

NOTICE TO INVESTORS

Under Regulation D: (1) The securities may be sold only to accredited investors, which for natural persons, are investors who meet certain minimum annual income or net worth thresholds; (2) The securities are being offered in reliance on an exemption from the registration requirements of the Securities Act and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act; (3) The Commission has not passed upon the merits of or given its approval to the securities, the terms of the offering, or the accuracy or completeness of any offering materials; (4) The securities are subject to legal restrictions on transfer and resale and investors should not assume they will be able to resell their securities; and (5) Investing in securities involves risk, and investors should be able to bear the loss of their investment.

UNDER REGULATION S: THESE SECURITIES WILL BE OFFERED ONLY OUTSIDE OF THE UNITED STATES TO NON-U.S. PERSONS, PURSUANT TO THE PROVISIONS OF REGULATION S OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED. THESE SECURITIES WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS.

**CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
ACCREDITED INVESTORS
AND
NON-U.S. PERSONS**

RFUEL, INC.

RFuel, Inc.
A Delaware Corporation
Address: 3550 NW 112th Street, Miami, FL 33167
Telephone: 954-800-4289

***Up to 100,000,000 RFUEL Tokens at \$2.50 per token
Minimum Offering - 250 Tokens
Maximum Offering – 100,000,000 Tokens
Minimum Purchase Per Investor - 250 Tokens
Maximum Purchase Per Investor – No Maximum***

Dated as of August 15, 2019

PRE-INITIAL SECURITY TOKEN OFFERING

The information contained herein is confidential and private. It is for the exclusive use of persons selected by RFuel, Inc. Unless the context requires otherwise, in this Memorandum the terms “RFuel,” “<https://rfuel.us>,” the “Company,” “we,” “us” and “our” refer to RFuel, Inc., and all dollar (\$) amounts set forth herein refer to United States dollars.

This Confidential Private Placement Memorandum (this “Memorandum”) has been prepared by the Company for use by accredited investors and non-U.S. persons (each, an “Investor” and/or “Buyer”) to whom the Company is offering in this Security Token Offering (the “Offering”) the opportunity to purchase RFUEL Tokens to be developed and produced by the Company, which are expected to be called the RFUEL Tokens (the “Tokens”), at a price per Token of \$2.50. The maximum offering is 100,000,000 Tokens (the “Maximum Offering”). The minimum subscription per Investor is 250 Tokens for \$625.00, although the Company reserves the right to accept subscriptions for lesser amounts. There is no minimum number of Tokens that must be sold for the Offering to close and for subscription funds to be released to the Company.

The Offering is being made by the officers of the Company, only to persons who are either “accredited investors” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”) or are non-U.S. persons pursuant to Regulation S promulgated under the Securities Act. No commissions will be paid on any sales made by the Company’s officers.

The Company may elect to engage one or more FINRA member firms (the “Placement Agents”), as placement agents for this Offering, in which event the Placement Agents will also conduct the Offering on a “best efforts” basis, and the Company would expect in such case to pay estimated total commissions based on 8% of the purchase price of Tokens acquired by Investors.

The Company will attempt to sell the Tokens during an offering period commencing on the date of this Memorandum and expiring on the earlier to occur of (1) the date on which the Maximum Offering amount has been subscribed for and accepted by the Company or (ii) August 15, 2020, unless extended by the Company, in its sole discretion, for up to 60 days (such period being hereinafter referred to as the “Offering Period”).

This Memorandum has been prepared in connection with a private offering to accredited investors and non-U.S. persons of the Tokens. Each investor will be required to execute a subscription agreement to effect its investment in the Tokens. This Memorandum contains a summary of 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 document, copies of which are attached here or will be provided to each prospective Investor upon request. Each prospective Investor should review this Memorandum and such other documents for complete information concerning the rights, privileges and obligations of investors in the Tokens. If any of the terms, conditions or other provisions of the 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, and any subscription is subject to the Company’s ability to reject any commitment in whole or in part.

The Tokens have not been and will not be registered under the Securities Act, or any United States state securities laws or the laws of any foreign jurisdiction. This Offering in the United States is strictly limited to accredited investors and outside the United States is strictly limited to non-U.S. persons. The Company is claiming exemption from registration under

Section 506(c) of Regulation D of the Securities Act and under Regulation S under the Securities Act.

The Company will not be registered as an investment company under the United States Investment Company Act of 1940, as amended (the “Investment Company Act”). Consequently, Investors will not be afforded the protections of the Investment Company Act.

The Tokens as described in this Memorandum are subject to restrictions on transferability and resale and may not be transferred or resold except as described herein. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. An investment in the Tokens involves a high degree of risk, volatility and illiquidity. A prospective Investor should thoroughly review the confidential information contained herein and the terms of the Tokens, and carefully consider whether an investment in the Tokens is suitable to the Investor’s financial situation and goals. No person has been authorized to make any statement concerning the Company or the sale of the Tokens discussed herein other than as set forth in this Memorandum, and any such statements, if made, must not be relied upon.

Investors should make their own investigations and evaluations of the Tokens, including the merits and risks involved in an investment therein. Prior to any investment, the Company will give 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. Investors should inform themselves as to the legal requirements applicable to them in respect of the acquisition, holding and disposition of the Tokens, and as to the income and other tax consequences to them of such acquisition, holding and disposition.

This 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 nor any other federal, state or foreign regulatory authority has approved an investment in the Token. 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. Any representation to the contrary is a criminal offense.

Investments in the Token are denominated in United States dollars (\$) and Investors may tender United States dollars, Bitcoin or Ether in exchange for the Tokens. Such currencies are subject to any fluctuation 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 income of an Investor’s investment.

Each recipient hereof acknowledges and agrees that (i) the contents of this Memorandum constitute proprietary and confidential information, (ii) the Company and its affiliates derive independent economic value from such confidential information not being generally known, and (iii) such confidential information is the subject of reasonable efforts to maintain its secrecy. The recipient further agrees that the contents of this Memorandum are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Company. 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, is prohibited. Each person who has received this Memorandum is deemed to agree to return this Memorandum to the Company upon request. The existence and nature of all conversations regarding the Company and this offering must be kept confidential. This Memorandum may not be reproduced or circulated to any persons other than those selected by the Company and its sales agents, with the exception that such recipients may show it to their professional advisors.

AN INVESTMENT IN A TOKEN INVOLVES A HIGH DEGREE OF RISK. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF US AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. YOU SHOULD ONLY INVEST IN OUR TOKENS IF YOU CAN AFFORD A COMPLETE LOSS OF YOUR INVESTMENT. YOU SHOULD READ THE COMPLETE DISCUSSION OF THE RISK FACTORS BEGINNING ON PAGE 61 OF THIS MEMORANDUM.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. SEE “CERTAIN NOTICES UNDER STATE SECURITIES LAWS.”

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK. NO INVESTMENT IN THE SECURITIES SHOULD BE MADE BY ANY INVESTOR NOT FINANCIALLY ABLE TO LOSE THE ENTIRE AMOUNT OF ITS INVESTMENT.

RISK DISCLOSURE STATEMENT

THE ATTORNEYS THAT PREPARED THESE OFFERING DOCUMENTS (“ATTORNEYS”) HEREBY DISCLAIM ANY OPINION OR ASSURANCE OF ANY NATURE WHATSOEVER REGARDING THE ACCURACY, COMPLETENESS, REASONABLENESS, TIMELINESS OR VERACITY OF ANY OF THE ASSERTIONS, REPRESENTATIONS OR OTHER INFORMATION CONTAINED HEREIN, WHETHER QUALITATIVE OR QUANTITATIVE, OR REGARDING THE INVESTMENT-WORTHINESS OF THE SECURITIES DISCUSSED HEREIN (“SECURITIES”). ANY ASSERTION OR REPRESENTATION MADE HEREIN, AND ALL OTHER INFORMATION DISCLOSED HEREIN, WHETHER QUALITATIVE OR QUANTITATIVE, HAS BEEN MADE OR PROVIDED BY THE COMPANY. IN CONNECTION WITH THE PREPARATION OF THESE CONFIDENTIAL OFFERING DOCUMENTS, THE ATTORNEYS HAVE NOT BEEN ENGAGED TO ATTEST HERETO, OR TO OPINE IN RESPECT HEREOF. ACCORDINGLY, THE ATTORNEYS HAVE NOT PERFORMED ANY ANALYTICAL, CONFIRMATION, VALIDATION, VERIFICATION OR OTHER PROCEDURES IN RESPECT OF THE ASSERTIONS AND REPRESENTATIONS CONTAINED HEREIN, NOR IN RESPECT OF ANY OF THE OTHER INFORMATION DISCLOSED HEREIN, INCLUDING ANY

SIMILAR TO THOSE PROCEDURES UNDERTAKEN BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT IN CONNECTION WITH AN AUDIT OF THE FINANCIAL STATEMENTS OF AN ISSUER OF SECURITIES FOR PURPOSES OF RENDERING AN OPINION THEREON. CONSEQUENTLY, POTENTIAL INVESTORS, IN DECIDING WHETHER OR NOT TO INVEST IN THE SECURITIES, ARE CAUTIONED NOT TO ASCRIBE ANY SPECIAL RELIANCE WHATSOEVER ON THESE OFFERING DOCUMENTS BY REASON THAT ATTORNEYS HAVE PREPARED THESE OFFERING DOCUMENTS

THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISKS AND OTHER FACTORS NECESSARY TO EVALUATE YOUR PARTICIPATION IN THIS COMPANY. THEREFORE, BEFORE YOU DECIDE TO PARTICIPATE IN AN INVESTMENT IN THIS COMPANY, YOU SHOULD CAREFULLY STUDY THESE OFFERING DOCUMENTS, INCLUDING A DISCUSSION OF THE CERTAIN RISK FACTORS OF THIS INVESTMENT.

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**CERTAIN NOTICES REGARDING THESE OFFERING DOCUMENTS AND
UNDER STATE SECURITIES LAWS**

FOR RESIDENTS OF ALL STATES: THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE, AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT SET FORTH IN SECTION 4(A)(2) THEREOF AND RULE 506(C) OF REGULATION D PROMULGATED THEREUNDER TO ACCREDITED INVESTORS. RULE 506 OF REGULATION D SETS FORTH CERTAIN RESTRICTIONS AS TO THE NUMBER AND NATURE OF PURCHASERS OF SECURITIES OFFERED PURSUANT THERETO. WE HAVE ELECTED TO SELL SECURITIES IN THE UNITED STATES ONLY TO ACCREDITED INVESTORS AS SUCH TERM IS DEFINED IN RULE 501(A) OF REGULATION D. EACH PROSPECTIVE INVESTOR WILL BE REQUIRED TO MAKE REPRESENTATIONS AS TO THE BASIS UPON WHICH IT QUALIFIES AS AN ACCREDITED INVESTOR. PURSUANT TO RULE 506(C) INDEPENDENT VERIFICATION WILL BE REQUIRED.

IN ADDITION, SALES MAY BE MADE TO “NON-U.S. PERSONS” IN “OFFSHORE TRANSACTIONS” FOR PURPOSES OF REGULATION S UNDER THE SECURITIES ACT.

THE SECURITIES OFFERED HEREBY WILL BE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND UNDER APPLICABLE STATE SECURITIES LAWS OR 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. ONLY PERSONS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT IN THE SECURITIES SHOULD PURCHASE THE SECURITIES.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION (“SEC”), NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THESE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE INFORMATION PRESENTED HEREIN WAS PRESENTED AND SUPPLIED SOLELY BY RFUEL, INC., AND IS BEING FURNISHED SOLELY FOR USE BY PROSPECTIVE INVESTORS IN CONNECTION WITH THE OFFERING. RFUEL, INC. MAKES NO REPRESENTATIONS AS TO THE FUTURE PERFORMANCE OF RFUEL, INC. THESE OFFERING DOCUMENTS WERE PREPARED BY RFUEL, INC.

THIS OFFERING IS SUBJECT TO WITHDRAWAL, CANCELLATION OR MODIFICATION BY RFUEL, INC. AT ANY TIME AND WITHOUT NOTICE. WE RESERVE THE RIGHT IN OUR SOLE DISCRETION TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART NOTWITHSTANDING TENDER OF PAYMENT OR TO ALLOT TO ANY PROSPECTIVE INVESTOR LESS THAN THE NUMBER OF SECURITIES SUBSCRIBED FOR BY SUCH INVESTOR.

THESE OFFERING DOCUMENTS DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY ANY SECURITY OTHER THAN THE SECURITIES OFFERED HEREBY, NOR DOES IT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SUCH SECURITIES BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO. NEITHER THE DELIVERY OF THESE OFFERING DOCUMENTS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE HEREOF. THESE OFFERING DOCUMENTS CONTAIN SUMMARIES OF CERTAIN PERTINENT DOCUMENTS, APPLICABLE LAWS AND REGULATIONS. SUCH SUMMARIES ARE NOT COMPLETE AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE COMPLETE TEXTS THEREOF.

PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THESE OFFERING DOCUMENTS AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OR HER OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO LEGAL, TAX AND RELATED MATTERS PRIOR TO PURCHASING ANY SECURITIES.

RFUEL, INC. DOES NOT MAKE ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THESE OFFERING DOCUMENTS OR IN ANY ADDITIONAL EVALUATION MATERIAL, WHETHER WRITTEN OR ORAL, MADE AVAILABLE IN CONNECTION WITH ANY FURTHER INVESTIGATION OF RFUEL, INC. RFUEL, INC. EXPRESSLY DISCLAIMS ANY AND ALL LIABILITY THAT MAY BE BASED UPON SUCH INFORMATION, ERRORS THEREIN OR OMISSIONS THEREFROM. ONLY THOSE PARTICULAR REPRESENTATIONS AND WARRANTIES, IF ANY, WHICH MAY BE MADE TO A PARTY IN A DEFINITIVE WRITTEN AGREEMENT REGARDING A TRANSACTION INVOLVING RFUEL, INC., WHEN, AS AND IF EXECUTED, AND SUBJECT TO SUCH LIMITATIONS AND RESTRICTIONS AS MAY BE SPECIFIED THEREIN, WILL HAVE ANY LEGAL EFFECT. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED TO THE CONTRARY IN WRITING, THESE OFFERING DOCUMENTS SPEAK AS OF THE DATE HEREOF. NEITHER THE DELIVERY OF THESE OFFERING DOCUMENTS NOR ANY SALE OF SECURITIES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF RFUEL, INC. AFTER THE DATE HEREOF.

HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THESE OFFERING DOCUMENTS IN CONNECTION WITH THE OFFERING OF SECURITIES BEING MADE PURSUANT HERETO, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY RFUEL, INC.

THERE IS NO MARKET FOR OUR SECURITIES AND THERE IS NO ASSURANCES A PUBLIC MARKET WILL EVER BE ESTABLISHED. PURCHASERS OF THE SECURITIES ARE NOT BEING GRANTED ANY REGISTRATION RIGHTS. A PURCHASE OF THE SECURITIES SHOULD BE CONSIDERED AN ILLIQUID INVESTMENT.

BY ACCEPTING DELIVERY OF THESE OFFERING DOCUMENTS, EACH PROSPECTIVE INVESTOR HEREBY EXPRESSLY AGREES WITH RFUEL, INC. TO KEEP CONFIDENTIAL ALL OF THE CONTENTS HEREOF, INCLUDING, BUT NOT LIMITED TO, THE OFFERING AND ALL INFORMATION RELATED TO RFUEL, INC., AND NOT TO DISCLOSE THE SAME TO ANY THIRD PARTY AND/OR OTHERWISE USE THE SAME FOR ANY PURPOSE OTHER THAN AN EVALUATION BY SUCH OFFEREE OF A POTENTIAL INVESTMENT IN RFUEL, INC. OF THE SECURITIES OFFERED PURSUANT HERETO. WE HAVE CAUSED THESE OFFERING DOCUMENTS TO BE DELIVERED TO YOU IN RELIANCE UPON SUCH AGREEMENT BY YOU.

EACH PROSPECTIVE SUBSCRIBER BY RECEIVING THESE OFFERING DOCUMENTS AGREES TO RETURN THE SAME TO US IF (A) THE OFFEREE DOES NOT SUBSCRIBE TO PURCHASE ANY SECURITIES OFFERED HEREBY; (B) THE OFFEREE'S SUBSCRIPTION IS NOT ACCEPTED, AND/OR (C) THE OFFERING IS TERMINATED OR WITHDRAWN.

THESE OFFERING DOCUMENTS ARE SUBJECT TO AMENDMENT AND SUPPLEMENTATION AS APPROPRIATE. WE DO NOT INTEND TO UPDATE THE INFORMATION CONTAINED IN THE OFFERING DOCUMENTS FOR ANY INVESTOR WHO HAS ALREADY MADE AN INVESTMENT. WE MAY UPDATE THE INFORMATION CONTAINED HEREIN FROM TIME TO TIME AND PROVIDE SUCH UPDATED DOCUMENT TO POTENTIAL INVESTORS BUT UNDERTAKE NO OBLIGATION TO PROVIDE SUCH UPDATED DOCUMENTS TO AN INVESTOR WHO HAS ALREADY MADE HIS INVESTMENT.

JURISDICTIONAL NOTICES

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 THESE OFFERING DOCUMENTS 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.

IN MAKING ANY 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. NO FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS RECOMMENDED THESE SECURITIES. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THESE OFFERING DOCUMENTS. 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 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.

THESE SECURITIES ARE ALSO SUBJECT TO CERTAIN RESTRICTIONS AS SET FORTH IN THE SUBSCRIPTION AGREEMENT AND/OR THE CERTIFICATE OF INCORPORATION AND BYLAWS OF THE COMPANY.

- 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 THESE CONFIDENTIAL OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

2. **NOTICE TO ALASKA RESIDENTS ONLY:** THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED WITH THE ADMINISTRATOR OF SECURITIES OF THE STATE OF ALASKA UNDER PROVISIONS OF 3 AAC 08.500 - 3 AAC 08.504. THE INVESTOR IS ADVISED THAT THE ADMINISTRATOR HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THESE OFFERING DOCUMENTS SINCE THE OFFERING DOCUMENTS ARE NOT REQUIRED TO BE FILED WITH THE ADMINISTRATOR. THE FACT OF REGISTRATION DOES NOT MEAN THAT THE ADMINISTRATOR HAS PASSED IN ANY WAY UPON THE MERITS, RECOMMENDED, OR APPROVED THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF 45.55.170. THE INVESTOR MUST RELY ON THE INVESTOR'S OWN EXAMINATION OF THE PERSON OR ENTITY CREATING THE SECURITIES AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED IN MAKING AN INVESTMENT DECISION ON THESE SECURITIES.
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(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 THESE CONFIDENTIAL OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.
5. **NOTICE TO CALIFORNIA RESIDENTS:** THESE SECURITIES HAVE NOT BEEN QUALIFIED OR OTHERWISE APPROVED OR DISAPPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS UNDER THE CALIFORNIA CORPORATIONS CODE. THESE SECURITIES ARE OFFERED IN CALIFORNIA IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PROVIDED BY SECTIONS 25100, 25102 or 25105 OF THE CALIFORNIA CORPORATIONS CODE. ACCORDINGLY, DISTRIBUTION OF THIS MEMORANDUM AND OFFERS AND SALES OF THE SECURITIES REFERRED TO HEREIN ARE STRICTLY LIMITED TO PERSONS WHO THE COMPANY DETERMINES TO HAVE MET CERTAIN FINANCIAL AND OTHER REQUIREMENTS. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY WITH RESPECT TO ANY OTHER PERSON. IN ORDER TO RELY ON THE FOREGOING EXEMPTIONS, THE COMPANY WILL RELY IN TURN ON CERTAIN REPRESENTATIONS AND WARRANTIES MADE TO THE COMPANY BY THE INVESTORS IN THIS OFFERING. THOSE REPRESENTATIONS

AND WARRANTIES ARE CONTAINED IN THE SUBSCRIPTION AGREEMENT, ATTACHED HERETO AS EXHIBIT A.

