exposed, mitigate the risks that we have identified or identify additional risks to which we may be subject in the future.

The Company may require additional capital to support its business objectives, and this capital might not be available on acceptable terms, or at all.

At any time, the Company may accept funds from additional lenders, investors, and others to support the growth of its business. Accordingly, it is expected that we will need to engage in additional debt and equity-based financings to secure additional funds. Financial market disruption, the ability to attract business partners and clients, the ability to identify and attract financiers, and general economic conditions in which the credit markets are severely constrained may make it difficult for us to obtain additional financing on terms favorable to us, if at all. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. If we are unable to obtain adequate financing, or financing on terms satisfactory to us, when we require it, our ability to continue to support the growth of our business and to respond to business challenges could be significantly impaired. If we are unsuccessful in raising capital when needed, you could lose your entire investment. Any issuance of equity will dilute the ownership stake of current equity investors.

General tax risks.

Items of income and loss will be determined by the Company's management in consultation with the Company's tax advisors. Adjustments, if any, resulting from any audit of the Company, should the Company ever be audited, might result in corresponding adjustments of Company items of income and loss

reflected on your own tax returns. In addition, the Company's management has primary responsibility for Company level matters involving the Company's taxation, including the power to extend the statute of limitations for all persons holding an interest in the Company, including, without limitation, you, as to Company items of income and loss.

It may be difficult to enforce a U.S. judgment against us, our officers and directors, or to assert U.S. securities laws claims or serve process on our officers and directors.

We are incorporated in Panama. Most of our assets are located outside the United States. Therefore, it may be difficult to enforce a U.S. court judgment based upon the civil liability provisions of the U.S. federal securities laws against us or any of these persons in a U.S. or Panamanian court, or to affect service of process upon these persons in the United States.

Additionally, it may be difficult for an investor, or any other person or entity, to assert U.S. securities law claims in original actions instituted in Panama. This is for two principal reasons: 1) because the Panamanian courts may regard the U.S. law in question to be a penal, revenue or public law and therefore, under Panama, not capable of direct or indirect enforcement in the Panamanian courts, or 2) because the Panamanian court may stay the claim on the grounds Panama is not an appropriate forum. If U.S. law is found to be applicable to a claim which the Panamanian court can and is prepared to hear, the content of applicable U.S. law must be proved as a fact by expert witnesses, which can be a time-consuming and costly process. If proceedings were to be brought in Panama, all procedural matters would be governed by Panama. There is little case law addressing the matters described above that would be binding case law in a Panamanian court. As a result, an investor may lose its entire investment.

Jurisdiction and Enforcement Risk

The Company is incorporated in Panama and conducts the majority of its operations outside the United States. As a result, it may be difficult or impossible for investors to enforce U.S. legal rights or judgments against the Company, its officers, directors, or affiliates. Investors may have limited or no recourse in any jurisdiction and could lose their entire investment.

The Company's ability to succeed depends on the Company's ability to grow.

The introduction of new products and services and expansion of the Company's customer base will contribute significantly to the Company's operational results. The Company's future operational success will depend on a number of factors, including, but not limited to:

- The Company's ability to manage costs;
- The level of competition in the Company's industry;
- The Company's ability to provide efficient, timely and cost-effective products and services;
- The efficiency and effectiveness of the Company's sales and marketing efforts in signing up new customers, expanding business with existing customers, and building product, services and brand awareness;
- The level of consumer acceptance of the Company's products and services; and
- General economic conditions and consumer confidence.

The Company may not be successful in executing its growth strategy. Failure to successfully execute any material part of the Company's growth strategy would significantly impair the Company's future growth and its ability to attract and sustain investments in the Company's business.

RISK FACTORS RELATED TO THE SECURITIES BEING OFFERED

Risk of an illiquid market for Tokens.

There may never be any marketplace for Tokens. There are currently no exchanges upon which the Tokens would trade. If exchanges do develop, they will likely be relatively new and subject to poorly understood regulatory oversight. They may, therefore, be more exposed to fraud and failure than established, regulated exchanges for other products and have a negative impact on the Tokens. To the extent that any third party ascribes an external exchange value to Tokens (e.g., as denominated in a crypto or fiat currency), such value may be extremely volatile and diminish to zero. If (despite your representations to us to the contrary) you are holding Tokens as a form of investment on a speculative basis or otherwise, or for a financial purpose, with the expectation or desire that their inherent, intrinsic or cash-equivalent value may increase with time, you assume all risks associated with such speculation or actions, and any errors associated therewith, and accept that the Tokens are not offered by the Company or its affiliates on an investment basis.

Inability to fund development or maintenance.

The Company may not be able to fund development of the Tokens in the manner that it was intended.

Risk of uninsured losses.

Unlike bank accounts or accounts at some other financial institutions, the Tokens are uninsured unless you specifically obtain private insurance to insure them. Thus, in the event of loss or loss of utility value, there is no public insurer or private insurance arranged by us, to offer recourse to you.

Risk of lack of adoption or use of the Tokens.

While the Tokens should not be viewed as an investment, they may have value over time. That value may be limited or non-existent if the Tokens lack acceptance, use, and adoption on the Platform.

Risk of dissolution of the Tokens.

It is possible that, due to any number of reasons, including development issues with the Tokens, the failure of business relationships, lack of public interest, lack of funding, or competing intellectual property claims, the Platform and/or Tokens may no longer be viable as a business or otherwise and may dissolve or fail to maintain commercial or legal viability, or be abandoned. There is no assurance that you will receive any benefits through the Tokens.

Risk of malfunction in the Tokens.

It is possible that the Tokens or the Platform malfunctions in an unfavorable way, including one that results in the loss of the Tokens.

Tax risks relating to the Tokens.

The tax characterization of the Tokens is uncertain. You must seek your own tax advice in connection with acquisition, storage, transfer and use of the Tokens, which may result in adverse tax consequences to you, including, without limitation, withholding taxes, transfer taxes, value added taxes, income taxes, capital taxes and similar taxes, levies, duties or other charges and tax reporting requirements.

The Company may be required to register as a money services business or money transmitter and to comply with the requirements of the Bank Secrecy Act and applicable state requirements.

The Bank Secrecy Act, among other things, regulates the issuance, administration and exchange of “virtual currencies.” Any entity performing any of those activities may be a money services business, required to register with the United States Treasury Department, as well as state and foreign government administrative bodies, and to engage in continued practices of “know your customer” and anti-money laundering reporting. If the Company were to be subject to Bank Secrecy Act requirements, the Company is likely on a continuing basis to require recipients of Tokens to provide certain personal information as a condition of their receipt

of Tokens. In some instances, the Company could be required to prohibit transactions, thereby interfering with the activity in any marketplace that may develop for the Tokens. Additionally, the Company may be required to issue suspicious activity reports upon detecting any “suspicious” transaction. Guidance on what constitutes a suspicious transaction is unclear, and failure to comply may result in severe civil and criminal penalties. Almost all states in the United States have some form of similar regulations, each of which may require obtaining a separate license, which can be an expensive and time consuming process. Compliance with the Bank Secrecy Act and any applicable state regulations would, if required, be a continuing, material expense, which if the Company cannot afford, would result in suspension of any marketplace that the Company develops that would in turn adversely affect demand for the Tokens.

A violation of privacy or data protection laws could have a material adverse effect on the Company’s activities.

A wide variety of state, national and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of data, including personal data. These data protection and privacy-related laws and regulations are varied, evolving, can be subject to significant change, may be augmented or replaced by new or additional laws and regulations and may result in ever increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Foreign data protection, privacy and other laws and regulations are often more restrictive than those in the United States, such as the General Data Protection Regulations, effective in the European Union. Certain states in the United States have also introduced broad rules, which may or may not anticipate and be consistent with rules expected to be adopted by the U.S. federal government. The Company expects that the cost of compliance with these laws may be high in terms of both money and attention. The Company's failure to comply with all applicable privacy and data protection laws, regulations, standards and codes of conduct could result in enforcement actions against the Company, including fines, imprisonment of Company officials and public censure, claims for damages by affected individuals, demands that the Company modify or cease existing practices, damage to the Company's reputation and loss of goodwill, any of which could have a material adverse effect on the level of demand for Tokens.

Risk of litigation and/or third-party claims.

From time to time, third parties may assert claims against the Company, its developers, and/or its underlying technology. Regardless of the merit of any legal action or claim, any action that reduces confidence in the Company's long-term viability or the ability of individuals to hold and transfer Tokens may adversely affect the Platform. Additionally, a meritorious claim could prevent developers from accessing the most up-to-date protocol code or holding or transferring their Tokens.

Risk of alternative, unofficial platforms.

Following the issuance of the Tokens, it is possible that alternative applications or platforms could be established, which use the same or similar open-source code and protocol underlying the Tokens. The Tokens may have no intrinsic value with respect to such alternative applications. The Tokens may compete with these alternative, unofficial token-based applications, which could potentially negatively impact the Tokens.

Assertions by third parties of infringement or other violation by Us of their intellectual property rights could harm our ability to develop the Platform and the Token.

Third parties may in the future assert that we have infringed, misappropriated, or otherwise violated their copyrights, patents, and other intellectual property rights, and as we face increasing competition, the possibility of intellectual property infringement claims against us grows. Various laws and regulations govern the copyright and other intellectual property rights associated with the Platform. Existing laws and regulations are evolving and subject to different interpretations, and various legislative or regulatory bodies

may expand current or enact new laws or regulations. We cannot assure you that we are not infringing or violating any third-party intellectual property rights, or that we will not do so in the future. In addition, internet and technology companies are frequently subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Many companies in these industries, including many of our competitors, have substantially larger patent and intellectual property portfolios than we do, which could make us a target for litigation as we may not be able to assert counterclaims against parties that sue us for patent, or other intellectual property infringement. By their nature, media platforms feature content protected by intellectual property laws and may be a forum for the publication of content that has infringed upon the intellectual property rights of others.

It is difficult to predict whether assertions of third-party intellectual property rights or any infringement or misappropriation claims arising from such assertions will substantially harm our business, operating results, and financial condition. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Furthermore, an adverse outcome of a dispute may require us to pay significant damages, which may be even greater if we are found to have willfully infringed upon a party's intellectual property; cease exploiting copyrighted content that we have previously had the ability to exploit; cease using solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our solutions; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies, content, or materials; indemnify our partners and other third parties; and/or take other actions that may have material effects on our business, operating results, and financial condition.

Token Integration risk and risk of insufficient interest in the platform.

There are no guarantees as to the timing of the Tokens being integrated into the Platform, which is dependent on many factors, including many outside the Company's control. Further, it is possible that there will be limited public interest in the Tokens or that public interest in the Platform may reduce over time. Such a lack of interest could negatively impact the Tokens and their functionality in the Platform.

Risk that the Tokens will not meet expectations.

Any expectations or assumptions regarding the form and functionality of the Tokens (including participant behavior) held by the Company or by you may not be met, for any number of reasons, including, without limitation, mistaken assumptions or analysis, a change in the design and implementation plans, and changes in the execution of the Tokens. Moreover, the Company may not be able to retain full and effective control over how other participants will use the Platform, what products or services will be offered through the Platform by third parties, or how third-party products and services will utilize Tokens (if at all). This could create the risk that the Tokens, as further developed and maintained, may not meet your expectations. Furthermore, despite our good faith efforts, it is still possible that the integration of the Tokens into the Platform will experience malfunctions or otherwise fail to be adequately maintained, which may negatively impact the Platform and Tokens, and the potential utility of the Tokens within the Platform.

Further innovations in the crypto asset industry may cause the tokens to lose value.

The development and acceptance of the cryptographic and algorithmic protocols governing the issuance of, and transactions in, crypto assets are subject to a variety of factors that are difficult to evaluate and predict. The use of crypto assets to, among other things, transact in goods and services is part of a new and rapidly evolving commercial practice that employs digital assets based on a computer-generated mathematical and/or cryptographic protocol. The growth of this commercial practice in general, and the use of crypto assets in particular is subject to a high degree of uncertainty. Factors affecting further development of the crypto asset industry include, among other things, the continued worldwide adoption of crypto assets; governmental and quasi-governmental regulation of crypto assets and/or crypto asset exchanges; changing

consumer demographics, tastes, and preferences; sustained development and maintenance of open-source software protocols; the popularity and availability of alternative and/or new payment services; and general economic conditions. If these factors negatively affect or impede the development of the crypto asset industry, the value of holding Tokens may also be negatively affected.

