**Recipient Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ POM No.**

**[EARTHCYCLE LOGO]**

**Confidential Private Offering Memorandum**

ACCREDITED INVESTORS ONLY

**EarthCycle, Inc.**

a Wyoming Corporation

**$5,000,000 Total Offering**

**Convertible Promissory Notes**

**Minimum Investment Amount:  $100,000**

EarthCycle, Inc. (the “Company”) is offering, pursuant to this Confidential Private Offering Memorandum (“Memorandum”), to sell and issue a series of Convertible Promissory Notes (hereafter the “Notes”) (designated Series 1, Series 2, Series 3, Series 4 and Series 5) upon the terms and conditions contained in this Memorandum and documents attached. The purchasers of the Notes (“Purchasers” and each a “Purchaser”) shall have the right to convert their Notes into equity in the Company at a sliding discount to the to the effective price per share received by the Company upon a Qualified Financing (as defined below) in accordance with the following discount schedule:

|  |  |  |
| --- | --- | --- |
| **Series** | **Cumulative Total Amount of Notes Sold in Each Series** | **Conversion Discount Rate** |
| 1 | Up to $500,000 | 40% |
| 2 | $501,000-$1,000,000 | 35% |
| 3 | $1,001,000-$2,000,000 | 30% |
| 4 | $2,001,000-$3,500,000 | 25% |
| 5 | $3,500,000-$5,000,000 | 20% |

**THIS OFFERING WILL EXPIRE ON THE EARLIER TO OCCUR OF: (I) THE DATE ON WHICH THE OFFERING AMOUNT HAS BEEN SUBSCRIBED FOR, SUBJECT TO THE DISCRETION OF COMPANY TO INCREASE THE MAXIMUM OFFERING AMOUNT, OR (II) SEPTEMBER 30, 2018, UNLESS EXTENDED BY UP TO 90 DAYS IN THE DISCRETION OF THE COMPANY.**

# CONFIDENTIAL INFORMATION NOTICE

This Confidential Private Offering Memorandum (this “**Memorandum**”) has been prepared by EarthCycle, Inc. (the “**Company**,” “**EarthCycle**”, “**we**,” “**us**”, “**our**”) solely for use by verified “Accredited Investors” as defined by Section 501(a) of the Securities Act of 1933, as amended (the “**Securities Act**”) to whom the Company is offering (the “**Offering**”) the opportunity to purchase Convertible Promissory Notes (“Notes”) that are convertible into shares of Class-A Common Stock (the “Shares”).

This Memorandum and any other information or documents delivered in connection with the Offering described in this Memorandum are being furnished on a confidential basis, solely for use by potential Purchasers in considering whether or not to purchase the Convertible Notes offered pursuant to this Memorandum. Each recipient hereof acknowledges and agrees that (i) the contents of this Memorandum and all other information or documents delivered in connection therewith constitute proprietary and confidential information, (ii) the Company and its affiliates derive independent economic value from such confidential information not being generally known, and (iii) such confidential information is the subject of reasonable efforts to maintain its secrecy. The recipient further agrees that the contents of this Memorandum are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Company. Any reproduction or distribution of this Memorandum, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, is prohibited. Each person who has received this Memorandum is deemed to agree to return this Memorandum to the Company within ten (10) days of a request by the Company. The existence and nature of all conversations regarding the Company and this Offering must be kept confidential.

The Notes are being sold in five (5) Series, with Purchasers of the earlier Series receiving larger discounts upon a subsequent conversion into Shares than Purchasers of later Series. The sale of Notes shall commence on the closing of the first Series 1 Convertible Note pursuant to Company’s discretion regarding closing of Series 1 and subsequent sales. Each Purchaser will be required to execute the documents contained in the Subscription Package attached hereto as Exhibit A. The Subscription Package includes a Subscription Agreement, Accredited Investor Representation Certificate, and such other documents as the Company reasonably requires to effect the transactions contemplated herein. In addition, the Purchaser must engage in the verification process with the third-party verification service chosen and paid for by Company as identified in the Subscription Agreement, or such other methods of verification as the Company may from time to time approve in its discretion. This Memorandum contains a summary of the Offering and certain other matters referred to herein. However, the summaries in this Memorandum do not purport to be complete and are subject to and qualified in their entirety by reference to the actual text of the relevant documents, copies of which will be provided to each prospective Purchaser upon request. Each prospective Purchaser should review the documents for complete information concerning the rights, privileges and obligations of each Purchaser. The summaries contained herein are not complete and are qualified in their entirety by reference to the texts of the original documents. The Company reserves the right to modify the terms of the Offering described in this Memorandum, and the Notes are offered subject to the Company’s ability to reject any subscription in whole or in part.

The Notes have not been and will not be registered under the Securities Act or any securities laws of any state of the United States, or the laws of any foreign jurisdiction. The Notes will be offered and sold under an exemption from the registration requirements provided by Regulation D, Rule 506(c) under the Securities Act, which requires that the Notes be sold only to verified Accredited Investors regardless of their residency, but subject to the regulations of each foreign jurisdiction in which the Notes will be offered and sold. The Company also will not be registered as an “Investment Company” in the United States under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”) pursuant to exemptions from such registration provided by such Act. Consequently, Purchasers will not be afforded the protections that registration under either the Securities Act or the Investment Company Act might otherwise provide.

The Notes described in this Memorandum are subject to restrictions on transferability and resale and may not be transferred or resold without complying with relevant securities laws both in the United States and foreign jurisdictions. Purchasers should be aware that they will be required to bear the financial risks of this purchase for an indefinite period of time.

A purchase of the Notes involves a high degree of risk, volatility and illiquidity. A prospective Purchaser should thoroughly review the confidential information contained herein as well as the risk and restrictions related to a purchase of the Notes, and carefully consider whether a purchase of the Notes is suitable for the Purchaser’s financial situation and goals.

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

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

This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, the Notes that will be delivered pursuant thereto in any jurisdiction in which it is unlawful to make such an offer or solicitation. Neither the United States Securities and Exchange Commission nor any other federal, state or foreign regulatory authority has approved a purchase of the Notes. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Memorandum, nor is it intended that the foregoing authorities will do so. Any representation to the contrary is a criminal offense.

Investments in the Notes shall be denominated in United States dollars and Purchasers may tender United States dollars, Bitcoin, Ether, Litecoin or other currencies as determined acceptable by Company. All such currencies are subject to fluctuation in the rate of exchange and, in the case of digital assets, the exchange valuations. Such fluctuations may have an adverse effect on the value, price or income of a Purchaser’s purchase.

The Securities Act and the securities laws of certain jurisdictions grant purchasers of securities, such as these Notes, sold in violation of the registration provisions of such laws the right to rescind their purchase of such securities and to receive back the consideration paid. The Company believes that the Offering of the Notes described in this Memorandum is not required to be registered. Many of these laws granting the right of rescission also provide that suits for such violations must be brought within a specified time, usually one year from discovery of facts constituting such violation and three years from the violation. Should any Purchaser institute such an action on the theory that the Offering conducted as described herein was required to be registered or qualified, the Company contends that the contents of this Memorandum constituted notice of the facts constituting such violation as of the date of distribution.

*[Remainder of Page Intentionally Left Blank]*

# GENERAL DISCLAIMERS ABOUT THIS MEMORANDUM

We are not giving legal, business, or tax advice, and prospective Purchasers are not to construe the contents of this Memorandum or any other information and materials provided in connection with this Offering as such. You should consult your own attorney or business advisor as to the legal, business, tax, and related matters concerning your purchase. You are urged to request any additional information that you may consider necessary in making an informed purchase decision. If you have questions concerning the terms and conditions of the Offering or desire to obtain additional relevant information, we will provide the answers to the extent we possess such information or can acquire it without unreasonable effort or expense. All such additional information shall only be in writing and identified as such by us. Inquiries concerning such additional information should be directed to the Company as set forth in this Memorandum.