6. **FOR COLORADO 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 COLORADO 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 25104 OF THE COLORADO CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS OFFERING ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATIONS BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT. 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:** SECURITIES ACQUIRED BY CONNECTICUT RESIDENTS ARE BEING SOLD AS A TRANSACTION EXEMPT UNDER SECTION 36b-31-21b-9b OF THE CONNECTICUT, UNIFORM SECURITIES ACT. THE SECURITIES HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF CONNECTICUT. ALL INVESTORS SHOULD BE AWARE THAT THERE ARE CERTAIN RESTRICTIONS AS TO THE TRANSFERABILITY OF THE SECURITIES.
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 THESE OFFERING DOCUMENTS. 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 ISSUER, AN AGENT OF THE ISSUER 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 590-4-5-04 AND -01. 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 THESE CONFIDENTIAL OFFERING DOCUMENTS 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 THESE CONFIDENTIAL OFFERING DOCUMENTS.
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 CONFIDENTIAL OFFERING DOCUMENTS. 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 23-2-1-2 OF THE INDIANA SECURITIES LAW AND HAVE NOT BEEN REGISTERED UNDER SECTION 23-2-1-3. 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 THESE OFFERING DOCUMENTS. 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 RE-OFFERED FOR SALE, TRANSFERRED, OR RESOLD EXCEPT IN COMPLIANCE WITH SUCH ACT AND APPLICABLE RULES PROMULGATED THEREUNDER.
- 20. NOTICE TO MAINE RESIDENTS ONLY:** THE ISSUER 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 THESE CONFIDENTIAL OFFERING DOCUMENTS, 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:** THESE SECURITIES ARE BEING OFFERED IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE MICHIGAN 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.

- 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 RE-OFFERED 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 90.530 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., THERE CAN BE NO GENERAL ADVERTISING OR SOLICITATION AND 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 THESE CONFIDENTIAL OFFERING DOCUMENTS, YOU ARE HEREBY ADVISED THAT THESE CONFIDENTIAL OFFERING DOCUMENTS HAVE 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 THESE CONFIDENTIAL OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.
- 33. NOTICE TO NEW YORK RESIDENTS ONLY:** THESE OFFERING DOCUMENTS HAVE 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 SECURITIES OFFERED HEREIN AND HAS MADE NO ARRANGEMENTS WITH BROKERS OF OTHERS TO TRADE OR MAKE A MARKET IN THE SECURITIES. 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 THESE OFFERING DOCUMENTS. 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 THESE CONFIDENTIAL OFFERING DOCUMENTS. 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 1707.03(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 THESE CONFIDENTIAL OFFERING DOCUMENTS 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 BEEN REGISTERED WITH THE CORPORATION COMMISSION OF THE STATE OF OREGON UNDER PROVISIONS OF ORS 59.049. THE INVESTOR IS ADVISED THAT THE COMMISSIONER HAS MADE ONLY A CURSORY REVIEW OF THE REGISTRATION STATEMENT AND HAS NOT REVIEWED THESE OFFERING DOCUMENTS SINCE THESE OFFERING DOCUMENTS ARE 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 ISSUER OR AFFILIATE OF THIS ISSUER, 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 ISSUER 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 ISSUER (OR

UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE CONFIDENTIAL OFFERING DOCUMENTS) 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 THESE OFFERING DOCUMENTS. 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 THESE CONFIDENTIAL OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.
- 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 THESE CONFIDENTIAL OFFERING DOCUMENTS ARE 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 ISSUER 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 THESE OFFERING DOCUMENTS. 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 THESE OFFERING DOCUMENTS. 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:** THE ADMINISTRATOR OF SECURITIES HAS NOT REVIEWED THE OFFERING OR CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM AND THE SECURITIES HAVE NOT BEEN REGISTERED IN RELIANCE UPON THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, AND THEREFORE, CANNOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OF WASHINGTON, CHAPTER 21.20 RCW, OR UNLESS AN EXEMPTION FROM REGISTRATION IS MADE AVAILABLE.
- 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 ADDITION TO THE INVESTOR SUITABILITY STANDARDS THAT ARE OTHERWISE APPLICABLE, ANY INVESTOR WHO IS A WISCONSIN RESIDENT MUST HAVE A NET WORTH (EXCLUSIVE OF HOME, FURNISHINGS AND AUTOMOBILES) IN EXCESS OF THREE AND ONE-THIRD (3 1/3) TIMES THE AGGREGATE AMOUNT INVESTED BY SUCH INVESTOR IN THE SECURITIES OFFERED HEREIN.
- 51. FOR WYOMING RESIDENTS ONLY:** ALL WYOMING RESIDENTS WHO SUBSCRIBE TO 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 SUBSCRIBED FOR MAY NOT EXCEED TWENTY PERCENT (20%) OF THE NET WORTH OF THE SUBSCRIBER; 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 SUBSCRIBERS WHO ARE WYOMING RESIDENTS WILL BE REQUIRED TO REPRESENT IN THE SUBSCRIPTION AGREEMENT THAT THEY MEET THESE WYOMING SPECIAL INVESTOR SUITABILITY REQUIREMENTS.

TO INVESTORS GENERALLY:

IT IS THE RESPONSIBILITY OF ANY PERSONS WISHING TO SUBSCRIBE TO THE TOKENS DESCRIBED IN THIS OFFERING MEMORANDUM TO INFORM THEMSELVES OF AND TO OBSERVE ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTIONS. PROSPECTIVE INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS AND TAX CONSEQUENCES WITHIN THE COUNTRIES OF THEIR CITIZENSHIP, RESIDENCE, DOMICILE, AND PLACE OF BUSINESS WITH RESPECT TO THE ACQUISITION, HOLDING, OR DISPOSAL OF THESE TOKENS, AND ANY NON-U.S. EXCHANGE RESTRICTIONS THAT MAY BE RELEVANT THERETO.

THIS OFFERING MEMORANDUM CONSTITUTES AN OFFER OF TOKENS ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY LAWFULLY MAY BE OFFERED FOR SALE. THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SUBSCRIBE FOR TOKENS EXCEPT TO THE EXTENT PERMITTED BY THE LAWS OF EACH APPLICABLE JURISDICTION.

IN PARTICULAR, ANY POTENTIAL INVESTOR CONFIRMS THAT (1) ANY DISCUSSIONS BETWEEN REPRESENTATIVES OF THE POTENTIAL INVESTOR AND THE TRUST AND ITS AFFILIATES REGARDING ACQUISITION OF INTEREST IN THE TRUST WERE INITIATED BY ONE OR MORE REPRESENTATIVES OF SUCH POTENTIAL INVESTOR, AND (2) PRIOR TO DELIVERY OF THIS OFFERING MEMORANDUM OR OTHER OFFERING OF TOKENS, NEITHER THE TRUST, THE FUND, THE FUND MANAGER, NOR THEIR RESPECTIVE AFFILIATES HAVE MADE AN INTEREST IN THE TRUST AVAILABLE FOR PURCHASE BY SUCH POTENTIAL INVESTORS, EITHER AS AN OFFER THAT CAN BE ACCEPTED BY POTENTIAL INVESTOR OR AS AN INVITATION EXTENDED TO POTENTIAL INVESTOR TO MAKE AN OFFER TO SUBSCRIBE FOR THE INVESTMENT.

THE TRUST IS NOT PROVIDING YOU WITH ANY LEGAL, BUSINESS OR FINANCIAL ADVICE ABOUT ANY MATTER. YOU MAY NOT LEGALLY BE ABLE TO PARTICIPATE IN THIS PRIVATE, UNREGISTERED OFFERING. YOU SHOULD CONSULT WITH YOUR OWN ATTORNEY, ACCOUNTANT, AND OTHER ADVISORS ABOUT THOSE MATTERS (INCLUDING DETERMINING WHETHER YOU MAY LEGALLY PARTICIPATE IN THIS OFFERING). YOU SHOULD CONTACT US WITH ANY QUESTIONS ABOUT THIS OFFERING.

YOU MUST COMPLY WITH ALL LAWS AND REGULATIONS (INCLUDING KYC/AML LAWS) THAT APPLY TO YOU IN ANY PLACE IN WHICH YOU PURCHASE, OFFER OR SELL ANY TOKENS OR POSSESS OR DISTRIBUTE THIS OFFERING MEMORANDUM. YOU MUST ALSO OBTAIN ANY CONSENTS, PERMISSIONS, OR APPROVALS THAT YOU NEED IN ORDER TO PURCHASE, OFFER OR SELL ANY TOKENS UNDER THE LAWS AND REGULATIONS IN

FORCE IN ANY JURISDICTION TO WHICH YOU ARE SUBJECT OR IN WHICH YOU MAKE SUCH PURCHASES, OFFERS, OR SALES. THE TRUST IS NOT RESPONSIBLE FOR YOUR COMPLIANCE WITH THESE LEGAL REQUIREMENTS. THE TRUST IS NOT MAKING ANY REPRESENTATION TO YOU REGARDING THE LEGALITY OF YOUR INVESTMENT IN THE TOKENS UNDER ANY LEGAL INVESTMENT OR SIMILAR LAW OR REGULATION.

NOTHING IN THIS OFFERING MEMORANDUM IS INTENDED TO CREATE A CONTRACT FOR THE INVESTMENT IN THE TRUST, AND EACH POTENTIAL INVESTOR ACKNOWLEDGES THAT THE TRUST WILL RELY ON THIS ASSERTION OF A POTENTIAL INVESTOR'S STATEMENTS WITH RESPECT TO COMPLIANCE WITH THE LAWS OF THE JURISDICTION IN WHICH POTENTIAL INVESTOR IS LEGALLY DOMICILED.

NOTICE TO RESIDENTS OF AUSTRALIA

NO PROSPECTUS, DISCLOSURE DOCUMENT, OFFERING MATERIAL, OR ADVERTISEMENT IN RELATION TO THE TOKENS HAS BEEN LODGED WITH THE AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION, AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY, OR THE AUSTRALIAN STOCK EXCHANGE LIMITED. THIS OFFERING MEMORANDUM IS BEING PROVIDED TO A LIMITED NUMBER OF "SOPHISTICATED INVESTORS" AS DEFINED UNDER THE CORPORATION ACT 2001 OF THE COMMONWEALTH OF AUSTRALIA SOLELY TO ENABLE THEM TO DECIDE WHETHER OR NOT TO MAKE AN OFFER TO ENTER INTO COMMITMENTS TO INVEST IN THE TOKENS UPON THE TERMS AND SUBJECT TO THE RESTRICTIONS SET OUT HEREIN AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. IN ORDER TO MEET THE CRITERIA OF A SOPHISTICATED INVESTOR, AN INVESTOR MUST HAVE AN ACCOUNTANT ISSUE A CERTIFICATE STATING THAT AN INDIVIDUAL HAS (I) NET ASSETS OF AT LEAST TWO MILLION AND FIVE HUNDRED THOUSAND USD (\$2,500,000) OR (II) A GROSS INCOME FOR EACH OF THE LAST TWO FINANCIAL YEARS OF AT LEAST TWO HUNDRED AND FIFTY THOUSAND USD (\$250,000)

NOTICE TO RESIDENTS OF ARGENTINA

NO PROSPECTUS, DISCLOSURE DOCUMENT, OFFERING MATERIAL, OR ADVERTISEMENT IN RELATION TO THE TOKENS HAS BEEN LODGED WITH THE NATIONAL SECURITIES COMMISSION OF ARGENTINA (NSC) OR UNDER LAW NO 26,831 (CAPITAL MARKET LAW) OR ANY OTHER REGULATIONS. THIS OFFERING MEMORANDUM IS NOT SUBJECT TO, HAD NOT BEEN FILED, AND HAS NOT RECEIVED APPROVAL FROM THE NSC.

THIS DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS A PROSPECTUS. TOKENS ARE NOT BEING OFFERED FOR SALE OR SUBSCRIPTION TO THE PUBLIC IN GENERAL BUT ARE BEING PRIVATELY

PLACED WITH A LIMITED NUMBER OF PROSPECTIVE INVESTORS WHO MUST SATISFY THE REQUIREMENT AS PER THE LOCAL SECURITIES LAWS OF ARGENTINA AND SEEK LEGAL ADVICE AS TO WHETHER THEY ARE ENTITLED TO SUBSCRIBE TO TOKENS AND MUST COMPLY WITH ALL RELEVANT LAWS IN THIS RESPECT.

NOTICE TO RESIDENTS OF BERMUDA

TOKENS BEING OFFERED HEREBY ARE BEING OFFERED ON A PRIVATE BASIS TO INVESTORS WHO SATISFY CRITERIA OUTLINED IN THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM IS NOT SUBJECT TO AND HAS NOT RECEIVED APPROVAL FROM EITHER THE BERMUDA MONETARY AUTHORITY OR THE REGISTRAR OF COMPANIES IN BERMUDA, AND NO STATEMENT TO THE CONTRARY, EXPLICIT OR IMPLICIT, IS AUTHORIZED TO BE MADE IN THIS REGARD. TOKENS BEING OFFERED MAY BE OFFERED OR SOLD IN BERMUDA ONLY IN COMPLIANCE WITH THE PROVISIONS OF THE INVESTMENT BUSINESS ACT 2003 (AS AMENDED) OF BERMUDA. ADDITIONALLY, NON-BERMUDIAN PERSONS MAY NOT CARRY ON OR ENGAGE IN ANY TRADE OR BUSINESS IN BERMUDA UNLESS SUCH PERSONS ARE AUTHORISED TO DO SO UNDER APPLICABLE BERMUDA LEGISLATION. ENGAGING IN THE ACTIVITY OF OFFERING OR MARKETING THE TOKENS BEING OFFERED IN BERMUDA TO PERSONS IN BERMUDA MAY BE DEEMED TO BE CARRYING ON BUSINESS IN BERMUDA.

NOTICE TO RESIDENTS OF BRAZIL

THE TOKENS HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE COMISSÃO DE VALORES MOBILIÁRIOS (THE BRAZILIAN SECURITIES COMMISSION). THE TOKENS MAY NOT BE OFFERED OR SOLD IN THE FEDERATIVE REPUBLIC OF BRAZIL EXCEPT IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE A PUBLIC OFFERING OR DISTRIBUTION UNDER BRAZILIAN LAWS AND REGULATIONS AND IN ACCORDANCE WITH THE SECURITIES LAWS OF BRAZIL.

NOTICE TO INVESTORS IN CANADA

THIS OFFERING MEMORANDUM CONSTITUTES AN OFFERING OF TOKENS ONLY IN THOSE JURISDICTIONS AND TO THOSE PERSONS WHERE AND TO WHOM THEY MAY LAWFULLY BE OFFERED FOR SALE, AND THEREIN ONLY BY PERSONS PERMITTED TO SELL TOKENS. THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PROSPECTUS, AN ADVERTISEMENT, OR A PUBLIC OFFERING OF TOKENS IN CANADA. NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS REVIEWED OR IN ANY WAY PASSED UPON THIS OFFERING MEMORANDUM OR THE MERITS OF TOKENS, AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

PURCHASERS' REPRESENTATIONS, COVENANTS, AND RESALE RESTRICTIONS

EACH PURCHASER OF TOKENS IN CANADA WHO RECEIVES A PURCHASE CONFIRMATION, REPRESENTS TO THE TRUST THAT SUCH PURCHASER IS A PERSON TO WHICH TOKENS MAY BE SOLD WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER APPLICABLE PROVINCIAL SECURITIES LAWS. IN PARTICULAR, PURCHASERS RESIDING IN ONTARIO REPRESENT TO THE TRUST THAT THE PURCHASER IS AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN SECTION 1.1 OF NATIONAL INSTRUMENT 45-106 PROSPECTUS AND REGISTRATION EXEMPTIONS OF THE CANADIAN SECURITIES ADMINISTRATORS (THE "NI"). THE PURCHASER MUST PURCHASE TOKENS AS PRINCIPAL. THE DISTRIBUTION OF TOKENS IN CANADA IS BEING MADE ON A PRIVATE PLACEMENT BASIS TO RESIDENTS OF ONTARIO, QUÉBEC, BRITISH COLUMBIA, AND ALBERTA (TOGETHER THE "CANADIAN JURISDICTIONS") AND IS EXEMPT FROM THE REQUIREMENTS IN THE CANADIAN JURISDICTIONS THAT THE TRUST PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT SECURITIES REGULATORY AUTHORITIES.

THE OFFERING MEMORANDUM IS FOR THE CONFIDENTIAL USE OF THOSE PERSONS TO WHOM IT IS DELIVERED BY THE TRUST IN CONNECTION WITH THE OFFERING OF TOKENS IN CANADA. THE TRUST RESERVES THE RIGHT TO REJECT ALL OR PART OF ANY OFFER TO PURCHASE TOKENS FOR ANY REASON, OR ALLOCATE TO ANY PROSPECTIVE PURCHASER LESS THAN ALL OF TOKENS FOR WHICH IT HAS SUBSCRIBED.

RESPONSIBILITY

EXCEPT AS OTHERWISE EXPRESSLY REQUIRED BY APPLICABLE LAW OR AS AGREED TO IN CONTRACT, NO REPRESENTATION, WARRANTY, OR UNDERTAKING (EXPRESS OR IMPLIED) IS MADE AND NO RESPONSIBILITIES OR LIABILITIES OF ANY KIND OR NATURE WHATSOEVER ARE ACCEPTED BY THE TRUST AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM OR ANY OTHER INFORMATION PROVIDED BY THE TRUST IN CONNECTION WITH THE OFFERING OF TOKENS IN CANADA. INVESTING IN TOKENS INVOLVES RISKS. PROSPECTIVE PURCHASERS SHOULD REFER TO THE "RISK FACTORS" DISCLOSURE CONTAINED IN THIS OFFERING MEMORANDUM FOR ADDITIONAL INFORMATION CONCERNING THESE RISKS.

CERTAIN CANADIAN INCOME TAX CONSIDERATIONS

ANY DISCUSSION OF TAXATION AND RELATED MATTERS CONTAINED IN THIS OFFERING MEMORANDUM IS NOT A COMPREHENSIVE DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO PURCHASE TOKENS. PROSPECTIVE PURCHASERS OF TOKENS SHOULD

CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO ANY TAXES EXIGIBLE IN CONNECTION WITH THE ACQUISITION, HOLDING OR DISPOSITION OF TOKENS. IT IS RECOMMENDED THAT TAX ADVISORS BE EMPLOYED IN CANADA, AS THERE ARE A NUMBER OF SUBSTANTIVE CANADIAN TAX COMPLIANCE REQUIREMENTS FOR CANADIAN INVESTORS, INCLUDING WITH RESPECT TO THE ELIGIBILITY OF TOKENS FOR INVESTMENT BY THEM UNDER APPLICABLE TAX AND OTHER LAWS IN CANADA, AND WITH RESPECT TO THE APPLICATION OF THE PROPOSED “FOREIGN INVESTMENT ENTITY” PROVISIONS OF THE INCOME TAX ACT (CANADA) WHICH, IF APPLICABLE, MAY RESULT IN A REQUIREMENT TO RECOGNIZE INCOME FOR TAX PURPOSES EVEN THOUGH NO CASH DISTRIBUTION OR PROCEEDS OF DISPOSITION HAVE BEEN RECEIVED.

RESALE RESTRICTIONS IN CANADA

THE DISTRIBUTION OF TOKENS IN CANADA IS BEING MADE ON A PRIVATE PLACEMENT BASIS ONLY AND IS EXEMPT FROM THE REQUIREMENT THAT THE TRUST PREPARE AND FILE A PROSPECTUS WITH THE RELEVANT CANADIAN REGULATORY AUTHORITIES. ACCORDINGLY, ANY RESALE OF TOKENS MUST BE MADE IN ACCORDANCE WITH APPLICABLE SECURITIES LAWS, WHICH MAY REQUIRE REALES TO BE MADE IN ACCORDANCE WITH EXEMPTIONS FROM REGISTRATION AND PROSPECTUS REQUIREMENTS. PURCHASERS IN CANADA ARE ADVISED TO SEEK LEGAL ADVICE PRIOR TO ANY RESALE OF TOKENS.

THE TRUST IS NOT A “REPORTING ISSUER” AS SUCH TERM IS DEFINED UNDER APPLICABLE CANADIAN SECURITIES LEGISLATION, IN ANY PROVINCE OR TERRITORY OF CANADA IN WHICH TOKENS WILL BE OFFERED. UNDER NO CIRCUMSTANCES WILL THE TRUST BE REQUIRED TO FILE A PROSPECTUS OR SIMILAR DOCUMENT WITH ANY SECURITIES REGULATORY AUTHORITY IN CANADA QUALIFYING THE RESALE OF TOKENS TO THE PUBLIC IN ANY PROVINCE OR TERRITORY OF CANADA. CANADIAN INVESTORS ARE ADVISED THAT THE TRUST CURRENTLY DOES NOT INTEND TO FILE A PROSPECTUS OR SIMILAR DOCUMENT WITH ANY SECURITIES REGULATORY AUTHORITY IN CANADA QUALIFYING THE RESALE OF TOKENS TO THE PUBLIC IN ANY PROVINCE OR TERRITORY OF CANADA IN CONNECTION WITH THIS OFFERING. THEREFORE, THERE WILL BE NO PUBLIC MARKET IN CANADA FOR TOKENS AND THE RESALE OR TRANSFER OF TOKENS WILL BE SUBJECT TO RESTRICTION.

