CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

April 17, 2018

ADVENTUROUS ENTERTAINMENT LLC

A Florida Limited Liability Company

AN OFFERING OF NINETEEN MILLION SIX HUNDRED TEN THOUSAND (19,610,000)

OF LIMITED LIABILITY COMPANY CLASS D UNITS REPRESENTED BY MCEX TOKENS

AT TWO AND TWENTY-TWO/100 DOLLARS ($2.22) PER UNIT FOR PERSONS WHO PURCHASE THE FIRST SEVEN MILLION EIGHT HUNDRED FORTY-FOUR THOUSAND (7,844,000) CLASS D UNITS ("PHASE ONE")

AND

AT TWO AND SEVENTY-SEVEN/100 DOLLARS ($2.77) PER UNIT FOR PERSONS WHO PURCHASE THE NEXT ELEVEN MILLION SEVEN HUNDRED SIXTY-SIX THOUSAND (11,766,000) CLASS D UNITS ("PHASE TWO")

TOTAL OFFERING OF FIFTY MILLION FIVE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($50,005,500.00)

MINIMUM INVESTMENT: TEN THOUSAND TWELVE AND TWENTY/100 DOLLARS ($10,012.20; 4,510 UNITS) FOR THOSE WHO INVEST IN PHASE ONE
AND
NINE THOUSAND NINE HUNDRED NINETY-NINE AND SEVENTY/100 DOLLARS ($9,999.70; 3,610 UNITS) FOR THOSE WHO INVEST IN PHASE TWO.*

INVESTMENT MAY BE MADE IN UNITED STATES DOLLARS, BITCOIN, ETHER OR DASH.**

ADVENTUROUS ENTERTAINMENT LLC (the "Company") is offering only to qualified Accredited Investors (within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission (the "SEC")) up to nineteen million six hundred ten thousand(19,610,000) Class D Units in the Company that will be represented by MCEX Tokens (the "Offering"). Proceeds of the Offering will be used for operating capital of the Company to further development of its existing Cryptocurrency wallet service to the public; continued operation of its Ethereum mining facilities; development of "white label" software to license to Persons interested in setting up Cryptocurrency wallets and exchanges (software as a service, "SaaS"); to develop Miami Crypto Exchange Phase 1 (Crypto Exchange) and Phase 2 (Securities Token Exchange) to facilitate the transfer of Cryptocurrencies, Utility Tokens and Securities Tokens (the "Services").

Purchasers of Class D Units offered hereby will be admitted as members of the Company (the "Members") as subscriptions are received by the Company until the earliest of (i) 90 days from the date of this Memorandum (subject to extension at the discretion of the Company for one or more 180-day periods), or (ii) the date when subscriptions for $50,005,500.00 in securities have been accepted by the Company, or (iii) the expiration of one year after from the date of this Memorandum, or (iv) the Company's unilateral decision to terminate the Offering (the "Termination Date"). Following the Termination Date the Company will promptly issue MCEX Tokens using the ERC20 protocol representing the Class D Units as described and authorized in the Amended and Restated Operating Agreement dated February 20, 2018 (the "Operating Agreement"). Additional subscriptions are allowed up to One Hundred Million and no/100 ($100,000,000.00) at the discretion of the Company. See, "Definitions," and "Summary of the Offering."

The information contained in this Memorandum is confidential and proprietary to the Company, prepared solely for the information of selected potential Investors and is provided upon the understanding that any Person accepting it will not, without the prior permission of the Company, utilize the information herein for any purpose other than evaluating a potential investment in the Company. ACCEPTANCE OF THIS MEMORANDUM SHALL CONSTITUTE AN AGREEMENT NOT TO MAKE THE INFORMATION CONTAINED HEREIN AVAILABLE TO ANY PERSON OTHER THAN ONE'S QUALIFIED INVESTMENT OR TAX ADVISOR AND LEGAL COUNSEL AND TO OBTAIN THE AGREEMENT OF ANY SUCH PERSON TO TREAT ALL INFORMATION AS CONFIDENTIAL.

****The Company may, in its sole discretion, elect to accept subscriptions for less than four thousand five hundred ten (4,510) Units during Phase One or less than three thousand six hundred ten (3,610) Units during Phase Two. Fractional Units will not be sold.***

*****The dollar price conversion for subscriptions paid in Bitcoin, Ether or Dash will be set at the time of the Company's acceptance of the subscription using www.mercury.cash and Kraken as the official price conversion (the "Digital Exchange Reference").***

	Offering Price[(1)]	***Fees[(2)]***	***Net Proceeds[(3)]***
Per Class D Unit (Phase One)	***$2.22***	***$0.00***	***$2.22***
Per Class D Unit (Phase Two)	***$2.77***	***$0.00***	***$2.77***
19,610,000 Class D Units	***$50,005,500.00***	***$0.00***	***$50,005,500.00***

(1)The Offering Price is stated on a per Unit basis. NO FRACTIONAL UNITS WILL BE SOLD.

(2)The Units will be distributed by the Company pursuant to a Posting Agreement with StartEngine Crowdfunding, Inc. ("StartEngine") by which the Offering will be placed on StartEngine's Internet platform. The Company may engage broker dealers or registered investment advisors with respect to the Offering and may pay commissions of up to ten percent (10%) of the Offering Price for sales by registered broker-dealers. At its option, the Company may make direct sales of the Offering at sto.miami.exchange, which will also accept payment in Dash.

(3)Net Proceeds will be used to pay other costs of the Offering (such as posting fees, purchase transaction costs, legal, administrative and regulatory filing fees), as operating capital and for investments of the Company. See, "Description of the Business."

THE COMPANY WILL BE MANAGED BY VICTOR ROMERO A FOUNDER OF THE COMPANY (THE "MANAGER"). SEE "MANAGEMENT PERSONNEL." INVESTORS SHOULD CONSIDER THIS INVESTMENT ONLY IF THEY CAN AFFORD THE RISKS ASSOCIATED HEREWITH AND THE LOSS OF ALL OR A SUBSTANTIAL PORTION OF THEIR INVESTMENT. SEE "ESTIMATED USE OF PROCEEDS," "RISK FACTORS," "WHO SHOULD INVEST," "CONFLICTS OF INTEREST," AND "SUMMARY OF OPERATING AGREEMENT."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION (1) UNDER SECTION 517.061(19) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT AND RULE 69W-500.016 THEREUNDER AND (2) PURSUANT TO AN EXEMPTION UNDER SECTION 4(a)(2) OF THE SECURITIES ACT OF 1933 AND RULE 506(c) OF REGULATION D THEREUNDER. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED

WITH THE DIVISION OF SECURITIES OF THE FLORIDA OFFICE OF FINANCIAL REGULATION OR WITH THE SECURITIES AND EXCHANGE COMMISSION. NEITHER THE SECURITIES DEPARTMENT OF ANY STATE NOR THE COMMISSION HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SPECIAL NOTICE TO ALL FOREIGN INVESTORS OR NON-U.S. PERSONS

If you live outside the United States, it is your responsibility to fully observe the laws of any relevant territory or jurisdiction outside the United States in connection with any purchase of our securities, including obtaining required governmental or other consents or observing any other required legal or other formalities. These securities have not been registered under the United States' Securities Act of 1933, as amended, and, insofar as such securities are offered and sold to persons who are neither nationals, citizens, residents nor entities of the United States, they may not be transferred or resold directly or indirectly in the United States, its territories or possessions, residents or entities normally resident therein (or to any person acting for the account of any such national, citizen, entity or resident). Further restrictions on transfer will be imposed to prevent such securities from being held by United States persons.

Forward-Looking Statements

Certain statements contained in this Memorandum, including, but not limited to, information regarding the status and progress of the Services, the plans and objectives of the Manager and assumptions regarding future performance and plans are forward-looking statements. The words "believe," "may," "will," "should," "project," "estimate," "continues," "anticipate," "intend," "expect" or the negatives thereof and similar expressions identify these forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are made subject to certain risks and uncertainties that could cause actual results to differ materially from those stated. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those discussed under this caption "Risk Factors."

Investors should assume that the information appearing in this Memorandum is accurate only as of the date on the front cover of this Memorandum. The Manager undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events except as required by law. All subsequent written and oral forward-looking statements attributable to the Company and Persons acting on its behalf are qualified in their entirety by the cautionary statements contained in this section and elsewhere in this Memorandum.

Prospective investors must subscribe to a minimum of four thousand five hundred ten (4,510) Units during Phase One and a minimum of three thousand six hundred ten (3,610) Units during Phase Two. Prospective investors must purchase whole Units as purchases of fractional Units will not be accepted by the Company. Minimum purchase requirements may be waived by the Company acting in its absolute discretion. No Person has been authorized to give any information or to make any representations other than those contained in this Memorandum, and, if given or made, such information and representations must not be relied upon. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any Person to whom it is unlawful to make such offer.

ISSUER: ADVENTUROUS ENTERTAINMENT LLC

BUSINESS ADDRESS:
6427 Milner Boulevard, Suite 4
Orlando, Florida 32809

The effective date of this Memorandum is April 17, 2018

ADDITIONAL INFORMATION AND DOCUMENTATION

Each prospective Investor (and his Purchaser Representative as defined below, if any) is invited to ask questions of the Company and obtain additional information or documents concerning the terms and conditions of this Offering and the Company. Requested information will be provided to the extent the Company possesses the same or can acquire it without unreasonable effort or expense. Inquiries and requests should be addressed to the Company at 6427 Milner Boulevard, Suite 4, Orlando, Florida 32809, 407-483-4057, sto.miami.exchange

DESCRIPTION OF THE OFFERING

ADVENTUROUS ENTERTAINMENT LLC is offering its Class D Units to raise $50,005,500.00 of equity. The funds will be used to pay costs of the Offering (such as posting fees, purchase transaction costs, legal, administrative and regulatory filing fees), as operating capital and for investments of the Company. See, "Description of the Business."

Nineteen million six hundred ten thousand (19,610,000) Class D Units are offered for Two and twenty-two/100 Dollars ($2.22) per Unit for persons who purchase the first seven million eight hundred forty-four thousand (7,844,000) Class D Units during Phase One and for Two and seventy-seven/100 Dollars ($2.77) per Unit for persons who purchase the next eleven million seven hundred sixty-six thousand (11,766,000) Class D Units during Phase Two. The purchase price is payable upon subscription in United States Dollars, Bitcoin, Ether or Dash. For Investors who elect to pay for their Class D Units with Cryptocurrency, the dollar price conversion will be set at the time of the Company's acceptance of the subscription using the Digital Exchange Reference as the official price conversion.

The Company has reserved two million eighteen thousand nine hundred twenty-seven Class B Units for possible sale to a Departmental Manager (as defined in the Operating Agreement). The Company has also reserved four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units for award to key employees. The Manager will adopt and administer an employee incentive plan to award Class C Units. Class C Units are voting but may be subject to forfeiture or vesting schedules. Class C Units outstanding (including both vested and unvested Class C Units) at any time may not exceed ten percent (10%) of the total Class A Units, Class B Units, Class C Units and Class D Units outstanding at such time. Assuming the sale of the Offering, the issuance of all of the Class C Units and sale of Class B Units to the Departmental Manager, Persons holding the Class D Units will represent ten and four one thousandths percent (10.0040%) of the economic interests and voting power of the Company, the Founders will hold Class A Units which would represent seventy-two and nine thousand seven hundred sixty-four ten thousandths percent (72.9764%) of the economic interests and voting power of the Company and the Persons holding Class C Units would own a maximum of two and six hundred thousandths percent (2.0600%) of the economic interests and voting power of the Company.

Benefits of the Class D Units are: One percent (1%) ownership of the combined Class A, Class B, Class C Units and Class D Units on a fully vested, fully diluted and fully subscribed basis for each block of one million nine hundred sixty-one thousand (1,961,000) Class D Units and pro rata distributions of the Net Cash from operations of the Company including any sale of the Services or other assets of the Company. The Class D Units will be represented by MCEX Tokens. See, "Summary of the Offering—Company Benefits," and "Capitalization."

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DEFINITIONS

Accredited Investor shall mean any Person meeting the definition of Accredited Investor as set forth in Rule 501(a) of Regulation D promulgated by the SEC. See, "Who Should Invest."

Affiliate shall mean (a) any Person directly or indirectly controlling, controlled by or under common control with another Person, (b) a Person controlling ten percent (10%) or more of the outstanding voting securities of such other Person, (c) any officer, director, trustee or partner of such other Person, and (d) if such Person is an officer, director, trustee or partner of such other Person, any company for which such Person acts in any such capacity.

AML/KYC shall mean anti-money laundering and know your customer programs, federal regulations designed to combat money laundering activities as set out in 31 C.F.R. § 1022.210.

Articles of Organization shall mean the Articles of Organization of Adventurous Entertainment LLC, a Florida limited liability company, as they may be amended from time to time.

Blockchain shall mean a continuously growing list of records, called blocks, which are linked and secured using cryptography. Each block typically contains a cryptographic hash of the previous block, a timestamp and transaction data. By design, a Blockchain is inherently resistant to modification of the data. It is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way. For use as a distributed ledger, a Blockchain is typically managed by a peer-to-peer network collectively adhering to a protocol for inter-node communication and validating new blocks. Once recorded, the data in any given block cannot be altered retroactively without the alteration of all subsequent blocks, which requires collusion of the network majority.[1]

Capital Contribution shall mean the amount of money contributed to the capital of the Company and the original principal amount of an Investor Note delivered to the Company by a Member.