We are not making any representation to you regarding the legality of a purchase of the Notes under any applicable laws. No person has been authorized to give any information or to make any representations in connection with this Offering unless preceded or accompanied by this Memorandum and the other information and materials provided and made available to you herewith, nor has any person been authorized to give any information or to make any representation other than that contained in this Memorandum and the other information and materials provided and made available to you herewith and, if given or made, such information or representations must not be relied upon. Neither the delivery of this Memorandum and the other information and materials provided in connection with this Offering nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof.

THE COMPANY HAS THE UNCONDITIONAL RIGHT TO ACCEPT OR REJECT ANY SUBSCRIPTION, IN WHOLE OR IN PART, FOR ANY REASON OR WITHOUT A SPECIFIC REASON, IN ITS SOLE AND ABSOLUTE DISCRETION (EVEN AFTER RECEIPT AND CLEARANCE OF THE PURCHASER’S FUNDS). IF THE COMPANY REJECTS A SUBSCRIPTION, THE FUNDS SUBMITTED WITH RESPECT TO SUCH SUBSCRIPTION WILL BE RETURNED TO THE PURCHASER, WITHOUT ANY INTEREST THEREON OR DEDUCTION THEREFROM, ALONG WITH NOTIFICATION OF REJECTION.

# CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Memorandum constitute forward-looking statements. When used in this Memorandum, the words “may,” “will,” “should,” “project,” “anticipate,” “believe,” “estimate,” “intend,” “expect,” “continue,” and similar expressions or the negatives thereof are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Company, involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Company in its development of the Company’s business to differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements. All forward-looking statements in this Memorandum speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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

# IMPORTANT SECURITIES NOTICES

A PURCHASE OF THE NOTES IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SIGNIFICANT RESTRICTIONS ON TRANSFER. PURCHASERS MUST BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME AND BE ABLE TO WITHSTAND A TOTAL LOSS OF THEIR INVESTMENT. IT SHOULD NOT BE ASSUMED THAT ANY PUBLIC, FUTURE OR OTHER MARKET WILL DEVELOP FOR THE NOTES. THE NOTES ARE NOT TRANSFERABLE WITHOUT THE CONSENT OF THE ISSUER AND SATISFACTION OF CERTAIN OTHER CONDITIONS. SEE “RISK FACTORS.”

THE SECURITIES OFFERED HEREBY ARE NOT REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE, NOR HAS SUCH COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. AN INVESTOR MUST CONTINUE TO BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD. NO MARKET FOR THE SECURITIES CAN BE EXPECTED TO DEVELOP. THE SECURITIES MAY BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF BY ANY INVESTOR ONLY IF THE SECURITIES ARE REGISTERED OR, IN THE OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AND COUNSEL FOR THE COMPANY, REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT. IN ADDITION, ANY SALE, TRANSFER OR DISPOSITION MUST COMPLY WITH ALL APPLICABLE STATE SECURITIES LAWS. FURTHERMORE, ALL SALES, TRANSFERS AND OTHER DISPOSITIONS WILL BE SUBJECT TO APPROVAL BY THE COMPANY, AS APPLICABLE.

THIS OFFERING IS BEING MADE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT FOR AN OFFER AND SALE OF SECURITIES WHICH DOES NOT INVOLVE A PUBLIC OFFERING. EACH PURCHASER OF THE SECURITIES OFFERED HEREBY, IN MAKING ITS PURCHASE, WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH UNDER “INVESTOR QUALIFICATIONS.” EACH PROSPECTIVE PURCHASER OF THE SECURITIES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN CONNECTION WITH THE SUBSEQUENT OFFER OR SALE OF THE SECURITIES PURCHASED PURSUANT TO THIS MEMORANDUM.

THIS OFFERING INVOLVES A HIGH DEGREE OF RISK (SEE "RISK FACTORS") AND IS SUITABLE ONLY FOR PERSONS WITH CONTINUING HIGH ANNUAL INCOME AND/OR SUBSTANTIAL NET WORTH AND WHO CAN AFFORD TO BEAR SUCH RISKS AND HAVE NO NEED FOR LIQUIDITY FROM THIS INVESTMENT (SEE "INVESTOR QUALIFICATIONS").

NO PERSON HAS BEEN AUTHORIZED TO PROVIDE ANY INFORMATION WITH RESPECT TO THE COMPANY OR ITS PROPOSED OPERATIONS OTHER THAN AS DISCLOSED IN THIS MEMORANDUM. EXCEPT FOR THE INFORMATION CONTAINED HEREIN, RECIPIENTS SHOULD NOT RELY ON ANY MATERIALS OTHER THAN THOSE SET FORTH HEREIN. THE INFORMATION CONTAINS DESCRIPTIONS AND THE COMPANY’ PROJECTIONS AND OTHER MATTERS AS OF THE DATE OF THIS MEMORANDUM. NONE OF THE COMPANY NOR ANY OTHER PERSON OR ENTITY IS UNDER ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE THE INFORMATION FOLLOWING ITS DISTRIBUTION, AND RECIPIENTS SHOULD NOT EXPECT ANY SUCH UPDATE OR REVISION. RECIPIENTS ARE URGED TO CONDUCT AN INDEPENDENT INVESTIGATION AND EVALUATION OF THE COMPANY AND AN INVESTMENT IN THE SECURITIES.

THE INFORMATION CONTAINED HEREIN HAS BEEN PROVIDED BY THE COMPANY AND OTHER SOURCES IDENTIFIED HEREIN, BUT THERE CAN BE NO ASSURANCE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING, INCLUDING THE MERITS OF THE INVESTMENT AND THE RISKS INVOLVED. THE CONTENTS OF THIS MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE. EACH PROSPECTIVE PURCHASER SHOULD CONSULT AN ATTORNEY, BUSINESS ADVISOR AND/OR TAX ADVISOR AS TO LEGAL, BUSINESS OR TAX ADVICE.

THIS MEMORANDUM CONTAINS SUMMARIES THAT TO THE BEST OF COMPANY’ KNOWLEDGE ARE ACCURATE IN ALL MATERIAL RESPECTS AS TO THE TERMS OF CERTAIN DOCUMENTS DESCRIBED HEREIN, BUT REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS FOR COMPLETE INFORMATION WITH RESPECT THERETO (COPIES OF WHICH WILL BE MADE AVAILABLE TO PROSPECTIVE PURCHASERS UPON REASONABLE REQUEST TO THE COMPANY), AND ALL SUCH SUMMARIES HEREIN ARE QUALIFIED IN THEIR ENTIRETY BY SUCH REFERENCE.

THE COMPANY IS NOT PRESENTLY SUBJECT TO THE REPORTING REQUIREMENTS OF THE EXCHANGE ACT, AND THEREFORE THERE IS NO PUBLIC INFORMATION AVAILABLE REGARDING THE COMPANY.