REPRESENTATIONS OF CANADIAN PURCHASERS

EACH CANADIAN PURCHASER OF TOKENS WILL BE DEEMED TO HAVE REPRESENTED TO THE TRUST ITS AND ITS AFFILIATES THAT:

THE OFFER AND SALE OF TOKENS WAS MADE EXCLUSIVELY THROUGH THIS

OFFERING MEMORANDUM SUCH PURCHASER HAS NOT RECEIVED OR RELIED ON ANY OTHER DOCUMENT OR FACT IN MAKING ITS INVESTMENT DECISION IN RESPECT OF THE PURCHASE OF TOKENS;

SUCH PURCHASER HAS REVIEWED AND ACKNOWLEDGES THE TERMS OF THIS OFFERING MEMORANDUM;

WHERE REQUIRED IN ORDER TO RELY ON THE EXEMPTION CONTAINED IN SECTION 2.3 OF THE NI, SUCH PURCHASER IS PURCHASING AS PRINCIPAL FOR ITS OWN ACCOUNT AND NOT AS AGENT; AND SUCH PURCHASER IS ENTITLED UNDER APPLICABLE CANADIAN SECURITIES LAWS TO PURCHASE SUCH TOKENS WITHOUT THE BENEFIT OF A PROSPECTUS QUALIFIED UNDER SUCH SECURITIES LAWS, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

SUCH PURCHASER IS A RESIDENT IN ONE OF THE CANADIAN JURISDICTIONS, IS AN “ACCREDITED INVESTOR” AS DEFINED IN SECTION 1.1 OF THE NI, HAS NOT BEEN CREATED AND IS NOT BEING USED SOLELY TO QUALIFY AS AN ACCREDITED INVESTOR, AND IS PURCHASING TOKENS AS PRINCIPAL (WITHIN THE MEANING OF THE NI) FOR INVESTMENT ONLY AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION;

SUCH PURCHASER UNDERSTANDS AND ACKNOWLEDGES THAT THE TRUST IS NOT OBLIGATED TO FILE AND HAS NO PRESENT INTENTION OF FILING WITH ANY SECURITIES REGULATORY AUTHORITY IN THE CANADIAN JURISDICTIONS ANY PROSPECTUS IN RESPECT OF THE RESALE OF TOKENS, AND THAT TOKENS WILL BE SUBJECT TO RESALE RESTRICTIONS UNDER THE REQUIREMENTS OF APPLICABLE SECURITIES LAWS;

(I) IS NOT AN INDIVIDUAL AND IS AN “ACCREDITED INVESTOR” AS DEFINED IN SECTION 1.1 OF THE NI, AND IS PURCHASING TOKENS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAWS, AND (II) HAS NOT RELIED, IN MAKING A DECISION TO INVEST IN TOKENS, ON ANY “FORWARD-LOOKING INFORMATION”, AS DEFINED IN APPLICABLE SECURITIES LAWS IN ONTARIO, CONTAINED IN THIS OFFERING MEMORANDUM AND, ACCORDINGLY, THAT NONE OF SUCH “FORWARD-LOOKING INFORMATION” CONTAINED IN THIS OFFERING MEMORANDUM IS MATERIAL TO ITS INVESTMENT DECISION REGARDING TOKENS; AND

IF SUCH PURCHASER IS IN QUÉBEC, IT IS ITS EXPRESS WISH THAT ALL DOCUMENTS EVIDENCING OR RELATING IN ANY WAY TO THE SALE OF TOKENS BE DRAFTED IN THE ENGLISH LANGUAGE ONLY. C’EST LA VOLONTÉ EXPRESSE DE CHAQUE ACHETEUR QUE TOUS LES DOCUMENTS FAISANT FOI OU SE RAPPORTANT DE QUELQUE MANIÈRE À LA VENTE DES INTERÊTS SOIENT RÉDIGÉS UNIQUEMENT EN ANGLAIS.

IN ADDITION, EACH PURCHASER OF TOKENS RESIDENT IN CANADA WILL BE DEEMED TO HAVE REPRESENTED THE TRUST AND ITS AFFILIATES THAT SUCH PURCHASER HAS BEEN NOTIFIED BY THE TRUST THAT:

THE TRUST AND ITS AFFILIATES ARE REQUIRED TO PROVIDE INFORMATION (“PERSONAL INFORMATION”) PERTAINING TO THE PURCHASER AS REQUIRED TO BE DISCLOSED IN SCHEDULE I OF FORM 45-106F1 UNDER THE NI (INCLUDING ITS NAME, ADDRESS, TELEPHONE NUMBER, AND THE NUMBER AND VALUE OF ANY TOKENS PURCHASED), WHICH FORM 45-106F1 IS REQUIRED TO BE FILED BY THE TRUST UNDER THE NI;
SUCH PERSONAL INFORMATION WILL BE DELIVERED TO THE ONTARIO SECURITIES COMMISSION (THE “OSC”) IN ACCORDANCE WITH THE NI;
SUCH PERSONAL INFORMATION IS BEING COLLECTED INDIRECTLY BY THE OSC UNDER THE AUTHORITY GRANTED TO IT UNDER THE SECURITIES LEGISLATION OF ONTARIO;
SUCH PERSONAL INFORMATION IS BEING COLLECTED FOR THE PURPOSES OF THE ADMINISTRATION AND ENFORCEMENT OF THE SECURITIES LEGISLATION OF ONTARIO;

THAT THE PUBLIC OFFICIAL IN ONTARIO WHO CAN ANSWER QUESTIONS ABOUT THE OSC’S INDIRECT COLLECTION OF SUCH PERSONAL INFORMATION IS THE ADMINISTRATIVE ASSISTANT TO THE DIRECTOR OF CORPORATE FINANCE AT THE OSC, BOX 55 20 QUEEN STREET WEST, 19TH FLOOR, TORONTO, ONTARIO M5H 3S8, TELEPHONE: (416) 593-8086;

HAS AUTHORIZED THE INDIRECT COLLECTION OF THE PERSONAL INFORMATION BY THE OSC; AND

HAS ACKNOWLEDGED THAT ITS NAME, ADDRESS, TELEPHONE NUMBER AND OTHER SPECIFIED INFORMATION, INCLUDING THE NUMBER OF TOKENS IT HAS PURCHASED AND THE AGGREGATE PURCHASE PRICE PAID BY THE PURCHASER, MAY BE DISCLOSED TO OTHER CANADIAN SECURITIES REGULATORY AUTHORITIES AND MAY BECOME AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE REQUIREMENTS OF APPLICABLE LAWS.

BY PURCHASING TOKENS, THE INVESTOR CONSENTS TO THE DISCLOSURE OF SUCH INFORMATION.

NOTICE TO RESIDENTS IN THE CAYMAN ISLANDS

NO INVITATION MAY BE MADE TO THE PUBLIC IN THE CAYMAN ISLANDS TO SUBSCRIBE TO TOKENS AND THIS OFFERING MEMORANDUM IS NOT REGISTERED WITH ANY GOVERNMENTAL OR ANY OTHER REGULATORY AUTHORITY IN THE CAYMAN ISLANDS.

NOTICE TO RESIDENTS OF THE PEOPLE’S REPUBLIC OF CHINA

TOKENS WILL NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN THE PEOPLE'S REPUBLIC OF CHINA, INCLUDING MACAU. THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM WILL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY TOKENS WITHIN CHINA. THIS OFFERING MEMORANDUM AND THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM HAVE NOT BEEN AND WILL NOT BE SUBMITTED TO OR APPROVED/VERIFIED BY OR REGISTERED WITH ANY RELEVANT GOVERNMENTAL AUTHORITIES IN CHINA AND MAY NOT BE SUPPLIED TO THE PUBLIC IN CHINA OR USED IN CONNECTION WITH ANY OFFER FOR THE SUBSCRIPTION OR SALE OF TOKENS IN CHINA.

NOTICE TO RESIDENTS OF EU MEMBER STATES

NO PROSPECTUS, DISCLOSURE DOCUMENT, OFFERING MATERIAL, OR ADVERTISEMENT IN RELATION TO TOKENS HAS BEEN LODGED WITH ANY MEMBER OF THE EUROPEAN UNION. THE EUROPEAN UNION PROSPECTUS DIRECTIVE (203/71/EC) (THE "PROSPECTUS DIRECTIVE"), AS IMPLEMENTED BY THE MEMBER STATES OF THE EUROPEAN UNION, CONTAINS VARIOUS EXEMPTIONS FROM THE PROSPECTUS REQUIREMENTS ARISING UNDER THE PROSPECTUS DIRECTIVE AND UNDER THE SECURITIES LAWS OF THE EUROPEAN UNION MEMBER STATES. TO THE EXTENT SUCH EXEMPTIONS APPLY TO THIS OFFERING, THE TRUST RESERVES THE RIGHT TO OFFER TOKENS IN ACCORDANCE WITH SUCH EXEMPTIONS, NOTWITHSTANDING REFERENCES HEREIN TO ANY OTHER PROVISION OF THE SECURITIES LAWS OF ANY EUROPEAN UNION MEMBER STATE.

EACH PERSON IN A RELEVANT MEMBER STATE WHO RECEIVES ANY COMMUNICATION IN RESPECT OF, OR WHO ACQUIRES ANY TOKENS UNDER, THE OFFER CONTEMPLATED IN THIS OFFERING MEMORANDUM WILL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREED THAT: (I) THE INVESTOR IS A QUALIFIED INVESTOR WITHIN THE MEANING OF THE LAW IN THAT RELEVANT MEMBER STATE IMPLEMENTING ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE, AND (II) IN THE CASE OF ANY TOKENS ACQUIRED BY THE INVESTOR AS A FINANCIAL INTERMEDIARY, AS THAT TERM IS USED IN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE:

(A) THE TOKENS ACQUIRED BY THE INVESTOR IN THE OFFER HAVE NOT BEEN ACQUIRED ON BEHALF OF, NOR HAVE THEY BEEN ACQUIRED WITH A VIEW TO THEIR OFFER OR RESALE TO, PERSONS IN ANY RELEVANT MEMBER STATE OTHER THAN QUALIFIED INVESTORS, AS THAT TERM IS DEFINED IN THE PROSPECTUS DIRECTIVE, OR

(B) WHERE TOKENS HAVE BEEN ACQUIRED BY THE INVESTOR ON BEHALF OF PERSONS IN ANY RELEVANT MEMBER STATE OTHER THAN QUALIFIED INVESTORS, THE OFFER OF THOSE TOKENS TO THE INVESTOR IS NOT TREATED UNDER THE PROSPECTUS DIRECTIVE AS HAVING BEEN MADE TO

SUCH PERSONS.

NOTICE TO RESIDENTS OF GIBRALTAR

THIS OFFERING MEMORANDUM HAS NOT BEEN REGISTERED OR APPROVED FOR PUBLIC OFFERING BY THE GIBRALTAR FINANCIAL SERVICES COMMISSION. TOKENS ARE BEING OFFERED TO A LIMITED NUMBER OF INVESTORS WHO QUALIFY FOR THE OFFERING. THIS OFFERING MEMORANDUM MAY BE DISTRIBUTED TO GIBRALTAR RESIDENTS ONLY IN A MANNER THAT WILL NOT CONSTITUTE AN OFFER TO THE PUBLIC UNDER THE APPLICABLE LAW. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. ANY POTENTIAL INVESTOR WHO SUBSCRIBES TO TOKENS IS SUBSCRIBING TO SUCH AN INTEREST FOR HIS OWN BENEFIT AND ACCOUNT AND NOT WITH THE AIM OR INTENTION OF DISTRIBUTING OR OFFERING SUCH AN INTEREST TO OTHER PARTIES.

NOTICE TO RESIDENTS OF GUERNSEY

TOKENS ARE NOT OFFERED AND ARE NOT TO BE OFFERED TO THE PUBLIC IN THE BAILIWICK OF GUERNSEY. PERSONS RESIDENT IN GUERNSEY MAY ONLY APPLY FOR TOKENS PURSUANT TO PRIVATE PLACEMENT ARRANGEMENTS. THIS OFFERING MEMORANDUM HAS NOT BEEN FILED WITH THE GUERNSEY FINANCIAL SERVICES COMMISSION PURSUANT TO ANY RELEVANT LEGISLATION AND NO AUTHORIZATIONS IN RESPECT OF THE PROTECTION OF INVESTORS (BAILIWICK OF GUERNSEY) LAW 1987 HAVE BEEN ISSUED BY THE GUERNSEY FINANCIAL SERVICES COMMISSION IN RESPECT OF IT.

NOTICE TO THE RESIDENTS OF HONG KONG

THIS OFFERING MEMORANDUM HAS NOT BEEN APPROVED BY OR REGISTERED WITH THE SECURITIES AND FUTURES COMMISSION OF HONG KONG, THE HONG KONG MONETARY AUTHORITY, OR THE REGISTRAR OF COMPANIES OF HONG KONG. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR INVITATION TO THE PUBLIC IN HONG KONG TO ACQUIRE TOKENS. NO PERSON MAY ISSUE, OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO TOKENS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO TOKENS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO SUCH PERSONS AS PERMITTED UNDER THE SECURITIES AND FUTURES ORDINANCE OF HONG KONG AND ANY RULES MADE UNDER THAT ORDINANCE. NO PERSON TO WHOM A COPY OF THIS MEMORANDUM IS ISSUED MAY ISSUE, CIRCULATE, OR DISTRIBUTE THIS MEMORANDUM IN HONG KONG OR MAKE OR GIVE A

COPY OF THIS MEMORANDUM TO ANY OTHER PERSON. THE INVESTOR IS ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER. IF THE INVESTOR IS IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS MEMORANDUM, IT SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

NOTICE TO RESIDENTS OF INDIA

THIS DOCUMENT IS NOT AND SHOULD NOT BE CONSTRUED AS A PROSPECTUS OR A PUBLIC OFFERING IN INDIA AND HAS NOT BE REGISTERED WITH, OR APPROVED BY, THE SECURITIES AND EXCHANGE BOARD OF INDIA OR THE RESERVE BANK OF INDIA OR ANY OTHER REGULATORY AUTHORITIES IN INDIA. PROSPECTIVE INVESTORS MUST SEEK LEGAL ADVICE AS TO WHETHER THEY ARE ENTITLED TO SUBSCRIBE TO TOKENS AND MUST COMPLY WITH ALL RELEVANT INDIAN LAWS IN THIS RESPECT.

NOTICE TO RESIDENTS OF ISRAEL

THIS OFFERING MEMORANDUM HAS NOT BEEN APPROVED FOR PUBLIC OFFERING BY THE ISRAELI SECURITIES AUTHORITY. TOKENS ARE BEING OFFERED TO A LIMITED NUMBER OF INVESTORS WHO QUALIFY FOR THE OFFERING. THIS OFFERING MEMORANDUM MAY BE DISTRIBUTED TO ISRAELI RESIDENTS ONLY IN A MANNER THAT WILL NOT CONSTITUTE AN "OFFER TO THE PUBLIC" IN ACCORDANCE WITH SECTIONS 15 AND 15A OF THE SECURITIES LAW 1968 AND REGULATIONS PURSUANT THERETO. THIS MEMORANDUM MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. ANY QUALIFIED INVESTOR AS DEFINED UNDER THE ISRAEL SECURITIES LAW WHO SUBSCRIBES TO TOKENS IS SUBSCRIBING TO SUCH AN INTEREST FOR HIS OWN BENEFIT AND ACCOUNT AND NOT WITH THE AIM OR INTENTION OF DISTRIBUTING OR OFFERING SUCH AN INTEREST TO OTHER PARTIES.

NOTICE TO RESIDENTS OF JAPAN

NEITHER TOKENS DESCRIBED IN THIS OFFERING MEMORANDUM NOR THE OFFERING THEREOF HAS BEEN DISCLOSED PURSUANT TO THE SECURITIES EXCHANGE LAW OF JAPAN (LAW NO.25 OF 1948 AS AMENDED). THE PURCHASER OF TOKENS AGREES NOT TO RE-TRANSFER OR RE-ASSIGN SUCH INTEREST TO ANYONE OTHER THAN NON-RESIDENTS OF JAPAN EXCEPT PURSUANT TO A PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN (EXCEPT FOR RE-TRANSFER OR RE-ASSIGNMENT TO ONE PERSON BY ONE TRANSACTION OF ALL SUCH INTEREST PURCHASED BY SUCH PURCHASER). TOKENS ARE BEING OFFERED TO A LIMITED NUMBER OF QUALIFIED INSTITUTIONAL INVESTORS (TEKIKAKU KIKAN TOSHIKA, AS DEFINED IN THE SECURITIES EXCHANGE

LAW OF JAPAN) AND/OR A SMALL NUMBER OF INVESTORS, IN ALL CASES UNDER CIRCUMSTANCES THAT WILL FALL WITHIN THE PRIVATE PLACEMENT EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES EXCHANGE LAW AND OTHER RELEVANT LAWS AND REGULATIONS OF JAPAN. AS SUCH, TOKENS HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE SECURITIES EXCHANGE LAW OF JAPAN. THIS OFFERING MEMORANDUM IS CONFIDENTIAL AND IS INTENDED SOLELY FOR THE USE OF ITS RECIPIENT. ANY DUPLICATION OR REDISTRIBUTION OF THIS OFFERING MEMORANDUM IS PROHIBITED. THE RECIPIENT OF THIS OFFERING MEMORANDUM, BY ACCEPTING DELIVERY THEREOF, AGREES TO RETURN IT AND ALL RELATED DOCUMENTS TO THE TRUST IF THE RECIPIENT ELECTS NOT TO PURCHASE ANY OF TOKENS OFFERED HEREBY OR IF EARLIER REQUESTED BY THE TRUST. THERE IS A RISK THAT THE CUSTOMER MAY LOSE THE PRINCIPAL AMOUNT HE OR SHE WILL INVEST AS A RESULT OF FLUCTUATIONS IN THE NET ASSET VALUE OF TOKENS DUE TO CHANGES IN THE PRICES OF SECURITIES OR OTHER FINANCIAL PRODUCTS HELD BY THE TRUST, CHANGES IN FOREIGN EXCHANGE RATES, AND OTHER FACTORS, IF ANY.

NOTICE TO RESIDENTS OF JERSEY

THE CONSENT OF THE JERSEY FINANCIAL SERVICES COMMISSION HAS NOT BEEN SOUGHT NOR GRANTED TO THE CIRCULATION IN JERSEY OF AN OFFER OF TOKENS PURSUANT TO ARTICLE 10 OF THE CONTROL OF BORROWING (JERSEY) ORDER 1958, AS AMENDED, AND, ACCORDINGLY, TOKENS MAY NOT BE OFFERED IN JERSEY.

NOTICE TO RESIDENTS OF KUWAIT

THIS OFFERING MEMORANDUM AND ANY OTHER OFFERING MATERIALS AND THE TOKENS HAVE NOT BEEN APPROVED OR LICENSED BY THE MINISTRY OF COMMERCE AND INDUSTRY OF THE STATE OF KUWAIT OR ANY OTHER RELEVANT KUWAITI GOVERNMENTAL AGENCY. NOTHING HEREIN CONSTITUTES, NOR SHALL BE DEEMED TO CONSTITUTE, AN INVITATION OR AN OFFER TO SELL TOKENS IN KUWAIT NOR IS IT INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE WITHIN KUWAIT.

THE OFFERING OF TOKENS IN KUWAIT ON THE BASIS OF A PRIVATE PLACEMENT OR PUBLIC OFFERING MAY BE RESTRICTED IN ACCORDANCE WITH DECREE LAW NO. 31 OF 1990, AS AMENDED, ENTITLED “REGULATING SECURITIES OFFERINGS AND SALES” AND MINISTERIAL ORDER NO. 113 OF 1992, AS AMENDED AND ANY IMPLEMENTING REGULATIONS AND OTHER APPLICABLE LAWS AND REGULATIONS IN KUWAIT.

NOTICE TO RESIDENTS OF MEXICO

THE TOKENS 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 OFFERING MEMORANDUM AND HAS NOT BEEN REGISTERED WITH THE NATIONAL REGISTRY OF SECURITIES OF MEXICO AND NO AUTHORIZATION HAS BEEN RECEIVED FROM THE NATIONAL BANKING AND SECURITIES COMMISSION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS OFFERING IS MADE ONLY TO QUALIFIED INVESTORS AS DEFINED UNDER THE MEXICO SECURITIES MARKET LAW.