Class A Units shall mean shall mean ownership interests in the Company which were issued to the Founders of the Company. Class A Units collectively constitute seventy-two and nine thousand seven hundred sixty-four ten thousandths percent (72.9764%) of the economic interests and voting power of the Company assuming the sale of the Offering and the issuance and vesting of four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units reserved for employees.

Class B Units shall mean ownership interests in the Company which were issued to investors in the Company before the date of this Offering and which are reserved for possible sale to a Departmental Manager of the Company. Assuming the sale of the reserved Class B Units, they collectively constitute fourteen and nine thousand five hundred ninety-six ten thousandths percent (14.9596%) of the economic interests and voting power of the Company assuming the sale of the Offering and the issuance and vesting of four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units reserved for employees.

Class C Units shall mean voting ownership interests in the Company held by employees of the Company. Class C Units outstanding (including both vested and unvested Class C Units) at any time may not exceed ten percent (10.0000%) of the economic interests and voting power of the Company. As of the date of

[1] Definition quoted from Wikipedia without footnote references.

this Memorandum, no Class C Units have been awarded. Assuming full issuance and vesting of all four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units reserved for employees.

Class D Units shall mean ownership interests in the Company offered to Persons pursuant to this Memorandum for the prices and payable as set forth herein. Class D Units are voting Units and will constitute ten and one thousand one hundred forty four ten thousandths percent of the economic interests and forty ten thousandths percent (10.0040%) and voting power of the Company assuming the sale of the Offering and the issuance and vesting of all four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units reserved for employees.

Code shall mean the Internal Revenue Code of 1986, as amended.

Company shall mean Adventurous Entertainment LLC, a Florida limited liability company.

Counsel to the Company shall mean John C. Lessel, Lessel Law Firm, 11601 Pleasant Ridge Road, Suite 301, Little Rock, Arkansas 72212. See, "Conflicts of Interest--Attorney."

Cryptocurrency shall mean a digital asset designed to work as a medium of exchange that uses cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets. Cryptocurrencies are a type of digital currencies, alternative currencies and virtual currencies. Cryptocurrencies use decentralized control as opposed to centralized electronic money and central banking systems. The decentralized control of each cryptocurrency works through a Blockchain, which is a public transaction database, functioning as a distributed ledger.[2]

Crypto Exchange shall mean a marketplace whereby owners of Cryptocurrency may transfer holdings of one Cryptocurrency for another Cryptocurrency or Fiat Money. Crypto Exchange may also mean the act of making such a transfer.

Digital Exchange Reference shall mean www.mercury.cash as the official price conversion of Ether and Dash to United States Dollars and Kraken as the official price conversion of Bitcoin.

Distributions shall mean any money or other property distributed to the Members with respect to their Units.

ERC20 shall mean the Ethereum Token standard, a technical standard used for Smart Contracts on the Ethereum Blockchain.[2]

ERISA shall mean the Employee Retirement Income Security Act of 1974, as amended.

Ether shall mean a Cryptocurrency whose Blockchain is generated by the Ethereum platform. Ether can be transferred between accounts and used to compensate participant mining nodes for computations performed.[2]

Ethereum shall mean an open-source, public, Blockchain-based distributed computing platform and operating system featuring Smart Contract (scripting) functionality.[2]

[2] Definition quoted from Wikipedia without footnote references.

Fiat Money shall mean a currency without intrinsic value that has been established as money, often by government regulation. Fiat money does not have use value, and has value only because a government maintains its value, or because parties engaging in exchange agree on its value.[2]

FinCEN shall mean the Department of Finance and Crime Enforcement Network operating under the United States Department of Treasury.

FINRA shall mean Financial Industry Regulatory Authority, a private corporation that acts as a self-regulatory organization with respect to the United States securities industry.

Founders shall mean Victor H. Romero and Maria Gomez, who is not active in the Company.

GAAP shall mean generally accepted accounting principles, a set of standards governing the independent audit of companies by certified public accountants and certified public accounting firms.

Initial Capital Contribution as it applies to Investors shall mean the initial cost of the Class D Units of Two and twenty-two/100 Dollars ($2.22) per Unit for persons who purchase the first seven million eight hundred forty-four thousand (7,844,000) Class D Units during Phase One and Two and seventy-seven/100 Dollars ($2.77) per Unit for persons who purchase the next eleven million seven hundred sixty-six thousand (11,766,000) Class D Units during Phase Two.

Initial Coin Offering ("ICO") shall mean a controversial means of crowdfunding centered around Cryptocurrency, which can be a source of capital for startup companies. In an ICO, a quantity of the crowdfunded Cryptocurrency is sold to investors in the form of "Tokens", in exchange for legal tender or other Cryptocurrencies such as Bitcoin or Ethereum. These Tokens supposedly become functional units of currency if or when the ICO's funding goal is met and the project launches. ICOs provide a means by which startups avoid costs of regulatory compliance and intermediaries, such as venture capitalists, bank and stock exchanges, while increasing risk for investors. ICOs may fall outside existing regulations depending on the nature of the project, or are banned altogether in some jurisdictions, such as China and South Korea.[3]

Investor shall mean a Person who has purchased a Class D Unit pursuant to this Offering.

IRS shall mean the Internal Revenue Service.

LLC Act shall mean the Florida Revised Limited Liability Company Act, FLORIDA STATUTES §§ 605.0101, *et seq.*, as amended.

Manager shall mean Victor H. Romero. The Manager shall manage the Company pursuant to Article III of the Operating Agreement of the Company.

Offering shall mean nineteen million six hundred ten thousand (19,610,000) Class D Units to be evidenced by MCEX Tokens.

MCEX Token shall mean an equity security representing the Class D Units of the Company. Upon the Termination Date, all holders of Class D Units will be issued a like number of MCEX Tokens which are

[3] Definition quoted from Wikipedia without footnote references.

digital assets as defined in Section 740.002(9) of the Florida Statutes. Like the underlying Class D Units, MCEX Tokens may be transferred via the Blockchain without the need for an intermediary, such as a transfer agent.

Member shall mean a Person who is a member of the Company.

Memorandum or Private Placement Memorandum shall mean this Private Placement Memorandum dated April 17, 2018 and any addition, amendment or revision thereto.

Miami Crypto Exchange shall mean an operating division of the Company to implement Token trading systems capable of trading Cryptocurrencies as Utility Tokens and Blockchain securities in a fully legally compliant manner.

Minimum Investment shall mean the purchase of four thousand five hundred ten (4,510) Units ($10,012.20) during Phase One and the purchase of three thousand six hundred ten (3,610) Units ($9,999.70) during Phase Two. The Company may, in its discretion, waive the Minimum Investment for purchasers of Class D Units, however, no fractional Units will be sold.

Money Transmitter as defined in Section 560.103(23), Florida Statutes shall mean a corporation, limited liability company, limited liability partnership or foreign entity qualified to do business in Florida which receives currency, monetary value, or payment instruments for the purpose of transmitting the same by any means, including transmission by wire, facsimile, electronic transfer, courier, the Internet, or through bill payment services or other businesses that facilitate such transfer within the United States, or to or from the United States.

Net Cash means the gross cash proceeds to the Company from all sources, less any portion thereof used for investment or reinvestment in accordance with the Operating Agreement, or to pay Company expenses, including, without limitation, the costs of this Offering, debt payments, capital improvements, replacements or contingencies, or to establish reasonable reserves for such Company expenses, all as determined by the Manager.

Net Profit or Net Loss shall mean the net profit or net loss of the Company from the Company's activities as determined in accordance with the method of accounting used by the Company for regular federal income tax purposes as may be adjusted by the terms of the Operating Agreement.

Offering shall mean the offering of nineteen million six hundred ten thousand (19,610,000) Class D Units to Investors.

Operating Agreement shall mean the Amended and Restated Operating Agreement dated February 20, 2018 of Adventurous Entertainment LLC, a Florida limited liability company, as may be amended from time to time.

Partnership Representative shall mean the Manager for purposes of Code Section 6223.

Person shall mean an individual, proprietorship, trust, estate, partnership, joint venture, association, company, limited liability company, corporation or other entity.

Private Placement Memorandum or Memorandum shall mean this Private Placement Memorandum, dated April 17, 2018, and any addition, amendment or revision thereto.

Purchaser Representative shall mean a Person who has been selected and appointed by an Investor to review the Offering, advise the Investor with respect to the Offering with experience and expertise in advising Persons with respect to offerings. A Purchaser Representative may be a financial advisor, accountant, attorney or other professional.

Regulations shall mean regulations promulgated by an appropriate governmental agency as guidance for Persons to comply with laws affecting such Persons. Regulations include, without limitation, Treasury Regulations providing guidance in applying the Code.

SaaS shall mean software as a service whereby the Company may license its proprietary software to other persons for principally commercial applications.

SEC shall mean the United States Securities and Exchange Commission.

Security Token shall mean a Token that is a digital representation of ownership in the issuer of the Security Token. Security Tokens are treated as securities by the issuer and their sale and transfer are designed to be fully compliant with federal and state securities laws.

Security Token Offering ("STO") shall mean a variation of the Initial Coin Offering in which the Tokens issued are Security Tokens representing the underlying security being offered by the issuing company. STOs are a combination of Blockchain technology and traditional securities offerings.

Services shall mean further development of the Company's existing Cryptocurrency wallet service to the public; continued operation of its Ethereum mining facilities; development of "white label" software to license to Persons interested in setting up Cryptocurrency wallets and exchanges (software as a service, "SaaS"); to develop Miami Crypto Exchange Phase 1 (Crypto Exchange) and Phase 2 (Securities Token Exchange) to facilitate the transfer of Cryptocurrencies, Utility Tokens and Securities Tokens.

Smart Contract shall mean a computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract. Smart contracts allow the performance of credible transactions without third parties. These transactions are trackable and irreversible.[4]

State shall mean the state of Florida.

Stock Market 2.0 shall mean an alternative trading system for traditional securities involving public companies. Stock Market 2.0 will utilize Blockchain technology to provide efficiencies and protections not available through existing stock market exchanges.

Subscription Agreement shall mean the contract by an Investor by which the Investor agrees to make a stated dollar investment in the Company, agrees to become a Member of the Company under the terms of the Operating Agreement and makes certain warranties and representations to the Company regarding the investment.

Tax Distributions shall mean quarterly distributions of Net Cash to each Member of an amount which the Manager reasonably estimates to be the Member's current tax liability arising from the operations of the

[4] Definition quoted from Wikipedia without footnote references.

Company so as to permit the Member to make timely U.S. federal, state and local estimated income tax payments.

Termination Date shall mean the earliest of (a) 90 days from the date of this Memorandum (subject to extension at the discretion of the Company for one or more 180-day periods), or (b) the date when subscriptions for $50,005,500.00 in securities have been accepted by the Company, or (c) the expiration of one year after from the date of this Memorandum, or (d) the Company's unilateral decision to terminate the Offering.

Token shall mean an electronic record of ownership of a specific Cryptocurrency or security representing ownership of an issuer of the security.

Units shall mean Class A, Class B, Class C or Class D Units of the Company.

Utility Token shall mean a Token which does not represent an underlying ownership interest in the issuer. For example, a Utility Token may entitle the owner to a specific service of the issuer that is paid for by surrender of the Utility Token. It is different from a Security Token in that it is treated as a commodity or Cryptocurrency with limited usefulness and not as a security.

DESCRIPTION OF THE BUSINESS

I. COMPANY AND SERVICES

The Company is a technology company that specializes in Blockchain applications, with attention currently on Cryptocurrencies, including Ether and Dash. The Company was founded by and is managed by individuals who bring extensive management experience in the field of startup and early stage company growth, capital raising and network building. Coupled with excellent technical skills the Company's management has the ability to advance the business of the Company in the United States and worldwide.

Because the Manager and many of the employees of the Company have ties to Latin American, the Company is specially positioned to utilize these international relationships and experiences to further the Company's business.

Current Operations

The Company currently does business as Mercury Cash and operates a Cryptocurrency electronic wallet for clients to hold and exchange Cryptocurrencies. In addition, the Company operates the largest Ethereum mining facility in Florida and generates Cryptocurrencies through the mining process. As of the date of this Memorandum, Mercury Cash has over 6,000 customers using its Cryptocurrency electronic wallet.

Mercury Cash is registered as a Money Transmitter through Florida's Office of Finance Regulation, FinCEN and has other applications for licenses pending in other states. All Mercury Cash crypto activity including providers, Blockchain wallets and addresses are regulated, reported and approved by the Florida Office of Financial Regulations under Chapter 560 of Florida Statutes and can be reviewed online. In addition it is regulated by FinCEN as a Money Business Service, which can also be reviewed online.

The Company's financial statements are audited on the United States GAAP standard as required under

Section 560.103(15), Florida Statutes. See Exhibit A.

Future Operations

Following the Termination Date the Company will promptly issue MCEX Tokens using the ERC20 protocol representing the Class D Units as described and authorized in the Operating Agreement. The Company proposes through the proceeds of this Offering, to create, fund, develop and promote the Miami Crypto Exchange ("MCEX") through two phases. Phase 1 consists of the development and implementation of software for the public to trade Utility Tokens easily and legally. Phase 2 involves the development and implementation of software for companies to launch STOs and create Stock Market 2.0, the electronic alternative to current stock exchanges.