IN ADDITION TO REVIEWING THIS MEMORANDUM, POTENTIAL PURCHASERS SHOULD CAREFULLY REVIEW AND FAMILIARIZE THEMSELVES WITH ALL OF THE DOCUMENTS ATTACHED AS EXHIBITS AND/OR ADDENDUMS TO THIS MEMORANDUM AND INCORPORATED HEREIN. ALL DOCUMENTS REFERRED TO IN THIS MEMORANDUM, BUT NOT ATTACHED AS EXHIBITS, ARE AVAILABLE FOR INSPECTION BY A PROSPECTIVE PURCHASER OR PURCHASER’S REPRESENTATIVE AT THE OFFICE OF THE COMPANY. THE OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS CONTEMPLATED BY THIS MEMORANDUM ARE DESCRIBED IN AND WILL BE GOVERNED BY THE DOCUMENTS ATTACHED AS EXHIBITS AND/OR REFERRED TO HEREIN. ALL STATEMENTS AND INFORMATION CONTAINED IN THIS MEMORANDUM ARE QUALIFIED IN THEIR ENTIRETY BY THOSE DOCUMENTS. CONSEQUENTLY, PROSPECTIVE PURCHASERS ARE URGED TO READ CAREFULLY THE DOCUMENTS ATTACHED TO AND/OR REFERENCED IN THIS MEMORANDUM.

THE NOTES OFFERED HEREBY WILL BE SOLD SUBJECT TO THE SUBSCRIPTION APPLICATION AND AGREEMENT AND OTHER SUBSCRIPTION DOCUMENTATION BEING DELIVERED WITH THIS MEMORANDUM, WHICH CONTAIN CERTAIN REPRESENTATIONS, WARRANTIES, TERMS AND CONDITIONS. EACH INVESTOR SHOULD CAREFULLY REVIEW THE PROVISIONS OF THE SUBSCRIPTION DOCUMENTATION BEFORE INVESTING.

THE DELIVERY OF THIS MEMORANDUM TO A POTENTIAL INVESTOR SHALL NOT UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS NOT BEEN ANY CHANGE IN THE COMPANY’S AFFAIRS SINCE THE DATE HEREOF. THE COMPANY WILL MAKE AVAILABLE TO ANY PROSPECTIVE QUALIFIED INVESTOR THE OPPORTUNITY TO ASK QUESTIONS OF AND RECEIVE ANSWERS FROM IT CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING AND THE COMPANY’S BUSINESS AND OPERATIONS OF THE COMPANY, AND TO OBTAIN ADDITIONAL INFORMATION TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION.

ACCEPTANCE OF A RECIPIENT’S SUBSCRIPTION FOR THE NOTES SHALL BE MADE ONLY AFTER IT HAS BEEN DETERMINED THAT SUCH PERSON SATISFIES THE REQUIREMENTS FOR AN EXEMPTION FROM REGISTRATION AS WELL AS THE ADDITIONAL FACTORS SET FORTH IN THE SECTION ENTITLED PURCHASER SUITABILITY BELOW. DELIVERY OF THIS MEMORANDUM FOR INFORMATIONAL PURPOSES SHALL NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY THE NOTES.

**NOTICE TO RESIDENTS OF ALL STATES:**

THE NOTES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD SOLELY IN RELIANCE UPON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND SUCH LAWS. PURCHASERS OF THE SECURITIES SHOULD BE PREPARED TO BEAR THE ECONOMIC RISK OF THEIR INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES COMMISSION OR ANY OTHER STATE OR FEDERAL REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING, NOR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. SEE "INVESTOR SUITABILITY STANDARDS ―RISK AND OTHER IMPORTANT FACTORS."

**NASAA UNIFORM LEGEND:**

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

**FOR RESIDENTS OF FOREIGN JURISDICTIONS:**

IT IS THE RESPONSIBILITY OF ANY PERSON WISHING TO PURCHASE SECURITIES TO SATISFY HIMSELF AS TO FULL OBSERVANCE OF THE LAWS OF ANY RELEVANT TERRITORY OUTSIDE THE UNITED STATES, IN CONNECTION WITH ANY SUCH PURCHASE, INCLUDING OBTAINING ANY REQUIRED GOVERNMENTAL OR OTHER CONSENTS OR OBSERVING ANY OTHER APPLICABLE FORMALITIES.

THIS DOCUMENT HAS NOT BEEN APPROVED BY AN AUTHORIZED PERSON. ANY INVESTMENT TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO (AND ANY INVESTMENT ACTIVITY TO WHICH IT RELATES WILL BE ENGAGED ONLY WITH) RELEVANT PERSONS. THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND PERSONS WHO ARE NOT RELEVANT PERSONS SHOULD NOT TAKE ANY ACTION BASED UPON THIS DOCUMENT AND SHOULD NOT RELY ON IT. IT IS A CONDITION OF YOUR RECEIVING AND RETAINING THIS DOCUMENT THAT YOU WARRANT TO COMPANY, ITS DIRECTORS, AND ITS OFFICERS THAT YOU ARE A RELEVANT PERSON.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS UNLAWFUL.

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**EXHIBITS:**

**Exhibit A: Note Purchase Agreement & Form of Convertible Note**

**Exhibit B: Subscription Package**

**Exhibit C: EarthCycle Presentation Deck**

# PURCHASER SUITABILITY

The offer and sale of the Securities is being made in reliance on an exemption from the registration requirements of the Securities Act pursuant to Rule 506(c) of Regulation D, and applicable state securities laws. The Company reserves the right, in its sole and absolute discretion, to declare any prospective Purchaser ineligible to purchase Securities based on any information that may become known or available to the Company concerning the suitability of such prospective Purchaser, for any other reason, or for no reason, even if such information is received after the Purchaser purchases the Securities. In the event that Company discovers that any of the representations and warranties by the Purchaser are not true and correct, Company reserves the right to cancel the purchase of the Notes, rescind this offer to said Purchaser and return the Purchaser’s consideration received by Company for the purchase of the Securities.

A purchase of the Securities involves a high degree of risk and may only be purchased by persons of substantial financial means who have no need for liquidity in this purchase.

The Securities may not be suitable purchases for a qualified plan, an Individual Retirement Account or other tax-exempt entity. This Memorandum discusses certain risks that may be associated with a purchase in the Securities by a Qualified Plan (as such term is defined below), which includes, without limitation, an Individual Retirement Account and certain other tax-exempt entities. Each Purchaser must consult its own advisors before making a purchase and must be willing to bear the risk of a total loss of their purchase.

As applicable, the Purchaser is an “Accredited Investor” when the Purchaser meets one of the following tests:

1. a natural person with income exceeding $200,000 in each of the two most recent years, or joint income with a spouse exceeding $300,000 for those years, and a reasonable expectation of the same income level in the current year;
2. a natural person who has individual net worth, or joint net worth with the person’s spouse, that exceeds $1,000,000 at the time of the purchase, provided, that: (i) the value of the primary residence of such person is excluded as an asset; and (ii) the amount of indebtedness secured by the person’s primary residence is excluded as a liability except that such person must deduct as liabilities (A) the amount by which such indebtedness exceeds the fair market value of the primary residence; and (B) the amount of any such indebtedness incurred within the 60 days preceding the subscription date (other than as a result of the acquisition of the primary residence).
3. a bank, insurance company, registered purchase company, business development company, or small business purchase company;
4. an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered purchase adviser makes the purchase decisions, or if the plan has total assets in excess of $5,000,000;
5. a charitable organization, corporation, or partnership with assets exceeding $5,000,000;
6. a director, executive officer, or general partner of the company selling the Securities;
7. a business in which all the equity owners are Accredited Investors; or
8. a trust with assets in excess of $5,000,000, not formed to acquire the Securities offered, whose purchases a sophisticated person makes.