NOTICE TO RESIDENTS OF NEW ZEALAND

THE TRUST WILL ONLY SEEK TO PLACE TOKENS WITH PERSONS WHO AGREE TO REPRESENT THEY ARE INVESTORS: (I) WHOSE PRINCIPAL PURPOSE IS THE INVESTMENT OF MONEY OR WHO IN THE COURSE OF AND FOR THE PURPOSE OF THEIR BUSINESS HABITUALLY INVEST MONEY; OR (II) WHO WILL BE REQUIRED TO PAY A MINIMUM OF NZ \$500,000 FOR THE TOKENS, SUCH THAT A REGISTERED PROSPECTUS IS NOT REQUIRED FOR THE OFFER OF TOKENS UNDER THE NEW ZEALAND SECURITIES ACT 1978.

NOTICE TO RESIDENTS OF NORWAY

THE TOKENS MAY NOT BE OFFERED, SOLD OR DISTRIBUTED IN THE KINGDOM OF NORWAY, EXCEPT IN ACCORDANCE WITH THE NORWEGIAN SECURITIES TRADING ACT OF 19 JUNE, 1997, AS AMENDED, AND ALL APPLICABLE REGULATIONS. THE TOKENS MAY NOT BE OFFERED, SOLD OR DISTRIBUTED IN NORWAY EXCEPT IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE A PUBLIC OFFER OF TOKENS IN NORWAY WITHIN THE MEANING OF NORWEGIAN SECURITIES LAWS AND REGULATIONS. NEITHER THE TOKENS NOR THIS OFFERING MEMORANDUM HAS BEEN APPROVED AND REGISTERED BY THE NORWEGIAN STOCK EXCHANGE OR REGISTERED WITH THE NORWEGIAN REGISTER OF BUSINESS ENTERPRISES.

NOTICE TO RESIDENTS OF OMAN

THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER OF TOKENS IN THE SULTANATE OF OMAN, AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (ROYAL DECREE NO. 4/74) OR THE CAPITAL MARKET LAW OF OMAN (ROYAL DECREE NO. 80/98) AND MINISTERIAL DECISION NO.1/2009 OR AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY NON-OMANI SECURITIES IN THE SULTANATE OF OMAN.

IT IS BEING DRAFTED FOR A LIMITED NUMBER OF SOPHISTICATED INVESTORS SOLELY TO ENABLE THEM TO DECIDE WHETHER OR NOT TO MAKE AN OFFER TO ENTER INTO COMMITMENTS TO INVEST IN TOKENS

UPON THE TERMS AND SUBJECT TO THE RESTRICTIONS SET OUT HEREIN AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE OR PROVIDED TO ANY PERSON OTHER THAN THE ORIGINAL RECIPIENT.

ADDITIONALLY, THIS OFFERING MEMORANDUM IS NOT INTENDED TO LEAD TO THE MAKING OF ANY CONTRACT WITHIN THE TERRITORY OF THE SULTANATE OF OMAN.

THE CAPITAL MARKET AUTHORITY AND THE CENTRAL BANK OF OMAN TAKE NO RESPONSIBILITY FOR THE ACCURACY OF THE STATEMENTS AND INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM OR FOR THE PERFORMANCE OF THE TRUST NOR SHALL THEY HAVE ANY LIABILITY TO ANY PERSON FOR DAMAGE OR LOSS RESULTING FROM RELIANCE ON ANY STATEMENT OR INFORMATION CONTAINED HEREIN.

NOTICE TO RESIDENTS OF QATAR

THIS DOCUMENT (OR ANY PART THEREOF) SHALL IN NO WAY BE CONSTRUED AS A GENERAL OFFER, MADE TO THE PUBLIC, OR AN ATTEMPT TO DO BUSINESS, AS A BANK, INVESTMENT FUND OR OTHERWISE IN THE STATE OF QATAR.

THIS DOCUMENT, INCLUDING MATERIALS AND TOKENS CONTAINED HEREIN, HAS NOT BEEN APPROVED OR LICENSED BY THE QATARI CENTRAL BANK OR ANY OTHER RELEVANT LICENSING AUTHORITIES IN THE STATE OF QATAR, AND DOES NOT CONSTITUTE A PUBLIC OFFER OF TOKENS IN THE STATE OF QATAR UNDER QATARI LAW. ANY DISTRIBUTION OF THIS OFFERING MEMORANDUM BY THE INTENDED RECIPIENT TO THIRD PARTIES IN THE STATE OF QATAR IN CONTRAVENTION OF THE TERMS HEREOF SHALL BE AT THE SOLE RISK AND LIABILITY OF SUCH RECIPIENT.

NOTICE TO RESIDENTS OF RUSSIA

THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OFFERING OF TOKENS IN RUSSIA. THE TRUST DOES NOT MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE A PUBLIC OFFER OF TOKENS IN THE SULTANATE OF OMAN, AS CONTEMPLATED BY THE COMMERCIAL COMPANIES LAW OF OMAN (ROYAL DECREE NO. 4/74) OR THE CAPITAL MARKET LAW OF OMAN (ROYAL DECREE NO. 80/98) AND MINISTERIAL DECISION NO.1/2009 OR AN OFFER TO SELL OR THE SOLICITATION OF ANY OFFER TO BUY NON-OMANI SECURITIES IN THE SULTANATE OF OMAN.

NOTICE TO RESIDENTS OF SAUDI ARABIA

THIS OFFERING MEMORANDUM MAY NOT BE DISTRIBUTED IN THE KINGDOM OF SAUDI ARABIA EXCEPT TO SUCH PERSONS AS ARE PERMITTED UNDER THE OFFER OF SECURITIES REGULATIONS ISSUED BY THE CAPITAL MARKET AUTHORITY.

THE CAPITAL MARKET AUTHORITY IN SAUDI ARABIA DOES NOT MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THIS OFFERING MEMORANDUM, AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS ARISING FROM, OR INCURRED IN RELIANCE UPON, ANY PART OF THIS OFFERING MEMORANDUM. PROSPECTIVE PURCHASERS OF TOKENS BEING OFFERED HEREBY SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE ACCURACY OF THE INFORMATION RELATING TO THE TRUST. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS OFFERING MEMORANDUM YOU SHOULD CONSULT AUTHORISED FINANCIAL AND LEGAL ADVISERS.

NOTICE TO RESIDENTS OF SINGAPORE

THIS OFFERING MEMORANDUM IS NOT A PROSPECTUS AS DEFINED IN THE SFA, AND ACCORDINGLY, STATUTORY LIABILITY UNDER THE SFA IN RELATION TO THE CONTENT OF THIS OFFERING MEMORANDUM WILL NOT APPLY.

THE OFFER OF TOKENS IN SINGAPORE IS BEING MADE IN RELIANCE ON THE EXEMPTION UNDER SECTION 302B(1) OF THE SFA. IT IS NOT MADE IN, OR ACCOMPANIED BY, A PROSPECTUS THAT IS REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE, AND NEITHER THE TRUST NOR THE TOKENS HOLDERS ARE AUTHORIZED OR RECOGNIZED BY THE MONETARY AUTHORITY OF SINGAPORE AS A COLLECTIVE INVESTMENT SCHEME. THE TOKENS OFFERED HEREIN SHALL NOT BE SUBSEQUENTLY SOLD TO ANY PERSON PURSUANT TO ANOTHER OFFER IN SINGAPORE UNLESS THE PROVISIONS OF THE SFA ARE COMPLIED WITH.

BY ACCEPTING THIS OFFERING MEMORANDUM, YOU REPRESENT AND WARRANT THAT YOU ARE ENTITLED TO RECEIVE IT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH ABOVE AND AGREE TO BE BOUND BY THE LIMITATIONS CONTAINED HEREIN. YOU MAY NOT REPRODUCE, DISCLOSE, DISTRIBUTE, FORWARD, OR CIRCULATE THIS OFFERING MEMORANDUM (IN WHOLE OR IN PART) TO ANY OTHER PERSON IN SINGAPORE. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS OR LIMITATIONS MAY CONSTITUTE A VIOLATION OF LAW.

NOTICE TO RESIDENTS OF SOUTH AFRICA

TOKENS OFFERED HEREIN ARE FOR YOUR ACCEPTANCE ONLY AND MAY NOT BE OFFERED OR BECOME AVAILABLE TO PERSONS OTHER THAN

YOURSELF AND MAY NOT BE PUBLICLY OFFERED, SOLD, OR ADVERTISED IN SOUTH AFRICA, AND THIS OFFERING MEMORANDUM MAY ONLY BE CIRCULATED TO SELECTED INDIVIDUALS.

NOTICE TO RESIDENTS OF SOUTH KOREA

TOKENS WILL NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY IN SOUTH KOREA. THIS OFFERING MEMORANDUM IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PUBLIC OR PRIVATE OFFERING OF TOKENS IN SOUTH KOREA. THE TRUST DOES NOT MAKE ANY REPRESENTATION WITH RESPECT TO THE ELIGIBILITY OF ANY RECIPIENTS OF THIS OFFERING MEMORANDUM TO ACQUIRE TOKENS UNDER THE LAWS OF SOUTH KOREA, INCLUDING, WITHOUT LIMITATION, INDIRECT INVESTMENT ASSET MANAGEMENT BUSINESS LAW, THE SECURITIES AND EXCHANGE ACT AND THE FOREIGN EXCHANGE TRANSACTION ACT AND REGULATIONS THEREUNDER. TOKENS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT, SECURITIES INVESTMENT TRUST BUSINESS ACT, OR THE SECURITIES INVESTMENT FUND ACT OF SOUTH KOREA AND NONE OF TOKENS MAY BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, OR OFFERED OR SOLD TO ANY PERSON FOR RE-OFFERING OR RE-SALE, DIRECTLY OR INDIRECTLY, IN SOUTH KOREA OR TO ANY RESIDENT OF SOUTH KOREA, EXCEPT PURSUANT TO THE APPLICABLE LAWS AND REGULATIONS OF SOUTH KOREA.

NOTICE TO RESIDENTS OF SWITZERLAND

THIS OFFERING MEMORANDUM, AS WELL AS ANY OTHER MATERIAL RELATING TO THE TOKENS WHICH ARE THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFERING MEMORANDUM, DOES NOT CONSTITUTE AN ISSUANCE OF A PROSPECTUS PURSUANT TO ARTICLES 652A OF THE SWISS CODE OF OBLIGATIONS. NEITHER THIS DOCUMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, THE TRUST, OR THE TOKENS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. THIS OFFERING MEMORANDUM WILL NOT BE FILED WITH, AND THE OFFER OF TOKENS WILL NOT BE SUPERVISED BY, THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY. THE TOKENS WILL NOT BE LISTED ON ANY SWISS EXCHANGE AND, THEREFORE, THE DOCUMENTS RELATING TO THE TOKENS, INCLUDING, BUT NOT LIMITED TO, THIS OFFERING MEMORANDUM, DO NOT CLAIM TO COMPLY WITH THE DISCLOSURE STANDARDS OF THE ISSUANCE RULES OF THE SWISS CODE OF OBLIGATIONS AND LISTING RULES OF THE ANY SWISS EXCHANGE. THE TOKENS ARE BEING OFFERED IN SWITZERLAND BY WAY OF A PRIVATE PLACEMENT, I.E., TO A SMALL NUMBER OF SELECTED INVESTORS ONLY, WITHOUT ANY PUBLIC OFFER AND ONLY TO INVESTORS WHO DO NOT PURCHASE THE TOKENS WITH THE INTENTION TO DISTRIBUTE THEM TO THE PUBLIC.

NOTICE TO RESIDENTS OF TAIWAN

THE OFFER OF TOKENS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND WILL NOT BE OFFERED OR SOLD WITHIN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE A PUBLIC OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN THAT REQUIRES A REGISTRATION OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. NO PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORIZED TO OFFER OR SELL TOKENS IN TAIWAN.

THE OFFER OF TOKENS HAS NOT BEEN AND WILL NOT BE REGISTERED WITH THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN AND WILL NOT BE OFFERED OR SOLD WITHIN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE A PUBLIC OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE LAW OF TAIWAN THAT REQUIRES A REGISTRATION OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. NO PERSON OR ENTITY IN TAIWAN HAS BEEN AUTHORIZED TO OFFER OR SELL TOKENS IN TAIWAN.

NOTICE TO RESIDENTS OF THE UNITED ARAB EMIRATES

THIS OFFERING MEMORANDUM DOES NOT, AND IS NOT INTENDED TO, CONSTITUTE AN INVITATION OR A PUBLIC OFFER OF TOKENS IN THE UNITED ARAB EMIRATES (INCLUDING THE DUBAI INTERNATIONAL FINANCIAL CENTRE) AND, ACCORDINGLY, SHOULD NOT BE CONSTRUED AS SUCH.

THIS OFFERING MEMORANDUM AND TOKENS HAVE NOT BEEN APPROVED OR LICENSED BY OR REGISTERED UNDER FEDERAL LAW NO. 4 OF 2000 CONCERNING THE EMIRATES SECURITIES AND COMMODITIES AUTHORITY AND THE EMIRATES SECURITY AND COMMODITY EXCHANGE, OR WITH THE UNITED ARAB EMIRATES CENTRAL BANK, THE DUBAI FINANCIAL SERVICES AUTHORITY OR ANY OTHER RELEVANT LICENSING AUTHORITIES OR GOVERNMENTAL AGENCIES IN THE UNITED ARAB EMIRATES.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

THE CONTENT OF THIS PROMOTION HAS NOT BEEN APPROVED BY AN AUTHORISED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000. RELIANCE ON THIS PROMOTION FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

THIS OFFERING MEMORANDUM MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DOES NOT CONSTITUTE, ANY OFFER TO, OR SOLICITATION BY, ANYONE IN ANY JURISDICTION, OR UNDER ANY CIRCUMSTANCE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IS UNLAWFUL. IN PARTICULAR, THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OF NOTES TO THE PUBLIC IN THE UNITED KINGDOM. NO OFFERING MEMORANDUM HAS BEEN APPROVED OR WILL BE APPROVED BY ANY GOVERNMENTAL OR REGULATORY AUTHORITY IN THE UNITED KINGDOM. THIS OFFERING MEMORANDUM IS DIRECTED ONLY AT QUALIFIED INVESTORS: (I) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “ORDER”); (II) WHO FALL WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER; AND (III) TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED ON (I) IN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, BY PERSONS WHO ARE NOT QUALIFIED INVESTORS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM TO RELEVANT PERSONS, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. THIS DOCUMENT AND ITS CONTENTS SHOULD NOT BE DISTRIBUTED, PUBLISHED OR REPRODUCED (IN WHOLE OR IN PART) OR DISCLOSED BY RECIPIENTS TO ANY OTHER PERSON.

NOTICES, CONFIDENTIALITY AND RELATED MATTERS

Each recipient hereof agrees by accepting this Memorandum that the information contained herein is of a confidential nature and that such recipient will treat such information in a strictly confidential manner and that such recipient will not, directly or indirectly, disclose or permit its affiliates or representatives to disclose, any information to any other person or entity, or reproduce information such, in whole or in part, without the prior written consent of the Company. Each recipient of this Memorandum further agrees to use the information solely for the purpose of analyzing the desirability of an investment in the Company to such recipient and for no other purpose whatsoever.

ANY REPRODUCTION OR DISTRIBUTION OF THESE OFFERING DOCUMENTS AND EXHIBITS, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF ITS CONTENTS WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY IS PROHIBITED. NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION NOT CONTAINED IN THESE OFFERING DOCUMENTS OR AN AUTHORIZED SUMMARY HEREOF, OR IN ANY AGREEMENT CONTEMPLATED HEREBY, AND ANY INFORMATION OR REPRESENTATION NOT CONTAINED HEREIN OR IN SUCH AUTHORIZED SUMMARY OR AGREEMENT MUST NOT BE

RELIED UPON.

NOTICE REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this Memorandum that are not historical facts are forward-looking statements that represent management's beliefs and assumptions based on currently available information. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words "believes," "intends," "may," "will," "should," "anticipates," "expects," "projects," "could," "plans," or comparable terminology or by discussions of strategy or trends. Although management believes that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Such statements by their nature involve risks and uncertainties that could significantly affect expected results, and actual future results could differ materially from those described in such forward-looking statements.

Among the factors that could cause actual future results to differ materially are the risks and uncertainties discussed in this Memorandum. While it is not possible to identify all factors, management continues to face many risks and uncertainties including, but not limited to, our ability to meet the requirements to complete any potential project, the results of operations and our profitability, the acceptance in the market of the products or services we offer and factors that affect the crypto currency industry in general as discussed more thoroughly in the risk factors section of this Memorandum. Should one or more of these risks materialize, or should the underlying assumptions prove incorrect, actual results could differ materially from those expected. We disclaim any intention or obligation to update publicly or revise such statements whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION

The Company has agreed to make available to each prospective Investor, prior to the sale of the Tokens, the opportunity to ask questions of, and receive answers from, the officers of the Company and/or key personnel concerning the terms and conditions of the offering and to obtain any additional information, to the extent the Company possesses such information or can acquire it without unreasonable effort or expense, which may be necessary to verify the accuracy of the information set forth herein. You may call, or mail or email questions, inquiries, and requests for information to:

RFuel, Inc.
Attn: Phillip Brown
Telephone: 786-309-7390
Email: contact@rfuel.us

You may be required to sign a confidentiality agreement as determined by the Company. You, and your representatives, if any, will be asked to acknowledge in the Subscription Agreement that you were given the opportunity to obtain additional information.

This Memorandum contains limited information on the Company. While we believe the information contained in this Memorandum is accurate, such documents are not meant to contain an exhaustive discussion regarding the Company. We cannot guarantee a prospective Investor

that the abbreviated nature of this Memorandum will not omit to state a material fact, which a prospective Investor may believe to be an important factor in determining if an investment in the Tokens offered hereby is appropriate for such Investor. As a result, prospective Investors are required to undertake their own due diligence of the Company, our current and proposed business and operations, our management and our financial condition to verify the accuracy and completeness of the information we are providing in this Memorandum. **An investment in the Tokens is suitable only for investors who have the knowledge and experience to independently evaluate the Tokens, the Company and our business and prospects.**

SUMMARY OF THE OFFERING

This summary of the Offering is intended to highlight certain information contained in the body of this Memorandum. More detailed information is found in the remainder of this Memorandum, and this summary is qualified in its entirety by information appearing elsewhere in this Memorandum and its appendices and exhibits. Before you invest in our Tokens, you should read this entire Memorandum, including the section entitled “Risk Factors,” beginning on page 61.

The Company

RFuel, Inc. is a corporation organized under the laws of the Delaware, formed on May 6, 2019. The Company’s principal executive offices are located at 759 Shotgun Road, Sunrise, Florida 33326.

See “Operations and Business Model” on page 47.

Business

The Company has been formed to issue the Tokens and to utilize the proceeds therefrom to further fund the development the development, marketing, legal and operating expenses, including additional capital expenditures, including the technology platform on which the Tokens will be stored (the “Network”).

See “Operations and Business Model” on page 47.

The Offering

In this Offering we are offering the Tokens at a price per Token of \$2.50. The maximum offering is 100,000,000 Tokens. The minimum subscription per Investor is 250 Tokens for \$625.00, although the Company reserves the right to accept subscriptions for lesser amounts. There is no minimum number of Tokens that must be sold for the Offering to close and for subscription funds to be released to the Company.

Each Investor must be an accredited investor as defined in Regulation D under the Securities Act or a non-U.S. person pursuant to Regulation S under the Securities Act.

Payment for the Tokens may be made in U.S. dollars, Bitcoin or Ether and subscriptions in Bitcoin or Ether shall be valued in U.S. dollars at an exchange ratio equivalent to the applicable exchange rate for Bitcoin or Ether, as applicable, which means the volume-weighted average daily price of Ether or Bitcoin across or on exchange(s) or index(es) in the 24-hour period (Eastern Time) following the day and time that the Company notifies the Investor, in writing, that the Company has accepted Investor’s subscription for Tokens.

The Offering is being made by the officers of the Company on a “best efforts” basis. No commissions will be paid on any sales made by the Company’s officers. The Company may elect

to engage one or more Placement Agents in connection with this Offering, in which event the Placement Agents will also conduct the Offering on a “best efforts” basis, and the Company would expect in such case to pay estimated total commissions based on 8% of the Tokens entered into by Investors.

The Company will attempt to sell the Tokens during an offering period commencing on the date of this Memorandum and expiring on the earlier to occur of (1) the date on which the Maximum Amount has been subscribed for and accepted by the Company or (ii) August 15, 2020 unless extended by the Company, in its sole discretion, for up to 60 days (such period being hereinafter referred to as the “Offering Period”). We reserve the right to reject any subscription, in whole or in part, or to allot to any prospective Investor a Token for less than the amount subscribed for by such prospective Investor. This private offering is subject to withdrawal, cancellation or modification without prior notice.

Initial and subsequent closings shall occur at the discretion of the Company.