Stock Market 2.0 will provide a Blockchain-driven technology for STOs and for existing public companies to enjoy functionalities and benefits that a traditional stock market exchange cannot provide by the elimination of third parties. Streamlined and more efficient stock trading is achieved by fully electronic services such as:

- Tracking security holders of a specific security.
- Dividend and other distributions and allocations to security holders of public companies.
- Worldwide transfer of securities.
- Sale of securities for Fiat Money or Cryptocurrency.

MCEX will become a SEC registered broker-dealer and a member of FINRA, licensed and registered as an alternative trading system. MCEX also will apply to become an Electronic Money Institution ("EMI/e-Money") under the United Kingdom's Financial Conduct Authority. Such registration would allow MCEX to operate in 23 states of the European Economic Area. As MCEX pursues other states within the United States for Money Transmitter licenses, it hopes to obtain such licenses in over 30 states.

Further, the Company proposes to develop and license SasS in the form of white label software for Money Transmitter companies worldwide. In addition to providing the technology to operate as Money Transmitters, this software will connect with MCEX thereby broadening the base and scope of its operations.

MCEX intends to be a fully compliant trading platform and crypto gateway between the United States and the world, with a focus on Latin America and the Caribbean for Utility Tokens and Security Tokens.

The Company's business model contemplates these sources of income:

- Operating income from current electronic wallet services, as those services are expanded with proceeds from this Offering.
- Operating income from Ethereum mining with the expectation that the value of Ether upon conversion into United States Dollars will provide additional economic gain.
- Licensing income from the development and implementation of SaaS involving licensed white label software for establishing and operating electronic wallets and Crypto Exchanges.
- Operating income generated by establishing and operating the Miami Crypto Exchange whereby Persons with Cryptocurrencies may exchange those currencies for other Cryptocurrencies or Fiat Money.

II. INVESTMENT NEEDS

The Company seeks up to Fifty Million Five Thousand Five Hundred and no/100 Dollars ($50,005,500.00) to complete the capitalization of the Company to fund further development of the Company. Investors will participate in the growth of the Company through ownership of MCEX Tokens representing Class D Units with cash distributions and potential capital appreciation of the Tokens/Units. Upon sale of the Offering, based upon the Company's fully vested and fully diluted capitalization table, Investors would own ten and forty ten thousandths percent (10.0040%) of the economic interests and voting power of the Company.

SUMMARY OF THE OFFERING

The following summary highlights certain information contained elsewhere in this Memorandum. It does not purport to be complete. Prospective Investors should carefully read the entire Memorandum for more complete information and should carefully consider the factors set forth in "Risk Factors."

I. THE OFFERING

Nineteen million six hundred ten thousand (19,610,000) Class D Units are offered for Two and twenty-two/100 Dollars ($2.22) per Unit for persons who purchase the first seven million eight hundred forty-four thousand (7,844,000) Class D Units during Phase One and for Two and seventy-seven/100 Dollars ($2.77) per Unit for persons who purchase the next eleven million seven hundred sixty-six thousand (11,766,000) Class D Units during Phase Two. The purchase price is payable upon subscription in United States Dollars, Bitcoin, Ether or Dash. For Investors who elect to pay for their Class D Units with Cryptocurrency, the dollar price conversion will be set at the time of the Company's acceptance of the subscription using www.mercury.cash as the official price conversion

The Company has reserved two million eighteen thousand nine hundred twenty-seven Class B Units for possible sale to a Departmental Manager (as defined in the Operating Agreement). The Company has also reserved four million thirty-seven thousand eight hundred forty-seven (4,037,847) Class C Units for award to key employees. The Manager will adopt and administer an employee incentive plan to award Class C Units. Class C Units are voting but may be subject to forfeiture or vesting schedules. Class C Units outstanding (including both vested and unvested Class C Units) at any time may not exceed ten percent (10%) of the total Class A Units, Class B Units, Class C Units and Class D Units outstanding at such time.

Prospective investors must subscribe to four thousand five hundred ten (4,510) Units ($10,012.20) during Phase One and the purchase of three thousand six hundred ten (3,610) Units ($9,999.70) during Phase Two. The Company may, in its discretion, waive the Minimum Investment for purchasers of Class D Units, however, no fractional Units will be sold.

II. THE COMPANY

The Company is a limited liability company organized under the LLC Act pursuant to Articles of Organization filed with the Florida Secretary of State on June 28, 2016, L16000123943. It is a manager-managed limited liability company.

The Registered Agent of the Company is S&S Accountax Co. with address of 2810 Central Florida Parkway, Suite A6, Orlando, Florida 32837. The Company's business address is 6427 Milner Boulevard, #4, Orlando, Florida 32809.

The Manager of the Company is Victor Romero. The powers, rights and duties of the Manager and the Members are as set forth in the Operating Agreement of the Company which is attached to the Subscription Agreement associated with this Private Placement Memorandum. See "Summary of Operating Agreement - Responsibilities of the Manager and Restrictions Thereon."

III. SPECIAL CONSIDERATIONS

Conflicts of Interest

The Company will be subject to various conflicts of interest arising out of its relationship to its Members, to the Manager and to Persons with whom it may enter into other agreements. Certain agreements that may be negotiated between the Company and the Manager will not be the result of arm's-length negotiations. See "Conflicts of Interest."

Term of Company

The Company will terminate upon the occurrence of certain events of dissolution specified in the Operating Agreement. See "Summary of Operating Agreement."

Investment Objectives

The Company will use the proceeds from the sale of Class D Units to fund further development of the Company and the Services. The Company's investment objectives are to obtain for itself and Investors significant operating income, capital appreciation and long-term capital gains from the Services. It is the objective of the Company that the Investors will realize:

1. Periodic cash distributions in the form of operating income; and
2. Long-term capital gain with respect to the Tokens/Units upon the sale or liquidation of the Company and/or the Services.

The attainment of the Company's investment objectives will depend on many factors, including, among others, the successful management and operation of the Company and future economic conditions, both local and national. Accordingly, there can be no assurance that the Company will meet its business and investment objectives. See, "Risk Factors."

General Tax Aspects of Offering

Prospective Investors should recognize that the tax consequences associated with an investment in the Company are complex and differ according to each prospective Investor's particular circumstances. Therefore, EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS OWN TAX ADVISORS WITH REGARD TO THE CONSEQUENCES OF A PURCHASE OF CLASS D UNITS.

Risk Factors

An investment in Class D Units is subject to numerous and substantial risks, including lack of substantial experience and financial resources of the Company and the Manager. The types of services offered by the Company are in markets that are highly competitive and there are many companies who are currently in competition and in the future will be in competition with the Company for these services, some of whom have established and successful operations. In addition, there exist conflicts of interest, tax and other risks described herein. See "Risk Factors" and "Conflicts of Interest."

Use of Proceeds

See "Estimated Use of Proceeds."

Limitation on Additional Capital Contributions

No Investor will be obligated to contribute any additional capital to the Company other than the cash at subscription for Class D Units purchased. However, Members may be required to repay to creditors of the Company amounts which had been previously distributed to them knowing that the distribution violated restrictions set out in the LLC Act or in dissolution of the Company to the extent necessary to discharge Company debt to creditors; provided, however, that the amount of claim against a Member may not exceed the Member's pro rata share of the liability or the amount received by the Member in the distribution or dissolution, whichever is less. For a discussion of this and other circumstances requiring repayment, see "Risk Factors - Liability of Members."

Company Benefits

The holders of Class D Units will receive the following benefits as Members assuming the sale of the Offering (19,610,000 Units):

Tax Distributions: Unless otherwise prohibited by the LLC Act, the Company intends to make quarterly distributions of Net Cash to each Member in an amount which the Manager reasonably estimates is sufficient to permit the Member to make timely U.S. federal, state and local estimated income tax payments. After the Tax Distributions, Net Cash will be distributed as set out below.

Table of Allocation of Net Cash (assumes full issuance of all Class D Units, Class B Units and full vesting of all Class C Units):

Allocation of Distributions	(i) 80% to Persons holding Class B Units pro rata based upon each Person's unreturned Initial Capital Contribution and 20% to current Class A, Class B, Class C and Class D Unit holders pro rata based on Unit ownership until Class B Unit holders receive a return of their Initial Capital Contributions, and then (ii) pro rata among all Members based upon Unit ownership.

Table of Voting Rights (assumes full issuance of all Class D Units, Class B Units, full vesting of all Class C Units and no conversion of Class A, Class B Units or Class C Units to Class D Units):

Voting Rights	72.9764% to current Class A Unit holders; 14.9596% to current Class B Unit holders; 10.0040% to Investors with Class D Units; and 2.0600% to employees holding Class C Units.

See "Summary of Operating Agreement - Allocations to Members, Distributions to Members."

Partnership Representative

For purposes of Code Section 6223, the Partnership Representative for the Company is the Manager.

Reports to Investors

The Company will furnish certain periodic financial reports and tax information to the Members. See "Summary of Operating Agreement."

Professional Involved

John C. Lessel, Lessel Law Firm, Little Rock, Arkansas is Counsel to the Company. See, "Conflicts of Interest - Attorney."

WHO SHOULD INVEST

I. INVESTOR SUITABILITY

An investment in the Company is suitable only as a long-term investment for Persons who have adequate financial means and no need for liquidity with respect to their investment in the Company.

No public market is expected for the Units and sale or transfer of the Units is severely restricted and may result in significant adverse tax consequences to Investors. Further, Investors who purchase Class D Units as long-term investments may be unable to liquidate their investment in the event of an emergency or for any other reason. See "Summary of Operating Agreement - Transfer of Units." An investment involves substantial other risks. See "Risk Factors."

The Class D Units will only be sold to prospective Investors who meet the following suitability requirements:

1. Have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of the investment or are represented by Purchaser Representatives who, together with such Person, are able to evaluate the merits and risks of an investment in the Class D Units; and

2. Have no need for liquidity in the investment and can bear the economic risks of the investment, since no ready market is expected for the Class D Units; and

3. Are "Accredited Investors" as that term is defined in Rule 501(a) of Regulation D as follows:

(1) <u>if a natural Person</u>:

(1) such Person has net worth, or joint net worth with such Person's spouse, as of the date hereof which exceeds $1,000,000.00, not including the fair market value, less any mortgage, of such Person's principal residence; or

(2) such Person has individual income in excess of $200,000 in each of the two most recent years, or has joint income with such 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; or

(3) such Person is a director and/or executive officer of the Company; or

(b) <u>if not a natural Person</u>:

(1) such Person is a corporation, partnership or any organization described in section 501(c)(3) of the Internal Revenue Code, with total assets in excess of $5,005,000 not formed for the specific purpose of acquiring Units; or

(2) such Person is a trust, the trustee for which trust is a bank (as defined in Section 3(a)(2) of the Securities Act of 1933) that makes all investment decisions for the trust acting in its fiduciary capacity; or

(3) such Person is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") that: (A) has total assets in excess of $5,005,000; or (B) is a self-directed employee benefit plan the investment decisions for which plan are made solely by a Person or Persons who qualify as accredited investor(s); or (C) the investment decisions for which plan are made by a plan fiduciary, as defined in Section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment advisor; or

(4) such Person is a bank (as defined in Section 3(a)(2) of the Securities Act of 1933), or any savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Securities Act of 1933) whether acting in its individual or fiduciary capacity; or

(5) such Person is a broker or dealer registered pursuant to Section 15 or the Securities Exchange Act of 1934; or

(6) such Person is an insurance company (as defined in Section 2(13) of the Securities Act of 1933); or

(7) such Person is an 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; or

(8) such Person is a 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; or

(9) such Person is an entity in which all of the equity owners are accredited investors; or

as defined in any applicable state securities laws if such definition under state law is more narrow in scope; and

4. Have sufficient diversification of investments consistent with prudent investment policies and ERISA requirements as interpreted by Regulations (in the case of certain tax-exempt entities); and

5. Are acquiring the Class D Units for their own account without an intent to further distribute, resell, pledge or otherwise transfer the Class D Units; and

6. Are aware that the Class D Units have not been registered under the Securities Act of 1933 or any state securities laws; that the Class D Units may not be resold without registration under such laws or an opinion of counsel satisfactory to the Manager that such registration is not required; that they have no right to require such a registration; and that the transfer of Class D Units is further restricted under the Operating Agreement; and

7. Have an overall commitment to investments which are not readily marketable that is not disproportionate to their net worth, and whose investment in the Class D Units will not cause their overall commitment to become excessive.

The Company may accept, reject or defer acceptance, in whole or part, of any subscription in its sole discretion.

II. ANTI-MONEY LAUNDERING REGULATIONS

The Company will comply with the applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the **"USA PATRIOT Act"**) that requires financial institutions to establish and maintain compliance programs to guard against money laundering activities. The secretary of the U.S. Treasury has published regulations in connection with anti-money laundering policies of financial institutions. Although the Company does not fall into one of the categories of institutions meeting the definition of a covered financial institution, the Company and the Manager reserve the right to request such information as is necessary to verify the identity of a prospective Investor or as is necessary to comply with any customer identification program required by U.S. Treasury or another government agency. In the event of delay or failure by the prospective Investor to produce any information required for verification purposes, the Company may refuse to accept the Investor's Subscription Agreement and the subscription monies relating thereto.