Risks associated with incomplete information regarding the Tokens.

You will not have full access to all the information relevant to the Company and the Tokens. The Company is not required to update you on the progress of the Tokens. You are responsible for making your own decision in respect of the acquisition of the Tokens. The Company does not provide you with any recommendation or advice in respect of the acquisition of the Tokens. You may not rely on the Company to provide you with complete or up-to-date information.

Purchasers will not be in any fiduciary, partnership, trustee, agency, or similar relationship with the Company or any of its Affiliates and will not be owed any fiduciary duty by the Company or any of its Affiliates.

The Purchasers have no direct management, equity, voting, or similar rights in the Company or any of its affiliates. However, without limitation to the above, the Company reserves all rights with respect to pursuing any form of decentralized governance should it so determine that doing so would be in the best interests of the holders of Tokens from time to time.

In order to seek compliance with (or to seek to mitigate the impact of) any laws, statutes, ordinances, rules, regulations, judgments, injunctions, orders, treaties, administrative acts or decrees of any nation or government, any state or other political subdivision thereof, any entity exercising legislative, judicial or administrative functions of or pertaining to government, including, without limitation, any government authority, agency, department, board, commission or instrumentality, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any self-regulatory organization believed by the Company or its affiliates to apply to or affect the Company or its affiliates, the Tokens, the Company may in its sole and absolute discretion take such steps as it considers necessary or convenient to comply with such matters including, without limitation, the termination of the Tokens. In addition, the Company may take such steps as it considers necessary or convenient where it believes or suspects the Tokens may be used, trafficked, or applied in the attempted furtherance of money laundering, terrorist financing, tax evasion, or other unlawful activity or where it believes the Tokens are no longer viable.

Risks Associated with Potential Public Listings of Tokens Could Negatively Impact Their Price.

The Company may, in the future, list Tokens on digital asset trading platforms. Any such listing could negatively impact the price of Tokens, especially if there is significant selling activity on any such exchange. Lockups applicable to any securities purchased in this Offering may prevent participants in this Offering from selling their stake in Tokens while such Tokens remain subject to a lock-up.

**RISK FACTORS RELATED TO TOKENS, CRYPTOCURRENCY,
AND OTHER DIGITAL ASSETS**

Risks associated with third party contractors.

Development of the Tokens may require third-party contractors with particular expertise in blockchain technology. The availability of such contractors is limited. There may not be sufficient (or any) such contractors available on terms deemed acceptable by the Company. The costs associated with any such contractors may be significantly greater than currently estimated. Furthermore, the quality, reliability and timely delivery of services by such contractors may vary significantly.

Risk associated with licensed third-party technology.

The Tokens are created solely for purposes of operating and integrating with the Platform.

We may invest or spend the proceeds of this Offering in ways with which you may not agree or in ways which may not yield a return.

Our management will have broad discretion in determining how the proceeds of the sale of our Tokens will be used, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. Notwithstanding our current business plan, future events including, but not limited to, the problems, expenses, difficulties, complications and delays, as well as changes in the economic climate or changes in governmental regulations, may make the reallocation of funds necessary or desirable. Any such reallocation will be at the sole discretion of the Company. If we do not use the proceeds that we receive effectively, our business, financial condition, results of operations and prospects could be harmed. Further, the sale of Tokens will require intensive computing resources. The demand for these resources may exceed the Company's estimates. Ultimately, the Company's resources may prove inadequate to support the sale of our Tokens, which may affect the distribution and/or utility of the Tokens.

No guarantee that tokens will be released.

Many factors could influence the success of the Company and the Tokens, some of which are out of the Company's control, and there can be no guarantee that the Company will ultimately be successful in deploying and delivering the Tokens. The Company may change its plans for issuing the Tokens for a variety of reasons, including a change in business plan, technological challenges, lack of perceived demand, or other reasons. Finally, if the Company ceases operations, agrees to assign its assets and liabilities to a third party for the benefit of creditors in the case of insolvency, or engages in a liquidation or winding up, it may never issue the Tokens.

Risk of losing access to tokens due to wallet incompatibility.

Your cryptocurrency wallet must be compatible and possess technical infrastructure that is compatible with the receipt, storage, and transfer of the Tokens. Non-compatible wallet addresses will not be accepted, and any attempt to transfer Tokens to a non-compatible wallet address may result in the loss of such Tokens. In addition, your wallet address must not be associated with a third-party exchange or service that has custody over the private key. The Company reserves the right to prescribe additional conditions relating to specific wallet requirements at any time, acting in its sole discretion.

Risks associated with the overarching blockchain industry in which the Platform operates.

The growth of the blockchain industry in general, is subject to a high degree of uncertainty regarding consumer adoption and long-term development. The factors affecting the further development of the cryptocurrency and crypto assets industry, as well as blockchain networks, include without limitation, the worldwide growth in the adoption and use of digital assets and other blockchain technologies; governmental and quasi-governmental regulation of digital assets and their use, or restriction on or regulation of access to and operation of blockchain networks or similar systems; the maintenance and development of the open source software protocol of blockchain networks; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using government backed currencies or existing networks; the extent to which current interest in cryptocurrencies represents a speculative "bubble"; general economic conditions in the United States and the world; the regulatory environment relating to cryptocurrencies and blockchains; and a decline in the popularity or acceptance of cryptocurrencies or other block- based tokens. The digital assets industries as a whole have been characterized by rapid changes and innovations and are constantly evolving. Although they have experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption, and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the Tokens.

Risks associated with your credentials.

Any third party that gains access to or learns of your wallet login credentials or private keys may be able to dispose of your Tokens. To minimize this risk, you should guard against unauthorized access to your electronic devices. Best practices dictate that you safely store private keys in one or more backup locations geographically separated from the working location. In addition, you are responsible for giving us the correct wallet address to which to send your Tokens. If you give us the incorrect address to which to send your Tokens, we are not responsible for any loss of Tokens that may occur.

Purchasers are responsible for securing and maintaining their private keys and otherwise following cybersecurity best practices. Failure to do so may result in the loss of all the Purchaser's Tokens.

The Token balances are associated with the Purchasers' respective wallets with the Purchasers' respective token public keys, which in turn are associated with Purchasers' specific token private keys. Each Purchaser is responsible for knowing such Purchaser's private key and keeping it safe and a secret. A private key, or a combination of private keys, is necessary to control and use Tokens stored in a digital wallet or vault. The loss of one or more of a Purchaser's private keys associated with such Purchaser's digital wallet or vault storing the Tokens will result in the loss of the Purchasers' Tokens. The Company will never ask for Purchasers' private keys, and Purchasers should never share any private keys with anyone. Further, the Purchaser is responsible for becoming and staying educated on best practices for securely keeping private keys, protecting any relevant personally identifiable information, and on cybersecurity best practices more generally. Holders of crypto assets can be targeted by hackers in many ways which are out of our control. Holders' private keys can also be stolen. Any third party that gains access to one or more of Purchaser's private keys, including by gaining access to login credentials of a hosted wallet service used by the Purchaser, may be able to misappropriate Purchaser's Tokens. The Company has no control over such attacks and cannot stop hackers from stealing private keys of users. The Company will further accept no liability and will not reimburse the Purchaser for any theft of private keys or any malfunction of wallet software. As a result, any loss of the Purchaser's Tokens due to such theft or malfunction or unauthorized use of any private keys may be final and result in the complete loss of the Purchaser's Tokens purchased hereunder.

Risk of theft and hacking.

Smart contracts, software applications, and the Tokens may be exposed to attacks by hackers or other individuals, groups, organizations, or countries that interfere with the availability of the Tokens in any number of ways, including denial of service attacks, sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks, or phishing, or other novel methods that may or may not be known. Any such successful attacks could result in theft or loss of Tokens, adversely impacting the ability to further derive any usage or functionality from Tokens. The Company must take appropriate steps to ensure the integrity of its smart contracts, systems, and other vectors of potential attack. You must take appropriate steps to satisfy yourself of the integrity and veracity of relevant websites, systems, and communications. Furthermore, because the Tokens employ open-source software, there is a risk that a third party or a member of the Company's team may intentionally or unintentionally introduce weaknesses or defects into the core infrastructure of the Token and negatively affect it.

You acknowledge, understand, and accept that if your private key or password gets lost or stolen, the Tokens associated with your wallet address may be unrecoverable and permanently lost. Additionally, any third party that gains access to your private key, including by gaining access to the login credentials relating to your wallet, may be able to misappropriate your Tokens. Any errors or malfunctions caused by or otherwise related to the digital wallet or vault you choose to receive and store Tokens, including your own failure to properly maintain or use such digital wallet or vault, may also result in the loss of your Tokens, for which the Company shall have no liability.

Risk of mining attacks.

As with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, “selfish-mining” attacks, and rare condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of token transactions, and expected proper execution and sequencing of contract computations. The network of miners will ultimately be in control of the distribution of the Tokens via the Smart Contract System, and a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction of the Smart Contract System, and that such a scenario could lead to the Tokens losing intrinsic value and/or functionality.

Risk of security weaknesses in the Tokens.

The Tokens consists, at least in part, of open-source software that may, in turn, be based on other open-source software. There is a risk that the Company or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the Tokens to interfere with the use of or cause the loss of Tokens.

Risk of weaknesses or exploitable breakthroughs in the field of cryptography.

Advances in cryptography, or technical advances such as the development of quantum computing, could present risks to cryptocurrencies (like Tokens) by rendering ineffective the cryptographic consensus mechanism that underpins the Tokens, which could result in the theft, loss, or decreased utility of the Tokens. Smart contracts, blockchain application software, and blockchain platforms and protocols are still in an early development stage and relatively unproven. There is no warranty or assurance that the process for creating Tokens will be uninterrupted or error-free and there is an inherent risk that the software could contain defects, weaknesses, vulnerabilities, viruses, or bugs causing, inter alia, the complete loss of contributions and/or Tokens.

Technology relied upon by the Company for the design and maintenance of the Tokens, which is critical to the Token use case, may not function properly.

The technology relied upon by the Company for the design and periodic software updating and maintenance and functionality of the Tokens may not function properly, which would have a material impact on the Company’s business, operations and financial conditions. Problems with the functionality of the software design of the Tokens would also have a direct, material adverse effect on the demand for Tokens.

Risk of incompatible wallet service.

The wallet or wallet service provider used to receive the Tokens must conform to the ERC20 token standard in order to be technically compatible with the Tokens. The failure to ensure such conformity may have the result that Purchaser will not gain access to his, her or its Tokens.

Tax risks relating to tokens, cryptocurrency, and other digital assets.

The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, digital exchanges and offerings of digital assets is uncertain, and new regulations or policies may materially adversely affect the development and the value of the Company’s business.

Risk of unfavorable regulatory action in one or more jurisdictions.

Blockchain technologies and cryptographic tokens have been the subject of scrutiny by various regulatory bodies around the world. Blockchain technology allows new forms of interaction, and it is possible that certain jurisdictions will apply existing regulations on, or introduce new regulations addressing, blockchain technology-based applications, which regulations may be contrary to the current setup of the Tokens or

their associated smart contract system and, therefore, may result in substantial modifications to the Tokens and such smart contract systems, including its termination and the loss of Tokens.

The regulatory status of cryptographic tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory authorities may apply existing regulations with respect to such technology and its applications, including specifically (but without limitation to) the Platform and Tokens. It is likewise difficult to predict how or whether any legislative or regulatory authorities may implement changes to law and regulation affecting distributed ledger technology and its applications, including specifically (but without limitation to) the Tokens. Regulatory actions could negatively impact the Tokens in various ways, including, for purposes of illustration only, through a determination that Tokens are a regulated financial instrument that requires registration, licensing, recordkeeping, reporting, or restriction. The Company may cease operations in a jurisdiction if regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. The functioning of the Tokens could be impacted by any regulatory inquiries or actions, including restrictions on the use, sale, or possession of digital tokens like the Tokens, which restrictions could impede, limit, or end the development of the Tokens and increase legal costs.