For purposes of calculating a Purchaser’s net worth above, “net worth” is generally defined as the difference between total assets and total liabilities. For purposes hereof, the value of the Purchaser’s primary residence must be excluded from net worth. Indebtedness that is secured by the Purchaser’s primary residence, up to the estimated fair market value of the primary residence, shall not be included as a liability (except that if the amount of such indebtedness outstanding exceeds the amount outstanding sixty (60) days prior to the Offering, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability). Indebtedness secured by the primary residence in excess of the value of the home is considered a liability and must be deducted from the Purchaser’s net worth. In the case of fiduciary accounts, the net worth and/or income suitability requirements may be satisfied by the beneficiary of the account or by the fiduciary, if the fiduciary directly or indirectly provides funds for the purchase.

A Purchaser who wishes to purchase a Note offered herein must provide the following documents to substantiate its Accredited Investor status:

1. Copies of any Internal Revenue Service form that reports income, such as Form W-2, Form 1099, Schedule K-1 of Form 1065, and a filed Form 1040, or
2. Copies of documents that verify net worth which are dated within the prior three months and include but are not limited to bank statements, brokerage statements, certificates of deposit, tax assessments or a credit report from at least one of the nationwide consumer reporting agencies, or
3. A written confirmation from a registered broker-dealer, an SEC-registered purchase adviser, a licensed attorney, a certified public accountant to Company stating that such person or entity has taken reasonable steps to verify that Purchaser is an “Accredited Investor” within the last three months and has determined that such purchaser is an Accredited Investor.

In addition to the foregoing requirement, a Purchaser must also represent in writing that the Purchaser is acquiring the Securities for the Purchaser’s own account and not for the account of others and not with a view to resell or distribute such securities.

The Company may, in its sole discretion, also require all Purchasers to utilize Company’s designated third-party verification service.

**Restrictions Imposed by the USA Patriot Act and Related Acts**

In accordance with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended (the “**USA Patriot Act**”), our Securities may not be offered, sold, transferred or delivered, directly or indirectly, to any “Unacceptable Purchaser,” which means a person or an 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 Foreign Assets Control Regulations of the U.S. Treasury Department;
* 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 regulations of the U.S. Treasury Department;
* within the scope of Executive Order 13224 — Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, effective September 24, 2001;
* subject to additional restrictions imposed by the following statutes or regulations and executive orders issued thereunder: the Trading with the Enemy Act, the Iraq Sanctions Act, the National Emergencies Act, the Antiterrorism and Effective Death Penalty Act of 1996, the International Emergency Economic Powers Act, the United Nations Participation Act, the International Security and Development Cooperation Act, the Nuclear Proliferation Prevention Act of 1994, the Foreign Narcotics Kingpin Designation Act, the Iran and Libya Sanctions Act of 1996, the Cuban Democracy Act, the Cuban Liberty and Democratic Solidarity Act and the Foreign Operations, Export Financing and Related Programs Appropriation Act or any other law of similar import as to any non-U.S. country, as each such act or law has been or may be amended, adjusted, modified, or interpreted from time to time; or
* designated or blocked, associated or involved in terrorism, or subject to restrictions under laws, regulations, or executive orders as may apply in the future similar to those set forth above.

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# COMPANY OVERVIEW

EarthCycle, Inc. (“EarthCycle” or “Company”) is a corporation formed under the laws of the State of Wyoming on August 17, 2018. EarthCycle intends to acquire and fund, as well as partner, joint venture, and enter into licensing agreements, with entrepreneurs and entities that have transformational eco-social businesses and technologies (“Transactions”). EarthCycle also anticipates, to provide another channel for liquidity, issuing equity and at a later date when registered exchanges are available, tokening its equity and/or launching a fund or Business Development Corporation.

**SUMMARY**

Dakota to provide a summary of the business.

**THE EARTHCYCLE SOLUTION**

**THE IMPORTANCE OF CRYPTOCURRENCY OWNERSHIP**

At large cryptocurrency ownership increases participation in blockchain-enabled products and propels advancements throughout the industry. The larger the population of holders, the more momentum the technology can gather. The favorable reception of cryptocurrencies in financial markets has led to a certain foundational strength upon which to build. Going beyond transparency, cryptocurrency allows for real-time payments down to the fraction of a cent, which offers more control to both the buyer and provider like never before.

**The Evolution of Blockchain**

A blockchain is a continuously growing highly distributed list of records which are linked and secured using cryptography. Functionally, a blockchain can serve as an open distributed ledger that can efficiently record transactions between two parties in a verifiable and permanent way. The growth and development of blockchain technology is fundamentally changing the way that human beings collaborate.

There have been at least two significant innovation waves in the blockchain sector, with others in various stages of development:

1. Bitcoin - the blockchain as ledger enabling money; and
2. Ethereum - the blockchain as computer enabling contracts.

**Potential Future Competitive Landscape**

The landscape for the EarthCycle Technology is large, highly competitive, and subject to rapidly evolving technology, changing customer needs, as well as constant introductions of new products. We will face competition from other blockchain-based entities that are developing technologies similar to ours, as well a broad spectrum of technology providers, from large established vendors to smaller and more specialized companies. This competition will likely be based on a range of factors including the quality and efficiency of the tools and services available on each technology platform. Some of these competitors have already launched their underlying tokens, while others may develop and compete in the future.

**Funding Plans**

We intend to raise a small initial round of funding of Five Million Dollars ($5,000,000) from a small group of Accredited Investors pursuant to the sale and issuance of Notes, subject to our right to lower or raise the amount of the Offering in our sole discretion, and to extend or terminate the Offering. We also anticipate raising significantly more capital by selling additional equity rounds as well as potentially engaging in offshore Token offerings.

# SUMMARY OF THE OFFERING

The summary below describes the principal terms of this Offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. The summary below is qualified in its entirety by reference to the actual documents to which the summary relates.

|  |  |
| --- | --- |
| **Issuer** | EarthCycle, Inc. is a corporation formed under the laws of Wyoming on August 17, 2018 (“**EarthCycle**” or “**Company**”). EarthCycle is engaged in the research and development of proprietary blockchain software and a hard wallet focused on increasing ease, trust, security, integrity and efficiency of storing and exchanging crypto currencies.  |
| **Securities to be Issued** | 10% Convertible Promissory Notes (the “Notes”) |
| **Interest** | 10% annual interest rate payable in cash at the Maturity Date if no Qualified Financing has occurred, or earlier in equity upon conversion pursuant to a Qualified Financing.  |
| **Amount of Investment** | Up to $5,000,000 from Accredited Investors as defined by Rule 501(a) of Regulation D, offering to be conducted in accordance with Rule 506(c) of Regulation D. |
| **Maturity Date** | The Notes will mature 24-months after anniversary date of issuance (the “Maturity Date”) unless accelerated due to the occurrence of an Event of Default or a “Qualified Financing” as defined below. |
| **Qualified Financing** | A “Qualified Financing” shall mean equity financing in which the Company receives gross proceeds of at least $5,000,000 in exchange for the sale of equity in Company. |
| **Conversion Terms** | Company is offering pursuant to this Memorandum to issue a series of Convertible Notes (designated Series 1, Series 2, Series 3, Series 4 and Series 5) upon the terms and conditions contained herein and the Note Purchase Agreement and Convertible Note attached hereto as Exhibit A.