III. OFFICE OF FOREIGN ASSETS CONTROL

Units may not be offered, sold, transferred or delivered, directly or indirectly, to any "Unacceptable Investor." "Unacceptable Investor" means any individual or entity who is (1) an individual or entity who is a "designated national," "specially designated national," "specially designated terrorist," "specially

designated global terrorist," "foreign terrorist organization," or "blocked person" within the definitions set forth in the Office of Foreign Assets Control (**"OFAC"**) Regulations of the U.S. Treasury Department; (2) an individual acting on behalf of, or an entity owned or controlled by, any government against whom the U.S. maintains economic sanctions or embargoes under the OFAC Regulations; or (4) an individual or entity subject to additional restrictions imposed by statutes or regulations and executive orders issued by the United States, as each such law, regulation or executive order has been or may be amended, adjusted, modified or reviewed from time to time. In addition, the Company will evaluate the platform from which a prospective Investor will be transferring Cryptocurrency if that will be the method of payment. If the Cryptocurrency platform is not legal or lacks appropriate licenses, the Company reserves the right to reject the proposed subscription and refund any Cryptocurrencies received from the prospective Investor as part of the subscription process. If the Company later determines that a Member is an "Unacceptable Investor," the Company may freeze the Member's distributions and interests and take such other actions as may be permitted under the Operating Agreement or Subscription Agreement or desirable or necessary under any applicable law, regulation or executive order.

TERMS OF THE OFFERING

Nineteen million six hundred ten thousand (19,610,000) Class D Units will be offered for Two and twenty-two/100 Dollars ($2.22) per Unit for persons who purchase the first seven million eight hundred forty-four thousand (7,844,000) Class D Units during Phase One and for Two and seventy-seven/100 Dollars ($2.77) per Unit for persons who purchase the next eleven million seven hundred sixty-six thousand (11,766,000) Class D Units during Phase Two. The purchase price is payable in full upon subscription in United States Dollars, Bitcoin, Ether or Dash. For Investors who elect to pay for their Class D Units with Cryptocurrency, the dollar price conversion will be set at the time of the Company's acceptance of the subscription using www.mercury.cash as the official price conversion.

Prospective Investors must purchase a minimum of four thousand five hundred ten (4,510) Units ($10,012.20) during Phase One and a minimum of three thousand six hundred ten (3,610) Units ($9,999.70) during Phase Two. The Company may, in its discretion, waive the Minimum Investment for purchasers of Class D Units, however, no fractional Units will be sold. The Company will accept subscriptions upon receipt from qualified Investors. There is no minimum number of Units that must be sold before the Company may accept subscriptions.

The Manager anticipates that certain Investors may wish to purchase Units in excess of the Minimum Investment, including those who may wish to invest substantially more than the Minimum Investment. In recognition of this fact, the Company may enter into special arrangements with such Investors that include economic or other terms that differ from those described in this Memorandum. These arrangements make take the form of different subscription agreements, side agreements or other writings which the Company decides in the exercise of its discretion are in the interests of the Company.

The Class D Units will constitute ten and forty ten thousandths percent (10.0040%) of the economic interests and voting power of the Company assuming the sale of the Offering and the issuance of all Class C Units. In addition, there are limitations regarding voting upon the identity of the Manager. The Manager may be appointed, removed or replaced on the written vote of a Supermajority (75%) of the combination of the Class A Units, Class B Units, Class C Units and Class D Units. Voting is done on a Unit ownership basis, with each Class D Unit having one (1) vote but with the Class A Units having seventy-two and nine thousand seven hundred sixty-four ten thousandths percent (72.9764%) of the voting rights and the Class B Units, in the aggregate, having a maximum of fourteen and nine thousand five hundred ninety-six ten thousandths percent (14.9596%) of the voting rights. Thus, assuming even

the sale of the Offering, as a group, Investors will not have the ability to remove or appoint the Manager or to control the activities of the Company. Investors will share in the allocation and distribution of the Net Cash derived from the Company's operations. See "Summary of the Offering - Company Benefits," "Summary of Operating Agreement -Voting" and "Summary of Operating Agreement - Distributions and Allocations to Members."

Subscription Documents

Each prospective Investor will be required to complete an appropriate questionnaire and otherwise establish its credentials as an Accredited Investor. In addition, each prospective Investor must complete and submit a Subscription Agreement. By executing the Subscription Agreement, a subscriber is agreeing that if his subscription is accepted by the Company, the subscriber will become a Member and be bound by the terms of the Operating Agreement of the Company in the form set forth in the Subscription Agreement. The Subscription Agreement contains a limited power of attorney authorizing the Manager to take certain limited actions, primarily administrative in nature, on behalf of a Member, including signing the Operating Agreement of the Company and any duly authorized amendments thereto, signing and filing any amendments to the Articles of Organization of the Company in the name and on behalf of the subscriber.

The Company may in its sole discretion accept or reject a subscription. Subscriptions may not be revoked, canceled or terminated by a subscriber, except as provided in the Subscription Agreement itself.

The information provided by prospective purchasers in any questionnaire or qualification document and the Subscription Agreement will be maintained in strictest confidence. However, the Manager may provide such information to regulatory authorities or others, but only to the extent necessary to establish compliance with applicable state and federal securities laws or satisfy applicable legal or regulatory requirements and in response to subpoenas and other lawful process.

ESTIMATED USE OF PROCEEDS

Pursuant to this Offering, the Company will sell nineteen million six hundred ten thousand (19,610,000) Class D Units for Two and twenty-two/100 Dollars ($2.22) per Unit for persons who purchase the first seven million eight hundred forty-four thousand (7,844,000) Class D Units during Phase One and for Two and seventy-seven/100 Dollars ($2.77) per Unit for persons who purchase the next eleven million seven hundred sixty-six thousand (11,766,000) Class D Units during Phase Two. Upon the Company's sale of nineteen million six hundred ten thousand (19,610,000) Class D Units the proceeds of sale will be as follows:

Source of Funds:	Upon Sale of Offering
Phase One at $2.22 per Unit	$17,413,680.00
Phase Two at $2.77 per Unit	$32,591,820.00
Total	$50,005,500.00

Application of Funds:	Upon Sale of Offering
Company Working Capital	$50,005,500.00

Net Proceeds will be used to pay other costs of the Offering (such as posting fees, purchase transaction costs, legal, administrative and regulatory filing fees), as operating capital of the Company. See, "Description of the Business."

CAPITAL CONTRIBUTIONS

Assuming the Company's sale of an Offering of nineteen million six hundred ten thousand (19,610,000) Class D Units, the capital contributions of the Company will be as follows:

	Upon the Sale of Offering
Equity	
Class A Units	$587,201.40
Class B Units	$800,000.00
Class D Units	$50,005,500.00
Class C Units	$0.00
Total Equity	$51,392,701.40
Debt	$0.00
COMPANY CAPITAL CONTRIBUTIONS	$51,392,701.40[5]

RISK FACTORS

An investment in the Class D Units offered herein is speculative and involves a high degree of risk. In addition to the other information contained in this Memorandum, prospective Investors should carefully consider the following risk factors in evaluating the Company and its business prospects before purchasing the Class D Units offered hereby. The order in which the risk factors are set forth in this portion of the Memorandum should not be construed as establishing the order of degree of risk or of severity of risk of investment.

I. LEGAL RISKS

A. Securities Exchange Act of 1934 Reporting Requirement. The Company is relying upon an exemption from the reporting rules under the Securities Exchange Act of 1934 which requires an issuer of securities to provide proxy statements and other information to its securities holders. Thus, the Company will not be required to publish financial statements as frequently or as promptly as public companies are required to publish. Although the Manager believes that its reliance on the exemption is warranted, there is no assurance that the Company's interpretation of the exemption will not be challenged by the SEC and determined adversely to the Company. Should the Company's reliance on such exemption be successfully challenged by the SEC, the Company would be subjected to substantial regulation that would

[5] The equity amounts represent subscription prices paid by members of each Class and do reflect actual cash on hand. Operations required substantial cash infusion and remaining cash is not reflected above. See Exhibit A.

be costly and could divert the Manager from pursuing the business of the Company. Accordingly, investment in the Company is at risk for loss, possibly in full.

B. Definition of Accredited Investor. The Company is relying upon the meaning of accredited investor as defined in Rule 501 of Regulation D, Section 4(a)(2) of the Securities Act. Presently both Congress and the SEC are examining this definition. It is possible that the definition of accredited investor may be changed, and that as a result the overall pool of potential investors that meet the criteria of being accredited may increase or decrease. A decrease could slow or even substantially harm the Company's ability to raise capital via offerings limited solely to Accredited Investors.

C. Broker Dealer Registration. The Company is not a registered broker dealer with respect to this Offering. The Manager believes that the Company meets certain exemptions from broker-dealer status as described in both federal and state law. However, there can be no assurance that the SEC or any other reviewing regulatory agency will not question the basis for exemption from broker-dealer registration of the Company. There is no assurance that the Company's interpretation of the exemptions will not be challenged by the SEC or another regulatory agency and determined adversely to the Company. Should the Company's reliance on such exemptions be successfully challenged, the Company would be subjected to substantial regulation that would be costly and could divert the Manager from pursuing the business of the Company.

D. Control of the Company. The Members will not be allowed to participate in the business and management decisions of the Company, including the development, maintenance and exploitation of the Services. Members owning Class D Units will be entitled to vote on certain Company decisions such as amendments to the Operating Agreement and dissolution and liquidation of the Company with the approval of the Manager. However, the voting power of the Class D Units is ten and forty ten thousandths percent (10.0040%) of the voting power of the Members. Section 3.1 of the Operating Agreement provides, however, that a Supermajority (75%) vote of the combination of all of the Units is necessary to remove, replace or appoint a Manager of the Company. Thus, the Investors will not have the ability to remove, replace or appoint the Manager so long as the Manager and Persons supporting the Manager control more than twenty-five percent (25%) of the combination of the Units.

E. Offering Price Arbitrarily Determined; No Earnings or Distributions. The price at which the Class D Units are being offered has been arbitrarily determined by the Company, and there is no relationship to true fair market value, assets, book value or net worth. There can be no assurance that the Company will realize any earnings and/or make any distributions to the Members.

F. Limitation on Remedies; Indemnification. The Operating Agreement obligates the Company to indemnify the Manager and Key Employees against all losses incurred by it or them in its or their capacity as Manager or a Key Employee except to the extent such losses are attributable to the Manager's or Key Employee's grossly negligent acts or willful misconduct. Thus, the Members may be prevented from recovering damages for certain alleged errors or omissions by the Manager or a Key Employee. The Company's obligation pursuant to the Operating Agreement to indemnify the Manager and Key Employees against certain losses incurred by them in their capacities as Manager and Key Employees may also substantially reduce the Members' ability to recover certain losses or expenses incurred by the Company as a result of certain errors or omissions of the Manager and the Key Employees.

II. CONFLICTS OF INTEREST

A. Company Conflicts. The Company is subject to various conflicts of interest arising from its relationships with, and relationships among, the Manager, the Key Employees, the holders of Class D Units, the holders of Class C Units and their respective Affiliates, the holders of Class B Units and their respective Affiliates, the holders of Class A Units and their respective Affiliates, the Company and other

related parties, including conflicts relating to the sale of the Class D Units. The Manager, the Key Employees, the holders of Class A Units, the holders of Class B Units and their respective Affiliates, the holders of Class C Units and their respective Affiliates and the Company may organize entities to invest in other business opportunities. Such entities may fund companies similar to the Company to develop programs similar to or as extensions of the Company's programs, resulting in competition to the Company. Although the Manager and the Key Employees will devote their entire time to the Company, the other Class A Unit holders, the Class B Unit holders, the Class B Unit holders or their respective Affiliates will not devote their entire time to the Company. See, "Summary of Operating Agreement – Other Activities."

III. OPERATING RISKS

A. Market Fluctuations. Cryptocurrency market fluctuations, which are caused by such factors as regulations, market cap, Tokens availability and shifts in demand of end customers, affect the Company. Although the Company carefully monitors changes in market conditions, it is difficult to completely avoid the impact of market fluctuations due to economic cycles in countries around the world and changes in the demand for Cryptocurrencies. Market downturns, therefore, could lead to decline in product demand and decrease prices. Consequently, market downturns could reduce the Company´s customer transactions, as well as lower utilization rates, which may in turn result in worsened gross margins, ultimately leading to deterioration in profits.

B. Fluctuations in Foreign Exchange and Interest Rates. The Company engages in business activities with customers from all parts of the world, but can only receive payments from inside United States. The Company tries to engage in hedging transactions and other arrangements to minimize exchange rate risk, but it is possible for our consolidated business results and financial condition, including sales volume in foreign currencies, materials costs in foreign currencies and other items, to be influenced if exchange rates change significantly. Also, the Company's assets, liabilities, income, and costs can change greatly by showing foreign currency denominated assets and debts converted to amounts in other currencies, and these can also change when financial statements in foreign currencies at overseas subsidiaries are converted to and presented in other currencies.

C. Natural Disasters. Natural disasters such as earthquakes, typhoons, and floods, as well as accidents, acts of terror, infection and other factors beyond the control of the Company could adversely affect the Company's business operation. Especially, as the Company owns key facilities and equipment in areas where typhoons occur at a frequency higher than the global average, the effects of typhoons and other events could damage the Company's facilities and equipment and force a halt to Cryptocurrency production and other operations, and such events could consequently cause severe damage to the Company's business. The Company sets and manages several preventive plans and a business continuity plan which defines countermeasures such as contingency plans and at the same time the Company is subscribed to various insurances; however, these plans and insurances are not guaranteed to cover all the losses and damages incurred.