The cryptocurrency exchange market, any token listing and trading market, initial coin offerings, and by extension the Tokens, are or may be subject to a variety of federal, state, and international laws and regulations, including those with respect to KYC/AML and customer due diligence procedures, privacy and data protection, consumer protection, data security, foreign exchange controls money transmission, and others. These laws and regulations, and the interpretation or application of these laws and regulations, could change. In addition, new laws or regulations affecting the Tokens could be enacted, which could impact the utility of the Tokens in the Platform. Additionally, users of the Platform are subject to or may be adversely affected by industry-specific laws and regulations or licensing requirements. If any of these parties fails to comply with any of these licensing requirements or other applicable laws or regulations, or if such laws and regulations or licensing requirements become more stringent or are otherwise expanded, it could adversely impact the Tokens, including the utility of Tokens with respect to the Platform, including any applications that are built in connection with the Platform.

The Company may need to obtain approvals from one or more governmental authorities and there is a risk that securing such approvals may delay or prevent the development of the Tokens and/or the Company's ability to issue the Tokens.

Long-term viability of crypto assets.

Crypto assets, including those like the Tokens, are a new and relatively untested product. There is considerable uncertainty about their long-term viability, which could be affected by a variety of factors, including many market-based factors such as economic growth, inflation, and others. In addition, the success of crypto assets (including the Tokens) will depend on the long-term utility and economic viability of blockchain and other new technologies related to crypto assets. Due in part to these uncertainties, the price of crypto assets are volatile and the Tokens may be hard to sell. Further, the value of Tokens may decrease over time, which may impact interest in, or the success of, the Platform. The Company does not control any of these factors, including the ability of the Tokens to maintain their value over time.

The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate.

The growth of the blockchain industry in general, as well as the blockchain networks on which the Company's business and Tokens will rely, is subject to a high degree of uncertainty. The factors affecting the further development of blockchain networks and cryptocurrencies, include, without limitation:

- worldwide growth in the adoption and use of cryptocurrencies and other blockchain technologies;
- government and quasi-government regulation of cryptocurrencies and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- the maintenance and development of the open-source software protocol of cryptocurrency networks;
- changes in consumer demographics and public tastes and preferences;
- the availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using government-backed currencies or existing networks;
- general economic conditions and the regulatory environment relating to cryptocurrencies; and
- a decline in the popularity or acceptance of cryptocurrencies or other blockchain-based tokens that would adversely affect the Company's business and results of operations.

The cryptocurrency and blockchain industries as a whole have been characterized by rapid changes and innovations and are constantly evolving. Although they have experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the development of the Company's business. Finally, the Company can give no assurance that technical advances, such as the development of quantum computing, will not present challenges to blockchain technology by rendering ineffective the cryptographic consensus mechanisms that underpin blockchain protocols.

Risk associated with underlying technology.

There can be no guarantee that the technology required for operation of the Platform will function as anticipated or function at all. This technology may malfunction because of internal problems or as a result of cyberattacks or security breaches or the Company might not be able to successfully develop the technology. Further, there may be no alternatives available if this technology does not work as anticipated. As a result, failure of this technology to work as intended may adversely affect the operation and growth of the Platform and may have a material adverse impact on Tokens.

Unanticipated risks.

Cryptographic tokens are a relatively new and comparatively untested technology. In addition to the risks discussed herein, there are risks that the Company cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or the emergence of new risks.

RISK FACTORS RELATED TO A NETWORK

No guarantee on when or if the Token Integration Event will occur.

There are no guarantees as to the timing of the Token Integration Event or the release of the Tokens, each of which is dependent on many factors, including many outside the Company's control. If the Token Integration Event does not occur or for other reasons the Company does not issue the Tokens as planned, Purchasers will not receive some or all of their Tokens. The Company has sole discretion to determine when, or if, the Token Integration Event occurs.

Risk of Tokens being deemed a futures contract or swap.

Given the time period between the close of this Offering and delivery of the Tokens, there is a risk that any deferred delivery arrangement involving a commodity could be viewed as a futures contract or swap transaction under U.S. commodities laws. We believe that this risk is generally a latent one that is mitigated by the Company's obligation to deliver Tokens shortly after the Token Integration Event to Purchasers who

represent and warrant that they are Platform users not purchasing with speculative intent and who are otherwise prohibited from transferring the Tokens before the Token is launched.

The value of the Tokens will be affected by the success of the platform.

Because the Tokens are intended for use on the Platform, a failure to maintain the Platform would negatively affect the value of the Tokens. There is no guarantee that the Network, including its use of the Tokens will develop as planned or become successful in the marketplace.

Risks associated with issuance of additional tokens.

Tokenholders may collectively determine it is in the best interest of the Network to adjust the supply of Tokens either upward or downward in the future. Further, if and when the Company enables staking, additional Tokens may be issued. If such events occur, the value of Tokens may be adversely impacted and a tokenholder's Token holding may also be diluted as a result.

RISK FACTORS RELATED TO A PROTOCOL

The Token Integration Event may not be adopted.

Insofar as the Protocol is not operated by the Company but by an independent community of participants around the world, the community may have discretion to adopt or not to adopt the Token Integration Event recommendation. Therefore, the Company cannot guarantee that a Token Integration Event will occur.

Risk of Protocol attacks and forks.

As with other blockchains, the Protocol could be susceptible to consensus-related attacks, including but not limited to double-spend attacks, majority validation power attacks, censorship attacks, byzantine behavior in the consensus algorithm or be subject to hard or soft forks. Any successful attack or fork presents a risk to the Protocol, the expected proper execution and sequencing of Token-transactions, the expected proper execution and sequencing of contract computations as well as the token balances in any investor's wallet.

Risk of mining attacks.

As with other cryptocurrencies, the blockchain used for the Smart Contract System is susceptible to mining attacks, including but not limited to double-spend attacks, majority mining power attacks, "selfish-mining" attacks, and rare condition attacks. Any successful attacks present a risk to the Smart Contract System, expected proper execution and sequencing of token transactions, and expected proper execution and sequencing of contract computations. The network of miners will ultimately be in control of the distribution of the Tokens via the Smart Contract System, and a majority of miners could agree at any point to make changes, updates, modifications to, or effect a deletion or destruction of the Smart Contract System, and that such a scenario could lead to the Tokens losing intrinsic value and/or functionality.

Risk associated with other applications.

The Protocol may give rise to other, alternative projects, promoted by unaffiliated third parties, under which Tokens will have no intrinsic value. This means that competitors may produce platforms that compete with our business model and project and may not accept our Tokens as payment for services within such platforms. Further, such platforms may become more popular and have greater success than our business model and project. In addition, the utility of Tokens depends on the success of our business model and project, if developed. Our business model and project may not be popular or widely used. In the long term, our business model and project may fail to attract a critical mass of users. Our business model and project may be merged with other projects. Various circumstances, including technical advancement and competitors, may render our business model and project obsolete.

Risk of withdrawing partners.

The feasibility of the Protocol as a whole depends strongly on the collaboration of front-end providers and other crucial partners. There is no assurance that the Protocol as a whole will be successfully developed and deployed.

Risk of abandonment / lack of success.

The creation of the Protocol may be abandoned for a number of reasons including, but not limited to, lack of interest from the public, lack of funding, incapacitation of key developers and project members, force majeure (including pandemics) or lack of commercial success or prospects. There are no assurances, even if the Protocol was partially or fully developed and launched that any investors will receive any benefits through the Tokens held by it.

Tax risks related to the Protocol.

Regulation of digital assets, cryptocurrencies, blockchain technologies and cryptocurrency exchanges is currently undeveloped and likely to rapidly evolve as government agencies take greater interest in them. Regulation varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations or guidance, or take other actions, which may directly or indirectly affect a digital asset network. Such authorities may also restrict the right to acquire, own, hold, sell, convert, trade or use digital assets, or to exchange digital assets for either fiat currency or other virtual currency, thus severely impacting the permissibility or use of the Tokens. Such regulatory changes may be contrary to the current setup of the Smart Contract System and may, inter alia, result in substantial modifications to the Smart Contract System and/or the Protocol, including its termination and the loss of Tokens for investors. Additionally, regulation of proposed activities of the Protocol is presently uncertain. It is not known what regulatory framework the proposed Protocol and associated activities will be subject to, the nature and obligations that will be imposed on the Company in order to comply with any such regulatory framework or when/if the Company will even be able to apply to be regulated, or successfully obtain the required licenses so that it may lawfully carry out its proposed business activities. The Company may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

RISK FACTORS RELATED TO LAYER 1 BLOCKCHAIN NETWORKS

Risks associated with the blockchain platforms.

Any malfunction, breakdown, abandonment, unintended function, unexpected functioning of, or attack on the platform upon which the Tokens are issued may have an adverse effect on the Tokens, including causing them to malfunction or function in an unexpected or unintended manner.

Proof-of-stake blockchains are a relatively recent innovation and have not been subject to as widespread use or adoption over as long of a period of time as traditional proof-of-work blockchains.

Certain digital assets, such as bitcoin, use a “proof-of-work” consensus algorithm. The genesis block on the Bitcoin blockchain was mined in 2009, and the Bitcoin blockchain has been in operation since then. Many newer blockchains enabling smart contract functionality, including the current Ethereum Network following the completion of the “Merge” in 2022, use a newer consensus algorithm known as “proof-of-stake.” While their proponents believe that they may have certain advantages, the “proof-of-stake” consensus mechanisms and governance systems underlying many newer blockchain protocols, including our Network, and its associated digital assets, such as the Tokens – have not been tested at scale over as long of a period of time or subject to as widespread use or adoption as, for example, the Bitcoin blockchain’s

proof-of-work consensus mechanism has. This could lead to these blockchains, and their associated digital assets, having undetected vulnerabilities, structural design flaws, suboptimal incentive structures for network participants (e.g., validators), technical disruptions, or a wide variety of other problems, any of which could cause these blockchains not to function as intended, lead to outright failure to function entirely causing a total outage or disruption of network activity, or to suffer other operational problems or reputational damage, leading to a loss of users or adoption or a loss in value of the associated digital assets, including the Tokens. Over the long term, there can be no assurance that the proof-of-stake blockchain on which our business model relies will achieve widespread scale or adoption or perform successfully; any failure to do so could negatively impact the value of the Tokens and our business.

Digital asset networks face significant scaling challenges and efforts to increase the volume and speed of transactions may not be successful.

Many digital asset networks, including our Network, face significant scaling challenges due to the fact that public blockchains generally face a tradeoff between security and scalability. One means through which public blockchains achieve security is decentralization, meaning that no intermediary is responsible for securing and maintaining these systems. For example, a greater degree of decentralization generally means a given digital asset network is less susceptible to manipulation or capture. Achieving decentralization may mean that every single node on a given digital asset network is responsible for securing the system by processing every transaction and every single full node is responsible for maintaining a copy of the entire state of the network. However, this may involve tradeoffs from an efficiency perspective, and impose constraints on throughput. A digital asset network may be limited in the number of transactions it can process by the fact that all validators participate in validating in each block and the capabilities of each single fully participating node. Many developers are actively researching and testing scalability solutions for public blockchains that do not necessarily result in lower levels of security or decentralization, such as off-chain payment channels. Off-chain payment channels would allow parties to transact without requiring the full processing power of a blockchain.

As corresponding increases in throughput lag behind growth in the use of digital asset networks, average fees and settlement times may increase considerably. Increased fees and decreased settlement speeds could preclude certain uses for our Network and could reduce demand for, and the price of, our Token, which could adversely impact its value.

There is no guarantee that any of the mechanisms in place or being explored for increasing the scale of settlement of our Network transactions will be effective, or how long these mechanisms will take to become effective, which could adversely impact the value of the Tokens.