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| --- | --- | --- |
| **Series** | **Cumulative Total Amount of Notes Sold in Each Series** | **Conversion Discount Rate** |
| 1 | Up to $500,000 | 40% |
| 2 | $501,000-$1,000,000 | 35% |
| 3 | $1,001,000-$2,000,000 | 30% |
| 4 | $2,001,000-$3,500,000 | 25% |
| 5 | $3,500,000-$5,000,000 | 20% |

The valuation for Purchasers of the Notes shall be capped at $30 million.Company reserves the right, in its discretion to accept less or more than $3M USD in these Note Offerings and increase or decrease the amount of the minimum investment of $100,000, as well as determine when and whether to close the Offerings. |
| **Capitalization** | The Corporation is authorized to issue One Hundred Million (100,000,000) shares of capital stock, with a par value of $.0001 per share in three (3) classes of stock to be designated, respectively, "Class A Common Stock,” "Class B Common Stock,” and “Preferred Stock” as follows:* The total number of shares of Class A Common Stock with a par value of $0.0001 per share is Fifty Million (50,000,000).
* The total number of shares of Class B Common Stock with a par value of $0.0001 per share is Twenty-Five Million (25,000,000).
* The total number of shares of Preferred Stock with a par value of $0.0001 per share is Twenty-Five Million (25,000,000).

As of the date of this Offering, the Company has approximately 12,500,000 shares of Class A common stock issued and outstanding, subject to various restrictions on transfer and eroding forfeiture clauses with an additional 2,000,000 shares of common stock reserved for the Company’s Equity Incentive Plan and other corporate purposes.The Board shall have the authority to fix by resolution the designations and the powers, preferences, rights, and the qualifications, limitations and/or restrictions of all unissued Class A Common, Class B Common and Preferred Stock as permitted by Section 21.153 of the Wyoming Business Organizations Code. The Board has discretion to determine the rights and preferences of any future and unissued classes and shares.  |
| **Form of Payment** | The Company plans to accept U.S. Dollars, Bitcoin, Ether or such other forms of currency as may be authorized by the Company. The Note purchases offered pursuant to this Memorandum shall be calculated in U.S. dollars, and payments in cryptocurrencies authorized by the Company shall be valued in U.S. dollars at an exchange ratio equivalent to Gemini Rate at 4pm EDT on the date of receipt, the price of which shall be reported to you upon approval of your investment by Company’s Investment Bank, Exemplar Capital, LLC, or such other reliable data source as may be chosen by Exemplar Capital, LLC in its discretion. |
| **Documentation** | The purchase of the Notes pursuant to the terms and conditions set forth in the Memorandum, Subscription Package, Notes and Note Purchase Agreement contain certain representations, warranties covenants and disclosures of the Company and the Purchasers, closing conditions, and other provisions.  |
| **Assumption of Risks** | The purchase of the Notes is speculative and involves a significant degree of risk. A prospective Purchaser should purchase a Note only if Purchaser can afford to bear the entire economic and other risks of the purchase including those set forth in the Memorandum and the Subscription Agreement. |
| **Regulatory Compliance** | The Notes being sold pursuant hereto are being offered and sold in compliance with Rule 506(c) of Regulation D promulgated under the Securities Act. Each Purchaser, whether a resident of the United States, or a non-resident purchaser as defined in Regulation S under the Securities Act. must (1) be an Accredited Investor, as defined in Rule 501(a) of Regulation D under the Securities Act, and (2) must satisfy the verification requirements of both the Company and Rule 506(c).Purchasers may be required to meet other suitability requirements and will be required to accept the risks set forth in the Memorandum and the Subscription Package (“Offering Materials”). The foregoing suitability standards represent the minimum suitability requirements for prospective Purchasers and satisfaction of these standards does not necessarily mean that the purchase offered herein is a suitable purchase for each prospective Purchaser. Additionally, regulatory compliance (e.g., Rule 144 of Regulation D) may require Purchasers hold their equity and Tokens for periods beyond the intended and stated distribution and/or lock-up periods. In the event of any conflict between the Offering Materials and regulations, regulations shall prevail. |
| **Further Grants and Sales of Equity**  | Subsequent to this Offering, the Company may, in its discretion, offer, grant, discount, sell or otherwise provide additional equity, warrants, discounts, options, and/or incentives which may have a dilutive effect on Purchaser’s interests. |
| **Use of Proceeds** | The Proceeds from this Offering shall be used to engage in activities including (1) acquisition of equity, (2) formation of partnerships, joint ventures and licensing agreements, (3) an optimized organizational and entity structure, and (3) recruiting a team of seasoned professionals whose expertise is relevant to developing the EarthCycle Business. Proceeds will also be used for expenses, including operational (including, but not limited to, rent, salaries, independent contractors, insurance, utilities, legal expenses, technology development and licensing, travel, entertainment and miscellaneous), marketing and promotion and fundraising expenses. In addition, the proceeds will be used to design and set up offshore entities, relationships and structures to further develop the EarthCycle Technology and Tokens.The Company intends to raise additional capital to build, launch, market and operate the EarthCycle Technology, via joint ventures with EarthCycle principal controlled new ICO entities in a manner that complies with the definition of a “utility tokens” in numerous offshore jurisdictions. EarthCycle will then seek to raise an estimated Thirty Million Dollars ($30,000,000 USD) through the sale and/or distribution of its Tokens in an offshore Pre-Sale, Initial Coin Offering (“ICO”) and/or Token Distribution Event (“TDE”) rounds. These 3rd party token sales will fund EarthCycle, Inc. via payment of a majority of funds raised via ICO as a license fee to EarthCycle.Proceeds may also be necessary to cover potential tax exposure that EarthCycle may incur in 2018, unless either payment of some of those taxes can be deferred until later years, or the Company incurs tax-deductible expenses in 2018 that eliminate or reduce tax liability. |
| **Restrictions on Sale and Transfer** | The Notes being offered will be restricted as to transferability under state and federal laws regulating securities. The issuance of the Notes has not been registered under the Securities Act, or any other similar state statutes, in reliance upon exemptions from the registration requirements contained therein. Accordingly, the Notes and the shares into which they will be converted upon a “Qualified Financing” will be “restricted securities” as defined in Rule 144 of the Securities Act. As “restricted securities,” an investor must hold them indefinitely and may not dispose or otherwise sell them without registration under the Securities Act and any applicable state securities laws unless exemptions from registrations are available. Moreover, in the event an investor desires to sell or otherwise dispose of any of the Securities, the investor will be required to furnish us with an opinion of counsel acceptable to us that the transfer would not violate the registration requirements of the Securities Act or applicable state securities laws.Any certificate or other document evidencing the Notes will be imprinted with a conspicuous legend stating that the Notes have not been registered under the Securities Act and state securities laws and referring to the restrictions on transferability and sale of the Notes. In addition, our records concerning the Notes will include “stop transfer notations” with respect to such securities. |
| **Risk Factors** | See “Risk Factors” and the other information in this Memorandum and documents attached hereto reference for factors that you should carefully consider before deciding to invest in the Securities. |
| **Governing Law** | Wyoming |

# PLAN OF DISTRIBUTION

We do not intend to use an underwriter for the sale of Notes. The Notes will be offered for sale by (i) associated persons of the Company; and (ii) licensed sales agents. In conducting this Offering, the associated persons of the Company, intend to rely on the exemption from registration contained in Exchange Act Rule 3a4-1.

*[Remainder of Page Intentionally Left Blank]*

# RISK FACTORS

**A purchase of the Company’s Notes is highly speculative, involves substantial risks and is suitable only for Accredited Investors who understand and have sufficient financial resources to enable them to bear the risks described herein. The occurrence of any of the risks noted below could have significant consequences on the Company’s operations. The risks and uncertainties discussed below are not the only ones the Company FACES BUT do represent those risks and uncertainties that the Company believes, at present, are the most significant and material to its business, operating results, prospects and financial condition. Some statements in this Memorandum, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section titled “Statements Regarding Forward-Looking Information”. Prior to purchasing the Notes, prospective Purchasers should perform an analysis of the purchase opportunity and objectives presented and discuss purchasing Notes with their own advisors.**

**Risks Relating to our Business and to an Investment in the Securities**

***The Company is recently organized and has no operating history.***

We are a recently formed company and have little operating history. We have few assets, few operating revenues and our EarthCycle Business and Transactions are still under development and in negotiations and could be delayed. We may encounter difficulties that prevent us from operating our anticipated business as intended. EarthCycle, and the purchase of its Notes described in this Memorandum, must be evaluated in view of possible delays, additional expenses and other unforeseen complications that are often encountered by new business ventures.