D. Competition. The Cryptocurrency industry is extremely competitive, and the Company is exposed to fierce competition from rival companies around the world in areas such as application performance, structure and pricing. In particular, certain competitors have pursued acquisitions, consolidations, and business alliances, in recent months and there is a possibility for such transactions in the future as well. As a result, the competitive environment surrounding the Company may further intensify. To maintain and improve competitiveness, the Company takes various measures including development of leading edge technologies, designing new business models, cost reduction, and consideration of strategic alliances with third parties or possibility of further acquisitions. The inability of the Company to maintain its competitiveness may negatively impact

the Company´s financial results. In addition, fierce market competition has subjected the services of the Company to sharp downward pressure on prices, for which measures to improve profitability, such as price negotiations and efforts at fee reduction, have been unable to fully compensate. This raises the possibility of a worsening of the Company's gross margin.

E. Implementation of Management Strategies. The Company is implementing a variety of business strategies and structural measures, including making the mid-term growth strategy and reforming the organizational structure of the Company, to strengthen the foundations of its profitability. Implementing these business strategies and structural measures requires a certain level of cost and due to changes in economic conditions and the business environment, factors whose future is uncertain, and unforeseeable factors, it is possible that some of those reforms may become difficult to carry out and others may not achieve the originally planned results. Furthermore, additional costs, which are higher than originally expected, may arise. Thus these issues may adversely influence the Company's performance and financial condition.

F. Business Activities Worldwide. The Company conducts business worldwide, which can be adversely affected by factors such as barriers to long-term relationships with potential customers and local enterprises; restrictions on investment; tariffs; fair trade regulations; political, social, and economic risks; exchange rate fluctuations and rising wage level. As a result, the Company may fail to achieve its initial targets regarding business in overseas markets, which could have a negative impact on the business growth and performance of the Company.

G. Strategic Alliance and Corporate Acquisition. For business expansion and strengthening of competitiveness, the Company may engage in strategic alliances, including joint investments, and corporate acquisitions involving third parties in the areas of research and development on key technologies and products, services, etc. With regard to such alliances and acquisitions, the Company examines the likely return on investment and profitability from a variety of perspectives. However, in cases where there is a mismatch with the prospective alliance partner or acquisition target in areas of management strategy such as capital procurement, technology management, and product development, or there are financial or other problems affecting the business of the prospective collaboration partner or acquisition target, in addition to the time and expense required for integration of aspects such as business execution, technology, products, personnel, systems and response to compliance regulations and other regulations of the relevant authorities, there is a possibility that the alliance relationship or capital ties will not be sustainable, or in the case of acquisitions that the anticipated return on investment or profitability cannot be realized. Furthermore, there is a possibility that the anticipated synergies or other advantages cannot be realized due to an inability to retain or secure the main customers or key personnel of the prospective alliance partner or acquisition target. Thus, there is no guarantee that an alliance or acquisition will achieve the goals initially anticipated.

H. Financing. While the Company has been procuring business funds by methods such as funding rounds and other sources, in the future it may become necessary to procure additional financing to implement business and investment plans, expand Cryptocurrency producing capabilities, acquire technologies and services, and repay debts. It is possible that the Company may face limitations on its ability to raise funds due to a variety of reasons, including the fact that the Company may not be able to acquire required financing in a timely manner or may face increasing financing costs due to the worsening business environment in the Cryptocurrency industry, worsening conditions in the financial and Cryptocurrency markets, and changes in the lending policies of lenders. In addition, some of the borrowing contracts executed between the Company and some financial institutions

stipulate articles of financial covenants. If the Company breaches these articles due to worsened financial base of the Company, the Company may lose the benefit of the full term on the contract, and it may adversely influence the Company's business performance and financial conditions.

I. Rapid Technological Evolutions and Other Issues. The Cryptocurrency market in which the Company does business is characterized by rapid technological changes and rapid evolution of technological standards. Therefore, if the Company is not able to carry out appropriate research and development, the Company's businesses, performance, and financial condition may all be adversely affected by product or service obsolescence and the appearance of competing products.

J. Product Sales.

(1) Reliance on Key Customers. The Company relies on certain key customers for the bulk of its product sales to customers. The decision by these key customers to cease adoption of the Company's products, or to dramatically reduce order volumes, could negatively impact the Company's operating results.

(2) Reliance on Authorized Third Parties. In South America, the Company is about to start alliances for third parties to sell Company products and will have to rely on certain major authorized sales agents for the bulk of these sales. The inability of the Company to provide these authorized sales agents with competitive sales incentives or margins, or to secure sales volumes that the authorized sales agents consider appropriate, could result in a decision by such agents to review their sales network of the Company's products, including the reduction of the network which could cause a downturn in the Company's sales.

K. Securing Human Resources. The Company works hard to secure superior human resources for management, technology development, sales, and other areas when deploying business operations. However, since such superbly talented people are of limited number, there is fierce competition in the acquisition of human resources. Under the current conditions, it may not be possible for the Company to secure the talented human resources it requires.

L. Capital Expenditures and Fixed Cost Ratio. The Cryptocurrency business in which the Company is engaged requires substantial capital investment. The Company undertakes capital investment in an ongoing manner, and this requires it to bear the associated amortization costs. In addition, if there is a drop in demand due to changes in the market climate and the anticipated scale of sales cannot be achieved, or if excess supply causes product prices to fall, there is a possibility that a portion or the entirety of the capital investment will not be recoverable or will take longer than anticipated to be recovered. This could have an adverse effect on the business performance and the financial condition of the Company. Furthermore, the majority of the expenses of the Company are accounted for by fixed costs such as production costs associated with mining machines maintenance and research and development expenses, in addition to the abovementioned amortization costs accompanying capital investment. Even if there is a slump in sales due to a reduction in orders from the Company's main customers or a drop in product demand, or if the mining farm operating rate decreases, it may be difficult to reduce fixed costs to compensate. As a result, a relatively small-scale drop in sales can have an adverse effect on the profitability of the Company.

M. Impairment Loss on Fixed Assets. The Company owns substantial fixed assets, consisting of both tangible fixed assets such as mining machines and equipment and intangible fixed assets such as goodwill of the Founders. These fixed assets are amortized according to GAAP, but when there are indications of impairment, the Company examines the possibility of recovering the book value of assets based on the future cash flow to be generated from the fixed assets. It may be necessary to

recognize impairment of such assets if insufficient cash flow is generated. Furthermore, the Company is considering the voluntary adoption of International Financial Reporting Standards ("IFRS"), starting with the fiscal year ending December 31, 2017. Under IFRS goodwill is not amortized, and a different method is used to determine impairment of fixed assets. As a result of the change in accounting standards, it may be necessary to recognize impairment of goodwill earlier than was the case under GAAP, and the impairment to be recognized may be larger.

N. Information Systems. Information systems are growing importance in the Company's business activities. Although the Company makes an effort to manage stable operation of information systems, there is a likelihood that customer confidence and social trust would deteriorate, resulting in a negative effect on the Company's performance if there is a significant problem with the Company's information systems caused by factors such as natural disasters, accidents, computer viruses and unauthorized accesses.

O. Information Management. The Company has in its possession a great deal of confidential information and personal information relating to its business activities. While such confidential information is managed according to law and internal regulations specifically designed for that purpose, there is always the risk that information may leak due to unforeseen circumstances. Should such an event occur, there is a likelihood that leaks of confidential information may result in damages to our competitive position and customer confidence and social trust would deteriorate, resulting in a negative effect on the Company's performance.

P. Legal Restrictions. The Company is subject to a variety of legal restrictions in the various countries and regions. These include requirements for approval for businesses and investments, AML/KYC programs, laws and regulations, capitalization restrictions, customs duties and tariffs, accounting standards and taxation, and environment laws. Moving forward, it is possible that the Company's businesses, performance, and financial condition may be adversely affected by increased costs and restrictions on business activities associated with the strengthening of local laws. The Company makes use of an internal regulation system to ensure legal compliance and appropriate financial reporting. However, since by its nature an internal regulation system is inherently limited, there is no guarantee that it will accomplish its goals completely. Consequently, the possibility exists that legal violations may occur moving forward. Should a violation of the law or other regulations occur, the Company could be subject to administrative penalties such as fines, legal penalties, or claims for compensatory damages, or there could be a negative impact on the social standing of the Company. This could have an adverse effect on the businesses, business performance, and financial condition of the Company.

Q. Legal Issues. As the Company conducts business worldwide, it is possible that the Company may become a party to lawsuits, investigation by regulatory authorities and other legal proceedings in various countries. It is difficult to predict the outcome of the legal proceedings to which the Company is presently a party or to which it may become a party in future. The resolution of such proceedings may require considerable time and expense, and it is possible that the Company may be required to pay penalties for regulatory laws, possibly resulting in significant adverse effects to the business, performance, and financial condition of the Company.

R. Realization of Market Potential. Particularly in early-stage companies, a major risk is the potential inability of a company to commercialize its assets and business concepts with the resources it has available. The ultimate success of the Company will depend to a large extent on the ability of the Company to complete delivery of the Services within budget and on time, to attract customers, to properly market the Services and provide adequate support services in a profitable manner. There can be no

assurance that the business efforts of the Company will be successful or, if successful, will be completed within the budget or time period originally estimated.

S. Lack of Additional Development Funds; Dilution. The Company expects that the proceeds from this Offering along with operating income will provide sufficient capital to the Company to develop and initially operate the Services. However, if completion of the Company's business plan consumes all of the available cash, the Company will not have sufficient funds to fully develop and operate the Services. Consequently, the Company would be unable to commercially develop and operate the Services, leading to a potential loss of an Investor's entire investment. The lack of additional development funds for the Company could lead to the loss of benefits and revenues that would reduce the Company's returns to amounts significantly less than anticipated. Investors will not have any preemptive rights or the ability to block the issuance of additional authorized Class D Units.

T. Reliance on Management. All decisions with respect to the management of the Company will be made exclusively by the Manager and the Key Employees. Investors will have no right or power to take part in the management of the Company. The success of the Company will be dependent upon the decisions made by the Manager and the Key Employees. There can be no assurance that the judgment of the Manager and/or of the Key Employees will be correct.

U. Management of Growth. If successful, the completion and operation of the Services may cause the Company to experience rapid expansion. A continuing period of rapid growth could place a significant strain on the Company's management, operations and other resources. The Company's ability to manage growth would require it to continue to invest in operations, including the recruiting of personnel, and to retain, motivate and effectively manage its employees. If the Manager and the Key Employees are unable to manage growth effectively, the quality of the Company's Services, the Company's ability to retain key personnel and its results of operations could be materially and adversely affected which could significantly reduce payments to Investors.

V. Dependence on Management, Key Personnel. The Company will be highly dependent on its Manager, Key Employees and certain other key personnel, many of whom could be difficult to replace. If it were to lose the services of the Manager and these Key Employees and personnel, the Company's operating results could be adversely affected and there would be a substantial likelihood that the Investors would lose all or a part of their investment in the Company. See, "Management Personnel."

FOR ALL THE ABOVE REASONS, INVESTORS SHOULD BE PREPARED TO SUFFER A LOSS OF THEIR ENTIRE INVESTMENT AS THE UNITS ARE SPECULATIVE INVESTMENTS SUBJECT TO SIGNIFICANT RISKS OF LOSS.

IV. TAX RISKS

A. Federal Income Tax Risks. The following paragraphs summarize certain substantial tax risks associated with an investment in the Company. These risks are complex and will not be the same for all Investors.

The classification of the Company as a partnership for federal income tax purposes is required for the tax treatment discussed in this Memorandum. Thus, in addition to reviewing this Memorandum, EACH PROSPECTIVE INVESTOR SHOULD OBTAIN THE ADVICE OF SUCH PERSON'S OWN TAX ADVISOR CONCERNING THE MATTERS DISCUSSED HEREIN AND THE EFFECT OF AN INVESTMENT IN THE COMPANY ON SUCH PERSON'S PERSONAL TAX SITUATION. IN PARTICULAR, TAX-EXEMPT INVESTORS SHOULD SEEK THE ADVICE OF THEIR TAX ADVISOR PRIOR TO SUBSCRIBING TO ANY CLASS D UNITS.

Federal income taxation is highly complex and subject to modification by legislative, judicial, and administrative action. There can be no assurance that the present income tax treatment of an investment in the Company may not be subsequently modified or eliminated by such action.

(1) Partnership Taxation. In computing federal income tax liability, each Member is required to take into account a distributive share of all items of Company income, gain, loss, deduction, credit and tax preference for any taxable year of the Company ending with or within the Member's taxable year. To the extent that the Company realizes Net Profit from the operations, each Member will be taxed on a pro rata share of the Company's Net Profit from operations, whether or not the Member has received or will receive any Distribution from the Company. Consequently, for federal income tax purposes, a Member's share of Company Net Profit may exceed the cash or property actually distributed to the Member. Pursuant to Section 7.1 of the Operating Agreement, the Company intends to make a quarterly Tax Distribution unless prohibited by the LLC Act. Tax Distributions are intended to fund a Member's timely U.S. federal, state and local estimated tax payments based upon the income allocated to such Member from the Company. Following the Tax Distributions, any additional Net Cash will be distributed as set out in Section 7.2 of the Operating Agreement. However, there is no assurance that the Company will have Net Cash sufficient to fund the Tax Distributions. See, "Summary of Operating Agreement."

