LEGAL OPINION

THE PROJECT: GODE CHAIN PLATFORM

Legal Kornet

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I. Introduction

This legal opinion will focus on United States federal security laws.

Based on our analysis of the current case law, regulations of the competent governmental institutions in different parts of the world, including such agencies as the SEC (Security and Exchange Commission), CFTC (Commodity Futures Trading Commission), MAS (Monetary Authority of Singapore), or ECB (European Central Bank), as well as based on various facts and materials derived from a plethora of ICOs conducted in different parts of the world, we come to the conclusion that the appropriately designed token may not entail risks of being recognized as an investment instrument.

Nevertheless, we cannot provide a thorough review of the token's compliance with the regulatory regime of each jurisdiction. Hence, in this legal opinion we will focus on United States security laws.

This legal opinion concerns the verification of a token (hereinafter - **"Token"** or **"GODE"**) presented by the Founders of the Project (hereinafter also **"Company"**) on their website located at http://gode.vip/, which is available to the general public with certain restrictions that may be imposed by the Company from time to time, (hereinafter **"Platform"**, **"Project"** or **"GODE CHAIN Project"**) as to whether such a token can be considered a security under United State Federal Securities Laws.

It should be noted that the legal analysis herein may be updated in the future as the law in this area continues to develop. Furthermore, the below analysis is strictly theoretical, as no cases, of which we are aware and that are relevant to the subject matter, have been tested in US courts as of the date of preparation.

II. Security Law Framework for Blockchain Tokens in Light of SEC Report

In re SEC v C.M. Joiner Leasing Corp., 320 U.S..344, 351 (1943) it is established that

"The reach of the Securities Act does not stop with the obvious and commonplace. Novel, uncommon, or regular devices, whatever they appear to be, are also reached if it be proved as a matter of fact that they were widely offered or dealt in under terms or courses of dealing which established their character in commerce as "investment contract", or any interest or instrument commonly known as security."

The same was held in Reves v. Ernst and Young, 494 U.S. 56, 61 (1990):

"Congress purpose in enacting the securities laws was to regulate investments, in whatever form they are made and whatever name they are called".

The US Securities and Exchange Commission (hereinafter the "Commission" or "SEC") adheres to this position and declares that any new forms of investments via smart contracts or blockchain technology fall under the purview of US federal securities laws and on July 25, 2017, it issued a Section 21(a) investigative report, Release No. 81207 on investigation of DAO case. Among others, the aforementioned SEC report distinguishes projects where tokens represent securities as described above.

Hence, in this analysis, we shall investigate and provide our legal opinion as to whether the GODE is a type of an investment vehicle that triggers relevant federal security law provisions of the United States.

III. Security Law Analysis for the GODE CHAIN PROJECT and Its Token

Understanding the model of the Project's work will help us to understand the nature of GODE Token. Therefore, we start with the fact-based part of the analysis of this Legal Opinion with an attempt to delve into the matter of business, which is not possible without comprehending the difficulties the system users are trying to overcome, and to reveal solutions the GODE CHAIN Project itself suggests in the White Paper. For the purpose of this analysis, we have examined the White Paper (hereinafter the "WP") of the Project.

DFTZ FOUNDATION PTE. LTD. is a company incorporated under the laws of Singapore that develops the Platform that we are considering under this legal opinion.

The White Paper contains information on the problems faced by blockchain technology users. According to the Company, such problems as *«high cost, high latency, cross-chain operation»* can significantly limit the development of the blockchain.

The Company declares that the GODE CHAIN Platform can be a solution to these problems. WP advises that the solution offered by the Company is to enhance connectivity, exchange information and increase transparency. At the heart of the Project ecosystem is blockchain technology that will allow any interested parties to connect, share and transact in cryptocurrency based on GODE CHAIN in a decentralized network.

«Gode Chain is a new generation blockchain protocol that unites the entire dedicated blockchain network so that they can operate seamlessly together on a large scale.»

According to WP, the Platform integrates the best features of multiple blockchains to provide users with trust-free interchain transactability, as well as secure transactions.

«Compared with existing and traditional networks, the design of Gode Chain has several obvious advantages, including heterogeneous sharding, scalability, upgradeability, transparent governance and cross-chain composability.»

Based on the WP and information provided by the Company:

a) in connection with the Project, the Company has distributed or will distribute a fixed number of Tokens to buyers by selling such Tokens;

b) Tokens perform the following functions:

(1) Tokens can be used as national currency in the payment infrastructure built into the Project, which allows Users to pay for services provided on the Platform;

«The Gode token will be the fuel for the network to produce new blocks as well as fees for computation for sending payments and executing smart contracts.»

(2) Token holders can use GODE to participate in the development and change of the Platform;

«All token holders can propose changes to the protocol or vote on existing proposals.»

(3) the Company declares that Tokens can be used by participants for staking.

«Gode Chain tokens serve three different purposes: network governance, staking, and binding.»