***The Offering is being conducted as a best efforts offering.***

This Offering is being conducted on a “best efforts” basis. No guarantee can be given that all or any of the Notes will be sold, or that sufficient proceeds will be available to fulfill our intentions regarding the launch and success of Company’s Business.

***A purchase of the Securities involves a high degree of risk.***

Purchasers could lose their entire purchase. Prospective Purchasers should carefully consider the following factors, along with the other information set forth in this Memorandum, in evaluating the Company, its business and prospects before purchasing the Notes. The following risk factors, individually or occurring together, would likely have a substantially negative effect on our business and could cause it to fail. Moreover, the Notes are being offered pursuant to Rule 506(c) of the Securities Act and are deemed "restricted securities”, which means that the Notes cannot be sold or otherwise hypothecated for a period of one year without registering them. Compliance with the regulatory environment will prevail over stated distribution schedules otherwise stated herein.

***We have not authorized any other party to provide you with information concerning us or this Offering.***

Purchasers should carefully evaluate all of the information in this Memorandum and accompanying Exhibits. We may receive media coverage, including coverage that is not directly attributable to statements made by our managers and employees, that incorrectly reports on statements made by our managers or employees, or that is misleading as a result of omitting information provided by us, our managers or employees. We have not authorized any other party to provide you with information concerning us or this Offering.

***We may not successfully develop, market and launch our technologies, products, services and/or business.***

The EarthCycle Technology has not yet been fully designed and developed by the Company and will require ongoing capital funding, expertise of the Company’s Management, and significant time and effort in order to develop and fully launch the EarthCycle Technology. The Company may have to make changes to the specifications of the EarthCycle Technology or Tokens that Company seeks to sell to raise additional non-equity capital for any number of legitimate reasons or the Company may be unable to develop the EarthCycle Technology in a way that realizes those specifications or any form of a functioning network. It is possible that the Tokens and the EarthCycle Technology may never be fully released and there may never be an operational Token. Furthermore, despite good faith efforts to develop and launch the EarthCycle Technology and subsequently to maintain the EarthCycle Technology, it is still possible that the EarthCycle Technology will experience malfunctions or otherwise fail to be adequately developed or maintained, which may negatively impact the Company, the EarthCycle Technology and the Tokens.

The Company will use the proceeds of this Offering to make significant purchases to develop and launch a viable EarthCycle Technology upon which users can realize utility and value. The Company may not have or may not be able to obtain the technical skills and expertise needed to successfully develop the EarthCycle Technology and progress it to a fully successful launch. While the Company has sought to retain and continue to competitively recruit experts, there can be a general scarcity of management, technical, scientific, research and marketing personnel with appropriate training to develop and maintain the Tokens and EarthCycle Technology. If the Company is not successful in its efforts to demonstrate to users the utility and value of the EarthCycle Technology, there may not be sufficient demand for the Tokens for the Company to proceed with the full launch of the EarthCycle Technology. As a result, or if a full launch of the EarthCycle Technology does not occur, Purchasers may lose all of their money.

***Investments in startups, including the Company, involve a high degree of risk and these risks are heightened as a result of being in blockchain, crypto and the potential issuance of tokens.***

Financial and operating risks confronting startups are significant and we are not immune to these. The startup market in which we compete is highly competitive and the percentage of companies that survive and prosper is not huge at this stage of this new technology. Startups often experience unexpected problems in the areas of product development, marketing, financing, and general management, among others, which frequently cannot be solved. In addition, startups may require substantial amounts of financing, which may not be available in whole or part through institutional private placements, the public markets or otherwise. The regulatory environment for Companies involved in blockchain and crypto and the potential issuance of tokens is in a state of flux with many jurisdictions having yet provided clear guidance. A change in the regulatory regime that restricts, prohibits or creates complexities and expense are likely and could cause significant damage to the Company’s ability to continue operations.

***We may not be able to protect our proprietary rights.***

We develop proprietary software and technologies. We attempt to protect our software and production techniques under copyright, trademark, patent and trade secret laws as well as through contractual restrictions on disclosure, copying and distribution. Software and services are susceptible to unauthorized copying. Unauthorized third parties may be able to copy or to reverse engineer our software to obtain and use programming or production techniques that we regard as proprietary. In addition, our competitors could independently develop technologies substantially equivalent or superior to our technologies.

***We may be subject to intellectual property claims.***

As the number of software and technology products in our industry and others increases and the features of these products continue to overlap, software and technology developers increasingly may become subject to infringement claims. Our software products may inadvertently infringe upon the intellectual property rights of others. Our software products could become subject to the intellectual property rights of others. Although we believe that we are making reasonable efforts to ensure that our products do not violate the intellectual property rights of others, it is possible that third-parties still may claim infringement. Existing or future infringement claims against us, whether valid or not, may be time consuming and expensive to defend.

Intellectual property litigation or claims could force us to do one or more of the following: cease selling, incorporating or using products or services that incorporate the challenged intellectual property; obtain a license from the holder of the infringed intellectual property, which if available at all, may not be available on commercially favorable terms; or redesign the effected software products, which could cause us to incur additional costs, delay introduction and possibly reduce the appeal of our products. Any of these actions may cause material harm to our business and financial results.

***We may be forced to cease operations or take actions that result in dissolution of the Company.***

It is possible that, due to any number of reasons, including, but not limited to, an unfavorable fluctuation in the value of cryptographic and fiat currencies, the inability by the Company to fully launch the EarthCycle Technology or the Tokens’ utility, the failure of commercial relationships, or intellectual property ownership challenges, the Company may no longer be viable to operate and may dissolve.

***The Notes may not be assigned except under limited circumstances.***

Neither the Notes nor the rights contained therein may be assigned, by operation of law or otherwise, by Purchaser. As a result, Purchasers will normally be required to hold their Notes for at least one year pursuant to Rule 144 and similar restrictive regulatory provisions or until a market develops for the Notes, which event may not occur. Consequently, Purchasers must be prepared to bear the risk of a purchase of the Notes until the repayment of conversion of the Notes pursuant to the terms set forth therein.

***The tax treatment of the Notes is uncertain and there may be adverse tax consequences for Purchasers upon certain future events.***

The tax characterization of the Notes is uncertain, and each Purchaser must seek its own tax advice in connection with a purchase of the Notes and their anticipated conversion. A purchase of the Notes may result in adverse tax consequences to Purchasers, including withholding taxes, income taxes and tax reporting requirements. Each Purchaser should consult with and must rely upon the advice of its own professional tax advisors with respect to the United States and non- U.S. tax treatment of a purchase of the Notes.

**Risks Associated with the EarthCycle Technology**

***The EarthCycle Technology may not be widely adopted and may have limited users.***

It is possible that the EarthCycle Technology will not be used by a large number of individuals, companies or other entities, and/or that there will be limited public interest in the creation and development of distributed ecosystems (such as the EarthCycle Technology) more generally or distributed applications to be used on the EarthCycle Technology. Such a lack of use or interest could negatively impact the development of the EarthCycle Technology and therefore the potential utility of Company’s planned use of Tokens.