(2) Possible Disallowance of Deductions and Allocations. Various deductions and allocations to be taken by the Company may be disallowed by the IRS on legal, factual or other grounds. If such a disallowance is upheld, Investors might incur an additional federal income tax liability and the after-tax return, if any, to Investors on their investment may be materially reduced.

(3) Deduction of Certain Fees. The Company is treating certain fees payable for the initial organization of the Company as capital expenditures, as current deductions or as current depreciable or amortizable expenses. The proper tax treatment of these fees involves factual determinations. Because the issues primarily involve questions of fact, there is a risk that the IRS will disallow the capitalization, deduction, depreciation, or amortization of all or a portion of such fees which will result in increasing the taxable income or decreasing the taxable loss of each Investor in the year in question. In addition, there is a risk that a different tax treatment may be afforded various items than that which is contemplated or reported in the Company's information return, resulting in a substantial reduction in the tax benefits which might otherwise be derived from membership in the Company.

(4) Redetermination of Tax Treatment. Various deductions and allocations to be taken by the Company may be disallowed by the IRS on legal, factual or other grounds. If such disallowance is upheld, Investors might incur an additional federal income tax liability and the after-tax return, if any, to an Investor on his investment could be materially reduced. Any adjustment to a federal income tax return of an Investor may lead to a corresponding adjustment to the state income tax return of an Investor, if applicable.

(5) Alternative Minimum Tax. Investors may be subject to the federal alternative minimum tax. Net passive activity losses and credits are disallowed in determining the alternative minimum tax. Each Investor's liability, if any, for the alternative minimum tax will depend on his overall tax situation.

(6) Net Investment Income. Profits allocated to an Investor will constitute "net investment income" for the purposes of the unearned income Medicare contribution and be subject to a 3.8% tax above the threshold amount, as such terms are defined in Code Section 1411. The application of this tax will be dependent upon each Investor's individual tax situation.

(7) Possibility of Tax Examination. The Company must file an annual federal income tax return. Any return filed by the Company may be audited by the IRS and any such audit may result in

adjustments. Adjustments to any of the returns may require an Investor to file an amended return and could result in an audit of an Investor's tax return.

An audit of the Company's tax return or of any Investor may lead to an audit of the returns of all Investors, which could result in adjustment of Company and non-Company items on the Investors' returns. Investors will indirectly bear the costs, including legal and accounting expenses, incurred in connection with an examination of the Company's returns and all of such costs incurred in connection with an examination of their own returns. These costs could be substantial.

Generally, the period for assessing a deficiency for federal income tax purposes is three (3) years from the time the return is due or filed, whichever is later.

(8) Limitation of Deductibility of Losses. Code Section 469 limits a taxpayer's ability to deduct losses in "passive activities." Although the test of whether an activity is passive or active is made at the individual level, it is most likely that Investors will be considered passive for the purposes of Code Section 469. Accordingly, their ability to deduct losses from the Company on their individual income tax returns will be severely limited.

In addition, Code Section 1211(b) limits a taxpayer's ability to deduct capital losses. It is not anticipated that the capital loss limitation will have any effect upon disposition of a Unit unless the Company liquidates and distributes to the Member an amount less than the Member's basis in his Units. Should that occur, Investors will be limited to deducting net capital loss in the year of liquidation to Three Thousand Dollars ($3,000). Any unused loss may be carried forward to successive taxable years until used.

(9) Unrelated Business Taxable Income. Any tax-exempt Investor may experience unrelated business taxable income ("UBTI") with respect to any income allocated to such Investor from the Company if the Company has income that is treated as the conduct of a trade or business by the Company. Because the Company is treated as a partnership for federal income tax purposes, each Investor would likewise be considered engaged in the trade or business of the Company. If the Investor is a tax-exempt Person, such classification would result in receipt of UBTI to the extent of the trade or business income allocated to the Investor from the Company. UBTI is subject to income tax at corporate tax rates and is payable by a tax-exempt entity even though its other income is not subject to tax. This issue is of particular importance to qualified retirement plans, Individual Retirement Accounts and other tax-exempt entities (such as organizations qualifying under Section 501(c)(3) of the Code) which may be considering an investment in the Company. An Investor that might be subject to UBTI should consult with its tax advisor regarding the effect of receipt of UBTI.

B. State Taxation. Although Florida does not have an individual income tax, a limited liability company that is classified as a partnership for Florida and federal tax purposes is required to file Form F-1065 if one or more of its owners is a corporation. In addition, the corporate owner of a limited liability company that is classified as a partnership for Florida and federal tax purposes must file a Florida corporate income tax return. Prospective Investors should consult their own tax advisor with respect to state and local taxation, particularly for those Investors who are not residents of Florida.

V. OTHER RISKS ASSOCIATED WITH INVESTMENT IN THE COMPANY

A. Financial Statements of the Company. Any financial statements of the Company will be prepared by the Manager and will be based upon the cash method of accounting. The financial statements will be audited by independent certified public accountants. NO GUARANTY IS OR CAN BE MADE AS TO FUTURE OPERATIONS OR THE AMOUNT OF ANY FUTURE INCOME, LOSS OR CREDIT BY THE COMPANY. See, Exhibit A.

If the Company does not achieve sufficient results to meet its obligations, an investment in the Company would be uneconomical and could result in the loss of the entire investment by an Investor.

B. Liability of Members. The liability of a Member is limited. Florida law provides that a Member or Manager is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the Company solely by reason of being or acting as a Member or Manager. Further, failure of the Company to observe formalities relating to the exercise of its powers or management of its activities and affairs is not a ground for imposing liability on a Member or Manager.

Members may be required to repay to creditors of the Company amounts which had been previously distributed to them to the extent such distributions violated the LLC Act; provided, however, that the amount of claim against a Member may not exceed the Member's pro rata share of the liability or the amount received by the Member in dissolution, whichever is less. Any action to recover a distribution must be initiated within two (2) years of the date of distribution. See "Summary of Operating Agreement - Rights and Limitations of a Member."

C. Lack of Marketability or Collateral Ability. No trading market exists or is expected for resale of Units or the MCEX Tokens. Further, the transfer or other disposition of Units/MCEX Tokens will be severely restricted under federal and state securities laws and the Operating Agreement contains terms which limit an Investor's ability to sell the Units in the event of emergency or for other reasons. Further, Units/MCEX Tokens are usually not acceptable collateral for a loan. Therefore, an Investor should be able to bear the economic risk of this investment for an indefinite period and be able to lose all or a substantial portion of such investment. See "Who Should Invest" and "Summary of Operating Agreement - Transfer of Units."

D. ERISA Considerations. In considering an investment in the Company by certain tax-exempt entity such as an employee benefit plan or individual retirement account subject to the requirements of ERISA, the fiduciary acting on behalf of such entity should be satisfied that such an investment is consistent with Sections 404 and 406 of ERISA and that the investment is prudent in light of the entity's cash flow and other objectives. To this end the Department of Labor has issued regulations that would characterize the assets of certain entities in which tax-exempt entities invest as "plan assets." Even though the Company is expected to qualify as an "operating company" and the Class D Units are not "publicly offered securities" within the meaning of the regulations, the Company will limit participation in the Company by ERISA plans to less than twenty-five percent (25%) of the Class D Units. By such limitation, Company assets should not be considered plan assets. However, fiduciaries of tax-exempt entities are urged to consult their own advisors prior to investing in the Company.

VI. INVESTMENT RISKS

A. Restrictions on Transfer. Prospective Investors in the Class D Units and MCEX Tokens should be fully aware of the long-term nature of their investment. Each Investor will be required to represent that he is purchasing the Class D Units for his own account for investment purposes and not with a view to resale or distribution. The Class D Units and MCEX Tokens will not be registered under the Securities Act, by reason of specific exemptions under the provisions of the Securities Act and rules promulgated thereunder, which depend, in part, upon the investment intent of each Member. The Class D Units and MCEX Tokens are not readily transferable and no transfer of a Class D Unit or MCEX Tokens may be made unless there is the written consent of the Manager, which consent may be withheld in the sole and unrestricted discretion of the Manager. In addition, the transferor Member must satisfy the Manager that the transfer does not violate federal or state securities laws or adversely affect the status of the Company for federal income tax purposes by causing a technical termination of the Company. Obtaining such an opinion will require that the Class D Units or MCEX Tokens be registered under applicable securities

laws or the availability of an exemption from registration, and there can be no assurance that an exemption will be available. See "Summary of Operating Agreement -Transfer of Units."

B. Lack of Investment Diversity. The Company will invest the proceeds from this Offering to pay other costs of the Offering (such as placement fees, sale transaction costs, legal, administrative and regulatory filing fees), as operating capital and for investments of the Company. See, "Description of the Business." A return on investment in the Company will be primarily dependent on the profitability of the Services. The Manager expects that a majority of the Company's assets will be dedicated to the Services. Therefore, there will be minimal diversity in the Company's assets to spread risk among different classes of property to mitigate investment risk.

C. Limited Liability of Members and No Right to Manage. The Operating Agreement provides the Members with certain voting and other rights which are expressly granted to Members under the LLC Act. A Member's capital is subject to the risks of the Company's business; however, he is not permitted to take any part in the management or control of the business of the Company. Assuming that the Company is operating in accordance with the terms of the Operating Agreement, a Member will not generally be liable for the liabilities of the Company in excess of his Capital Contributions and allocable share of any undistributed Profits from the Company. Notwithstanding the foregoing, a Member may be liable to the extent of any prior distributions made to such Member under certain conditions. See, "Other Risks Associated with Investment in the Company –Liability of Members." All decisions concerning the management of the Company will be made by the Manager. Members have no right or power to take part in the management of the Company.

D. Company Distributions. Distributions of Net Cash will be made to the Members to the extent available. Pursuant to Section 7.1 of the Operating Agreement, the Company intends to make quarterly Tax Distributions unless prohibited by the LLC Act. Tax Distributions are intended to fund a Member's timely U.S. federal, state and local estimated tax payments based upon the income allocated to such Member from the Company. Following the Tax Distributions, any additional Net Cash will be distributed as set out in Section 7.2 of the Operating Agreement. There can be no assurance that any distributions will be made since they will be dependent upon the development and exploitation of the Services which, in turn, will be dependent upon the success of the Company. All or a portion of the Company's Net Cash may be held as reserves, as required by the Company's lender and/or in the sole discretion of the Manager, for application against the payment of possible costs or expenses of the Company. In addition, the Company's lender may place certain restrictions on the ability of the Company to make distributions to its Members during the term of any bank debt.

E. Requirements of Federal and State Exemptions From Registration. The Company is relying upon section 4(a)(2) of the Securities Act, as amended, and Regulation D promulgated thereunder, and related state securities law provisions, as the basis for exemption from registration under applicable state and federal securities laws for the offer and sale of the Class D Units. The requirements of Regulation D of the Securities Act and the related state securities law provisions are extremely technical and may be difficult to satisfy. It is possible that this Offering may fail in one or more respects to satisfy every requirement of Regulation D and/or the related state securities exemptions. In the event of such failure, the Members will have the right, *inter alia*, to rescind their purchase of the Class D Units. Should such rescission occur, it is likely that the Company will be required to raise additional capital in order to refund the investment of any Member electing rescission. The Company may be unable to obtain sufficient capital or borrow funds to repay any rescinding Investors, and even if it is able to do so, such capital or funds may be obtainable only on terms less favorable to the Company than the terms of this Offering.

CONFLICTS OF INTEREST

The Company will be subject to various conflicts of interest arising out of its relationship with the Manager, Key Employees, the Members and their principals and respective Affiliates. Agreements and arrangements may not be the result of arm's-length negotiations. Prospective Investors should be aware of the conflicts outlined below.

A. The Manager, Key Employees or their respective Affiliates Are or May Become Affiliated with Other Entities Involved in Start-Up, Emerging and Development Companies. The Manager, Key Employees and other holders of Units or their respective Affiliates, may be involved in other entities that are start-up, emerging, development companies and/or organizations.

In addition, the Manager, Key Employees and the holders of Units and their respective Affiliates are or may become owners of other entities or groups which have invested, or have been formed to invest, in businesses that may be in competition with the Company for the individual's time. These entities may include joint ventures, marketing arrangements, partnerships, limited liability companies, or other entities organized with or without the participation of the Company. These entities may be associated with Persons in competition with the Company and may be located in geographic areas in which the Company will be operating. The Manager, Key Employees and the holders of Units and their respective Affiliates, if they acquire any such interests, intend to operate such entities notwithstanding their relationship with the Company provided such association does not violate the terms of the non-competition terms of the applicable operating agreements, any agreement with the Company or the duty of loyalty owed by the Manager to the Company under the LLC Act.

The Manager, Key Employees and the holders of Units and their respective Affiliates and principals may engage in other business ventures and none of the Company or any Investor will be entitled to any interest therein. Under the LLC Act with respect to the Manager, such ventures may not be competitive with the Company. The Manager, Key Employees and the holders of Units and their respective Affiliates will, however, experience conflicts of interest with respect to allocation of their time and resources.