Note that we prepared and introduced here only the core features of the Project that will help us to analyze the GODE Token for the Howey Test.

In rendering this Opinion, we have made the assumptions (without enquiry) as set out in Appendix 1 of this Opinion ("Assumptions"). This Opinion is also subject to the qualifications as set out in Appendix 2 of this Opinion (the "Qualifications").

At this stage, we begin our assessment with the main participants of the Platform in order to understand the relationship between the Company on the one hand, and the GODE users (platform participants), on the other hand. With this in mind, it is fair to state that the relationship between the GODE users referred to above will ultimately determine the relationship between the GODE users and the Project Company, and as a consequence, these relationships will lead to the final conclusion of this Legal Opinion.

There are several core participants in the Platform: This concept of participants division is very general and introduced here only for the purposes of this Legal Opinion.

GODE CHAIN Platform target participants:

- Company;

  According to the information provided by the Company in the WP of the Project, the Company is a separate category of participants in the Platform. We believe that the Company is primarily concerned with organizational and technical issues that affect the current operation of the Platform and its development.

  So, despite a certain degree of decentralization inherent in the Project, the Company controls the operation of the Platform, monitors the work of Tokens, makes changes to WP and other documents of the Platform.

- Users;

  Project Users are participants interested in the most profitable use of cryptocurrencies and blockchain technology.

According to the data provided in the White Paper, the Platform has several main categories of Users: participants interested in the security and fast execution of transactions using the advantages of blockchain technology; certifier «is a stakeholder who contributes to the verifier's security deposit»; the transaction wrapper is a contributor that helps the validator create valid parachain blocks; validators place tokens by verifying evidence from packers and engaging in consensus with other validators; the inspector monitors the network and informs the validators about the detected illegal actions.

«Unlike the other two active parties, inspector has no direct relationship with the block authoring process.»

The analysis of the Project allows us to conclude that all participants of the Platform are actively involved in the development of the Platform, since the more people become Users of the Platform, the more complex and flexible the Platform becomes. This finding also applies to the Platform mechanism. At the same time, Users performing transactions using the token and the Platform can determine its shortcomings and functions, which, in turn, may affect the further development and improvement of the Platform.

Obviously, no legal opinion on the Howey Test may obviate the token analysis and we will scrutinize it not only in this part hereof. Only ensuring a practical use at the time of launch is insufficient to remove the token from the securities laws. However, we describe what we have in our case.

The liquidity comes with the risk of the SEC determination that the initial offering of the token may be a security offering. Any effort to create a secondary market significantly increases the likelihood that the SEC will deem the token sale to be a securities offering.

In this regard the SEC may question why tokens are sold to those who have no use for them and may have a compelling argument that the tokens could only have been sold as an investment vehicle in those specific situations).

A. Certain Considerations Related to the Decentralized Features of the Project

Despite the fact that review and legal research on the matter related to whether the Project itself constitutes a decentralized application and the extent to which it may be considered as decentralized could add more value to and strengthen the conclusions made this Legal Opinion, we have not been asked to perform such research and, therefore, such analysis is out of scope of this letter.

B. *The Howey Test and Its Adoption by the Federal Courts (will be analysed further to the case)*

In accordance with Section 2(a)(1) of the federal Securities Act of 1933 (hereinafter the "**Securities Act**" or "**Security Law**"), a security is:

"any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement … investment contract … or, in general, any interest or instrument commonly known as a 'security', or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of."

The federal Exchange and Securities Acts tend to control issuing of securities and to testify particular interests attached to them. However, the Securities Act promotes a priority of the substance over the form. Therefore, if the Commission reveals any type of cooperation promising any future profits merely out of signing particular contract, it may investigate the case and declare this contract a security. Under such circumstances, promoters of such instrument shall disclose particular information and submit it to the SEC.

The Supreme Court case for determining whether an instrument meets the definition of a security is SEC v. Howey, 328 U.S. 293 (1946). In that case, a promoter offered to purchase certain services (cultivation of land) for the fixed price and cost of services. The promoter was delegated to distribute the net profits derived from the sale of fertile land among the holders of land plots during the harvesting period. There were only 42 investors interested in purchasing the land.

The Court construes the *"investment contract"* term within the definition of a security and notes that it has been used to classify those instruments that are of a *"more variable character"* that may be considered as a form of *"contract, transaction, or scheme whereby an investor lays out money in a way intended to secure income or profit from its employment."* 11 Howey, 328 U.S. at 298; Golden v. Garafolo, 678 F.2d 1139, 1144 (2d. Cir. 1982).

More specifically, the court comes to the conclusion that the contract between the promoter and investor constitutes an investment contract. The court explains the definition of the security transaction as follows:

"a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party."

Moreover, the court said that this definition was "*crystallized*" in the state courts cases long before adoption of the federal act. The Supreme Court continues that the term

"had been broadly construed by state courts so as to afford the investing public a full measure of protection. Form was disregarded for substance and emphasis was placed on economic reality."