***Alternative solutions and technologies may be established that compete with or are more widely used than the EarthCycle Technology.***

It is possible that alternative networks could be established that utilize the same or similar open source code and protocol underlying the EarthCycle Technology and attempt to facilitate services that are materially similar to our EarthCycle Technology’s services. The EarthCycle Technology may compete with these alternative networks, which could negatively impact the EarthCycle Technology and the Tokens.

***The structure of the EarthCycle Technology protocol means that the EarthCycle Technology may be susceptible to developments by users or contributors that could damage the EarthCycle Technology and the Company’s reputation and could affect the utilization of the EarthCycle and its offerings.***

The EarthCycle Technology will partially operate based on some open-source protocols maintained by the Company and other contributors. As a partially open source project, the EarthCycle Technology will not be represented, maintained or monitored by an official organization or authority. The open-source nature of the EarthCycle Technology protocol means that it may be difficult for the Company or contributors to fully maintain or develop the EarthCycle Technology and the Company may not have adequate resources to address emerging issues or malicious programs that develop within the EarthCycle Technology adequately or in a timely manner. Third parties not affiliated with the Company may introduce weaknesses or bugs into the core infrastructure elements of the EarthCycle Technology and open-source code which may negatively impact the EarthCycle Technology. Such events may result in a loss of trust in the security and operation of the EarthCycle Technology and a decline in user activity and could negatively impact the market price of the Tokens. EarthCycle uses full continuous integration and API test coverage, including unit, regression, fuzz, and penetration testing, as well as static and dynamic analysis to mitigate this risk.

***The EarthCycle Technology may be the target of malicious cyber-attacks or may contain exploitable flaws in its underlying code, which may result in security breaches and the loss or theft of Tokens. If the EarthCycle Technology’s security is compromised or if the EarthCycle Technology is subjected to attacks that frustrate or thwart our users’ ability to access the EarthCycle Technology, their Tokens or the EarthCycle Technology products and services, users may cut back on or stop using the EarthCycle Technology altogether, which could seriously curtail the utilization of the Tokens and cause a decline in the market price of the Tokens.***

The EarthCycle Technology’s structural foundation, the open-source protocol, the software application and other interfaces or applications built upon the EarthCycle Technology are still in an early development stage, and there can be no assurances that the EarthCycle Technology and the creating, transfer or storage of the Tokens will be uninterrupted or fully secure which may result in a complete loss of users’ Tokens or an unwillingness of users to access, adopt and utilize the EarthCycle Technology. Further, the EarthCycle Technology may also be the target of malicious attacks seeking to identify and exploit weaknesses in the software or the EarthCycle Technology which may result in the loss or theft of Tokens. For example, if the EarthCycle Technology is subject to unknown and known security attacks (such as double-spend attacks, 51% attacks, or other malicious attacks), this may materially and adversely affect the EarthCycle Technology. In any such event, if the launch of the EarthCycle Technology does not occur or if the EarthCycle Technology is not widely adopted, Purchasers may lose all of their purchase. EarthCycle uses full continuous integration and API test coverage, including unit, regression, fuzz, and penetration testing, as well as static and dynamic analysis to mitigate this risk.

**Risks Related to Blockchain Technologies and Digital Assets**

***The regulatory regime governing blockchain technologies, cryptocurrencies, tokens and token offerings such as the EarthCycle Technology, is uncertain, and new regulations or policies may materially adversely affect the development of the EarthCycle Technology, and as a result we may be unable to have a Qualified Financing and/or repay the Notes.***

Regulation of blockchain companies and technologies, including, but not limited to, digital wallets, atomic swap technologies and cryptocurrency exchanges as well as the offering and selling of tokens is currently in a state of transition and likely to rapidly evolve and change. Moreover, the regulatory environment varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the EarthCycle Technology, as well as the adoption, distribution and exchange of the Notes. Failure by the Company or certain users of the EarthCycle Technology to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies have begun to take interest in, and in some cases regulate, their use and operation. In the case of virtual currencies, state regulators like the New York Department of Financial Services have created new regulatory frameworks. Others, as in Wyoming, have published guidance on how their existing regulatory regimes apply to virtual currencies. Some states, like New Hampshire, North Carolina, and Washington, have amended their state's statutes to include virtual currencies into existing licensing regimes. Treatment of virtual currencies continues to evolve under federal law as well. The Department of the Treasury, the Securities Exchange Commission, and the Commodity Futures Trading Commission (“CFTC”), for example, have published some guidance on the treatment of virtual currencies. The IRS released guidance treating virtual currency as property that is not currency for US federal income tax purposes, although there is no indication yet whether other courts or federal or state regulators will follow this classification. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws.

The regulation of non-currency use of blockchain assets is also uncertain. The CFTC has publicly taken the position that certain blockchain assets are commodities, and the SEC has issued a public report stating federal securities laws require treating some blockchain assets as securities. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset, the EarthCycle Technology and the Notes may be materially and adversely affected.

Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various foreign jurisdictions may, in the future, adopt laws, regulations or directives that affect the EarthCycle Technology. Such laws, regulations or directives may conflict with those of the United States or may directly and negatively impact our business. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the EarthCycle Technology and the adoption and utility of the Notes.

New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and other jurisdictions, may materially and adversely impact the Company’s business model and hence the likelihood of our ability to have a Qualified Financing and/or repay the Notes.

***If the EarthCycle Technology is unable to satisfy data protection, security, privacy, and other government and industry-specific requirements, its growth could be harmed.***

There are a number of data, security, privacy and other government and industry-specific protections and requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises could harm the EarthCycle Technology’s reputation, erode user confidence in the effectiveness of its security measures, negatively impact its ability to attract new users, or cause existing users to stop using the EarthCycle Technology. As a result, the likelihood of a Qualified Financing and/or the ability of the Company to repay the Notes will be substantially reduced or eliminated.

***The further development and acceptance of blockchain technology, including the EarthCycle Technology, are part of a new and rapidly changing industry, and thus are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the EarthCycle Technology and the ability of the Company to repay the Notes.***

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

* Worldwide growth in the adoption and use of Bitcoin, Ether and other blockchain technologies;
* Government and quasi-government regulation of Bitcoin, and other blockchain assets and their use, or restrictions on or regulation of access to and operation of blockchain networks or similar systems;
* The maintenance and development of the open-source software protocol of the Bitcoin networks;
* Changes in consumer demographics and public tastes and preferences;
* The availability and popularity of other forms or methods of buying and selling goods and services, or trading assets including new means of using fiat currencies or existing networks;
* General economic conditions and the regulatory environment relating to cryptocurrencies; or
* A decline in the popularity or acceptance of Bitcoin or other blockchain-based Notes would adversely affect our results of operations.

The slowing or stopping of the development, general acceptance, adoption, and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the EarthCycle Technology and the ability of the Company to repay the Notes.

***The prices of blockchain assets are extremely volatile. Fluctuations in the price of digital assets could materially and adversely affect our business, and the value of the Token offerings of third parties which the EarthCycle Technology is designed to facilitate may adversely impact our operations.***

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

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

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

# MANAGEMENT

The Company is currently governed by a Board of Directors and lead on a day-to-day basis by Dakota Kaiser, CEO.

Our team holds deep expertise in Dakota please insert (e.g., impact investing, distributed systems, cryptography, platform development, blockchains, security, fintech, economics, software engineering, scaling transactions, and open source software development). The team includes:

Dakota please insert bios of management, directors and advisors. Please ensure that all such parties have executed the applicable IC/IP Agreements and/or Director/Advisor Agreements.