B. Attorney. The attorney representing the Company has in the past and intends in to future to represent one of the Members of the Company whose interests may be in conflict with Investors. No independent attorney has been retained to represent the interests of Investors in connection with the formation and operation of the Company, the tax advice to the Company or this Offering.

C. Transactions with Manager/Receipt of Compensation and Fees by the Manager. The LLC Act imposes on the Manager duties of loyalty and care to the Company and the Members limited to (a) accounting to the Company for any profit received by the Manager (1) in the conduct or winding up of the Company's affairs, (2) for the use by the Manager of Company property, or (3) from the appropriation of a Company opportunity; (b) not dealing on behalf of a Person with an adverse interest to the Company; or (c) refraining from competing with the Company before the dissolution of the Company. Notwithstanding these restrictions, any transaction between the Company and the Manager, Key Employees and the holders of Class A Units, Class B Units, Class C Units or Class D Units or their respective Affiliates may be entered into without the benefit of arm's-length bargaining, and may involve conflicts of interest if the terms of the transaction are fair to the Company, as such term is defined in the LLC Act.

D. Ownership of Class D Units. The holders of Class A Units, Class B Units and/or Class C Units may purchase Class D Units. In such event, conflicts of interest will or may arise in the course of operations of the Company as a result of ownership of different classes of Units.

FIDUCIARY RESPONSIBILITIES OF THE MANAGER

The Manager of the Company is accountable to the Company and the Members as a fiduciary. As a fiduciary, the Manager is required to exercise good faith and integrity with respect to Company affairs, and must not take advantage of the Company or its Members. In addition, the Manager and its Affiliates must make full disclosure of their dealings with the Company, the Manager, their respective Affiliates, and the Members.

The Manager must provide to the Members, on demand, true and full information of all matters affecting the Company and a formal account of the Company's affairs. See "Summary of the Offering--Reports to Investors."

These reporting requirements are in addition to the several duties and obligations of, and limitations on, the Manager as set forth in the Operating Agreement and the LLC Act. A Member may institute legal action on behalf of himself or all other similarly situated Members (a class action) to recover damages for a breach by the Manager of its fiduciary duty or on behalf of the Company (a derivative action) to recover damages from third parties.

Because fiduciary responsibilities involve a changing area of the law, Investors who have questions concerning the duties of the Manager should consult with their own counsel. The cost of litigation against a fiduciary for enforcement of his fiduciary obligations may be prohibitively high, and there can be no assurance that adequate remedies will be available to the Investors. An investment decision should be based on a judgment of the investment factors described in this Memorandum, rather than upon reliance on the value of the possible right to bring legal actions against a fiduciary.

MANAGEMENT

The success of the Company will depend in part on the quality of management of the Company and of the Services. Subject to certain limited restrictions under the Operating Agreement, management of Company affairs will be vested exclusively in the Manager. The Members do have a right to vote upon the identity of the Manager. The terms of the Operating Agreement provide that a Supermajority (75%) vote of the combination of all Classes of Units is necessary to replace, remove or appoint a Manager. Investors, even though holders of Class D Units, will not have sufficient votes to determine the identity of the Manager. Accordingly, an Investor should not purchase any Class D Units unless he is willing to entrust all aspects of the management of the Company to others. See "Summary of Operating Agreement – Voting."

MANAGEMENT PERSONNEL

The Company will be entirely dependent upon the proper management of the proceeds of this Offering, Investors should review carefully the following biographical information on each individual who will serve in the capacities noted. See, "Conflicts of Interest," "Description of the Agreements" and "Summary of the Operating Agreement."

A. Victor Romero – Founder, Member, CEO and Compliance.

Victor was born in San Cristóbal, Táchira, Venezuela. He lived there through high school graduation, then accepting an invitation to the highly regarded Venezuelan Air Force Academy (Military Aviation School). He was ranked number one in the Survival, Evasion, Resistance and Escape Military Program, coordinated by the Venezuelan Special Forces. From there, Victor was selected to fly an AT27 Tucano, later graduating as an Officer with the highest score of Aviation Intelligence

Specialist in 2008. Romero resigned after a year of flying and left the service to become an entrepreneur, successfully creating several Fintech and Blockchain startups.

In 2011, he graduated with a Master's of Science in Public Management from the National Experimental University of Táchira. At the age of 23, Romero founded the VH Editorial Corporation and wrote his first book called *Do Not Wait Any Longer, Do It Now!*, which became a bestseller in the Microeconomics field. Over the course of the next several years, Victor was a motivational speaker, lecturing young entrepreneurs on how to create successful companies and pursue their dreams.

Because of his startups, business experiences, and public exposure, Victor became a very sought after figure his work and ideas mentioned in magazines and other media. He acted as a role model for the next generation, and later as a Global Shaper of the World Economic Forum. After coming to the United States, Victor was licensed Series 2 as an Agent of Annuities and Variable Contracts in the Transamerica Corporation, also becoming a member of the World Financial Group.

After being licensed, he created Adventurous Entertainment LLC, and began the development of several startups the most important being Mercury Cash.

B. Giordano Lugo – CMO

Giordano was born in San Cristóbal, Táchira, Venezuela. In 2005, he received his Advanced Technical Degree in Systems from Instituto Universitario de Tecnologia. After completion of his first degree, he began studies in graphic design at the University Antonio José de Sucre. Although not completing his studies, he did discover his real passion. Because of his outstanding skills, he began working as a graphic designer for well-known studios such as VH Corporation, where he acted as the Creative Director. It was here that they decided to give life to Jaimito a cartoon very well known in Latin and South America.

Because of his professionalism and expertise, Lugo continued his career working on many other important visual projects. Then in 2016, he was offered the position of Creative Director with Mercury Cash, which is where he continues to contribute his time and talents

C. Marco Pirrongelli – Chief Technology Officer

Mr. Pirrongelli has a Bachelor's of Science in Systems Engineering from Andres Bello Catholic University. He has worked in a Cisco environment that lead the 3rd place of sales in Latin America for Small Business in 2012, and holds many certifications Cisco Systems Sales Engineer & Account Manager Engineer Certified, HIPAA Certification, and has completed more than 180 hours of Microsoft Server, Active Directory and Exchange environments courses.

He has worked on many interesting projects, including building 40 square miles of network for an entire community, allowing more than 300 families to connect to the internet. Marco has also deployed several Microsoft Server environments, from 25 to 50 desktops for 100 Montaditos franchises, The Cheese Course Franchise, Pizza Hut, & Naked Pizza. He also successfully deployed a Microsoft Exchange MultiTenant Server for 10,000 users in 2013.

With over 15 years of experience in the IT services industry, he has experience in design, development, installation, implementation, maintenance, and network support solutions. Microsoft active directory environments, point to point WiMax connections, Linux & Windows Server environments, IT Management, Web & Graphic design for software and development, Cloud &

Virtualization environments under VMware & HyperV, Amazon & Google cloud integrator for business needs.

Mr. Pirrongelli works as Mercury Cash CTO, leading the entire IT and Programming Team.

D. Amy Hunt – Chief Financial Officer

In 2014, Ms. Hunt graduated with a Bachelor's of Business Administration from the Universidad Argentina de la Empresa. She began her career in 2009, working as a business manager for Amafren, S.A., where she acted as a Shareholder and Director. The company manufactures membranes and thermal insulation. Amy is an entrepreneur and an expert in the oil field, and a leader in project development. Her unique skill set including her studies in multiple languages (Italian and English) afforded her more opportunities in the oil field industry, such as the management of seven World Expos and Fairs in Argentina, China, Germany and New Zealand. Ms. Hunt was also a team member of select professionals chosen for an asphalt manufacturing project for a major oil plant in Argentina.

Amy was a founding member of Mercury Cash as Cryptocurrency Industry Strategy Planner, where she to advises the directors in the structure and management of the company.

She is coauthor of the Mercury Cash Continuity Program, and works to continuously update the procedures needed to overcome natural or human disasters, threats and risks.

E. Saša Jokić - Lead Research

Saša Jokić comes from the former European country Yugoslavia. After moving to the United States, he settled in Orlando, Florida, with his wife and children. As a Blockchain evangelist with a background in business from UW Milwaukee, he feels right at home at Mercury Cash one of the first licensed Cryptocurrency brokers in Florida. When Saša is not watching the crypto market and analyzing investment opportunities, you can find him at a local meet up. Passionate about Blockchain and Cryptocurrencies, Saša enjoys staying up to date on the future financial evolution and discussing the subject with other like-minded people. His favorite quote is, "Doing whatever you feel like doing is always an option."

F. Carlos Arias – Communications

Carlos was born in Lecheria, Venezuela. Beginning his career in the army, he obtained several distinguished awards. In 2008, he graduated with the highest academic score of his class and as an Officer of the Venezuelan Air Force. He resigned from the service a year and a half after graduation. Shortly after leaving the army, the World Philosophical Forum appointed him as Coordinator for the Educational Program for World Citizens (currently holds this position). Throughout his career, he has written two books, three philosophical theories, one educational methodology, several articles, and has spoken at two major international events (Annual Symposium of the World Philosophical Forum – Athens; and the National Philosophical Congress – Lima). As Director with the Dremore Corporation, he simultaneously managed project teams in Venezuela, Ireland and Mexico.

Carlos is always studying, keeping up with the latest in technology and challenging himself to think outside the box. He is fluent in English and German, and holds a Master's of Science Higher Education. Carlos has continued his learning by taking several more college courses, giving him a unique perspective on many different areas of business, legal, governance, marketing, systems, and compliance regulations.

Carlos joined Mercury Cash where he currently works in Communications full time, giving a new perspective to this growing industry.

G. Luis Camacho – Lead Developer

Born in 1991, in Caracas, Venezuela, Luis graduated as a Systems Engineer in 2012 from Santiago Mariño Institute. He was curious about the lifecycle of the systems that, at the time, were used by almost every large company in Venezuela. He worked as a system engineer to fix IBM and Dell Servers, and virtually any other network environment at that time. However, he found that engineering not only included systems, but also the great world of coding. He learned many coding languages, starting with Java and C#, then moving on to Silverlight and .NET.

Currently, he works with the Solidity Team as the Team Leader and iOS Developer for Mercury Cash.

H. Libana Abdul - Lead Infraestructure

Born in Merida, Venezuela, in 1989, Libana graduated with an Engineering degree in Telecommunications from UNEFA. She also holds a Master's Degree in Telecommunications from ULA. From the very beginning, she focused her educational career on Telecom businesses, however, a few months after graduating she found a new focus for her career interests. Server infrastructure, especially in the Linux OS, is her specialty. She has 5+ years of experience leading the entire Infrastructure, Server and Nodes Security in Mercury Cash.

I. Gabriel Rodriguez – Lead Compliance

Gabriela is an experienced architect, having worked in the field for close to 10 years. She graduated in 2017, and has worked as an external designer for multiple companies and individuals in Venezuela. She maintained excellent relations with her clients, always involved and concerned about the quality and feasibility of her projects, thus becoming involved in issues of costs and governmental regulations. Because Gabriela is creative, proactive, and learns quickly, paired with her skills in digital and computer programs, she was the perfect candidate to join forces with the team at Mercury Cash. As a leader in the development and scalability of compliance, she keeps the company current on the latest regulations and requirements regarding direct transmittance, registration of securities and other investments, and security provisions imposed on federal laws. Through the implementation of software and systems, she helps meet the quality and compliance demanded by the industry while doing so more efficiently, thus providing long-term investment protection.

J. Mary Melendez – Accountant

Born in the United States in Ann Arbor, Michigan, Mary moved to San Cristobal, Venezuela, at the young age of 2. There, she grew up, studied and graduated with an Advanced Technical Degree in Human Resources Administration from the University of Jesus Enrique Lozada, finishing her certification as a Public Accountant from the Open National University of Venezuela.

At the beginning of her career, she worked as Human Resources Manager for over three years with the Editorial “Futuro”, gaining experience in the business and enterprise field. But her passion was with public administration and accounting, so she began work as an Auxiliary Accountant for the University Mariscal Ayacucho. Later she invested 17 years in public administration, working for 15 years as Administrative Manager of the National Housing Institution of the San Cristobal District and another 2 years as Administrative Coordinator of the Accounting Office of the of the San Cristobal District Town Hall.

For 13 years of her career in Public Administration, she was the Producer and Coordinator for Non-Profit Events and Programs for Social Assistance in all the suburbs of the district. Mary Carmen has

completed many continuing education courses for personal and professional improvement, in the areas of accounting, administration, public administration, planning, public relationship, informatics, communication and more.

As accountant, her expertise includes a combination of knowledge and experience in project planning, accounting, budgeting, and corporate budget and finance.

In addition to the above employees of the Company, the Company has 2 advisors as follows:

K. David S. Metcalf II

Dr. Metcalf is the Director of the Mixed Emerging Technology Integration Lab ("METIL") at University of Central Florida's Institute for Simulation and Training. Dr. Metcalf has more than 20 years of experience in the design and research of web-based and mobile technologies converging to enable learning and healthcare. His approaches have saved companies millions of dollars while guiding business transformations for learning organizations. Specific areas of Dr. Metcalf's focus include: learning business strategy, performance measurement, operational excellence, outsourcing, blended learning and mobile learning. His current research topics include simulation, mobilization, mobile patient records and medical decision support systems, visualization systems, scalability models, secure mobile data communications, gaming, innovation management and operational excellence.