The rapid development of other competing scalability solutions, such as those which would rely on handling the bulk of computational work relating to transactions or smart contracts and DApps outside of our Network, may cause alternatives to sharding to emerge. “Layer 2” is a collective term for solutions which are designed to help increase throughput and reduce transaction fees by handling or validating transactions off our Network (known as “**Layer 1**”) and then attempting to take advantage of the perceived security and integrity advantages of our Layer 1 Network by uploading the transactions validated on the Layer 2 protocol back to the Layer 1 Network. The details of how this is done vary significantly between different Layer 2 technologies and implementations and could cause issues with our Network.

Many developers are actively researching and testing scalability solutions for public blockchains. However, there is no guarantee that any of the mechanisms in place or being explored for increasing speed and throughput of settlement of the Network transactions will be effective, which could cause the Network to not adequately resolve scaling challenges and adversely impact the adoption of Tokens and our Network.

and the value of the Tokens. There is no guarantee that any potential scaling solution, whether a change to our Layer 1 Network like sharding or the introduction of a Layer 2 solution like rollups, state channels or side chains, will achieve widespread adoption. It is possible that proposed changes to our Layer 1 Network could divide the community, potentially even causing a hard fork, or that the decentralized governance of our Network causes network participants to fail to coalesce overwhelmingly around any particular solution, causing our Network to suffer reduced adoption or causing users or validators to migrate to other blockchain networks. It is also possible that scaling solutions could fail to work as intended, could suffer from centralization concerns, or could introduce bugs, coding defects or flaws, security risks, or other problems that could cause them to suffer operational disruptions. Alternatively, if a widely-used Layer 2 network were to fail, it could reduce demand for Tokens because it would eliminate a source of demand for using Tokens to record transactions from the Layer 2 onto our Layer 1 Network. Any of the foregoing could adversely affect the price of Tokens.

The value of the Tokens relates directly to its price. The price of the Tokens may be highly volatile and subject to fluctuations due to a number of factors, including the successful development and acceptance of our Network.

Digital assets such as the Tokens were only introduced within the past 15 years, and the medium to long term value of the Tokens is subject to a number of factors over time relating to the capabilities and development of blockchain technologies, such as the recentness of their development, their dependence on the internet and other technologies, their dependence on the role played by users, developers validators and the potential for malicious activity. Our Token itself was only recently conceived and first sold. For example, the realization of one or more of the following risks could materially adversely affect the value of the Tokens: digital asset networks, and the software used to operate them are in the early stages of development. Given the recentness of the development of digital asset networks, digital assets may not function as intended and parties may be unwilling to use digital assets, which would dampen the growth, if any, of digital asset networks. Because the Token is a digital asset, the value of the Tokens is subject to a number of factors relating to the fundamental investment characteristics of digital assets, including the fact that digital assets are bearer instruments and loss, theft, compromise, or destruction of the associated private keys could result in permanent loss of the asset.

- An increase in the global Token supply or a decrease in global Token demand;
- Digital assets, including Tokens, are controllable only by the possessor of both the unique public key and private key or keys relating to our Network address, or “wallet”, at which the digital asset is held. Private keys must be safeguarded and kept private in order to prevent a third party from accessing the digital asset held in such wallet. The loss, theft, compromise or destruction of a private key required to access a digital asset may be irreversible. If a private key is lost, stolen, destroyed or otherwise compromised and no backup of the private key is accessible, the owner would be unable to access the digital asset corresponding to that private key and the private key will not be capable of being restored by the digital asset network resulting in the total loss of the value of the digital asset linked to the private key;
- Forks in our Network, particularly where changes to our Network source code are either not well-received by key constituencies within our community or are not successfully executed or implemented and fail to achieve the functionality such changes were intended to bring about;
- Our Network’s protocol is informally overseen by a collective of core developers who, along with members of our community, can introduce proposals for updating our Network. The core developers evolve over time, largely based on self-determined participation. A Network client (“**Network Client**”) is a software application that implements our Network specification and

communicates with our Network. A “node” is a computer or other device that has downloaded the Network Client and is connected to other computers also running the Network Client software, together forming our Network. To the extent that node operators update their individual Network Client to new specifications, our Network could be subject to changes that may adversely affect the value of the Tokens. In addition, if a digital asset network has high-profile contributors, a perception that such contributors will no longer contribute to the network could have an adverse effect on the market price of the related digital asset;

- Increased competition from other blockchain networks combining smart contracts, programmable scripting languages, and an associated runtime environment, with blockchain-based recordkeeping, particularly where such other blockchain networks are able to offer users access to a larger consumer user base, greater efficiency, reliability, or processing speed, or more economical transaction processing fees than our Network fees associated with processing a Token transaction and the speed at which Token transactions are settled;
- The ability for our Network to attract and retain validators to secure and confirm transactions accurately and efficiently;
- The acceptance of software patches or upgrades by some, but not all, nodes, users and validators in a digital asset network, such as our Network, could result in a “fork” in our Network, resulting in the operation of multiple separate networks;
- A lack of consensus or clarity on the governance of our Network, which may stymie our Network’s utility and ability to grow and face challenges. In particular, it may be difficult to find solutions or marshal sufficient effort to overcome any future problems on our Network, especially long-term problems;
- Digital asset validator operations have evolved from individual users to “professionalized” validating operations using proprietary hardware or sophisticated machines. If the profit margins of digital asset validating operations are not sufficiently high, including due to a decrease in transaction fees, validators are more likely to immediately sell tokens earned by validating, resulting in an increase in liquid supply of that digital asset, which would generally tend to reduce that digital asset’s market price;
- To the extent that any validators cease to record transactions that do not include the payment of a transaction fee in solved blocks or do not record a transaction because the transaction fee is too low, such transactions will not be recorded on our Network blockchain until a block is validated by a validator who does not require the payment of transaction fees or is willing to accept a lower fee. Any widespread delays in the recording of transactions could result in a loss of confidence in a digital asset network;
- Software applications running on top of our Network (often referred to as “decentralized applications” or “DApps”, whether or not decentralized in fact) and smart contract developers depend on being able to obtain Tokens to be able to run their programs and operate their businesses. In particular, decentralized applications and smart contracts require Tokens in order to pay the gas fees needed to power such applications and smart contracts and execute transactions. As such, they represent a significant source of demand for Tokens. Our Tokens’ price volatility (particularly where the Token prices increase), or our Network’s wider inability to meet the demands of decentralized applications and smart contracts in terms of inexpensive, reliable, and prompt transaction execution (including during congested periods), or to solve its scaling challenges or increase its throughput, may discourage such decentralized application and smart contract developers from using our Network as the foundational infrastructure layer for building their

applications and smart contracts. If decentralized application and smart contract developers abandon our blockchain for other blockchain or digital asset networks or protocols for whatever reason, the value of the Tokens could be negatively affected;

- In the past, bugs, defects and flaws in the source code for digital assets have been exposed and exploited, including flaws that may or have disrupted our Network, Network Clients, or DApp and smart contract operations or disabled related functionality for users, exposed users' personal information and/or resulted in the theft of users' digital assets. The cryptography underlying our Network or our Tokens as an asset could prove to be flawed or ineffective, or developments in mathematics and/or technology, including advances in digital computing, algebraic geometry and quantum computing, could result in such cryptography becoming ineffective. In any of these circumstances, a malicious actor may be able to compromise the security of our Network, which would adversely affect the value of the Tokens. Moreover, normal operations and functionality of our Network may be negatively affected. Such losses of functionality could lead to our Network losing attractiveness to users, nodes, validators, or other stakeholders, thereby dampening demand for the Tokens. Even if another digital asset other than the Tokens were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect the value of the Tokens.

Competition from central bank digital currencies and emerging payments initiatives involving financial institutions could adversely affect the value of the Tokens and other digital assets.

Central banks in various countries have introduced digital forms of legal tender ("CBDCs"). Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could have an advantage in competing with, or replace, the Tokens and other cryptocurrencies as a medium of exchange or store of value. Central banks and other governmental entities have also announced cooperative initiatives and consortia with private sector entities, with the goal of leveraging blockchain and other technology to reduce friction in cross-border and interbank payments and settlement, and commercial banks and other financial institutions have also recently announced a number of initiatives of their own to incorporate new technologies, including blockchain and similar technologies, into their payments and settlement activities, which could compete with, or reduce the demand for, the Tokens. As a result of any of the foregoing factors, the value of the Tokens could decrease, which could adversely affect the value of an investment in the Tokens.

Mathematical or technological advances could undermine our Network's consensus mechanism.

Our Network relies on cryptographic algorithms for various operations, including address generation, transaction verification and smart contract execution. It is possible that mathematical or technological advances, such as the development of quantum computers with significantly more power than computers presently available, could undermine or vitiate the cryptographic consensus mechanism underpinning our Network. Quantum computing technology is an emerging phenomenon which, because it is still developing, makes it difficult to predict its ultimate effect on the future value of Tokens and other digital assets. However, recent announcements by computer technology companies have suggested that quantum computing technology may be advancing faster than previously anticipated. For example, in February 2025, Microsoft announced its Majorana 1 chip, which is claimed to have the potential to support a one-million-qubit quantum computer. If quantum computing technology is able to advance and significantly increase its capacity relative to the capacity of today's leading quantum computers, it could potentially undermine the viability of many of the cryptographic algorithms used across the world's information technology infrastructure, including the cryptographic algorithms used for digital assets like the Tokens. If quantum computing is able to advance in that way, there is a risk that quantum computing could result in the

cryptography underlying our Network becoming ineffective, which, if realized, could compromise the security of our Network, or allow a malicious actor to compromise the wallets holding Tokens owned on our Network, which would result in losses to Shareholders. While various actors in the our community are taking steps to enable the uses of cryptographic algorithms that would be resistant to advanced quantum computers, there is no guarantee that new quantum-proof architectures will be built and appropriate transitions will be implemented across the network at scale in a timely manner; any such changes could require the achievement of broad consensus within our Network community and a fork (or multiple forks), and there can be no assurance that such consensus would be achieved or the changes implemented successfully. If any of the foregoing were to occur, it could result in losses to Shareholders. Moreover, normal operations and functionality of our Network may be negatively affected. Such losses of functionality could lead to our Network losing attractiveness to users, nodes, validators, or other stakeholders, thereby dampening demand for the Tokens. Even if another digital asset other than the Tokens were affected by similar circumstances, any reduction in confidence in the source code or cryptography underlying digital assets generally could negatively affect the demand for digital assets and therefore adversely affect the value of the Tokens.

Smart contracts, including those relating to DeFi applications, are a new technology and their ongoing development and operation may result in problems, which could reduce the demand for the Tokens or cause a wider loss of confidence in our Network, either of which could have an adverse impact on the value of the Tokens.

Smart contracts are programs that run on our Network that execute automatically when certain conditions are met. Since smart contracts typically cannot be stopped or reversed, vulnerabilities in their programming can have damaging effects. For example, in June 2016, a vulnerability in the smart contracts underlying the DAO, a distributed autonomous organization for venture capital funding on the Ethereum Network, allowed an attack by a hacker to syphon approximately \$60 million worth of ether from The DAO's accounts into a segregated account. In the aftermath of the theft, certain core developers and contributors pursued a "hard fork" of the Ethereum Network in order to erase any record of the theft. Despite these efforts, the price of ether reportedly dropped approximately 35% in the aftermath of the attack and subsequent hard fork. In addition, in July 2017, a vulnerability in a smart contract for a multi-signature wallet software developed by Parity led to a reportedly \$30 million theft of ether, and in November 2017, a new vulnerability in Parity's wallet software reportedly led to roughly \$160 million worth of ether being indefinitely frozen in an account. Furthermore, in April 2018, a batch overflow bug was found in many Ethereum-based ERC20-compatible smart contract tokens that allows hackers to create a large number of smart contract tokens, causing multiple crypto asset platforms worldwide to shut down ERC20-compatible token trading. Similarly, in March 2020, a design flaw in the MakerDAO smart contract caused forced liquidations of crypto assets at significantly discounted prices, resulting in millions of dollars of losses to users who had deposited crypto assets into the smart contract. In another example, in February 2022, a vulnerability in a smart contract for Wormhole, a bridge between the Ethereum Network and Solana Network led to a \$320 million theft of ether. While persons associated with Solana Labs and/or the Solana Foundation are understood to have played a key role in bringing the network back online, the broader community also played a key role, as Solana validators coordinated to upgrade and restart the network. Other smart contracts, such as bridges between blockchain networks and decentralized finance ("DeFi") protocols have also been manipulated, exploited or used in ways that were not intended or envisioned by their creators such that attackers syphoned over \$3.8 billion worth of digital assets from smart contracts in 2022. Problems with the development, deployment, and operation of smart contracts may have an adverse effect on the value of the Tokens, just as they have for other digital assets like ether.