In addition to this Memorandum, it is critical that you to read the current draft of the Company’s Presentation, in substantially the form attached to this Memorandum as Exhibit C attached to this Memorandum.

# LEGAL MATTERS

Neither the Company nor any of its key managers or employees, are now, or have within the past five (5) years been, involved in any material litigation, arbitration, bankruptcy or have been convicted of a felony.

# ESTIMATED USE OF PROCEEDS

 The following table sets forth certain information concerning the estimated use of proceeds of the Offering:

|  |  |  |
| --- | --- | --- |
| **Gross Offering Proceeds[[1]](#footnote-2)** | $5,000,000  | 100.00% |
|  Organization, Legal, Tax and Offering Expenses[[2]](#footnote-3) | $250,000  | 5.00% |
|  Fundraising Expenses | $250,000 | 5.00% |
| **Total Organizational and Offering Expenses and Fees** | **$500,000** | **10%** |
| **Available for Investment in EarthCycle Technology Design, Development & Marketing[[3]](#footnote-4)** | **4,500,000** | **90.00%** |
| **Total Application of Proceeds** | **$5,000,000**  | **100.00%**  |
|  |  |  |

# ADDITIONAL INFORMATION

The Company will answer inquiries from potential Purchasers in the Notes concerning this Offering, the Company, and other matters relating to the offer and sale of the Notes under this Memorandum. The Company will afford potential Purchasers of the Notes the opportunity to obtain any additional information to the extent the Company possesses such information or can acquire such information without unreasonable effort or expense that is necessary to verify the information in this Memorandum.

All potential Note Purchasers are entitled to review copies of any other material or non-material agreements relating to the Notes described in this Memorandum, if any. In the Subscription Agreement, each Purchaser will represent that they are completely satisfied with the results of their pre-purchase due diligence activities. Additional information is available from the Company.

The Company will provide Purchasers with annual unaudited financial statements, upon a Purchaser’s request, that have been prepared on the basis of Federal income tax requirements and examined and reported on in accordance with generally accepted auditing standards by an independent certified public accountant; provided, however, that the Company may, in its sole discretion, determine at any time that it is necessary to audit some or all of said financial statements, and, in such a case, shall provide any such audited statements to Purchasers.

If you have additional questions about this Offering, please contact Dakota Kaiser, CEO, via Email: dakotajameskaiser@gmail.com, US Mail: [Address], or Phone: (657) 200-8931‬.‬‬‬‬‬‬‬‬‬‬‬‬‬‬‬‬‬

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

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY PURCHASERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PURCHASERS UNDER THE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF INVESTMENTS IN THE COMPANY; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.**

**THE TAX TREATMENT OF THE SECURITIES AND THE CONVERSION PROVISIONS CONTAINED HEREIN IS UNCERTAIN AND THERE MAY BE ADVERSE TAX CONSEQUENCES FOR PURCHASERS UPON CERTAIN FUTURE EVENTS. A PURCHASE OF SECURITIES PURSUANT THERETO MAY RESULT IN ADVERSE TAX CONSEQUENCES TO PURCHASERS, INCLUDING WITHHOLDING TAXES, INCOME TAXES AND TAX REPORTING REQUIREMENTS. EACH PURCHASER SHOULD CONSULT WITH AND MUST RELY UPON THE ADVICE OF ITS OWN PROFESSIONAL TAX ADVISORS WITH RESPECT TO THE UNITED STATES AND NON-TAX TREATMENT OF AN INVESTMENT IN THE NOTES AND THE RIGHTS CONTAINED THEREIN.**‬‬‬‬‬‬‬‬‬‬

# HOW TO SUBSCRIBE

If you are interested in subscribing for the Notes, you must carefully read this Memorandum. Then you must complete, execute and deliver, in full, all documents in the Subscription Package which is attached as Exhibit A to this Memorandum, along with one hundred percent (100%) of the purchase price for the Notes you are purchasing. You must also submit the documentation specified in the Subscription Agreement to Company’s designated third-party verification provider identified therein, or subsequently provided by Company, to verify your status as an Accredited i\Investor.

By executing the Subscription Agreement, you will attest that, in addition to the representations contained in the Subscription Package, you:

* have received and read this Memorandum;
* agree to assume all risks stated in this Memorandum and all documents attached hereto;
* meet the Company’s Accredited Investor and other suitability standards;
* are purchasing the Notes for your own account and accept and agree to the terms of this Offering;
* acknowledge that there is no public or future market for the Notes;
* if a Purchaser is an entity, the entity must represent that the Purchaser’s purchase of the Notes is permissible and complies in all respects with laws applicable to such Purchaser and that its purchase of the Notes has been duly authorized;
* if an employee benefit plan, foreign plan, IRA, Keogh plan or other employee benefit account or arrangement, acknowledge and agree that the Company and/or its Affiliates will not have any direct fiduciary duty to, or relationship with you, and that the assets of the Company will not be considered “plan assets” and will not be subject to any fiduciary or purchase restrictions under any pension code applicable to you;
* agree to fully cooperate with the Company’s financial institution in compliance with the Bank Secrecy Act and its implementing anti-money laundering rules as well as the know your customer requirements of the Company’s financial institution; and
* are in compliance with all of the applicable laws and regulations of the United States, including the USA Patriot Act, and are not on any governmental authority watch list.

The Company includes these representations in its Subscription Agreement in order to prevent persons who do not meet its suitability standards or other purchase qualifications from subscribing to the Notes.

Subscriptions will be effective only when the Company accepts them, and the Company reserves the right to reject any subscription in whole or in part, in its sole and absolute discretion. If a subscription is not accepted, any funds submitted will be returned promptly to the prospective Purchaser. After the Company (1) verifies that the Purchaser has met all suitability standards including, but not limited, to Accredited Investor status, and (2) accepts a subscription, Purchasers will be issued the Notes pursuant to their subscription and the terms and conditions contained in this Memorandum and the Subscription Package.

In the event the Company does not accept a prospective Purchaser’s subscription for the Notes for any reason, the Company will cause to be returned any funds submitted by such Purchaser promptly following the date such determination is made by the Company.

*[End of Document – Exhibits Follow]*

**EXHIBIT A**

**Note Purchase Agreement and Form of Convertible Note**

**Exhibit B**

**Subscription Package**

**Exhibit C**

**EarthCycle Presentation**

1. The costs shown in this Estimated Use of Proceeds are based on expectations for the total costs to subscribe and close the Offering and deploy the capital for its intended purposes. Because actual costs may vary from the budgeted amount, the Company may use excess funds in one category to cover a shortage in another category [↑](#footnote-ref-2)
2. The Company will be entitled to reimbursement for expenses incurred and advanced prior to this Offering in connection with the Company’s organizational and offering expenses (“**Organization and Offering Expenses**”). These expenses shall include, but are not limited to, legal expenses and accounting expenses associated with the Offering, as well as expenses in connection with founding, organizing and structuring additional entities, including, but not limited to, offshore entities, engaging in syndication and fundraising activities, travel, entertainment and paying for persons (including contractors and vendors) for early development of the white paper and business strategy. Actual Organization and Offering expenses may vary from the budgeted amount shown. [↑](#footnote-ref-3)
3. These proceeds are intended to be used for operational overhead, development and marketing including, but not limited to, in the discretion of Company, salaries, consultants, advisors, rent, insurance, infrastructure, IT, travel, entertainment, legal, accounting, software, communications, equipment, furniture, recruiting, quality assurance, testing, marketing, licensing and IP protection. [↑](#footnote-ref-4)