To subscribe for the Tokens offered hereby, prospective Investors are to deliver to the Company: (i) one completed and duly executed Subscription Agreement (the forms of which accompanies this Memorandum as Exhibit A-1 (for U.S. Investors) and Exhibit A-2 (for non-U.S. persons); and (ii) a check or wire in the amount subscribed for, or payment via Bitcoin or Ether as set forth below. The proceeds of this Offering will not be deposited with an escrow agent and shall be available for use by the Company immediately upon its acceptance of a subscription. We have the right, in our sole discretion, to accept or reject any subscription and subscriptions may not be withdrawn once made.

See “Terms of the Offering” on page 53.

Terms of the Tokens

The Tokens will be entitled to certain rights.

See “The Token Economy” on page 52 and “Terms of the Offering” on page 53.

See “Operations and Business Model” on page 47 and “The Token Economy” on page 52.

Management and Administration

The Company is managed by our Board of Directors and the officers of the Company, who will administer the business and affairs of the Company and will provide certain services to the Company.

See “Business - Management” on page 49.

Use of Proceeds

Subscription funds are intended to be used for general working capital purposes, including without limitation, to further fund the development, marketing, legal and operating expenses, including additional capital expenditures. In addition, all fees and costs associated with this Offering will be borne by the Company, and paid from the proceeds of the Offering. As a secondary benefit, this Offering will serve as a way to increase the Company's presence in the industry, and it will be the focus of our initial marketing campaigns.

See "Use of Proceeds" on page 55.

Summary of Risk Factors

Before you invest, you should consider the complete discussion of the risks associated with an investment in our Tokens and Tokens in the section entitled "Risk Factors," which begins on page 61.

The following are some of the significant risks concerning your investment:

- There is no public trading market for the Tokens, and we do not expect one to ever develop.
- The transfer and redemption of our Tokens is restricted as set forth herein.
- Investors will have a difficult time trying to obtain cash for their Tokens.
- We rely entirely on our officers for the day-to-day management of our business.
- Our officers and directors have the ability to revise our policies and strategies without the prior approval of Investors.

Investing in assets such as the Tokens involves risks attributable to both general economic conditions and dynamics within the crypto assets industry. See "Risk Factors" beginning on page 61.

Reports

The Company does not expect to provide periodic reports to Investors in this Offering.

Who May Invest

We are offering the Tokens in the United States only to persons who are "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act. We are also offering the Tokens outside of the United States only to persons who are non-U.S. persons for purposes of Regulation S under the Securities Act. The Company will require each Investor (or such Investor's representative) to represent in the Subscription Agreement the status of the Investor as accredited or as a non-U.S. person.

Pursuant to the provisions of Rule 506(c), independent third-party verification of the accredited investor status of each prospective Investor in the United States will be required prior to the acceptance of any subscriptions by us.

Each Investor must represent and warrant in the Subscription Agreement that it, he or she is able to assume the risks inherent in an investment in the Company. See “Terms of the Offering - Who May Invest” on page 55 and “Plan of Distribution” on page 60.

How to Invest

In order to invest in the Company, a subscriber must complete and execute a Subscription Agreement and the attached documents and deliver or mail such documents to the Company as set forth therein, and must deliver payment for their subscription at such time. See “Subscription Procedures” on page 59.

Certificate of Incorporation and Bylaws

Your relationship with the Company and the shareholders of the Company will be governed by our Certificate of Incorporation (the “Certificate”) and Bylaws, copies of which are attached hereto as Exhibit B and Exhibit C, respectively. Some of the significant features of our Certificate and Bylaws are as follows:

- As an Investor holding Tokens, you will not be a shareholder of the Company.
- The holders of Tokens shall not have any right to select the Board of Directors (the “Board”) or officers of the Company and do not have any other voting rights in the Company.
- The Certificate and Bylaws provide that the Board and the Company’s officers shall control the business and affairs of the Company.

Our Certificate and Bylaws are discussed in more detail in the section entitled “Business - Certificate and Bylaws” starting on page 51. If any statements in this Memorandum differ from our Certificate or Bylaws, you should rely on our Certificate and Bylaws as attached hereto.

Tax Considerations

The Company has been formed in Delaware, and we expect that it will be taxed as such. The Memorandum does not address the tax consequences to Investors who subscribe for or purchase Tokens. You should consult your own tax advisor regarding personal tax consequences that might be associated with your investment in our Tokens.

THE CRYPTO INDUSTRY

Crypto Industry

The crypto industry is still in its infancy since its inception approximately 10 years ago. The industry started as a peer-to-peer transaction network through Bitcoin. Since then it has grown rapidly with the current Cryptocurrency market capitalization surpassing \$150 billion, made up of over 800 currencies. Most of the growth however, has happened since the start of 2017. One of the key reasons for the industry's extraordinary growth rate is the technology that enables the creation and operation of Cryptocurrency: digital ledger technology. This is currently the most important driver of the industry and is also the key to the future of this industry.

Digital Ledger Technology

Digital Ledger Technology ("DLT"), or blockchain technology, can be thought of as a spreadsheet of information that is duplicated thousands of times across a network, which constantly updates itself. Digital Ledger Technology is also referred to as blockchain technology because it is comprised of a chain of "blocks," where each block is a set of data. The basic process of adding data to this blockchain occurs in steps. First, a user requests a transaction which is sent to a peer-to-peer network of computer called "nodes". Once the transaction is verified, it is added along with other transactions to create a new "block" of data, which is then added to the blockchain. At this point the transaction is complete.

The key features of blockchain technology are:

- Information isn't stored in any single location making it public and easily verifiable; and
- No centralized point of failure exists for hackers to target. There is an overall move towards decentralization of processes and information, and DLT plays a crucial part in it.

One additional innovation, which has furthered DLT's usefulness, is smart contract. Since its emergence in 2014, it has been considered the next generation of blockchain technology. It allows conditional logic, thus allowing contractual scenarios and terms to be coded. This can streamline application and approval processes, and reduce operational costs. By applying this conditional logic to complete common administrative tasks, this technology will have an immense impact on industries such as insurance and consumer banking.

We expect that the Tokens will take advantage of the benefits and characteristics above.

SECURITY TOKEN OFFERING

What is STO?

In a traditional Initial Coin Offering (ICO), tokens or coins are offered by companies for purchase as a form of crowdfunding. Purchasers can exchange their Ether or Bitcoin for a specified quantity of the ICO tokens being offered - similar to buying tokens in an IPO - but instead of the coins conferring ownership or profit-sharing dividends, the tokens instead grant a

special function to the token holder, called a “utility”. These utility tokens allow the purchasers access to a specific network, platform, or service connected to the ICO.

A Security Token Offering (STO) is very similar to an ICO. Buyers can purchase tokens during the offering that can then be traded, sold, or held onto. However, unlike ICOs, these tokens are financial securities and represent ownership of an asset.

COMPANY OVERVIEW

Operation and Business Model

Overview

RFuel, Inc. (RFuel) was formed exclusively for the purpose of identifying, developing, and implementing cutting edge technologies. We believe that by using our state of the art nanotechnology solutions in our different areas of expertise any customer will be able to achieve optimum efficiencies.

Mission

Our core mission is to provide affordable, reliable, increasingly clean fuel and energy, in safe and sustainable ways, doing business in a way that is good for the people and the environment. This is achieved by reducing the costs of using all grades of fuel oil without significant capital investment, and reducing emissions from machinery using that fuel. Our goal is to be a leading global provider of technical services that better enable our clients to operate safely, reliably, efficiently, and in compliance with applicable regulations and standards. We are focused on addition value to the industries we serve. In addition, we aspire to develop and exploit new and emerging technologies for the benefit of our customer, investors and the public at large.

Revenue Model

The Company’s client-driven business model is designed to maximize revenues from the commercialization or licensing of its core technologies. The Company offers to install, operate, and maintain its units on-site and offer the customer a guaranteed savings on their fuel or energy cost. We also strive to merge with overseas partners to access the necessary supply chain infrastructure.

RFuel offers its technology through three business models:

- (a) Guaranteed Savings Model – RFuel installs and maintains units under a long term (typically, 3 years minimum) tolling agreement at the client’s site and provides the necessary additive to sustain daily fuel demands. The client is given guaranteed net savings (depending on project feasibility study).
- (b) Fuel Distribution – RFuel will own and operate its own fuel distribution plant where it produces, compresses, bottles and sells or fills clients’ bulk tanks (such as gas

- stations or similar facilities;
- (c) Licensing Model – RFuel sells the units to clients and licenses them to use for an application. The Company will provide training for selected personnel. The client will pay for all installation and mobilization costs, land and associated space, as well as operation and maintenance. The Company earns a fee from royalty.
 - (d) Profit Sharing Model – RFuel enters into profit sharing model whereby RFuel Builds, Owns, Operates and Maintains (BOOM) the technology under a long term tolling agreement. The net profit form savings is shared between the client and RFuel at an agreed percentage.

Competitive Advantages

- Superior Revenue Model: We offer to install and maintain its units on-site and to offer the customer a guaranteed savings on their fuel or energy costs;
- Superior Results: Our field tested technologies produce more efficient power production and larger reductions in toxic emissions.
- Ease of Installation and Use: Our solutions are bundle-able and scalable.
- Adaptability: our solutions are applicable to the whole gambit of fuels, diesel, kerosene, biodiesel, heavy fuel oil and in some case, natural gas.

The Technology

RFuel is an alternative fuel made with water, known as Modified Oxy-Hydrogen gas or MHO and has potential to be a new low-cost and low pollution option at gas stations. Customers will now have the opportunity to use a gas that is safer for the environment and engine, and costs less than the “regular,” “supreme,” and “diesel” options. This fuel has immense potential to be the new fuel to fully replace the conventional fuel. This process produces a gas that can be used directly in an engine in place of diesel, HFO or gasoline. The burning process of using only water as a main ingredient ensures that the fuel produces less carbon when burned, and it is nine times stronger than the popular hydrogen gas used today. This patented process will be the first ever “safe hydrogen” solution, meaning no risk of exploding near open flame.

The Potential

There are large numbers of applications and potential users:

- (a) On-Road Transportation – cars, trucks, buses, public fleets, mass transit fleets, government-owned private fleets;
- (b) Off-Road Transportation – Marine engines, locomotives, agricultural and construction equipment;
- (c) Power Generation – power plants, heat and steam production facilities;
- (d) Industrial – boilers, furnaces, turbines, driers, kilns, and incinerators;
- (e) Mining – heavy equipment, furnaces, and mining equipment operation.

Marketing Budget and Costs

While many token offerings have succeeded through social media and “word of mouth” advertising or viral internet based marketing, our marketing activities may include, but are not limited to the following:

- (a) Create awareness among targeted clients as the leading provider of technology to reduce fuel costs and improve emissions;
- (b) Generate a large and growing number of FRI R-Fuel technology users;
- (c) Implement successful rollout in the U.S. and international markets;
- (d) Generate opportunities for additional revenue sources;
- (e) Differentiate the Company’s technology from other alternative fuel system providers;
- (f) Position the Company’s technology as the leading alternative fuel technology expert.

Competitors

While the Company will be subject to competition from various sources, as in any new industry, it is not possible to identify at this time all of the possible competitors of the Company.

Employees

There are currently no employees. There are several paid consultants and many more staff working without compensation.

Capitalization

Pursuant to our Certificate, the Company is authorized to issue 10,000,000 shares of common stock, par value \$0.00001 per share (the “Common Stock”). Our Certificate does not currently authorize any preferred stock, but the Company anticipates amending the Certificate in the future to provide for preferred stock to be authorized and issued.

There is a maximum of 100,000,000 Tokens that may be created. The Company is offering for sale in this Offering a maximum of 100,000,000 Tokens.

Other issuances to employees, advisors, etc. may also be subject to vesting requirements as determined by the Board.

Business Management

The Company is managed by the Board and its officers, biographies of whom are below. The Board and officers of the Company have full, exclusive and complete discretion in the management and control of the affairs of the Company and shall make all decisions affecting the Company’s affairs, including all decisions made regarding the administration, supervision, and management of the Company’s business.

Biographies of Company Directors and Advisors:

PHILLIP BROWN | PRESIDENT | CHIEF EXECUTIVE OFFICER

Mr. Brown is the driving force behind the extraordinary growth, technology innovations and strategic approach to the Petroleum and Energy industry.

Mr. Brown brings over thirty years of successful experience providing fiscal, strategic and operations leadership in uniquely challenging situations. Early beginnings in his native country of Jamaica, involving heavy industry and the import/export business, set in motion a tenacity to achieve success where few others may see opportunity. It was upon this determination, which motivated him to move his family to the U.S. in 1993, bringing his entrepreneurial expertise, worldwide contact list and aspirations with him. Having begun in the industrial equipment trading business, like most small-business owners, Mr. Brown began buying commercial equipment at liquidation auctions, federal government auctions, as well as from brokers within the industry. Within a relatively short period, orders began to roll in, especially in the power generation sector, which ultimately became the focus of the company.

With the growing demand for electrical power generation in the 1990s, business flourished and over the course of almost 10 years there was little need to expand, until buyers began demanding engineering, complex switchgear and electrical transformer as complete turnkey packaged solutions. Being a resourceful businessman, the need to grow was evident, and so the company grew, and soon thereafter received the blessing of the prestigious General Electric as an authorized and approved reseller. With experience in selling, dismantling power plants, installing entirely new systems and operating them, the next issue to mitigate was the real cost of operating power generating systems due to the dramatic and increased rise in liquid fuels. Historically, many such power plants suffer as high as an 85% cost of operations solely due to the cost of fuel. It soon became obvious that being involved on the fuel side of the equation made much more sense to him. Proving to be a dynamic, results-oriented leader with a strong track record of fast-paced performance, Mr. Brown continually demonstrates superior interpersonal skills and is highly capable of resolving multiple complex issues while motivating staff to give their best and deliver optimum performance. As the CEO, Mr. Brown plays a central role in strategy, vision and mission planning, finance, budgeting and cost management, sales and marketing oversight, profitability and costing analysis, policy and procedural development; while also acting as the corporation's secretary. Mr. Brown is responsible for the Company's long range of economic and energy outlooks in support of investor relations, short and long-term business strategy, mergers and acquisitions, and the development and application of new and existing technology for optimizing efficiencies within Fuel Technology Solutions Group's Customers facilities.

MIKE CLEARY

Mr. Cleary has worked several decades in Information Technology. He is a Computer Science graduate who has a solid business foundation. He's worked for America Online, Unisys

Corporation, Comcast Cable, Sovereign Bank and now makes his home at the startup RFuel. His extensive expertise, including being a motor head and ex-motorcycle racer, has proved to be a valuable asset to the Company.

EMIL YORDANOV MIHAYLOV | CHIEF TECHNOLOGY OFFICER AND DIRECTOR OF HYDROGEN TECHNOLOGY

Mr. Mihaylov, living in Sofia, Bulgaria holds a Master of Science and Industrial Design degree. For the last 25 years, he founded and worked as a general and technology manager in a Bulgarian group of companies, organizing a wide range of activities, including scientific R&D Renewable Energy and being a founder and manager of BFC Composites Innovation Project Technology. Mr. Mihaylov was a C-level manager of land plot development, design and construction of multi-story residential and business buildings and urban infrastructure. He worked on business projects involving research and development, analyses, strategies, intelligence, planning, and consultancy, including attendance at multiple business meetings and negotiations across Europe and Africa. Mr. Mihaylov also participated in banking, finance, legal procedures, and management of private investments. In addition, he was involved in HR management of over 500 employees. Mr. Mihaylov's additional experience includes establishing and organizing several manufacturing and factory facilities, managing international marketing and export/import wholesale and retail trade and logistics of industrial goods, materials, machines, medicines, foods. Lastly, Mr. Mihaylov participated in NGO activities such as High Tech Fund, EU Phare Projects.

Certificate of Incorporation and Bylaws

Investors will not be shareholders of the Company at this time and will have no control over our management, which is vested solely in the Board and the officers of the Company, and in the shareholders of the Company to the extent required by the International Business Companies Act (the "IBC").

While Investors are not shareholders of the Company at this time, Investors should be aware that the status of holders of Token issued by an entity has not been finally determined by courts or legislatures of the various states currently, with respect to whether such holders are members, shareholders, partners or the issuing entity. The Company does not expect that the holders of Tokens or Token holders will be deemed to be shareholders of the Company, but there can be no assurance that this will be the final resolution in the event that a court or governmental authority determines otherwise.

Our Certificate provides that, to the fullest extent permitted by applicable law, a director of the Company will not be personally liable to the Company or its stockholders for monetary damages for any breach of fiduciary duty as a director, and that, to the fullest extent permitted by applicable law, the Company may indemnify any person made or threatened to be made a party to any action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of any other enterprise. Our Certificate also

provides that the Board may amend or repeal the Bylaws without any action by the shareholders.

Our Bylaws contain customary provisions regarding the operation of the Company. As stated above, the provisions in the Bylaws that relate to shareholders are not technically applicable to Investors who hold Tokens, or the Tokens upon their issuance, as such persons will not be shareholders of the Company.

Our Bylaws provide that, subject to any limitations in the Certificate, the number of directors will be between 1 and 5, with the actual number to be determined by the Board. We currently has one (1) director – Phillip Brown, whose biography is above. Directors are elected at each annual meeting of stockholders to replace directors whose terms then expire, and each director elected holds their office until their successor is duly elected and qualified, or until his earlier death, resignation or removal. Any director may resign at any time upon notice to the Company. Unless otherwise restricted by applicable law or provided by the Certificate or the Bylaws, any director or the entire Board may also be removed, with or without cause, by the holders of a majority of shares entitled to vote at an election of directors.

Our Bylaws also provide indemnification of our officers and directors to the fullest extent authorized by the IBC.

Summary

The summary above does not set forth all of the provisions of the Certificate and Bylaws of the Company and is qualified in its entirety to our full Certificate and Bylaws, which are attached hereto as Exhibit B and Exhibit C, respectively.

THE TOKENS

The Token Economy

Blockchain Technology:

RFuel plans to partner with an existing blockchain project to be able to maintain client transaction records as well as other pertinent data securely to ensure complete transparency through the blockchain while taking into consideration privacy concerns.

RFuel additionally intends to participate in new blockchain projects where it deems there is either a need or market opportunity.

Fiat and Cryptocurrency Options:

RFuel plans on supporting fiat currencies such as ERC, BTC, EOS, API and more. RFuel aims to add additional fiat currencies and cryptocurrencies over time.

E-Wallet:

The RFuel wallet will offer secure storage for hot and cold wallets through the use of an SEC qualified custodian. RFuel will be able to support the safe storage of many more cryptocurrencies through this partnership and plans in the future to be able to custody both hot and cold wallets for all cryptocurrencies offered on our exchange through the use of an SEC qualified custodian.

Notwithstanding the above, Investors should be aware that the operation of the Network and the RFuel Tokens and the Tokens related thereto, as described herein, may result in the Network being deemed an “exchange” or an “Alternative Trading System” as defined by the United States’ securities laws. If that is the case, the Company would be required to register with the SEC as a national securities exchange or as an Alternative Trading System, or find one or more exemptions from such registration. No such SEC-registered platform exists as of today. In addition, even if the Network is not deemed to be an exchange or an Alternative Trading System, it may be subject to regulation by the various States as a payment processor or money transmitter.

Given the cost and time required to comply with any such registration or regulation, in the event that the Company determines that the Network as ultimately designed and proposed to be operated would be subject to such registration or regulation, the Company expects that it would revise the structural and operational aspects of the Network such that it could be operated without those registrations and with not being subject to those regulations. Any such revision of the structural and operational aspects of the Network would likely result in material changes to the description of the Network as set forth herein and the Company reserves the right to make any such changes as deemed necessary as a result, whether to the Network, the RFUEL Tokens.

The description of the Network and its operations, and of the RFuel Tokens and the Tokens, in each case as set forth herein assumes that no changes to the Network, the Tokens are determined to be required in order to comply with applicable law.

Mechanism

The Company’s economic model ensures sustainability by implementing a set of monetary and fiscal policies that manage the number of Tokens in circulation as well as determining the commercial value expected by token holders. The complexity of such policies will evolve in time as the Company grows.

No Redemption

An Investor has no right to withdraw as a holder of Tokens to obtain the return of all or any portion of sums paid for the purchase of the Tokens.

Other Rights Existing or Not Existing

Holders of the Tokens will not have any right to vote on the operations of the Company or on any other matter relating to the Tokens, including the management of the Company, will have no right to examine the books and records of the Company, and will not be entitled to any indemnification as a shareholder of the Company, or have any other rights held by shareholders of the Company.

Development of the Tokens

The Tokens will be developed on behalf of the Company by Netula.net.