In some cases, smart contracts can be controlled by one or more "admin keys" or users with special privileges, or "super users". These users may have the ability to unilaterally make changes to the smart

contract, enable or disable features on the smart contract, change how the smart contract receives external inputs and data, and make other changes to the smart contract. Furthermore, in some cases inadequate public information may be available information asymmetries may exist, even with respect to open-source smart contracts or applications; certain participants may have hidden informational or technological advantages, making for an uneven playing field. There may be opportunities for bad actors to perpetrate fraudulent schemes and engage in illicit activities and other misconduct, such as exit scams and rug pulls (orchestrated by developers and/or influencers who promote a smart contract or application and, ultimately, escape with the money at an agreed time), or Ponzi or similar fraud schemes.

Insofar as DeFi applications become deployed on our Network, smart contracts relating to DeFi applications may in the future constitute a significant source of demand for the Tokens. DeFi applications may achieve their investment purposes through self-executing smart contracts that may allow users to invest digital assets in a pool from which other users can borrow without requiring an intermediate party to facilitate these transactions. These investments may earn interest to the investor based on the rates at which borrowers repay the loan, and can generally be withdrawn by the investor. For smart contracts that hold a pool of digital asset reserves, smart contract super users or admin key holders may be able to extract funds from the pool, liquidate assets held in the pool, or take other actions that decrease the value of the digital assets held by the smart contract in reserves. Even for digital assets that have adopted a decentralized governance mechanism, such as smart contracts that are governed by the holders of a governance token, such governance tokens can be concentrated in the hands of a small group of core community members, who would be able to make similar changes unilaterally to the smart contract. If any such super user or group of core members unilaterally make adverse changes to a smart contract, the design, functionality, features and value of the smart contract, its related digital assets may be harmed. In addition, assets held by the smart contract in reserves may be stolen, misused, burnt, locked up or otherwise become unusable and irrecoverable. Super users can also become targets of hackers and malicious attackers. If an attacker is able to access or obtain the super user privileges of a smart contract, or if a smart contract's super users or core community members take actions that adversely affect the smart contract, users who transact with the smart contract may experience decreased functionality of the smart contract or may suffer a partial or total loss of any digital assets they have used to transact with the smart contract. Furthermore, the underlying smart contracts may be insecure, contain bugs or other vulnerabilities, or otherwise may not work as intended. Any of the foregoing could cause users of the DeFi application to be negatively affected, or could cause the DeFi application to be the subject of negative publicity. Because DeFi applications may be built on our Network and represent a significant source of demand for the Tokens, public confidence in our Network itself could be negatively affected, such sources of demand could diminish and the value of the Tokens could decrease. Similar risks apply to any smart contract or decentralized application, not just DeFi applications.

Digital assets may have concentrated ownership and large sales or distributions by holders of such digital assets, or any ability to participate in or otherwise influence a digital asset's underlying network, could have an adverse effect on the market price of such digital asset.

Ownership of our Tokens is presently concentrated to a limited number of wallets. Moreover, it is possible that other persons or entities control multiple wallets that collectively hold a significant number of Tokens, even if they individually only hold a small amount, and it is possible that some of these wallets are controlled by the same person or entity. As a result of this concentration of ownership, large sales or distributions by such holders could have an adverse effect on the market price of the Tokens. Competition from other consortia or private blockchains could have a negative impact on the price of the Tokens and adversely affect an investment in them.

The price of Tokens may be affected due to stablecoins (including Tether and USDC), the activities of stablecoin issuers and their regulatory treatment.

The price of the Tokens may be exposed to risks that stablecoins pose for the market for our Tokens and other digital asset markets. Stablecoins are digital assets designed to have a stable value over time as compared to typically volatile digital assets, and are typically marketed as being pegged to a fiat currency, such as the U.S. dollar, at a certain value. Although the prices of stablecoins are intended to be stable, their market value may fluctuate. This volatility may, as it has for other tokens, impact the price of the Tokens. Stablecoins are a relatively new phenomenon, and it is impossible to know all of the risks that they could pose to participants in the Token market. In addition, some have argued that some stablecoins, particularly Tether, are improperly issued without sufficient backing in a way that, when the stablecoin is used to pay for Tokens, could cause artificial rather than genuine demand for the Tokens, artificially inflating the price of the Tokens, and also argue that those associated with certain stablecoins may be involved in laundering money. On February 17, 2021 the New York Attorney General entered into an agreement with Tether's operators, including Bitfinex, requiring them to cease any further trading activity with New York persons and pay \$18.5 million in penalties for false and misleading statements made regarding the assets backing Tether. On October 15, 2021, the CFTC announced a settlement with Tether's operators, Tether Holdings Limited, Tether Operations Limited, Tether Limited, and Tether International Limited, in which they agreed to pay \$42.5 million in fines to settle charges that, among others, Tether's claims that it maintained sufficient U.S. dollar reserves to back every Tether stablecoin in circulation with the "equivalent amount of corresponding fiat currency" held by Tether were untrue.

Bitfinex also agreed to pay the CFTC a \$1.5 million fine to settle charges that Bitfinex offered off-exchange leveraged, margined, or financed transactions involving cryptocurrencies, including Solana, with U.S. customers who were not eligible contract participants and accepted funds (including in the form of Tether stablecoins) and orders in connection with such illegal off-exchange transactions, triggering an obligation to register with the CFTC, which the CFTC order asserts it violated. The CFTC previously fined Bitfinex in 2016 on similar charges.

USDC is a reserve-backed stablecoin issued by Circle Internet Financial that is commonly used as a method of payment in digital asset markets. While USDC is designed to maintain a stable value at 1U.S. dollar at all times, on March 10, 2023, the value of USDC fell below \$1.00 for multiple days after Circle Internet Financial disclosed that US\$3.3 billion of the USDC reserves were held at Silicon Valley Bank, which had entered FDIC receivership earlier that day. Stablecoins are reliant on the U.S. banking system and U.S. treasuries, and the failure of either to function normally could impede the function of stablecoins, and therefore could adversely affect the value of the Tokens.

Given the foundational role that stablecoins play in global digital asset markets, their fundamental liquidity can have a dramatic impact on the broader digital asset market, including the market for Tokens. Because a large portion of the digital asset market still depends on stablecoins such as Tether and USDC, there is a risk that a disorderly de-pegging or a run on Tether or USDC could lead to dramatic market volatility in digital assets more broadly. Volatility in stablecoins, operational issues with stablecoins (for example, technical issues that prevent settlement), concerns about the sufficiency of any reserves that support stablecoins or potential manipulative activity when unbacked stablecoins are used to pay for other digital assets (including Tokens), or regulatory concerns about stablecoin issuers or intermediaries, such as exchanges, that support stablecoins, or the removal or migration of prominent stablecoins away from our Network, could impact individuals' willingness to trade on trading venues that rely on stablecoins, reduce liquidity in the Token market, and affect the value of the Tokens, and in turn impact an investment in the Tokens.

If the digital asset award or transaction fees for recording transactions on our Network are not sufficiently high to incentivize validators, or if certain jurisdictions continue to limit or otherwise regulate validating activities, validators may cease expanding validating power or demand high transaction fees, which could negatively impact the value of the Tokens.

If the digital asset awards for validating blocks or the transaction fees for recording transactions on our Network are not sufficiently high to incentivize validators, or if certain jurisdictions continue to limit or otherwise regulate validating activities, validators may cease expending validating power to validate blocks and confirmations of transactions on the our Network could be slowed. For example, the realization of one or more of the following risks could materially adversely affect the value of the Tokens:

- A reduction in the processing power expended by validators on our Network could increase the likelihood of a malicious actor or botnet (a volunteer or hacked collection of computers controlled by networked software coordinating the actions of the computers) obtaining control. Our Network could be vulnerable to attacks on transaction finality and consensus processes, which could adversely affect the value of the Tokens;
- Validators have historically accepted relatively low transaction confirmation fees on most digital asset networks. If validators demand higher transaction fees for recording transactions in our Network or a software upgrade automatically charges fees for all transactions on our Network, the cost of using Tokens may increase and the marketplace may be reluctant to accept Tokens as a means of payment. Alternatively, validators could collude in an anti-competitive manner to reject low transaction fees on our Network and force users to pay higher fees, thus reducing the attractiveness of our Network. Higher transaction confirmation fees resulting through collusion or otherwise may adversely affect the attractiveness of our Network and the value of the Tokens;
- To the extent that any validators cease to record transactions that do not include the payment of a transaction fee in blocks or do not record a transaction because the transaction fee is too low, such transactions will not be recorded on our Network blockchain until a block is validated by a validator who does not require the payment of transaction fees or is willing to accept a lower fee. Any widespread delays or disruptions in the recording of transactions could result in a loss of confidence in our Network and could prevent holders of our Tokens from completing transactions thereon;
- During the course of ordering transactions and validating blocks, validators may be able to prioritize certain transactions in return for increased transaction fees, an incentive system known as “Maximal Extractable Value” or MEV. For example, in blockchain networks that facilitate DeFi protocols in particular, such as our Network, users may attempt to gain an advantage over other users by increasing offered transaction fees. Certain software solutions, such as Flashbots, have been developed which facilitate validators in capturing MEV produced by these increased fees. The MEV incentive system may lead to an increase in transaction fees on our Network, which may diminish its use. Users or other stakeholders on our Network could also view the existence of MEV as unfair manipulation of decentralized digital asset networks, and refrain from using DeFi protocols or our Network generally. In addition, it’s possible regulators or legislators could enact rules which restrict the use of MEV, which could diminish the popularity of our Network among users and validators. Any of these or other outcomes related to MEV may adversely affect the value of the Tokens.

Validators may suffer losses due to staking, or staking may prove unattractive to validators, which could make our Network less attractive.

Validation on our Network requires Tokens to be transferred into smart contracts on the underlying blockchain networks. If our Network source code or protocol fail to behave as expected, suffer cybersecurity attacks or hacks, experience security issues, or encounter other problems, such assets may be irretrievably lost. As part of the “activating” and “de-activating” or “cooling down” processes of staking, staked Tokens will be inaccessible for a variable period of time determined by a range of factors, resulting in potential inaccessibility during those periods. “Activation” is the funding of a validator to be included in the active set, thereby allowing the validator to participate in our Network’s proof-of-stake consensus protocol. “De-activating” is the request to exit from the active set and no longer participate in our Network’s proof-of-stake consensus protocol. As part of these “activating” and “de-activating” processes of staking on our Network, any staked Tokens will be inaccessible for a period of time. The duration of activating and exiting periods are dependent on a range of factors. However, depending on demand, un-staking can take between one to several epochs to complete.

Our Network requires the payment of base fees and the practice of paying prioritization fees is common, and such fees can become significant as the amount and complexity of the transaction grows, depending on the degree of network congestion and the price of the Tokens. Any cybersecurity attacks, security issues, hacks, penalties, slashing events, or other problems could damage validators’ willingness to participate in validation, discourage existing and future validators from serving as such, and adversely impact our Network’s adoption or the price of the Tokens. Any disruption of validation on our Network could interfere with network operations and cause our Network to be less attractive to users and application developers than competing blockchain networks, which could cause the price of the Tokens to decrease. The limited liquidity during the “activation” or “de-activation” processes could dissuade potential validators from participating, which could interfere with network operations or security and cause our Network to be less attractive to users and application developers than competing blockchain networks, which could cause the price of the Tokens to decrease.

Operational cost may exceed the award for validating transactions, and increased transaction fees may adversely affect the usage of our Network.