L. Max W. Hooper

Dr. Hooper pursues various business activities in the financial services industry. Max was co-founder of Equity Broadcasting Corporation a media company that owned and operated more than 100 television stations across the United States. Dr. Hooper was responsible for activities in the cable, satellite, investment banking and technology industries and during his tenure it grew to become one of the top 10 largest broadcasting companies in the country.

Earlier in his career, Max was the managing partner of the #1 E.F. Hutton Financial Services office in the country for 4 consecutive years. Max has owned 2 Broker Dealers and a Registered Investment Advisory Firm. He is an author of several books and many essays on global, economic and historical topics.

Throughout his career, Dr. Hooper's specialty has been debt and equity financing having raised capital for a wide array of companies across the country. He has started multiple businesses in the areas of technology, lodging, internet and service industries. Additionally, he served as president of mergers and acquisitions for a national financial services company. Max has served on the investment committee of several venture capital and angel funds, and has completed "work out" transactions as a Certified Debt Arbitrator representing banks and private transactions.

A lifelong learner, Dr. Hooper has earned 5 doctorate degrees including 2 Ph.D.'s, 2 D.Min. and a Th.D. from a variety of institutions. As an avid runner, he has completed more than 100 marathons and an additional 20 ultra-marathons, which are 50 or 100 mile runs. Max has completed the Grand Slam of Ultra Running.

Max is committed to his family and is a husband and father to 5 children and 7 grandsons. He is active in many organizations and serves on various boards of directors. Max works globally with several ministries and non-profit aid groups. Max was honored to speak at the United Nations in New York in 2015.

SUMMARY OF OPERATING AGREEMENT

The rights and obligations of the Manager and the Members will be governed by the Operating Agreement. The Operating Agreement is attached to the Subscription Agreement associated with this Memorandum. Prospective Investors should carefully study the LLC Act, the Operating Agreement and this section. The following briefly summarizes certain provisions of the Operating Agreement, many of

which are not described elsewhere in this Memorandum. These statements and those made elsewhere in this Memorandum are qualified in their entirety by express reference to the Operating Agreement. All references in the text are to Articles and Sections of the Operating Agreement. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Operating Agreement.

A. Classes of Units (Section 2.1)

The Company is authorized to issue classes of Units, each class to carry an alphabetical designation. The initial Classes of Units are Class A, Class B, Class C and Class D. The Manager will adopt and administer an employee incentive plan to award Class C Units. Class C Units are voting but may be subject to forfeiture or vesting schedules. Class C Units outstanding (including both vested and unvested Class C Units) at any time may not exceed ten percent (10%) of the total of all Classes of Units outstanding at such time. Assuming the sale of the Offering and the issuance of all of the Class C Units, Persons holding the Class D Units will represent ten and forty ten thousandths percent (10.0040%) of the economic interests and voting power of the Company. the holders of Class A Units will represent seventy-two and nine thousand seven hundred sixty-four ten thousandths percent (72.9764%) of the economic interests and voting power of the Company, Class B Unit holders will represent fourteen and nine thousand five hundred ninety six ten thousandths percent (14.9569%) of the economic interests and voting power of the Company and the Persons holding Class C Units will represent two and six hundred ten thousandths percent (2.0600%) of the economic interests and voting power of the Company.

Pursuant to Section 2.2, each of the other Classes may convert to Class D Units on a one-for-one basis. However, this conversion right is not available to holders of Class B Units until their priority distribution rights end. Converted Class C Units will be restored to the pool of Class C Units available for issuance to employees, subject, however, to the ten percent (10%) limitation. In addition, when a granted Class C Unit vests, the employee may elect to receive either a Class C or a Class D Unit. (See Section 2.2)

B. Management (Article III)

Pursuant to Sections 3.1 through 3.3, the Manager is authorized to make any expenditure and incur any obligation on behalf of the Company. The Manager may be removed and replaced upon the Supermajority (75%) vote of the combination of the Units (Section 3.1). In addition to the Manager's rights to manage the Company, the Manager may appoint Departmental Managers and Key Employees to act on behalf of the Company (Sections 3.4 and 3.7). Departmental Managers and Key Employees may be removed and replaced by the Manager at will.

C. Restrictions on Manager and Key Employees (Section 3.7, Section 3.9, Section 3.10)

Unless a majority of the combination of Units approve in writing, neither the Manager or any Member may (a) borrow in excess of $250,000.00 in the aggregate at any one time outstanding on the general credit of the Company; (b) except for real estate transactions authorized under Section 3.3(p), sell, refinance, exchange or otherwise convey or transfer any of the assets of the Company (or any interest therein) except in the normal course of business; (c) permit the Company to acquire property in exchange for a Company interest; (d) permit any Company funds to be commingled with the funds of any other Person; (e) purchase or lease any personal property in an aggregate amount in excess of $100,000.00 per item during any fiscal year; or (f) merge, liquidate, dissolve or otherwise terminate the Company or its business (Section 3.9).

Certain actions require a Supermajority vote of the Units. The Manager shall not cause the Company to make investments in a Manager or any Affiliate of a Manager without the prior consent of a Supermajority of the Voting Units. Except as otherwise provided in the Operating Agreement, a Manager shall not cause the Company to enter into any agreement with a Manager or an Affiliate of a Manager to

provide services to or for the benefit of the Company for compensation without the prior consent of a Supermajority of the Voting Units (Section 3.10).

D. Indemnification (Article X)

The Managers, Members, Key Employees and Affiliates are to be indemnified by the Company from, any loss or damage incurred by reason of any act or omission performed or omitted by them so long as (a) the subject party conducted himself in good faith, (b) the subject party reasonably believed that his conduct was in or at least not opposed to the Company's best interest; and (c) in the case of a criminal proceeding, the subject party had no reasonable cause to believe his conduct was unlawful. The termination of a proceeding by judgment, order, settlement, or upon a plea of *nolo contendere* or its equivalent is not, of itself, demonstrative or sufficient to create a presumption that the individual did not meet the standard of conduct described in Article X. Therefore, Members may have a more limited right of action than they would have absent this indemnification in the Operating Agreement.

E. Other Activities

Subject to the duties of loyalty and care imposed on the Manager under the LLC Act, all Members, including the Manager, are only required to devote such time to the Company as is reasonably necessary. In addition, each Member understands that the Manager, other Members or their respective Affiliates may be interested, directly or indirectly, in various other businesses and undertakings other than the Company. Although not explicitly stated in the Operating Agreement, each Member also understands that the conduct of the business of the Company may involve business dealings with such other businesses or undertakings. The Members agree that the creation of the Company and the assumption by each of the Members of their duties shall be without prejudice to their rights (or the rights of their respective Affiliates) to have such other interests and activities and to receive and enjoy profits or compensation therefrom, and each Member waives any rights it might otherwise have to share or participate in such other interests or activities of the Manager, the Key Employees, the other Members or their respective Affiliates. The Members may engage in or possess any interest in any other business venture of any nature or description independently or with others, and neither the Company nor the other Members shall have any right by virtue of the Operating Agreement in and to such venture or the income or profits derived therefrom.

F. Transfer of Units (Section 8.4, Section 8.5)

The Units are subject to substantial restrictions upon their transfer under federal and state securities laws and the Operating Agreement. The Units may not be resold, transferred, assigned, pledged or encumbered without the prior written consent of the Manager. In addition, any proposed transfer would be subject to the Securities Act of 1933 and applicable state securities laws. No transfer may occur without compliance with both federal and state securities laws, or if in the opinion of counsel acceptable to the Manager, they may be transferred in a transaction that is exempt from the registration requirements of such laws. The Company has no obligation to register the Units under any federal or state securities laws, or to take any action that would make available to a subscriber an exemption from the registration requirements of any such laws. It is unlikely that any trading market in the Units will develop.

The Company will not publish information sufficient to permit the transfer of the Units in accordance with Rule 144 of the General Rules and Regulations of the Securities and Exchange Commission promulgated under the Securities Act of 1933.

Further, even if otherwise allowable, transfer of Units will be limited to no more than 50% of the outstanding Units in any consecutive 12-month period to avoid termination of the Company under Code Section 708(b). Investors must therefore be able to bear the economic risk of an investment in the Company for an indefinite period and may not be able to sell or transfer their Units in the event of an emergency or for other reasons. Further, Units are not usually acceptable as collateral for loans.

G. Distributions and Allocations to Members (Article VII)

Pursuant to Section 7.1, the Company intends to make quarterly Tax Distributions to permit a Member to timely file U.S. federal, state and local estimated income tax payments based upon the Member's allocable share of Company Profits. If sufficient Net Cash is available after the Tax Distribution, then until the Class B Unit holders have received cumulative distributions in an amount equal to their Initial Capital Contributions, eighty percent (80%) of Net Cash shall be distributed to Members holding Class B Units pro rata based upon unreturned Initial Capital Contributions and twenty percent (20%) of Net Cash shall be distributed to Members holding Class A, Class B Units, Class C Units and Class D Units pro rata based on Unit ownership. After the Investors have received cumulative distributions in an amount equal to their Initial Capital Contributions, the Members will receive additional distributions of Net Cash pro rata based on Unit ownership. For the purposes of Article VII, only vested Class C Units shall be counted among Units outstanding. The Manager has complete discretion to withhold distributions of any of the Company's cash funds which are available after the payment of expenses if it determines that such funds are required for working capital needs, capital improvements or for reserves for fixed or contingent liabilities of the Company (Section 7.2).

Net Profits and Net Losses (Section 7.3) shall be allocated among the Members pro rata based on Unit ownership. Allocations made under this section shall be made so as to ensure, to the extent possible, that the Capital Accounts of the Members as of the end of such period conform, in the reasonable judgment of the Manager, with the economics of the Operating Agreement in accordance Article VII but in any event consistent with the applicable provisions of the Code and Regulations. The allocations made pursuant to this Article VII are intended to comply with the provisions of Section 704(b) of the Code and the Treasury Regulations thereunder and, in particular, to reflect the Members' economic interests in the Company as set forth in Article VII shall be interpreted in a manner consistent with such intention. (Section 7.4)

H. Meetings (Article VI)

Meetings of Members may be called by the Manager at any time. Under certain circumstances, meetings of Members shall be called by the Manager upon receipt of a written request of Members holding twenty-five percent (25%) or more of the Voting Units. Notice of a meeting shall be given not less than ten (10) days or more than sixty (60) days before the date of the meeting.

I. Rights and Limitations of a Member (Article V)

A Member shall not be personally liable for any of the debts of the Company or to any other Member (Section 5.1). Each Member agrees to keep information regarding the Company and its activities confidential (Section 5.3).

The LLC Act provides that the liability of a Member is limited to repayment of the amount of a distribution made in violation of the LLC Act for a period of two (2) years after the date of such distribution.

J. Voting

Members holding Units vote on the major decisions of the Company, such as election of the Manager (Section 3.1), liquidation (Section 9.1) and amendments to the Operating Agreement (Section 11.1). Voting is done on a per-Unit basis (Section 6.7).

K. Reports to Members (Section 4.4 and Section 4.9)

The Manager will prepare and mail to Members after the end of each calendar year an annual report of operations and statement of financial condition (including such information as may be required for the preparation of the Members' federal and state income tax returns).

L. Amendments (Section 11.1)

Amendments to the Operating Agreement must be approved by the Members owning a majority of the outstanding Units or Class of Units; provided, however, that no amendment that would materially affect the rights or liabilities of one or more Members holding Units will be effective unless the holders of the Units expressly provide prior written approval.

M. Winding Up, Liquidation and Distribution (Section 9.2)

Upon an event of dissolution, assets will be distributed in the manner provided in the Operating Agreement. Generally, after payment of all expenses and liabilities, assets will be distributed in accordance with Capital Account balances.

N. Access to Information (Section 4.1)

Any Member shall have access to the books and records of the Company and may inspect and copy such information at reasonable request at such Member's expense. The information available to a Member includes (i) the name and address of all Members holding Units; (ii) the Articles of Organization and any amendments thereto of the Company; (iii) the Company's federal, state and local tax returns and reports for the three (3) most recent years; (iv) the Operating Agreement of the Company then in effect; (v) financial statements received by the Company from any entities in which the Company has invested and financial statements, if any, prepared by the Company for the three (3) most recent years; (vi) minutes or other records of meetings of the Manager and/or Members and (vii) copies of all executed Subscription Agreements.

O. Power of Attorney (Subscription Agreement)

Upon execution of the Subscription Agreement by an Investor, each Investor adopts, accepts and agrees to be bound by the terms of the Operating Agreement and to perform all obligations imposed upon a Member by the Operating Agreement with respect to the Unit(s) purchased. In addition, pursuant to Paragraph 13 of the Subscription Agreement, each Investor appoints the Manager as his attorney-in-fact for the purposes set forth therein. By Paragraph 13 of the Subscription Agreement, each Investor irrevocably appoints the Manager as his attorney-in-fact to execute certain documents that are necessary and reasonably appropriate to carry out the provisions of the Operating Agreement. See the Investor Subscription Agreement under separate cover.

CERTAIN LEGAL MATTERS

There are no pending legal matters in which the Company is a party. Certain legal matters in connection with this Offering will be passed upon for the Company by John C. Lessel, Lessel Law Firm, 11601 Pleasant Ridge Road, Suite 301, Little Rock, Arkansas 72212.