In regard to the developer, we need to disclose the following:

- Tokens will be built on Ethereum ERC20;
- Netula.net has several computer science majors on staff and have been keeping up with the ever-evolving smart contracts associated with Tokens;
- All tokens will pass external audits before being used by the project

TERMS OF THE OFFERING

The Tokens are being offered privately by the Company and its officers on a best-efforts basis. This offering is made to a limited number of investors who are qualified to purchase our Tokens.

The Company is taking the position that a Token is a “security” and thus, is complying with the securities laws of the United States in offering and selling the Tokens. The Company will use the funds from this Offering to develop the Company described herein.

If the Company still does not successfully sell all Tokens in the Offering, we expect that any unsold Tokens will be burnt.

Minimum Offering Amount; Maximum Offering

The minimum subscription amount per Investor is 250 Tokens for \$625.00, provided, however, that the Company may elect to accept subscriptions in lesser amounts, in its sole discretion. There is no minimum amount required to be raised in this Offering for the Company to access the funds, and the Maximum Amount is \$250,000,000.00, with no over-allotment amount. Investors’ funds will not be held in escrow, and will be immediately available to the Company upon acceptance of the applicable subscription.

Investors may, at any time, and from time to time, subscribe for additional Tokens so long as this Offering is open.

Offering Period

The Company will attempt to sell the Tokens during an offering period commencing on the date of this Memorandum and expiring on the earlier to occur of (1) the date on which the Maximum Amount has been subscribed for and accepted by the Company or (ii) August 15, 2020, unless extended by the Company, in its sole discretion, for up to 60 days. We reserve the right to reject any subscription, in whole or in part. This private Offering is subject to withdrawal, cancellation or modification without prior notice.

Use of Proceeds

The Company's management will have broad discretion in the application of the net proceeds of this Offering and Investors will have to rely upon their judgment. At present, the net proceeds of the Offering are expected to be used for (i) paying for the costs of this Offering (ii) the future development of the Company, (iii) the development of functional applications for the Company, (iv) general corporate purposes, which may include capital expenditures, acquisitions, debt repayments, cybersecurity upgrades, augmenting technology, infrastructure and personnel, development of products and services, and short term investments, among other things, (iv) legal and accounting expenses.

The failure by the Company's management to apply these funds effectively could have a material adverse effect on the Company and the value of the Tokens. Since the commencement of the Offering through the date of this document, the Company has utilized its own capital to manage its operations and doesn't owe any future debt as reported in the financial statements in this document.

Who May Invest

The offer, offer for sale, and sale of our Tokens is intended to be exempt from the registration requirements of the Securities Act pursuant to Rule 506(c) of Regulation D promulgated thereunder as to "accredited investors" or to "non-U.S. persons" in an "offshore transaction" pursuant to Regulation S under the Securities Act, in each case as further discussed below, and is intended to be exempt from the registration requirements of applicable state securities laws as a federally covered security.

A subscriber must meet one (or more) of the investor suitability standards (be an "accredited investor" or "non-U.S. person") below to purchase Tokens. Fiduciaries must also meet one of these conditions. If the investment is a gift to a minor, the custodian or the donor must meet these conditions. For purposes of the net worth calculations below, net worth is the amount by which assets exceed liabilities, but excluding your house, home furnishings or automobile(s) among your assets. In addition, in the subscription agreement, a subscriber will have to confirm satisfaction of these minimum standards:

- Each Investor must have the ability to bear the economic risks of investing in the Tokens;
- Each Investor must have sufficient knowledge and experience in financial, business or investment matters to evaluate the merits and risks of the investment;
- Each Investor must represent and warrant that the Tokens to be purchased are being acquired for investment and not with a view to distribution;
- Each Investor will make other representations to us in connection with purchase of the Tokens, including representations concerning the Investor's degree of sophistication, access to information concerning the Company, and ability to bear the economic risk of the investment.

Suitability Requirements

Accredited Investors

Rule 501(a) of Regulation D defines an “accredited investor” as any person who comes within any of the following categories, or whom the issuer reasonably believes comes within any of the following categories, at the time of the sale of the securities to that person:

- (1) Any bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity; any broker or 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 Company licensed by the U.S. 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; 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, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or 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 persons that are accredited investors;
- (2) Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;
- (3) Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (4) Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (5) Any natural person whose individual net worth, or joint net worth with that person’s spouse, exceeds \$1,000,000;
- (6) Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

- (7) Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii); and
- (8) Any entity in which all of the equity owners are accredited investors.

For purposes of calculating net worth:

- (A) The person's primary residence shall not be included as an asset;
- (B) Indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of the sale of securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of sale of securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and
- (C) Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence at the time of the sale of securities shall be included as a liability.

In determining income, a subscriber should add to the subscriber's adjusted gross income any amounts attributable to tax exempt income received, losses claimed as a limited partner in any limited partnership, deduction claimed for depletion, contribution to an IRA or Keogh plan, alimony payments, and any amount by which income for long-term capital gains has been reduced in arriving at adjusted gross income.

Non-U.S. Persons

This Offering is also being made pursuant to Regulation S under the Securities Act, to non-U.S. persons. A non-U.S. person is any person who is not one of the following:

- Any natural person resident in the United States (as defined below);
- Any partnership or corporation organized or incorporated under the laws of the United States;
- Any estate of which any executor or administrator is a US Person;
- Any trust of which any trustee is a US Person;
- Any agency or branch of a foreign entity located in the United States;
- Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident of the United States; or
- Any partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or

incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D promulgated under the Securities Act) who are not natural persons, estates or trusts.

“United States” means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

As required by Regulation S, sales to non-U.S. persons will be made in “offshore transactions.” These are transactions are where:

- No offer is made to a person in the United States; and
- Either (1) at the time the buy order is originated, the buyer is (or is reasonably believed to be by the seller) physically outside the United States, or (2) the transaction is for purposes of Rule 903, executed on a physical trading floor of an established foreign securities exchange, or for purposes of Rule 904, executed on a “designated offshore securities market” and the seller is not aware that the transaction has been pre-arranged with a U.S. purchaser.

Additional Provisions and Requirements

In addition to the foregoing suitability standards, we cannot accept subscriptions from anyone if the representations required are either not provided or are provided but are inconsistent with our determination that the investment is suitable for the subscriber. In addition to the financial information we require, the representations we require of you state that you:

- Have received this Memorandum, together with the Exhibits attached hereto;
- Understand that no federal or state agency has made any finding or determination as to the fairness for investment in, nor made any recommendation or endorsement of, the Tokens; and
- Understand that an investment in the Company will not, in itself, create a qualified retirement plan as described in the Internal Revenue Code and that you must comply with all applicable provisions of the Internal Revenue Code in order to create a qualified retirement plan. You will also represent that you are familiar with the risk factors we describe and that this investment matches your investment objectives. Specifically, you will represent to us that you:
- Understand that there will be no public market for the Tokens, that there are substantial restrictions on repurchase, sale, assignment or transfer of the Tokens, and that it may not be possible to readily liquidate an investment in the Tokens; and
- Have investment objectives that correspond to those described elsewhere in this Memorandum. You will also represent to us that you have the capacity to invest in our Tokens by confirming that:
- You are legally able to enter into a contractual relationship with us, and, if you are an individual, have attained the age of majority in the state in which you live; and
- If you are a manager, that you are the manager for the trust on behalf of which you are purchasing the Tokens, and have due authority to purchase Tokens on behalf of the trust.

If you are purchasing as a fiduciary, you will also represent that the above representations and warranties are accurate for the person(s) for whom you are purchasing Tokens. By executing the subscription agreement, you will not be waiving any rights under the Securities Act or the Exchange Act.

We have the right to refuse a subscription for Tokens if in our sole discretion if we believe that the prospective Investor does not meet the suitability requirements. It is anticipated that comparable suitability standards (including state law standards applicable in particular circumstances) may be imposed by us in various jurisdictions in connection with any resale of the Tokens.

Subscription Procedures

Each Investor herein will be required to do the following:

1. Complete, sign and deliver to us a Subscription Agreement (subject to the guidance below);
2. Deliver payment by check or wire, or via Bitcoin or Ether, pursuant to the instructions on the Subscription Agreement.

Investors within the United States, or who are U.S. persons, and who are subscribing on the basis of being an accredited investor should complete and return the form of subscription attached hereto as Exhibit A-1.

Investors who are outside of the United States and are non-U.S. persons and who are subscribing on the basis of being a “non-U.S. person” should complete and return the form of subscription attached hereto as Exhibit A-2.

If an Investor pays their subscription payment in Bitcoin or Ether, the value of the Subscription payment shall be valued at the applicable exchange rate for Bitcoin or Ether, as applicable, which means the volume-weighted average daily price of Ether or Bitcoin across or on exchange(s) or index(es) in the 24-hour period (Eastern Time) following the day and time that the Company notifies the Investor, in writing, that the Company has accepted Investor’s subscription for a Token.

The execution of Subscription Agreement by a subscriber constitutes a binding offer to purchase the Tokens subscribed for. Once a subscriber subscribes for Tokens, that subscriber will not be able to withdraw such subscription. If a subscription is not accepted, subscription funds will be promptly returned to the subscriber, without interest or deduction (except for the wire transfer fee).

By submitting the completed and signed subscription agreement with payment for the purchase of Tokens, you represent and warrant that you meet the relevant suitability standards and are eligible to purchase Tokens.

We do not permit sales to discretionary accounts without prior specific written approval of the owner of the account.

No Admission as a shareholder of RFuel, Inc.

By executing a subscription agreement and a Token, you will not become a shareholder of RFuel, Inc. You will also not be a shareholder upon receipt of a Token.

Upon executing a subscription agreement, you are not yet the counterparty to the Token or an owner of our Tokens. A Token will be countersigned and issued if and when your subscription agreement is accepted by the Company. Subscription agreements are non-cancelable and irrevocable and subscription funds are non-refundable for any reason, except with the consent of the Company.

We will be reviewing subscription applications as they are received and will accept or reject subscription applications within 15 days after receipt. We will indicate our acceptance of your subscription agreement by countersigning it and the Token and returning to the prospective Investor. The Company reserves the right to reject any subscription submitted for any reason. There is no minimum offering amount and the Company will hold subscription funds during the period that the Company is determining whether to accept a particular subscription. If your subscription is rejected, subscription funds will be promptly returned, without interest.

Transfer Restrictions

The issuance and sale of the Tokens have not been registered under the Securities Act or any other applicable securities laws and we do not expect that the Tokens will be registered once created. Unless so registered, the Tokens may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account of any U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. Investors will generally be required to maintain hold their Tokens for a period of one year from the issuance of the Tokens. The Tokens are not redeemable at the option of the holder and Token-holders will not have the right to withdraw their capital. It is not contemplated that the Tokens will ever be registered. No public market for the Tokens may develop.

In addition, if an Investor wishes to transfer Tokens to another investor, they must submit a request to the Company, provide all legal documents needed for the transfer as well cover all the fees associated with the transfer.

Each purchaser of a Token will be required to make the representations set forth in “Who May Invest” commencing on page 55.

PLAN OF DISTRIBUTION

We intend to offer the Tokens for sale directly to Investors privately pursuant to Regulation D and Regulation S as promulgated by the SEC under the Securities Act. Subscribers

shall execute subscription documents provided with this Memorandum in which they represent that the purchase of the Tokens and the underlying securities is being made for investment purposes with no intent to resell.

The Tokens will be offered on a “best efforts” basis to qualified Investors by the Company through the Company’s officers. All sales will be made privately to interested parties. The Tokens are being offered for sale to a select group of investors who meet the suitability standards set forth under “Who May Invest.” The Company’s officers, employees and advisors may participate in the Offering and no fees will be due to them for sale of Tokens by such persons.

We reserve the right to accept or reject your subscription in whole or in part. Our acceptance of your subscription agreement is effective when we countersign it and the Token. If we accept your subscription agreement, we will provide you with a confirmation of your purchase. If we do not accept your subscription, your purchase payment will be returned to you, without interest, within 30 days of our non-acceptance.

RISK FACTORS

An investment in the Tokens involves a number of risks. You should carefully consider the following risks and other information in this Memorandum before purchasing the Tokens.

General

TOKENS MAY HAVE NO VALUE. BUYER MAY LOSE ALL AMOUNTS PAID. Investor has carefully reviewed, acknowledges, understands and assumes the following risks, as well as all other risks associated with the Tokens (including those not discussed herein), all of which could render the Tokens worthless or of little value:

No Rights, Functionality or Features.

Tokens have no rights, uses, purpose, attributes, functionalities or features, express or implied, outside the Project or as otherwise provided pursuant to the White Paper.

Platform.

Buyer understands and agrees that Tokens are designed only to be utilized with the Project and pursuant to the White Paper.

Purchase Price Risk.

There are no guarantees as to the price of Tokens purchased by Investor. Company reserves the right to change the duration of the Token Distribution for any reason, including, without limitation, bugs or the unavailability of the Website or other unforeseen procedural or security issues.

Blockchain Delay Risk.

On the Ethereum blockchain, timing of block production is determined by proof of work so block production can occur at random times. For example, ETH contributed in the final seconds of a distribution period may not get included for that period. Investor acknowledges and understands that the Ethereum blockchain may not include the Investor's transaction at the time the Investor expects, and Investor may not receive Tokens the same day Investor sends ETH.

Ethereum Blockchain.

The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. Investor acknowledges and understands that Ethereum block producers may not include Investor's transaction when Investor wants or Investor's transaction may not be included at all.

Ability to Transact or Resell.

Investor may be unable to sell or otherwise transact in Tokens at any time, except for use with the Project pursuant to the terms of the White Paper. By using the Distribution Contract or by purchasing Tokens, Investor acknowledges, understands and agrees that: (a) Tokens have no value away from the Project; (b) there is no guarantee or representation of liquidity for the Tokens; and (c) Company is not and shall not be responsible for or liable for the market value of Tokens, the transferability and/or liquidity of Tokens and/or the availability of any market for Tokens through third parties or otherwise.

Token Security.

Tokens may be subject to expropriation and/or theft. Hackers or other malicious groups or organizations may attempt to interfere with the Distribution Contract or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, because the Ethereum platform rests on open source software and Tokens are based on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses that may negatively affect the Tokens or result in the loss of Investor's Tokens, the loss of Investor's ability to access or control Investor's Tokens or the loss of ETH in Investor's account. In the event of such a software bug or weakness, there may be no remedy and holders of Tokens are not guaranteed any remedy, refund or compensation.

Access to Private Keys.

Tokens purchased by Investor may be held by Investor in Investor's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key(s) associated with Investor's digital wallet or vault storing Tokens will result in loss of such Tokens, access to Investor's Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such

private key(s), including by gaining access to login credentials of a hosted wallet or vault service Buyer uses, may be able to misappropriate Investor's Tokens. Company is not responsible for any such losses.

New Technology.

The Project and its usage are subject to the terms of the White Paper and might not be capable of implementation or adoption. Technology is changing rapidly, so the Tokens and the Project may become outdated.

Reliance on Third-Parties.

The Project will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet anyone's needs, all of which might have a material adverse effect on the Project.

Failure to Map a Public Key to Investor's Account.

Failure of Investor to map a public key to Investor's account may result in third parties being unable to recognize Investor's Token balance on the Ethereum blockchain.

Exchange & Counterparty Risks.

If Investor sends ETH to the Distribution Contract from an exchange or an account that Investor does not control, pursuant to the Distribution Contract, Tokens will be allocated to the account that has sent ETH; therefore, Investor may never receive or be able to recover Investor's Tokens. Furthermore, if Investor chooses to maintain or hold Tokens through a cryptocurrency exchange or other third party, Investor's Tokens may be stolen or lost. By using the Distribution Contract and/or by purchasing Tokens, Investor acknowledges and agrees that Investor sends ETH to the Distribution Contract through an exchange account and/or holds Tokens on a cryptocurrency exchange or with another third party at Investor's own and sole risk.

Changes to the Project.

The Project may undergo significant changes over time. Although Company intends for the Project to have the features and specifications set forth in the White Paper, Company may make changes to such features and specifications for any number of reasons, any of which may mean that the Project does not meet Investor's expectations.

Lack of Interest.

The ongoing success of the Project relies on the interest and participation of third parties. There can be no assurance or guarantee that there will be sufficient interest or use of the Project.

Uncertain Regulatory Framework.

The regulatory status of cryptographic tokens, digital assets and blockchain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is likewise difficult to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, blockchain technology and its applications. Such changes could negatively impact Tokens in various ways, including, for example, through a determination that Tokens are regulated financial instruments that require registration. Company may cease the distribution of Tokens, the licensing of the Project or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

Risk of Government Action.

The industry in which Company operates is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company and/or pursue enforcement actions against Company. Such governmental activities may or may not be the result of targeting Company in particular. All of this may subject Company to judgments, settlements, fines or penalties, or cause Company to restructure its operations and activities or to cease offering certain products or services, all of which could harm Company's reputation or lead to higher operational costs, which may in turn have a material adverse effect on the Tokens and/or the licensing of the Project

Unanticipated Risks.

Blockchain technologies and cryptographic tokens such as the Tokens are a relatively new and dynamic technology. In addition to the risks included above, there are other risks associated with your purchase, holding and use of the Tokens, including those that the Company cannot anticipate. Such risks may further appear as unanticipated variations or combinations of the risks discussed above.

Risks Related to this Offering

There is no public market for the Tokens, so Investors may be unable to dispose of their investment.

There is no public market for our Tokens. Even if a potential investor could be found, the transferability of Tokens is restricted by the provisions of the Securities Act and the laws and regulations of the individual states and countries where the Tokens are being offered and sold, which generally prohibit transfer absent a registration of such Tokens with the applicable regulatory authority or an exemption from the registration requirements of such regulatory authority.

Investors should expect to hold their Tokens for an indefinite period of time.

You have no rights to redeem Tokens or withdraw from the Company or to otherwise obtain the return of your investments. Therefore, you must be capable of bearing the economic risks of this investment with the understanding that your interest in the Tokens may not be liquidated for some time. You should expect to hold your Tokens for an indefinite period of time.

The shareholders, the Board and the officers the Company designates will make all management decisions.

Except as otherwise set forth in our Certificate and Bylaws, the Company's shareholders, the Board and the officers the Company appoints will have the right to make all decisions with respect to our management. Other than the information set forth in this Memorandum, Investors will not have an opportunity to evaluate the specific investments that will be financed with the proceeds of this offering or with future operating income. You should not purchase Tokens unless you are willing to entrust all aspects of our management to the shareholders and our officers. Holders of the Tokens have no right to replace the shareholders or such officers, as that right is retained solely by the shareholders.

The shareholders, the Board and the officers the Company designates may change our operating policies without a vote of Investors.

Because the shareholders, Board and officers may change our investment and operating policies at any time without a vote of Investors, such changes may cause us to see a reduction in return on investment. In such event, our financial results and your investment may be adversely affected.

You have no ability to withdraw from your investment.

You do not have the ability to have your Tokens redeemed. Generally, your ability to withdraw from your investment is limited to situations where you are able to transfer your Tokens to another person, which transfers are subject to limits as described herein.

The Company's management will have broad discretion over the use of the net proceeds from this Offering.

At present, the net proceeds of the Offering are expected to be used for (i) paying for the costs of this Offering, (ii) the future development of Network, (iii) the development of functional applications for the Network, (iv) general corporate purposes, which may include capital expenditures, acquisitions, debt repayments, cybersecurity upgrades, augmenting technology, infrastructure and personnel, development of products and services, and short term investments, among other things, (iv) legal and accounting expenses. The failure by the Company's management to apply these funds effectively could have a material adverse effect on the Company and the value of the Tokens.

Only certain persons and entities are able to acquire Tokens.

Only limited categories of persons and entities may purchase Tokens. The Company expects that these limitations will limit liquidity in the Tokens, and the limitations may have a material adverse effect on the development of any trading market in the Tokens. The Tokens have not been registered under the Securities Act or any United States state securities laws or under the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. In addition, in offshore transactions the Tokens may be purchased only by non-U.S. Persons in accordance with applicable restrictions under the securities laws of the jurisdictions in which they are sold. Generally, foreign securities laws restrict the categories of persons permitted to purchase securities, such as the Tokens, to specified classes of sophisticated investors. No action has been taken in any jurisdiction to permit a public offering of the Tokens. Moreover, in addition to legal restrictions, by acquiring Tokens, holders agree to additional transfer restrictions described in this Memorandum.

Consequently, it is expected that there will only be a limited number of Token holders. A purchaser of the Tokens and an owner of beneficial interests in those Tokens must be able to bear the economic risk of their investment in the Tokens indefinitely.

Risks Related to the Company and our Business

The Company has limited operating history, which makes it hard to evaluate its ability to generate revenue through operations.