If transaction confirmation fees become too high, the marketplace may be reluctant to use our Network. This may result in decreased usage and limit expansion of our Network in the retail, commercial and payments space, adversely impacting investment in the Tokens. Conversely, if the reward for validators or the value of the transaction fees is insufficient to motivate validators, they may cease to validate transactions. Ultimately, if the awards of new costs of validating transactions grow disproportionately, validators may operate at a loss, transition to other networks, or cease operations altogether. Each of these outcomes could, in turn, slow transaction validation and usage, which could have a negative impact on our Network and could adversely affect the value of the Tokens.

Anonymity and illicit financing risk.

Although transaction details of peer-to-peer transactions are recorded on our Network, a buyer or seller of digital assets on a peer-to-peer basis directly on our Network may never know to whom the public key belongs or the true identity of the party with whom it is transacting. Public key addresses are randomized sequences of alphanumeric characters that, standing alone, do not provide sufficient information to identify users. In addition, certain technologies may obscure the origin or chain of custody of digital assets. The opaque nature of the market poses asset verification challenges for market participants, regulators and auditors and gives rise to an increased risk of manipulation and fraud, including the potential for Ponzi schemes, bucket shops and pump-and-dump schemes. Digital assets have in the past been used to facilitate illicit activities. If a digital asset were used to facilitate illicit activities, businesses that facilitate transactions in such digital assets could be at increased risk of potential criminal or civil liability or lawsuits, or of having banking or other services cut off, and such digital asset could be removed from digital asset platforms. Any

of the aforementioned occurrences could adversely affect the price of the relevant digital asset, the attractiveness of the respective blockchain network and an investment in the Tokens. If a holder of Tokens were to transact with a sanctioned entity, such Holder – or even the Company – could be at risk of potential criminal or civil lawsuits or liability.

If validators exit the Solana Network, it could increase the likelihood of a malicious actor obtaining control.

Validators exiting the network could make our Network more vulnerable to a malicious actor obtaining control of a large percentage of staked Tokens, which might enable them to manipulate our Network by censoring or manipulating specific transactions. If our Network suffers such an attack, the price of the Tokens could be negatively affected, and a loss of confidence in our Network could result. Any reduction in confidence in the transaction confirmation process or staking power of our Network may adversely affect an investment in the Tokens.

RISK FACTORS SPECIFIC TO THE COMPANY

We are not licensed to conduct a virtual currency business in New York and do not currently intend to become licensed in any other state. We have taken the position that New York’s BitLicense regulatory framework does not apply to our offer and sale of the Tokens. It is possible, however, that the New York State Department of Financial Services could disagree with our position.

We are not licensed to conduct a virtual currency business in New York or any other state. We have, however, taken the position that the State of New York’s BitLicense Regulatory Framework does not apply to the offering or operation of the Network or the offer and sale of the Tokens.

It is possible that the New York State Department of Financial Services could disagree with our position. If we were deemed to be conducting an unlicensed virtual currency business in New York, we could be subject to significant additional regulation and/or regulatory consequences and/or be required to no longer make the Network or the Tokens available in New York or to New York residents. Other states may take a similar position in the future. Any of these outcomes may negatively affect the Tokens, including its further development, or the value of the Tokens and/or could cause us to cease operations in New York or any other states requiring a license for our activity.

We are not licensed as a money transmitter under state law or registered as a money services business under federal law, and our business may be adversely affected if we are required to do so.

We believe that we are not a money transmitter under state law or a money services business under federal law in the United States when we offer the Platform to developers. Further, we do not generally or specifically target U.S. Persons (as defined under the Securities Act) or residents to be users of the Tokens. If we were deemed to be a money transmitter under state law and/or money services business under federal law, we would be subject to significant additional regulation and costs. This could lead to significant changes with respect to operations of the Platform, the Tokens, suspensions in the operation of the Platform, the Network, the Tokens or certain of its components, changes in how the Tokens are structured, changes in how they are issued and other regulatory or business consequences and would greatly increase our costs in creating and facilitating transactions of the Tokens. It could also lead to a decrease in value of Tokens. In addition, a regulator could take action against us if it views our activity regarding the Platform or the Tokens as a violation of existing law. Any of these outcomes would negatively affect the value of the Tokens and/or could cause the Company to cease operations in certain states or nationwide.

Operating history.

The Company has little operating history in the blockchain industry, which continues to be evolving and may not develop as expected. The Company's historical performance does not necessarily reflect future performance or the likelihood of the success of the Tokens. A significant amount of work was required in order to create the Tokens and implement the Token into the Platform and much of that work is reliant on the input or consent of other persons not under the control of the Company. Assessing the business and future prospects of the Company is challenging in light of the risks and difficulties the Company may encounter. These risks and difficulties include but are not limited to, their ability to:

- Navigate complex and evolving regulatory and competitive environments;
- obtain the requisite regulatory and other licenses in the relevant jurisdictions;
- obtain and retain customers;
- successfully develop, maintain, and update internal controls to manage compliance within an evolving and complex regulatory environment;
- effectively identify and react to market trends;
- be involved in the successful development and deployment of the Tokens;
- implement new products and services;
- successfully execute the Company's funding strategy;
- effectively compete with other companies;
- successfully navigate economic conditions and fluctuations in the market;
- effectively manage the growth of the business;
- continue to develop, maintain, and scale the Tokens;
- effectively use finite personnel and technology resources;
- effectively maintain and scale financial and risk management controls and procedures;
- maintain the security of technology infrastructure, and the confidentiality of the information provided and utilized therein; and
- attract, integrate, and retain qualified employees and contractors.

Misconduct and errors risks.

The Company is exposed to many types of operational risk, including the risk of misconduct and errors by our employees, former employees, and other third-party service providers, or by users and developers on the Platform, whom the Company does not control, could be in a position to handle large amounts of sensitive and potentially proprietary information, whose exposure could result in significant liability. It is not always possible to identify and deter misconduct by employees or third-party providers, and the Company cannot control developers or uses of the Platform. The precautions the Company takes to detect and prevent this activity, such as encryption of user data, may not be effective in controlling unknown or unmanaged risks or losses. Any of these occurrences could result in the Company's diminished ability to operate the business and develop the Platform, inability to attract future developers and users, regulatory intervention, and financial harm which could negatively impact the Company, the growth of the Company, and the value of Tokens.

Representation by legal counsel.

Certain counsel (the "**Law Firm**") represents the Company solely with respect to the specific matters pertaining to the preparation of this Memorandum. Other matters may exist that could have a bearing on the Company as to which the Law Firm has been neither retained nor consulted. The Law Firm does not undertake to monitor compliance by the Company and its affiliates with the guidelines and procedures set forth in this Memorandum, nor does the Law Firm monitor compliance by the Company and/or its affiliates with applicable laws, unless in each case the Law Firm has been specifically retained to do so. The Law Firm does not investigate or verify the accuracy and completeness of information set forth in this Memorandum concerning the Company. Furthermore, the Law Firm is not providing any advice, representation, warranty, or other assurance of any kind as to any matter to any prospective investors of the

Tokens. No separate counsel has been engaged by the Company to represent any investors with respect to a purchase of the Tokens.

The Company has the exclusive right, in its sole and absolute discretion, to address and remediate any of the operational, legal, or regulatory risks presented as of the date hereof or hereafter. In the exercise of such rights, it is possible that the Company may determine that the continued development of the Tokens is not feasible. Accordingly, there is a material risk that the Company and its affiliates may not successfully continue to develop, market, and operate the Tokens.

Violation of policies risks.

Any violation of Company policies and terms and conditions of use, including misuse of the Platform and Tokens, by users and tokenholders, may result in unforeseeable adverse impact to the Platform out of the Company's control, which may in turn potentially affect the value of Tokens.

Risk of competitors.

The Company believes that other organizations are or may be working to develop decentralized application systems for scalable and interoperable solutions for Web3 developers or other novel technologies that may be competitive with the technology of the Company. Some or all of these organizations that may have technology similar to the Company, may have substantially greater technological expertise, experience with blockchain technologies and/or financial resources than the Company has, and many of them may be attempting to patent technologies that may be competitive with or similar to the technology the Company has developed, or attempting to reverse engineer the Company's technology, which may be possible as a substantial portion of the software underlying the Platform is open source software that is generally available to the public.

Risk of underage users.

In certain jurisdictions, persons under the age of eighteen (18) have the ability to repudiate or disaffirm contracts entered into by those individuals, and some of the Platform users are likely to be under the age of eighteen. As a result, the Company may have difficulty enforcing the terms of service and other agreements entered into with such individuals that are under the age of eighteen in connection with the operation of the Company's business, the Platform, and the distribution of Tokens.

RISK FACTORS SPECIFIC TO THIS OFFERING

No specific use of proceeds.

At present, and other than as set out herein, no proceeds have been allocated for any particular purposes, and management expects to use the net proceeds from this offering for working capital and to promote the development, security, maintenance, and distribution of the Platform, regardless of whether all of the Tokens under this Offering are sold. Management may also use a portion of the net proceeds to acquire, license, and invest in complementary products, technologies, or businesses in the ordinary course of business. However, management will have broad discretion over the use of proceeds and reserves the right to change the use of proceeds on other than working capital and general corporate purposes should the circumstances change, or future research and development opportunities arise and could spend the proceeds from the offering in ways with which Purchasers may not agree with or that do not yield a favorable return, if at all. If management does not use the proceeds of this offering in ways that benefit the Tokens, the future value and utility of Purchasers' Tokens may be adversely affected.

Risks associated with the structure of Token Purchase Agreements.

An investment in a TPA involves a significant amount of risk and is suitable only for sophisticated Purchasers: (i) of substantial means who have no immediate need for liquidity in the amount invested; (ii) for whom such investment does not constitute a complete investment program; (iii) that fully understand, and are willing to assume and have the financial resources necessary to withstand, the risks involved in investing in a TPA; and (iv) that can bear the potential loss of all of their investment in a TPA. There is no assurance as to whether an investment in a TPA will be profitable. Any investment made in a TPA may result in a loss of all or part of a Purchaser's investment. The TPA or a portion thereof may be modified, waived, or amended without your consent consistent with its terms.

* * *

CERTAIN NOTICES

This Memorandum shall be maintained in strict confidence. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, other than to a recipient's legal, tax, or investment advisors, is prohibited.

This Memorandum has been prepared in connection with the Offering. Each Purchaser will be required to sign, execute, and deliver such documents as may be reasonably required by the Company to effect its purchase of Tokens.

This Memorandum contains a summary of the Offering, the Platform, the Tokens, and certain other documents referred to herein. However, the summaries in this Memorandum do not purport to be complete and are subject to and qualified in their entirety by reference to the actual text of the relevant Offering Documents, copies of which will be provided to each prospective investor on the Republic Platform. Each prospective investor should review the applicable Offering Documents, and such other documents for complete information concerning the rights, privileges, and obligations of Purchasers. If any of the terms, conditions, or other provisions of the Offering Documents or such other documents are inconsistent with or contrary to the descriptions or terms in this Memorandum, such other documents shall control. The Company reserves the right to modify the terms of the Offering and the Tokens described in this Memorandum are offered subject to the Company's ability to reject any commitment in whole or in part.

This Memorandum contains a summary of the material terms of the Tokens. The Tokens have not been and will not be registered under the Securities Act, as amended, the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or any United States state securities laws or the laws of any foreign jurisdiction.

No person has been authorized to make any statements concerning the Company or the delivery of the Tokens discussed herein other than as set forth in this Memorandum or the Republic Platform, and any such statements, if made, must not be relied upon.

Prospective investors must make their own investigations and evaluations of the Platform and the Tokens that will be delivered pursuant thereto, including the merits and risks involved in a purchase therein. Prior to any purchase, the Company will give prospective investors the opportunity to ask questions of and receive answers and additional information from it concerning the terms and conditions of this Offering and other relevant matters to the extent the Company possesses the same or can acquire it without unreasonable effort or expense. Prospective investors should inform themselves as to the legal requirements applicable to them in respect of the acquisition, holding and disposition of the Tokens upon their delivery, and as to the income and other tax consequences to them of such acquisition, holding, and disposition.

By their participation in the Offering, Purchasers will be deemed to have agreed that their participation will constitute their representation, warranty, acknowledgment and agreement to all of the statements about Purchasers under the section titled "Notice to Purchasers." Potential Purchasers should carefully read that section of this Memorandum.

The Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in any jurisdiction in which it is unlawful to make such an offer or solicitation. Neither the United States Securities and Exchange Commission (the "**Commission**" or "**SEC**") nor any other U.S. federal, state, or foreign regulatory authority has approved of this Offering. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum, nor is it intended that the foregoing authorities will do so.

Prospective investors are not to construe this Memorandum as investment, legal, tax, regulatory, financial, accounting, or other advice, and this Memorandum is not intended to provide the sole basis for any evaluation of a purchase of an interest. Prior to purchasing the Tokens, a prospective investor should consult with its own legal, investment, tax, accounting, and other advisors to determine the potential benefits, burdens, and other consequences of such purchase.

* * *

SCHEDULE A

JURISDICTIONAL (NASAA) LEGENDS

FOR RESIDENTS OF ALL STATES: THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THAT STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OR SALE MAY BE MADE IN A PARTICULAR STATE. IF YOU ARE UNCERTAIN AS TO WHETHER OR NOT OFFERS OR SALES MAY BE LAWFULLY MADE IN ANY GIVEN STATE, YOU ARE HEREBY ADVISED TO CONTACT THE COMPANY. THE SECURITIES DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS (COMMONLY CALLED "BLUE SKY" LAWS). THESE SECURITIES MUST BE ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION OF SUCH SECURITIES UNDER SUCH LAWS, OR AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

THE PRESENCE OF A LEGEND FOR ANY GIVEN STATE REFLECTS ONLY THAT A LEGEND MAY BE REQUIRED BY THE STATE AND SHOULD NOT BE CONSTRUED TO MEAN AN OFFER OF SALE MAY BE MADE IN ANY PARTICULAR STATE.

1. NOTICE TO ALABAMA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

2. NOTICE TO ALASKA RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

3. NOTICE TO ARIZONA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844 (1) AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE ALSO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

4. NOTICE TO ARKANSAS RESIDENTS ONLY: THESE SECURITIES ARE OFFERED IN RELIANCE UPON CLAIMS OF EXEMPTION UNDER THE ARKANSAS SECURITIES ACT AND

SECTION 4(a)(2) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ARKANSAS SECURITIES DEPARTMENT OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE DEPARTMENT NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THIS OFFERING OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

5. FOR CALIFORNIA RESIDENTS ONLY: THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS OFFERING HAS NOT BEEN QUALIFIED WITH COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATIONS IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPTED FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITION UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

6. FOR COLORADO RESIDENTS ONLY: THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991 BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE RESOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE COLORADO SECURITIES ACT OF 1991, IF SUCH REGISTRATION IS REQUIRED.

7. NOTICE TO CONNECTICUT RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE BANKING COMMISSIONER OF THE STATE OF CONNECTICUT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

8. NOTICE TO DELAWARE RESIDENTS ONLY: IF YOU ARE A DELAWARE RESIDENT, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE DELAWARE SECURITIES ACT. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

9. NOTICE TO DISTRICT OF COLUMBIA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES BUREAU OF THE DISTRICT OF COLUMBIA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

10. NOTICE TO FLORIDA RESIDENTS ONLY: THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN REGISTERED WITH THE FLORIDA DIVISION OF SECURITIES AND INVESTOR PROTECTION UNDER THE FLORIDA SECURITIES ACT. THE SECURITIES REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061 OF SAID ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL OFFEREEES WHO ARE

FLORIDA RESIDENTS SHOULD BE AWARE THAT SECTION 517.061(11)(a)(5) OF THE ACT PROVIDES, IN RELEVANT PART, AS FOLLOWS: "WHEN SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, ANY SALE IN FLORIDA MADE PURSUANT TO THIS SECTION IS VOIDABLE BY THE PURCHASER IN SUCH SALE EITHER WITHIN 3 DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE COMPANY, AN AGENT OF THE COMPANY OR AN ESCROW AGENT OR WITHIN 3 DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER." THE AVAILABILITY OF THE PRIVILEGE TO VOID SALES PURSUANT TO SECTION 517.061(11) IS HEREBY COMMUNICATED TO EACH FLORIDA OFFEREE. EACH PERSON ENTITLED TO EXERCISE THE PRIVILEGE TO AVOID SALES GRANTED BY SECTION 517.061(11)(A)(5) AND WHO WISHES TO EXERCISE SUCH RIGHT, MUST, WITHIN 3 DAYS AFTER THE TENDER OF ANY AMOUNT TO THE COMPANY OR TO ANY AGENT OF THE COMPANY (INCLUDING THE SELLING AGENT OR ANY OTHER DEALER ACTING ON BEHALF OF THE PARTNERSHIP OR ANY SALESMAN OF SUCH DEALER) OR AN ESCROW AGENT CAUSE A WRITTEN NOTICE OR TELEGRAM TO BE SENT TO THE COMPANY AT THE ADDRESS PROVIDED IN THIS CONFIDENTIAL EXECUTIVE SUMMARY. SUCH LETTER OR TELEGRAM MUST BE SENT AND, IF POSTMARKED, POSTMARKED ON OR PRIOR TO THE END OF THE AFOREMENTIONED THIRD DAY. IF A PERSON IS SENDING A LETTER, IT IS PRUDENT TO SEND SUCH LETTER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ASSURE THAT IT IS RECEIVED AND ALSO TO EVIDENCE THE TIME IT WAS MAILED. SHOULD A PERSON MAKE THIS REQUEST ORALLY, HE MUST ASK FOR WRITTEN CONFIRMATION THAT HIS REQUEST HAS BEEN RECEIVED.

11. NOTICE TO GEORGIA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE GEORGIA SECURITIES ACT PURSUANT TO REGULATION 590-4-2-02. THE SECURITIES CANNOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

12. NOTICE TO HAWAII RESIDENTS ONLY: NEITHER THIS MEMORANDUM NOR THE SECURITIES DESCRIBED HEREIN BEEN APPROVED OR DISAPPROVED BY THE COMMISSIONER OF SECURITIES OF THE STATE OF HAWAII NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM.

13. NOTICE TO IDAHO RESIDENTS ONLY: THESE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE IDAHO SECURITIES ACT IN RELIANCE UPON EXEMPTION FROM REGISTRATION PURSUANT TO SECTION 30-14-203 OR 302(C) THEREOF AND MAY NOT BE SOLD, TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SAID ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SAID ACT.

14. NOTICE TO ILLINOIS RESIDENTS: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECRETARY OF THE STATE OF ILLINOIS NOR HAS THE STATE OF ILLINOIS PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

15. NOTICE TO INDIANA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 23-19-2-1 OF THE INDIANA SECURITIES LAW AND HAVE NOT BEEN REGISTERED UNDER SECTION 23-19-3. THEY CANNOT THEREFORE

BE RESOLD UNLESS THEY ARE REGISTERED UNDER SAID LAW OR UNLESS AN EXEMPTION FORM REGISTRATION IS AVAILABLE. A CLAIM OF EXEMPTION UNDER SAID LAW HAS BEEN FILED, AND IF SUCH EXEMPTION IS NOT DISALLOWED SALES OF THESE SECURITIES MAY BE MADE. HOWEVER, UNTIL SUCH EXEMPTION IS GRANTED, ANY OFFER MADE PURSUANT HERETO IS PRELIMINARY AND SUBJECT TO MATERIAL CHANGE.

16. NOTICE TO IOWA RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED; THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

17. NOTICE TO KANSAS RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 81-5-15 OF THE KANSAS SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

18. NOTICE TO KENTUCKY RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER TITLE 808 KAR 10:210 OF THE KENTUCKY SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

19. NOTICE TO LOUISIANA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER RULE 1 OF THE LOUISIANA SECURITIES LAW AND MAY NOT BE REOFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

20. NOTICE TO MAINE RESIDENTS ONLY: THE COMPANY IS REQUIRED TO MAKE A REASONABLE FINDING THAT THE SECURITIES OFFERED ARE A SUITABLE INVESTMENT FOR THE PURCHASER AND THAT THE PURCHASER IS FINANCIALLY ABLE TO BEAR THE RISK OF LOSING THE ENTIRE AMOUNT INVESTED. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION UNDER §16202(15) OF THE MAINE UNIFORM SECURITIES ACT AND ARE NOT REGISTERED WITH THE SECURITIES ADMINISTRATOR OF THE STATE OF MAINE. THE SECURITIES OFFERED FOR SALE MAY BE RESTRICTED SECURITIES AND THE HOLDER MAY NOT BE ABLE TO RESELL THE SECURITIES UNLESS: (1) THE SECURITIES ARE REGISTERED UNDER STATE AND FEDERAL SECURITIES LAWS, OR (2) AN EXEMPTION IS AVAILABLE UNDER THOSE LAWS.

21. NOTICE TO MARYLAND RESIDENTS ONLY: IF YOU ARE A MARYLAND RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THESE SECURITIES ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 11-602(9) OF THE MARYLAND SECURITIES ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MARYLAND. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SECURITIES.

22. NOTICE TO MASSACHUSETTS RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE MASSACHUSETTS UNIFORM SECURITIES ACT, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THIS OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS THEY ARE SUBSEQUENTLY REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

23. NOTICE TO MICHIGAN RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED BY SUBSECTION (E) OF SEC RULE 147, 17 CFR 230.147(E), OR SUBSECTION (E) OF SEC RULE 147A, 17 CFR 230.147A(E), AS PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

24. NOTICE TO MINNESOTA RESIDENTS ONLY: THESE SECURITIES BEING OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER CHAPTER 80A OF THE MINNESOTA SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO REGISTRATION, OR AN EXEMPTION THEREFROM.

25. NOTICE TO MISSISSIPPI RESIDENTS ONLY: THE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MISSISSIPPI SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE MISSISSIPPI SECRETARY OF STATE OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECRETARY OF STATE NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, OR APPROVED OR DISAPPROVED THIS OFFERING. THE SECRETARY OF STATE DOES NOT RECOMMEND THE PURCHASE OF THESE OR ANY OTHER SECURITIES. EACH PURCHASER OF THE SECURITIES MUST MEET CERTAIN SUITABILITY STANDARDS AND MUST BE ABLE TO BEAR AN ENTIRE LOSS OF THIS INVESTMENT. THE SECURITIES MAY NOT BE TRANSFERRED FOR A PERIOD OF ONE (1)

YEAR EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER THE MISSISSIPPI SECURITIES ACT OR IN A TRANSACTION IN COMPLIANCE WITH THE MISSISSIPPI SECURITIES ACT.

26. FOR MISSOURI RESIDENTS ONLY: THE SECURITIES OFFERED HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE PURCHASER IN A TRANSACTION EXEMPT UNDER SECTION 4.G OF THE MISSOURI SECURITIES LAW OF 1953, AS AMENDED. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF MISSOURI. UNLESS THE SECURITIES ARE SO REGISTERED, THEY MAY NOT BE OFFERED FOR SALE OR RESOLD IN THE STATE OF MISSOURI, EXCEPT AS A SECURITY, OR IN A TRANSACTION EXEMPT UNDER SAID ACT.

27. NOTICE TO MONTANA RESIDENTS ONLY: IN ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A MONTANA RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF FIVE (5) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SECURITIES.

28. NOTICE TO NEBRASKA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER CHAPTER 15 OF THE NEBRASKA SECURITIES LAW AND MAY NOT BE REOFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

29. NOTICE TO NEVADA RESIDENTS ONLY: IF ANY INVESTOR ACCEPTS ANY OFFER TO PURCHASE THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION NRS 92.520 OF THE NEVADA SECURITIES LAW. THE INVESTOR IS HEREBY ADVISED THAT THE ATTORNEY GENERAL OF THE STATE OF NEVADA HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING AND THE FILING OF THE OFFERING WITH THE BUREAU OF SECURITIES DOES NOT CONSTITUTE APPROVAL OF THE ISSUE, OR SALE THEREOF, BY THE BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEVADA. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. NEVADA ALLOWS THE SALE OF SECURITIES TO 25 OR FEWER PURCHASERS IN THE STATE WITHOUT REGISTRATION. HOWEVER, CERTAIN CONDITIONS APPLY, I.E., COMMISSIONS ARE LIMITED TO LICENSED BROKER-DEALERS. THIS EXEMPTION IS GENERALLY USED WHERE THE PROSPECTIVE INVESTOR IS ALREADY KNOWN AND HAS A PRE-EXISTING RELATIONSHIP WITH THE COMPANY. (SEE NRS 90.530.11.)

30. NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE UNDER THIS CHAPTER HAS BEEN FILED WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE,

OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

31. NOTICE TO NEW JERSEY RESIDENTS ONLY: IF YOU ARE A NEW JERSEY RESIDENT AND YOU ACCEPT AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO THIS MEMORANDUM, YOU ARE HEREBY ADVISED THAT THIS MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW JERSEY HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

32. NOTICE TO NEW MEXICO RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE NEW MEXICO DEPARTMENT OF BANKING NOR HAS THE SECURITIES DIVISION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

33. NOTICE TO NEW YORK RESIDENTS ONLY: THIS MEMORANDUM HAS NOT BEEN REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE COMPANY HAS TAKEN NO STEPS TO CREATE AN AFTER MARKET FOR THE NOTES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OR OTHERS TO TRADE OR MAKE A MARKET IN THE NOTES. AT SOME TIME IN THE FUTURE, THE COMPANY MAY ATTEMPT TO ARRANGE FOR INTERESTED BROKERS TO TRADE OR MAKE A MARKET IN THE SECURITIES AND TO QUOTE THE SAME IN A PUBLISHED QUOTATION MEDIUM, HOWEVER, NO SUCH ARRANGEMENTS HAVE BEEN MADE AND THERE IS NO ASSURANCE THAT ANY BROKERS WILL EVER HAVE SUCH AN INTEREST IN THE SECURITIES OF THE COMPANY OR THAT THERE WILL EVER BE A MARKET THEREFORE.

34. NOTICE TO NORTH CAROLINA RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FORGOING AUTHORITIES HAVE NOT CONFIRMED ACCURACY OR DETERMINED ADEQUACY OF THIS MEMORANDUM. REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

35. NOTICE TO NORTH DAKOTA RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSIONER OF THE STATE OF NORTH DAKOTA NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

36. NOTICE TO OHIO RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 1707.3(X) OF THE OHIO SECURITIES LAW AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

37. NOTICE TO OKLAHOMA RESIDENTS ONLY: THESE SECURITIES ARE OFFERED FOR SALE IN THE STATE OF OKLAHOMA IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION FOR PRIVATE OFFERINGS. ALTHOUGH A PRIOR FILING OF THIS MEMORANDUM AND THE INFORMATION HAS BEEN MADE WITH THE OKLAHOMA SECURITIES COMMISSION, SUCH FILING IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE AN APPROVAL, RECOMMENDATION OR ENDORSEMENT, AND IN NO SENSE IS TO BE REPRESENTED AS AN INDICATION OF THE INVESTMENT MERIT OF SUCH SECURITIES. ANY SUCH REPRESENTATION IS UNLAWFUL.

38. NOTICE TO OREGON RESIDENTS ONLY: THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH THE CORPORATION COMMISSION OF THE STATE OF OREGON UNDER PROVISIONS OF OAR 815 DIVISION 36. THE INVESTOR IS ADVISED THAT THE COMMISSIONER HAS NOT MADE A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THIS MEMORANDUM SINCE THE MEMORANDUM IS NOT REQUIRED TO BE FILED WITH THE COMMISSIONER. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE COMPANY CREATING THE SECURITIES, AND THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.

39. NOTICE TO PENNSYLVANIA RESIDENTS ONLY: EACH PERSON WHO ACCEPTS AN OFFER TO PURCHASE SECURITIES EXEMPTED FROM REGISTRATION BY SECTION 203(D), DIRECTLY FROM THE COMPANY OR AFFILIATE OF THIS COMPANY, SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY OTHER PERSON WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE COMPANY OF HIS WRITTEN BINDING CONTRACT OF PURCHASE OR, IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO BINDING CONTRACT OF PURCHASE, WITHIN TWO (2) BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES MADE PURSUANT TO A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 PS § 1-207(M)), YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONEYS PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A LETTER OR TELEGRAM TO THE COMPANY (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW. SUCH LETTER OR TELEGRAM SHOULD BE SENT AND POSTMARKED PRIOR TO THE END OF THE AFOREMENTIONED SECOND BUSINESS DAY. IF YOU ARE SENDING A LETTER, IT IS PRUDENT TO SEND IT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO ENSURE THAT IT IS RECEIVED AND ALSO EVIDENCE THE TIME WHEN IT WAS MAILED. SHOULD

YOU MAKE THIS REQUEST ORALLY, YOU SHOULD ASK WRITTEN CONFIRMATION THAT YOUR REQUEST HAS BEEN RECEIVED. NO SALE OF THE SECURITIES WILL BE MADE TO RESIDENTS OF THE STATE OF PENNSYLVANIA WHO ARE NON-ACCREDITED INVESTORS. EACH PENNSYLVANIA RESIDENT MUST AGREE NOT TO SELL THESE SECURITIES FOR A PERIOD OF TWELVE (12) MONTHS AFTER THE DATE OF PURCHASE, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION. THE SECURITIES HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENT OF THE PENNSYLVANIA SECURITIES ACT OF 1972. NO SUBSEQUENT RESALE OR OTHER DISPOSITION OF THE SECURITIES MAY BE MADE WITHIN 12 MONTHS FOLLOWING THEIR INITIAL SALE IN THE ABSENCE OF AN EFFECTIVE REGISTRATION, EXCEPT IN ACCORDANCE WITH WAIVERS ESTABLISHED BY RULE OR ORDER OF THE COMMISSION, AND THEREAFTER ONLY PURSUANT TO AN EFFECTIVE REGISTRATION OR EXEMPTION.

40. NOTICE TO RHODE ISLAND RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE DEPARTMENT OF BUSINESS REGULATION OF THE STATE OF RHODE ISLAND NOR HAS THE DIRECTOR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

41. NOTICE TO SOUTH CAROLINA RESIDENTS ONLY: THESE SECURITIES ARE BEING OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE SOUTH CAROLINA SECURITIES COMMISSIONER. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

42. NOTICE TO SOUTH DAKOTA RESIDENTS ONLY: THESE SECURITIES ARE BEING OFFERED FOR SALE IN THE STATE OF SOUTH DAKOTA PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SOUTH DAKOTA BLUE SKY LAW, CHAPTER 47-31, WITH THE DIRECTOR OF THE DIVISION OF SECURITIES OF THE DEPARTMENT OF COMMERCE AND REGULATION OF THE STATE OF SOUTH DAKOTA. THE EXEMPTION DOES NOT CONSTITUTE A FINDING THAT THIS MEMORANDUM IS TRUE, COMPLETE, AND NOT MISLEADING, NOR HAS THE DIRECTOR OF THE DIVISION OF SECURITIES PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THESE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

43. NOTICE TO TENNESSEE RESIDENT ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY

OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD. EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

44. NOTICE TO TEXAS RESIDENTS ONLY: THE SECURITIES OFFERED HEREUNDER HAVE NOT BEEN REGISTERED UNDER APPLICABLE TEXAS SECURITIES LAWS AND, THEREFORE, ANY PURCHASER THEREOF MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME BECAUSE THE SECURITIES CANNOT BE RESOLD UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER SUCH SECURITIES LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. FURTHER, PURSUANT TO §109.13 UNDER THE TEXAS SECURITIES ACT, THE COMPANY IS REQUIRED TO APPRISE PROSPECTIVE INVESTORS OF THE FOLLOWING: A LEGEND SHALL BE PLACED, UPON ISSUANCE, ON CERTIFICATES REPRESENTING SECURITIES PURCHASED HEREUNDER, AND ANY PURCHASER HEREUNDER SHALL BE REQUIRED TO SIGN A WRITTEN AGREEMENT THAT HE WILL NOT SELL THE SUBJECT SECURITIES WITHOUT REGISTRATION UNDER APPLICABLE SECURITIES LAWS, OR EXEMPTIONS THEREFROM.

45. NOTICE TO UTAH RESIDENTS ONLY: THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE UTAH SECURITIES ACT. THE SECURITIES CANNOT BE TRANSFERRED OR SOLD EXCEPT IN TRANSACTIONS WHICH ARE EXEMPT UNDER THE ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR IN A TRANSACTION WHICH IS OTHERWISE IN COMPLIANCE WITH THE ACT.

46. NOTICE TO VERMONT RESIDENTS ONLY: THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES DIVISION OF THE STATE OF VERMONT NOR HAS THE COMMISSIONER PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

47. NOTICE TO VIRGINIA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION UNDER SECTION 13.1-514 OF THE VIRGINIA SECURITIES ACT AND MAY NOT BE RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

48. NOTICE TO WASHINGTON RESIDENTS ONLY: (i) ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE COMPANY WHICH SHALL BE FURNISHED UPON REQUEST; (ii) RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE; AND (iii) THE RETURN OF THE FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION.

49. NOTICE TO WEST VIRGINIA RESIDENTS ONLY: IF AN INVESTOR ACCEPTS AN OFFER TO PURCHASE ANY OF THE SECURITIES, THE INVESTOR IS HEREBY ADVISED THE SECURITIES WILL BE SOLD TO AND ACQUIRED BY IT/HIM/HER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 15.06(b)(9) OF THE WEST VIRGINIA SECURITIES LAW AND MAY NOT BE REOFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.

50. NOTICE TO WISCONSIN RESIDENTS ONLY: IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. IT IS THE RESPONSIBILITY OF ANY PERSON WISHING TO PURCHASE THE SECURITIES TO SATISFY HIMSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE U.S. IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

51. FOR WYOMING RESIDENTS ONLY: ALL WYOMING RESIDENTS WHO PURCHASE SECURITIES OFFERED BY THE COMPANY MUST SATISFY THE FOLLOWING MINIMUM FINANCIAL SUITABILITY REQUIREMENTS IN ORDER TO PURCHASE SECURITIES: (1) A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) OF TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000); AND (2) THE PURCHASE PRICE OF SECURITIES MAY NOT EXCEED TWENTY PERCENT (20%) OF THE NET WORTH OF THE PURCHASER; AND (3) "TAXABLE INCOME" AS DEFINED IN SECTION 63 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, DURING THE LAST TAX YEAR AND ESTIMATED "TAXABLE INCOME" DURING THE CURRENT TAX YEAR SUBJECT TO A FEDERAL INCOME TAX RATE OF NOT LESS THAN THIRTY-THREE PERCENT (33%). IN ORDER TO VERIFY THE FOREGOING, ALL PURCHASERS WHO ARE WYOMING RESIDENTS WILL BE REQUIRED TO REPRESENT THAT THEY MEET THESE WYOMING SPECIAL INVESTOR SUITABILITY REQUIREMENTS.

FOR ALL NON-U.S. INVESTORS

NO ACTION HAS BEEN OR WILL BE TAKEN IN ANY JURISDICTION OUTSIDE THE UNITED STATES OF AMERICA THAT WOULD PERMIT AN OFFERING OF THE SECURITIES, OR POSSESSION, OR DISTRIBUTION OF OFFERING MATERIAL IN CONNECTION WITH THE ISSUE OF THE SECURITIES, IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IT IS THE RESPONSIBILITY OF ANY PERSON WISHING TO PURCHASE THE SECURITIES TO SATISFY HIMSELF OR HERSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES OF AMERICA IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

YOUR INVESTMENT WILL BE DENOMINATED IN UNITED STATES DOLLARS (\$) AND, THEREFORE, WILL BE SUBJECT TO ANY FLUCTUATION IN THE RATE OF EXCHANGE BETWEEN UNITED STATES DOLLARS (\$), THE CURRENCY OF YOUR OWN JURISDICTION

AND THE CURRENCY OF THE JURISDICTION IN WHICH ANY FUND PORTFOLIO ASSET OPERATES OR GENERATES INVESTMENT PROCEEDS, AS APPLICABLE. SUCH FLUCTUATIONS MAY HAVE AN ADVERSE EFFECT ON THE VALUE, PRICE OR INCOME OF YOUR INVESTMENT.