The Company's limited operating history may make it difficult to evaluate its current business and future prospects. The Company will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly developing and changing industries, including challenges in forecasting accuracy, determining appropriate investments of its limited resources, gaining market acceptance, managing a complex regulatory landscape and developing new products.

The Company's current operating model may require changes in order for it to scale its operations efficiently. Purchasers should consider the Company's business and prospects in light of the risks and difficulties it faces as an early-stage company. The Company is focused on developing its business and exploring opportunities for novel applications of blockchain technology. As a result of its early stage of development, the Company has not yet built any viable product and hasn't generated revenue from any commercially available blockchain-based applications.

The Company does not have any material cash reserves or operations at this time. No assurances can be given that we will generate sufficient revenue or obtain necessary financing to continue as a going concern.

Payments made pursuant to the terms of the Tokens may detract from the capital the Company could otherwise deploy to improve its business.

Any capital used to make payments related to the Tokens detracts from the capital available for the Company to deploy in developing its business. Diverting the funds from the Company's operations may put the Company at a significant disadvantage in comparison to its competitors who do not make similar payments. This disadvantage may have an adverse impact on the operations and financial conditions of the Company.

The development and operation of the Network requires technology and intellectual property rights.

The ability of the Company to develop and operate the Network may depend on technology and intellectual property rights that the Company may license from unaffiliated third parties. If for any reason the Company were to fail to comply with its obligations under the applicable license agreement, or were unable to provide or were to fail to provide the technology and intellectual property that the Network requires, they would be unable to operate, which would have a material adverse effect on the Company's operations and financial conditions.

The Company may face substantial competition from a number of known and unknown competitors as well as the risk that one or more of them may obtain patents or other protections covering technology critical to the operation of the Network.

The Company believes that a number of organizations are or may be working to develop networks utilizing distributed ledger or blockchain technologies or other novel technologies that may be competitive with its own technology. Some or all of such organizations may have substantially greater technological expertise, experience with distributed ledger technologies and financial resources than the Company has, and many of them appear to be attempting to patent technologies that may be competitive with or similar to the technology the Company has developed. The Company does not have access to detailed information about the technologies these organizations or their respective purchasers may be attempting to patent. If one or more other persons, companies or organizations obtains a valid patent covering technology critical to the future Network or its applications the Company and the other entities that need the relevant technology in order to enable the Network and its applications to operate as intended might be unable or unwilling to license the technology, and it could become impossible for the Network or its applications to operate, which could have a material adverse effect on the Company.

The Company may be forced to cease operations.

It is possible that, due to any number of reasons, including, but not limited to the inability by the Company to establish the Network or the Tokens' utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may no longer be viable to operate, and the Company may dissolve.

The Company may not successfully develop, market and launch any Network.

The Company views the development of the Network as a key commercial milestone. The Company remains in the preliminary stages of development of the Network, and the Network may never be developed.

In addition, the development of the Network will require significant capital funding, expertise of the Company's management and time and effort in order to be successful. The Company may have to make changes to the specifications of the Network for any number of reasons, or the Company may be unable to develop the Network in a way that realizes those specifications or any form of a functioning network. It is possible that the Network may not ever be released or the launch of the Network may never occur. The Network, if successfully developed and maintained, may not meet investor expectations at the time of purchase of Tokens—for example, there can be no assurance that the Network will provide more interoperable or more efficient processes with regards to becoming the NASDAQ of cryptocurrency/digital asset exchanges than is possible on currently available systems and standards. Furthermore, despite good faith efforts to develop and complete the launch of the Network and subsequently to maintain the Network, it is still possible that the Network will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Network and Tokens.

The Company may, but is not obligated to, use the proceeds of this Offering to make significant investments to develop and launch a viable Network and subsequently to build a fulsome Network upon which stakeholders and users can realize utility and value. The Company may not have or may not be able to obtain the technical skills and expertise needed to successfully develop the Network and progress it to a successful launch. While the Company is seeking to competitively recruit experts, there may, from time to time, be a general scarcity of management, technical, scientific, research, marketing and personnel with appropriate training to develop and maintain the Network.

The Network may not be widely adopted and may have limited users.

It is possible that the Network, if developed, will not be used by a large number of organizations, or that there will be limited interest in the creation and development of the Network. Such a lack of use or interest could negatively impact the development of the Network, the value of the Tokens and the financial position of the Company.

Alternative networks may be established that compete with or are more widely used than the Network.

It is possible that alternative networks could be established that utilize the same or a similar protocol that will underlie the Network or that will facilitate services that are materially similar to the Network's services. The Network may compete with these alternative networks, which could negatively impact the Network and the Tokens.

The Network and any blockchain on which the Company's products and/or securities may rely may be the target of malicious cyber-attacks or may contain exploitable flaws in its underlying code, which may expose us to liability and reputational harm and could cause a decline in the market price of the Tokens.

Once the Tokens are issued, and if the Network is developed, their structural foundation, the software applications and other interfaces or applications upon which they rely or that will be built upon the Network are unproven, and there can be no assurances that the Network and the creating, transfer or storage of the Tokens will be uninterrupted or fully secure, which may result in impermissible transfers, a complete loss of users' Tokens. Further, the Tokens and the Network (and any technology, including blockchain technology, on which they rely) may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software, the Tokens or the Network which may result in the loss or theft of Tokens. For example, if the Company and the Tokens and/or Network are subject to unknown and known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the Network.

Some market participants in the industry may oppose joining the Network.

Some participants in the industry may oppose joining the Network. The market participants who may oppose may include market participants with significantly greater resources, including financial resources and political influence, than the Company has. The ability of the Company to operate and achieve its commercial goals could be adversely affected by any actions of any such market participants that result in the need to have a material adverse effect on the Company's operations and financial conditions.

The Company may choose to alter its published roadmap based on market opportunities and conditions.

The Company's main objective is to find a repeatable, scalable and profitable business model in the shortest period possible from commencing its operations. As outlined in the published roadmap, we believe that the road to profitability requires that we first establish the Network, scale it to include more stakeholders in the industry and then build applications that will enable stakeholders handle administrative process with a high degree of efficiency and transparency. There is no certainty that the Company will implement the roadmap in the sequence outlined, nor is there a certainty that the Company will develop the applications. The Company will follow the agile method in developing the Network and its applications and might decide to develop different applications, re-prioritize the launch of applications, or develop new applications.

We need additional capital to develop our business. If we fail to obtain additional capital, we may not be able to implement our business plan.

The continuation of our operations will require the commitment of substantial additional resources. Currently, we have no established bank-financing arrangements. Our expenses are at a minimum, and therefore, most of the capital raised will be utilized as described herein.

There can be no any assurance that any additional financing will be available to us, or if available, will be on terms favorable to us. The sale of additional equity securities will result in dilution to our shareholders. The occurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that would restrict our operations. If adequate additional financing is not available on acceptable terms, we may not be able to continue our business operations.

Our Certificate and Bylaws provides for indemnification of the officers and shareholders.

Our Certificate and Bylaws provides for the indemnification of our officers and shareholders at our expense and limit their liability to the Company. This may result in a major cost to us because company resources may be expended for the benefit of the shareholders and present or former officers.

We are dependent on key personnel.

The Company's operations and business strategy are dependent upon the knowledge and business connections of the shareholders and the officers they name. Even if we are able to find additional personnel, it is uncertain whether we could find someone who could develop our business along the lines described in this Memorandum. We could fail without the services of the shareholders and the officers they name.

The success of the Company will be highly dependent on the expertise and performance of its management team. There can be no assurance that the shareholders and the officers they name or any additional members of the management team will continue to be associated with the Company or any of their affiliates throughout the life of the Company. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Company.

General economic conditions and recent events may affect the Company and its operations.

Various sectors of the global financial markets have been experiencing an extended period of adverse conditions. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. The short and long-term impact of these events is uncertain, but could have a material effect on general economic conditions, consumer and business confidence and market liquidity. Investments made by the Company are expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the ability of the Company to dispose of or realize its assets or investments at favorable multiples and on the performance of the Company generally, and these or similar events may affect the ability of the Company to execute its investment strategies.

The Company does not expect to make any distributions to holders of the Tokens and there can be no assurance of repurchases of Tokens.

The Company does not expect to make any distributions to the holders of the Tokens other than as set forth herein. However, there can be no assurance that holders of the Tokens will not owe taxes with respect to their ownership of Tokens, and thus such taxes will have to be paid from the holders' own funds.

There will exist recourse to the Company's assets.

The Company's assets are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and not be limited to any particular asset, such as the asset representing the investment giving rise to the liability or to any particular operating subsidiary of the Company.

The Company is undertaking this Offering pursuant to a private offering exemption.

The Company intends to offer the Tokens without registration under any securities laws in reliance on an exemption for private offerings to accredited investors and non-U.S. persons. While the Company believes reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations or interpretations will not cause the Company to fail to qualify for such exemptions under U.S. federal or one or more states' securities laws. Failure to so qualify could result in the rescission of sales of Tokens at prices higher than the current value of those Tokens, potentially materially and adversely affecting the Company's performance and business. Further, even non-meritorious claims that offers and sales of Tokens were not made in compliance with applicable securities laws could materially and adversely affect the ability of the shareholders and the officers they name to conduct the Company's business.

Regulatory, legal and tax changes may adversely affect the Company.

Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect the Company. In response to the recent global financial crisis, there have been unprecedented legislative and regulatory actions taken by numerous governmental authorities and their agencies. Many of these actions have been directed at the securities industry in general and specific segments of the industry. Additional legislative and regulatory action is likely. Changes to the securities laws and regulations could occur during the term of the Company and may adversely affect the Company and its ability to operate. Such risks are often difficult or impossible to predict, avoid or mitigate. The effect on the Company of any such regulatory or legal changes could be substantial and adverse.

Our financial condition and results of operation will depend on our ability to manage future growth effectively.

Our ability to achieve our investment objective will depend on our ability to grow, which will depend, in turn, on the ability of the Board and the officers it names to execute on our business plan. The management team of Company will have substantial responsibilities under the Certificate and Bylaws. In addition, the employees of the Company may also be called upon to provide managerial assistance. Any failure to manage our future growth effectively could have a material adverse effect on our business, financial condition, and results of operations.

The Company may experience fluctuations in its quarterly results.

The Company could experience fluctuations in its quarterly operating results due to a number of factors, including the level of its expenses; variations in, the timing of, and the recognition of realized and unrealized gains or losses; the degree to which we encounter competition in our markets; and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Misconduct by employees of the Company or third-party service providers could cause significant losses to the Company.

Misconduct by employees of the Company or third-party service providers could cause significant losses to the Company. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Company's business prospects or future marketing activities. No assurances can be given that the due diligence performed by the Company or the shareholders will identify or prevent any such misconduct.

This Memorandum contains forward-looking statements.

Certain information contained in this Memorandum constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or similar terminology. Due to various risks and uncertainties, actual events or the actual performance of the Company may differ materially from those reflected or contemplated by such forward-looking statements. Investors are cautioned not to place undue reliance on such statements.

Risks Related to the Tokens

The tax treatment of the Tokens is uncertain and there may be adverse tax consequences for Investors upon certain future events.

The tax characterization of the Token is uncertain, and each Investor must seek its own tax advice in connection with an investment in the Tokens. An investment in the Tokens may result in adverse tax consequences to Investors, including withholding taxes, income taxes and tax reporting requirements. Each Investor 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 an investment in the Token and the purchase rights contained therein.

The tax characterization of the Tokens also affects the Company's tax liability in connection with the Offering. In addition, the accounting consequences are uncertain, and there is a possibility that the proceeds of the Offering might be treated as a liability rather than equity for accounting purposes, which would reduce the Company's net book value compared to equity treatment.

The offering price of the Tokens has been determined arbitrarily.

The price of the Tokens has not been determined by any independent financial evaluation, market mechanism or by any auditors, and is therefore, to a large extent, arbitrary. No audit firm will review management's valuation and, therefore, there will be no opinion from any such firm as to the fairness of the offering price as determined by our management. As a result, the price of the Tokens in this Offering may not reflect the value perceived by the market. There can be no assurance that the Tokens will be worth the price for which they are offered and Investors may, therefore, lose a portion or all of their investment.

The Tokens are an illiquid investment.

An investment in the Company requires a long-term commitment with no certainty of return. Although some of the Company's operations may generate current cash flow, there can be no assurance that the Company will be able to realize such cash flow or otherwise be able to effect a successful realization or exit strategy. There can be no assurance that the Company obtains enough cash flow to continue operations. Even if the Company effects a successful realization or exit strategy the proceeds therefrom will not flow to the Token holders.

If the Company ceases operations, the Tokens will have limited or no value or utility.

The Company is conducting this Offering to raise capital for the development of the Network described above and to fund ongoing operations. The Tokens have only the value and utility as connected to such Network, and in the event that the Company is unable to successfully develop the Network or commence and continue its operations thereon, the Tokens will have limited or no value or utility.

The Tokens do not represent a right to any profits of the Company.

Other than as set forth herein, the Tokens do not grant equity stake nor profit sharing in the Company and do not represent an ownership right or direct claim in the Network, revenues, profits or intellectual property, either present or future. Investors should be aware that their investments are not refundable or redeemable, and thus Investors must accept the inherent risk of project failure at any stage of development. The Tokens will not provide any redemption rights. The Company reserves the right to change the utility value and/or intended usages of the Tokens at any point in the future.

There exists a risk of losing the Tokens.

There exists a risk of losing access to Tokens due to the loss of private key(s), custodial error or your error. A private key, or a combination of private keys, is necessary to control and dispose of Tokens stored in your digital wallet or vault. Accordingly, loss of the requisite private key(s) associated with your digital wallet or vault storing Tokens will result in loss of such Tokens. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet service you use, 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. Additionally, your failure to precisely follow the procedures set forth for buying and receiving Tokens, including, for instance, if you provide an incorrect personal wallet address, or provides an address that is not compatible, may result in the loss of your Tokens.

There are risks associated hacking and security weaknesses.

Hackers or other malicious groups or organizations may attempt to interfere with the websites of the Company, the Network or the Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. These attacks could materially and adversely affect the Company's operations and the value and utility of the Tokens.

There are risks associated with markets for Tokens.

If secondary trading of Tokens is facilitated by third-party exchanges, such exchanges may be relatively new and subject to little or no regulatory oversight, making them more susceptible to fraud or manipulation. Furthermore, to the extent that third parties do ascribe an external exchange value to Tokens (e.g., as denominated in a digital or fiat currency), such value may be extremely volatile and diminish to zero.

There is a risk of uninsured losses.

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

Ownership of the Tokens is subject to risks associated with uncertain regulations and enforcement actions and the potential application of U.S. laws regarding investment securities to the Tokens is unclear.

The regulatory status of the Tokens and distributed ledger technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether regulatory agencies may apply existing regulations with respect to such technology and its applications, including tokens and the Tokens. It is likewise difficult to predict how or whether legislatures or regulatory agencies may implement changes to law or regulations affecting distributed ledger technology and its applications. Regulatory actions could negatively impact the Tokens in various ways.

The Tokens are novel and the application of U.S. federal and state securities laws is unclear in many respects. Because of the differences between the Tokens and traditional investment securities, there is a risk that issues that might easily be resolved by existing law, if traditional securities were involved, may not be easily resolved for the Tokens. In addition, because of the novel risks posed by the Tokens, it is possible that securities regulators may interpret laws in a manner that adversely affects the value of the Tokens. For example, if applicable securities laws restrict the ability for the Tokens to be transferred, this would have a material adverse effect on the value of the Tokens. The occurrence of any such legal or regulatory issues or disputes, or uncertainty about the legal and regulatory framework applicable to the Tokens, could have a material adverse effect on the holders of Tokens.

There is no established public market for our Tokens, and we do not expect that one will develop.

There is no established trading market for the Tokens and we do not expect that one will develop.

There will be no trading market available for the Tokens when issued, no designated exchange and peer-to-peer transfers will not be permitted unless and until Token holders are notified otherwise by the Company and informed of the requirements to and conditions do so. As a result of recent regulatory developments, conventional crypto exchanges are currently unwilling to list securities tokens, such as the Tokens. As a result, if and when the Tokens become transferable, they may only be traded on very limited range of venues, including U.S. registered exchanges or regulated alternative trading systems for which a Form ATS has been properly submitted to the SEC. Currently, the Company is unaware of any operational ATS or exchange capable of supporting secondary trading in the Tokens.

Investors should be prepared to hold their Tokens indefinitely. Moreover, even if the Tokens become transferable, we may rely on technology, including smart contracts, to implement certain restrictions on transferability in accordance with the federal securities laws. There can be no assurance that such technology will function properly, which could result in technological limitations on transferability and expose the Company to legal and regulatory issues.

In the event that the Tokens remain untradeable for a significant period of time or indefinitely, the value of the Tokens would be materially adversely affected.

In addition, the liquidity of any market for the Tokens will depend on a number of factors, including:

- Number of holders of Tokens;
- Company's performance and financial condition;
- Market for similar digital tokens;
- Interest of traders in making a market in the Tokens; and
- Regulatory developments in the digital token or cryptocurrency industries.

The digital token market is a new and rapidly developing market which may be subject substantial and unpredictable disruptions that cause significant volatility in the prices of digital tokens. We cannot assure you that the market, if any, for the Tokens will be free from such disruptions or that any such disruptions may not adversely affect your ability to sell your Tokens. Therefore, we cannot assure you that you will be able to sell your Tokens at a particular time or that the price you receive when you sell will be favorable.

The Tokens are subject to significant transfer restrictions under the securities laws.

The Tokens have not been registered under the 1933 Act, the securities laws of any state or the securities laws of any other jurisdiction and therefore cannot be resold, except as described in the section entitled "Transfer Restrictions" in this Memorandum. These restrictions may adversely impact your ability to resell the Tokens or the price at which you may be able to resell them, if at all. Tokens are not redeemable at the option of the holder and Token-holders will not have the right to withdraw their capital. It is not contemplated that the Tokens will ever be registered. No public market for the Tokens may develop. Each subscriber in the United States will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring the Token for investment purposes and not with a view of resale or distribution. Further, each Investor must represent that it will only sell or transfer its Tokens in accordance with the restrictions set forth under "Transfer Restrictions" in this Memorandum and in a manner permitted by applicable laws and regulations. Consequently, Investors must be prepared to bear the risk of an investment in Tokens for an extended period of time.

If the Tokens ever become transferable, Token transactions may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

In the event that the Tokens become tradeable on an exchange or pursuant to permitted

peer-to-peer transfers, transactions in the Tokens may be irreversible, and, accordingly, a purchaser of the Tokens may lose all of his or her investment in a variety of circumstances, including in connection with fraudulent or accidental transactions, technology failures or cybersecurity breaches. If applicable, real-time settlement would further increase the risk that correction of trading errors may be impossible and losses due to fraudulent or accidental transactions may not be recoverable.

The nature of the Tokens means that any technological difficulties experienced by an exchange may prevent the access or use of a purchaser's Tokens.

Any exchange will be subject to the risk of technological difficulties that may impact trading of the Tokens, which include, without limitation, failures of any blockchain on which the Tokens or the exchange relies or the failure of smart contracts to function properly. Trading in the Tokens will depend on the operation and functionality of the applicable exchange and if such system were to fail for any reason, trading in the Tokens could be impossible until such failure was corrected and full functionality were restored and tested. Any such technological difficulties may prevent the access or use of the Tokens. This could have a material impact on the applicable exchange's ability to execute or settle trades of the Tokens, to maintain accurate records of the ownership of the Tokens and to comply with obligations relating to records of the ownership of the Tokens and could have a material adverse effect on the holders of the Tokens.

There is no assurance that purchasers of the Tokens will receive a return on their investment.

The Tokens are highly speculative and any return on an investment in the Tokens is contingent upon numerous circumstances, many of which (including legal and regulatory conditions) are beyond the Company's control. There is no assurance that purchasers will realize any return on their investments or that their entire investments will not be lost. For this reason, each prospective Investor should carefully read this Memorandum and should consult with their own attorney, financial and tax advisors prior to making any investment decision with respect to the Tokens. Investors should only make an investment in the Tokens if they are prepared to lose the entirety of such investment.

Investors may lack information for monitoring their investment.

Investors may not be able to obtain all information he or she would want regarding the Company, or the Network, on a timely basis or at all. It is possible that an Investor may not be aware on a timely basis of material adverse changes that have occurred with respect to certain of its investments. As a result of these difficulties, as well as other uncertainties, an Investor may not have accurate or accessible information about the Network.

The Tokens do not have any information rights attached to them (other than certain rights to Company information afforded Token holders under Delaware law), and purchasers may not be able to obtain all the information they would want regarding the Company or the Tokens. In particular, Investors may not be able to receive information regarding the financial performance of the Company with respect to the ability of the Company to pay amounts payable to the

Tokens. The Company is not currently registered with the SEC and currently has no periodic reporting requirements. As a result of these difficulties, as well as other uncertainties, a purchaser may not have accurate or accessible information about the Company or the Tokens.

Holders of Tokens will have no dividend or liquidation rights.

Investors in this Offering will have no dividend or liquidation rights. The only method of capital return that the Tokens have is via secondary market sales of the Tokens or distributions as set forth above. Upon a liquidation, bankruptcy or other dissolution of the Company, Investors will not be entitled to liquidation rights. Furthermore, the Company has no fixed termination date and is under no obligation to redeem the Tokens at any time.

Repurchase or redemption of Tokens.

Investors do not have the right to compel us to redeem our Tokens. The Company may, however, purchase outstanding Tokens from time to time. The Company may allocate funds for the open-market purchases or privately negotiated transactions in Tokens from time to time when deemed to be in the best interest of the Company. The shareholders and the officers the Company names may or may not decide to allocate any funds for the repurchase or redemption of our Tokens.

Holders of the Tokens will generally not have voting rights and will generally have no ability to influence the decisions of the Company.

Holders of the Tokens have no voting rights, except those required by Delaware law. As a result, except with respect to matters required to be submitted to Token-holders under Delaware law, all matters submitted to stockholders will be decided by the vote of holders of the Company's capital stock entitled to vote thereon, which shall not include the Tokens. As a result, holders of the Tokens will have no ability to elect directors or, except with respect to matters required to be submitted to Token holders under Delaware law, to determine the outcome of any other matters submitted to a vote of the Company's stockholders. The interests of holders entitled to vote on such matters may differ from, or conflict with, the interests of holders of the Tokens.

The Tokens have no history.

The Tokens are newly formed and have no operating history and are entirely novel in type. Investors will not be able to compare them against other like instruments. An investment in the Tokens should be evaluated on the basis of the value and prospects of the Tokens, taking into account uncertainties as to the likelihood that the Tokens will be issued, and of the assessment of the prospects of the Company's business may not prove accurate, and the Company may not achieve its objectives. Similar tokens or Tokens issued by other companies are not predictive of the Company's future results, the value and success of the Tokens or the ability of the Company to ever pay any amounts payable with respect to the Tokens.

The Tokens are not legal tender, are not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.

The Tokens are not legal tender, are not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections. Any investment in the Tokens is made at the risk of the purchaser.

Risks related to blockchain technologies and digital assets.

The regulatory regime governing blockchain technologies, cryptocurrencies, digital assets, the technologies upon on which Network will be developed, and offerings of Tokens, is uncertain, and new regulations or policies may materially and adversely affect the development and the value of the Tokens.

Regulation of digital assets, like the Tokens, and offerings such as this, cryptocurrencies, blockchain technologies, cryptocurrency exchanges and the technologies the Company will utilize to develop the Network (e.g., Quorum, IPFS, Smart Contracts, etc.), is currently undeveloped and likely to rapidly evolve as government agencies take greater interest in them, 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 severely impact the permissibility of the Tokens, tokens generally and, in each case, the technology behind them or the means of transaction in or transferring them. Failure by the Company or certain users of the Tokens to comply with any laws, rules and regulations, some of which may not exist yet or that are subject to interpretations that may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

Cryptocurrency networks, distributed ledger technologies, Token and token offerings also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Tokens. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact the Company's business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the adoption and value of the Tokens and the financial performance of the Company.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and other jurisdictions, may materially and adversely impact the value of the Tokens, including with respect to amounts payable, Tokens that may be made, the liquidity of the Tokens, the ability to access marketplaces or exchanges on which to trade the Tokens, and the structure, rights and transferability of Tokens.

The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the Tokens may also be subject to significant price volatility.

The prices of blockchain assets such as Bitcoin have historically been subject to dramatic fluctuations and are highly volatile, and the market price of the Tokens may also be highly volatile. Several factors may influence the market price of the Tokens, including, but not limited to:

- Ability of the Tokens to trade in a secondary market, if at all;
- Availability of an exchange for digital assets;
- Global blockchain asset supply;
- Global blockchain asset demand, which can be influenced by the growth of retail merchants' and commercial businesses' acceptance of blockchain assets like cryptocurrencies as payment for goods and services, the security of online blockchain asset exchanges and digital wallets that hold blockchain assets, the perception that the use and holding of blockchain assets is safe and secure, and the regulatory restrictions on their use;
- Investors' expectations with respect to the rate of inflation;
- Changes in the software, software requirements or hardware requirements underlying the Network;
- Changes in the rights, obligations, incentives, or rewards for the various participants in the Network;
- Interest rates;
- Currency exchange rates, including the rates at which digital assets may be exchanged for fiat currencies;
- Fiat currency withdrawal and deposit policies of blockchain asset exchanges on which the Tokens may be traded and liquidity on such exchanges;
- Interruptions in service from or failures of major blockchain asset exchanges on which the Tokens may be traded;
- Investment and trading activities of large investors, including private and registered funds, that may directly or indirectly invest in the Network or Tokens or other blockchain assets;
- Monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- Regulatory measures, if any, that affect the use of blockchain assets such as the Tokens;
- Global or regional political, economic or financial events and situations; or
- Expectations among Network or other blockchain assets participants that the value of the Tokens or other blockchain assets will soon change.

A decrease in the price of a single blockchain asset may cause volatility in the entire blockchain asset industry and may affect other blockchain assets, including the Tokens. For example, a security breach that affects investor or user confidence in Bitcoin may affect the industry as a whole and may also cause the price of the Tokens and other blockchain assets to fluctuate.

The terms of the Tokens may also lead to additional price volatility. The value of the

Tokens will be tied to the payment of amounts payable with respect to the Tokens by the Company. Consequently, unlike other digital assets, the operations and financial position of the Company will directly impact the price of the Tokens which may create additional volatility based on the Company's future performance.

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 slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Tokens.

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

- Worldwide growth in the adoption and use of cryptocurrencies, crypto securities and other blockchain technologies;
- Government and quasi-government regulation of cryptocurrencies, crypto securities and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
- Maintenance and development of the open-source software protocol of cryptocurrency or crypto securities networks;
- Changes in consumer demographics and public tastes and preferences;
- 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 crypto securities; and
- A decline in the popularity or acceptance of cryptocurrencies or other blockchain-based tokens would adversely affect the Company's results of operations.

The cryptocurrency and crypto securities 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.

Developments in regulation in the U.S. or other countries may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business or the Tokens. The application of existing U.S. regulation to the Tokens is unclear.

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take interest in, and in some cases, regulate their use and operation. In the case of virtual currencies, state regulators like the New York

Department of Financial Services have created new regulatory frameworks. Others, as in Texas, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire and North Carolina, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. Both the Department of the Treasury and the Commodity Futures Trading Commission, for example, have published guidance on the treatment of virtual currencies like Bitcoin. The IRS released guidance treating Ether as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is of particular relevance to our business. For example, neither the SEC nor the CFTC has formally asserted regulatory authority over any particular blockchain network. CFTC has publicly taken the position that certain blockchain assets are commodities, but SEC has not taken the position that any particular blockchain asset is a security. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset upon which our business relies, our business and your investment in the Token may be adversely affected.

Developments in U.S. commercial and corporate laws may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business or the Tokens. The application of existing U.S. commercial and corporate laws to the Tokens is unclear.

Because of the differences between the Tokens and traditional investment securities, there is a risk that issues that might easily be resolved by existing law if traditional securities were involved may not be easily resolved for the Tokens. For example, there is little precedent on how existing law might treat the issue, fungibility, settlement finality, transfer, collateralization, sequestration, loan, hypothecation, redemption or other disposition of Tokens. There is also little precedent on how existing laws might treat the rights and obligations between and among the Company and Investors. The occurrence of any related issue or dispute could have a material adverse effect on our business or the Tokens. New developments in the law may also adversely affect the treatment of the Tokens or our business.

Developments in foreign regulation, corporate and commercial laws may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business.

Blockchain networks currently face an uncertain regulatory landscape in not only the United States but also in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the near future, adopt laws, regulations or directives that affect the Ethereum Network and its users, particularly Ethereum Exchanges and service providers that fall within such jurisdictions' regulatory scope. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact our

business. The effect of any future regulatory change or ether is impossible to predict, but such change could be substantial and adverse to our business.

Conflicts of Interest

The following discussion enumerates certain potential conflicts of interest that should be carefully evaluated before making an investment in Tokens. The following is not intended as an exhaustive list of the potential conflicts. Instances may arise where the interest of the shareholders and/or their affiliates may potentially or actually conflict with the interests of the Company. Neither the shareholders nor the officers the Company names will be required to manage the Company as their sole and exclusive function, and are entitled to have other business interests and may engage in other business activities in addition to those relating to the Company.

The shareholders and the officers the Company names may also form and devote their time to other investment partnerships with activities similar to those of the Company, and may also have conflicts of interest in allocating time, services and functions among the Company and other business ventures. Neither the shareholders nor the officers the Company names are required to refrain from such management activities or to disgorge profits from such activities. By acquiring Tokens, each Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflicts of interest.

Neither the Company nor the shareholders owe you any fiduciary duties.

Direct investors in companies are generally owed an obligation by the company and its management of good faith, fairness in all dealings and other fiduciary duties. However, to the extent permitted by law, Token holders will not be entitled to any such protections from the Company or the shareholders. Accordingly, Token holders will have very limited, if any, rights of recovery against the Company or the shareholders if such parties engage in gross negligence or act against the interests of the Token holders. Furthermore, the Company has no obligation to Token holders to enforce any rights that it may be deemed to have against the shareholders or its officers.

The foregoing risks do not purport to be a complete explanation of all the risks involved in acquiring Tokens. Potential Investors are urged to read this entire Memorandum before making a determination whether to invest in Tokens.

Holders of Tokens will have no voting rights and may have conflicts of interest with the shareholders.

Neither the Tokens nor the Token, if issued, will have any voting rights or other management or control rights in the Company. Accordingly, the shareholders and the officers the Company names will control decisions for the Company that in other companies would require stockholder or limited partner approval, including the amendment of the Certificate and Bylaws,

the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.

There may be occasions when certain individuals involved in the development and launch of the Network may encounter potential conflicts of interest in connection with the Network Launch, such that said party may avoid a loss, or even realize a gain, when other Investors in this Offering or in the Company are suffering losses.

There may be occasions when certain individuals involved in the development and launch of the Network or the Company may encounter potential conflicts of interest in connection with this Offering and the launch of the Network (“Network Launch”), such that said party may avoid a loss, or even realize a gain, when other Investors in the are suffering losses. Investors in Tokens may also have conflicting investment, tax, and other interests with respect to Token investments, which may arise from the terms of the Token, the Network, the timing of the Network Launch or other token pre-sales, or other factors. Decisions made by the key employees of the Company on such matters may be more beneficial for some Investors than for others.

LEGAL PROCEEDINGS INVOLVING RELATED PARTIES

There is no litigation currently pending or threatened against us.

STATEMENT AS TO INDEMNIFICATION

Our Certificate and Bylaws provides for indemnification of the shareholders and our officers under certain circumstances, which could include liabilities relating to securities laws. The SEC mandates the following disclosure of its position on indemnification for liabilities under the federal securities laws:

“Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling an issuer, the Company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.”

FEDERAL INCOME TAX CONSEQUENCES

The Company is a corporation and expects to be taxed for U.S. income tax purposes as such. We and our investors will be subject to U.S. federal income tax and may also be subject to state, local and foreign income tax taxes in states and localities in which we are deemed to be doing business. Except where we reference specific states and countries, this discussion does not cover state, local or foreign income tax consequences you may incur in connection with your investment.

Except as to disclosure of the Company’s withholding and reporting requirements under U.S. income tax law as to possible payments to be made to holders of our Tokens presented herein, this Memorandum does not otherwise address any of the other applicable aspects of U.S. federal income taxation that may be relevant to you, including, the federal income tax

ramifications as to the purchase, ownership or disposition of a Token or the Tokens. This summary is not tax advice. The tax treatment of a holder will vary depending upon the holder's particular situation. Accordingly, this summary does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to an Investor's decision to purchase our Tokens, nor any tax consequences arising under the laws of any state, locality or foreign jurisdiction.

You are urged to consult your own tax advisors as to the specific tax consequences of purchasing, owning and disposing of any Token or any Tokens, including any federal, state or local tax consideration.

No ruling has been or will be requested from the Internal Revenue Service regarding any matter affecting our investors or us. Tax benefits should not be considered a primary investment feature of our Tokens. Opinions and statements made in this memorandum may not be sustained by a court if contested by the Internal Revenue Service. Any contest of this sort with the Internal Revenue Service could materially adversely impact your investment in our Tokens. Additionally, the costs of any contest with the Internal Revenue Service will be borne by our investors, whether directly or indirectly. An investment in us may be materially modified by future legislative or administrative changes or future court decisions. Such changes and decisions may be subject to retroactive application.

In recent years, there have been a number of proposals made in Congress by legislators, government agencies and by the executive branch of the federal government for changes in the federal income tax laws. In December 2017, the Tax Cuts and Jobs Act was signed into law making sweeping changes to the revenue laws of the United States commencing for taxpayer tax years commencing on or after January 1, 2018. In that connection, the Internal Revenue Service continues to adopt regulations and procedures implementing the Tax Cuts and Jobs Act and compliance with the new U.S. revenue laws and procedures is evolving. Additionally, numerous private interest groups continue to lobby for regulatory and legislative changes in certain areas of the U.S. federal income tax law. It is impossible to predict the effect of any proposals that might be adopted upon the income tax treatment presently associated with investment in the Tokens or the effective date, which could be retroactive, of any legislation that may derive from any past or future proposal.

We strongly urge you to consider ongoing developments in this uncertain area and to consult your own tax advisors in assessing the risks of investment in Tokens.

U.S. Income Tax Withholding

To ensure collection of U.S. income tax, the payor of fixed or determinable annual or periodic income from U.S. sources to any nonresident alien individual or foreign partnership, trust, estate, or Company is required to withhold taxes. Respective to any distributions in respect of tokens, therefore, we would be deemed to be a payor.

A payee, on the other hand, is defined as the person to whom a payment is made, regardless of whether such person is the beneficial owner of the amount paid. A foreign payee is a payee who is a foreign person, while a U.S. payee is a U.S. person. The determination of the

withholding agent concerning the status of the payee (U.S. or foreign) and the characteristics of a payee, such as whether the payee is a beneficial owner or intermediary, or an individual, Company or flow-through payee, is made on the basis of a withholding certificate that is a Form W-8, a Form 8233 (indicating foreign status of the payee or beneficial owner) or a Form W-9 (indicating U.S. status of the payee)

A nonresident alien is generally defined as an individual whose residence is not within the United States and who is not a citizen of the United States. However, an alien who meets either the lawful permanent residence test (i.e., the green card test) or the substantial presence test for the calendar year is considered a U.S. resident. An alien is a resident alien for a calendar year if he or she is a lawful permanent resident at any time during the calendar year. Under the substantial presence test, an alien is a resident alien if he or she has been present in the United States for at least 31 days during the current year and at least 183 days during the three-year period that includes the current year.

Generally, a person that makes a payment of U.S. source interest, dividends, royalties, and certain other types of income to a foreign person, such as Company payments that may be paid in respect of the tokens, must deduct and withhold 30 percent from the payment. A lower rate of withholding may apply under the Code, the regulations, or an income tax treaty. Under the Code, a withholding agent, in the case of the Company either the Company or its designee, must make an income tax return on Form 1042, Annual Withholding Tax Return for U.S. Source Income of Foreign Persons, reporting the tax withheld and also must file an information return reporting the amounts on Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding.

Payers of interest, dividends, royalties, gross proceeds from the sales of securities, and other fixed or determinable income must report payments on the appropriate Form 1099 series form, unless an exception applies. It is not certain how income, if any, to be paid in respect of the Company's tokens would be classified, albeit that we believe same would be deemed dividends. Payment information regarding U.S. taxpayers is generally reportable on a Form 1099 series form, and the Company will be required to obtain a Form W-9 from any U.S. taxpayer token purchasers. Form W-9, Request for Taxpayer Identification Number ("TIN") and Certification is used to determine whether to treat a payee or beneficial owner as a U.S. person. A payee must certify that he or she is a U.S. person (including a U.S. resident alien). Form W-9 will require that the purchaser of our tokens provide his or her TIN and certify that he or she is a U.S. person or a U.S. resident alien. If the Company would not receive a Form W-9, it must generally backup withhold at a 24-percent rate for tax years beginning after December 31, 2017, and before January 1, 2026, and report the payment on Form 1099. Collected backup withholding amounts, if any, must be reported on Form 945, Annual Return of Withheld Federal Income Tax.

An exception to the Form 1099 reporting provisions applies if the payee is a foreign person. A payor can treat a person as a "foreign person" if the payor can reliably associate the payment with documentation that establishes that the person is a foreign beneficial owner of the income or a foreign payee. A foreign person may not use Form W-9 to furnish his or her taxpayer identification number to a payor. Rather, foreign payees must use the appropriate Form W-8. The IRS Form W-8 series of forms is made up of certificates that are used to establish

foreign status. A payor does not have to backup withhold on payments to foreign beneficial owners or foreign payees because backup withholding applies only to amounts that the payor must report on Form 1099.

Generally, all nonresident aliens and foreign corporations, foreign partnerships, and foreign trusts and estates, that have income from sources within the United States, *not* effectively connected with the conduct of a trade or business within the United States, will be subject to withholding at a rate of 30 percent unless a lower treaty rate applies.

The Form W-8 series of IRS forms are certificates provided to withholding agents to establish foreign status. In this context, the Company, or its third-party designee, would be the “withholding agent.” Non-U.S. taxpayer investors in our tokens will be required to provide us or our designee with one of Form W-8BEN, W-8BEN-E or W-8ECI depending on investor status. Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (Individuals) is used exclusively by individuals and should be provided to the Company or its designee, as applicable, as the withholding agent or payer by a beneficial owner to claim foreign status, claim beneficial ownership of income and, if applicable, claim a reduced rate of or exemption from withholding.

Form W-8BEN-E, Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities) allows an entity to certify as to its status as a beneficial owner or payee for purposes of Chapter 3 and Chapter 61 of the Code, as well as to its status under Chapter 4 of the Code, as a payee or account holder of a foreign financial entity. The form can also be used by a beneficial owner to seek a reduced rate of withholding under a treaty.

Form W-8ECI, Certificate of Foreign Person’s Claim That Income Is Effectively Connected With the Conduct of a Trade or Business in the United States, form should be used to establish foreign status, claim beneficial ownership and claim that income is effectively connected with the conduct of a trade or business in the United States. We believe, but have not endeavored to obtain any formal ruling of the IRS confirming same, nor do we anticipate doing so, that any amounts paid to holders of our Tokens will be classified as income effectively connected income with a United States trade or business for these purposes.

WE URGE YOU TO CONSULT AND RELY UPON YOUR OWN TAX ADVISOR WITH RESPECT TO YOUR OWN TAX SITUATION, POTENTIAL CHANGES IN APPLICABLE LAWS AND REGULATIONS AND THE FEDERAL AND STATE CONSEQUENCES ARISING FROM AN INVESTMENT IN THE TOKENS. THE COST OF THE CONSULTATION COULD, DEPENDING ON THE AMOUNT CHARGED TO YOU, DECREASE ANY RETURN ANTICIPATED ON YOUR INVESTMENT. NOTHING IN THIS MEMORANDUM IS OR SHOULD BE CONSTRUED AS LEGAL OR TAX ADVICE TO ANY SPECIFIC INVESTOR, AS INDIVIDUAL CIRCUMSTANCES MAY VARY. THIS FEDERAL INCOME TAX CONSEQUENCES SECTION OF THIS MEMORANDUM ONLY PROVIDES THE CURRENT STATE OF TAX LAWS. YOU SHOULD BE AWARE THAT THE INTERNAL REVENUE SERVICE MAY NOT AGREE WITH ALL TAX POSITIONS TAKEN BY US AND THAT

LEGISLATIVE, ADMINISTRATIVE OR COURT DECISIONS MAY REDUCE OR ELIMINATE YOUR ANTICIPATED TAX BENEFITS.

LEGAL MATTERS

The Company's Counsel will review the legality of our issuance of the Tokens offered without registration under the Securities Act or state securities laws pursuant to certain exemptions therefrom provided under Regulation D and Regulation S pursuant to the Securities Act and state securities law for us.

Exhibit A-1

Subscription Agreement for U.S. Residents

(Attached)

Exhibit A-2

Subscription Agreement for Non-U.S. Persons

(Attached)

Exhibit B

Certificate of Incorporation RFuel, Inc.

(Attached)

Exhibit C

Bylaws of RFuel, Inc.

(Attached)