The Court stated that its definition of investment contracts

"embodies a flexible rather than a static principle, one that is capable of adaptation to meet the countless and variable schemes devised by those who seek the use of the money of others on the promise of profits."

Eventually, to determine that this is an investment contract, the court has to establish that the following applies: (i) *investment of money*; (ii) *common enterprise*; (iii) *expectation of profits*; (iv) *solely from the efforts of others* (e.g., from a promoter or third party).

With regard to the first prong *"investment of money"*, there is no basis for disagreement. The only issue that may arise here is whether cryptocurrency may constitute viable consideration interest in lieu of the obtained interests attached to the token. This issue is addressed by the Supreme Court itself holding that the first prong requires only

"tangible and definable consideration in return for an interest that had substantially the characteristics of a security."

One of the legal issues related to the "*investment of money*" criterion, owed to blockchain technologies, is that there could be smart contracts that are acting autonomously and independently: cryptocurrency may be transferred to one contract while tokens, in lieu thereof, will be transferred ("*airdropped*") by another smart contract.

However, the Supreme Court fails to specify the definition of a common enterprise. Federal Court developed two different concepts to analyze underlying contractual relationships of the parties. The first doctrine is "*horizontal commonality"* and the second is "*vertical commonality"*.

Horizontal commonality is found when a) investors' contributions are pooled together (and according to some courts, there is a pro rata sharing of profits) and b) the fortune of each investor depends on the success of the overall enterprise.

In contrast, vertical commonality presupposes that common enterprise may be found where the investors' fortune is dependent on the expertise of the promoter or third parties. In case of narrow vertical commonality, investors' profits shall be tied to the profits of promoters.

It is not necessary that the funds of investors are pooled; what must be shown is that the fortunes of the investors are linked with those of the promoters, thereby establishing the requisite element of vertical commonality. Thus, a common enterprise exists if a direct correlation has been established between success or failure of the promoter's efforts and success or failure of the investment.

According to this view, the test is satisfied if the promoter and the investor are both exposed to risk and the profits and losses of investor and promoter are correlated.

In broad vertical commonality, investors' success depends on the efficacy of the managers or third parties. Both the Fifth Circuit and the Eleventh Circuit follow this view. If the investor relies on the promoter's expertise, then the transaction or scheme represents a common enterprise and satisfies the second prong of the Howey Test.

As mentioned above, the circuits now disagree over the term *"common enterprise"*.

The third prong is an *"expectation of profit derived from the entrepreneurial or managerial efforts of others"*. Analyzing this prong, courts consider whether potential investors expect to receive profits 1) from their own efforts (use of rights or services obtained from promoters) or 2) from the efforts (managerial expertise) of the founders.

Even though in re Howey, the Court used the phrase "solely" from the efforts of others, the lower courts relaxed this prong, adopting concepts of "*undeniably significant"* or "*predominantly*" (Rivanna Trawlers Unlimited v. Thompson Trawlers, Inc., 840 F.2d 236, 240 n.4 (4th Cir. 1988) SEC v. Life Partners, Inc., 87 F.3d 536, 545 (D.C. Cir. 1996); SEC v. Int'l Loan Network, Inc., 968 F.2d 1304, 1308 (D.C. Cir. 1992). SEC v. Koscot Interplanetary, Inc., 497 F.2d 473, 483 (5th Cir. 1974) (quoting SEC v. Glenn W. Turner Enters., Inc., 474 F.2d 476, 482 (9th Cir. 1973).

In United Housing Foundation, Inc. v. Forman, the Supreme Court stated, *"The touchstone is the presence of an investment in a common venture premised on a reasonable expectation of profits to be derived from the entrepreneurial or managerial efforts of others."* 421 U.S. 837, 852 (1975).

Since that time, some courts are investigating whether there is de minimis efforts of investors and whether efforts of them are insubstantial factor for the investor to participate in the contract.

Other courts have a look whether the efforts of offerors of the contract are predominant and more significant in comparison with those of investors in light of future expectation of profits or that efforts of those other than the investors are *"the undeniably significant ones"*.

Finally, some courts hold that the fourth prong is satisfied when the expectations of profits derive from the managerial and entrepreneurial efforts of the offerors, *"in unspecified measure and unspecified comparative weight as to the relative significance with investors' efforts and offerors' or third parties' efforts."*

C. *Considerations of DAO Case by the Securities and Exchange Commission.*

Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: the DAO (hereinafter the **"DAO case"** or **"Report"** or **"Investigation"**) is the first investigation of the Commission in attempt to provide the ICO market with an interpretation or application of the US Security regulations (Securities Act of 1933) to a new paradigm of decentralized economy with the *"rule of code"*.

"The investigation raised questions regarding the application of the U.S. federal securities laws to the offer and sale of DAO Tokens, including the threshold question whether DAO Tokens are securities. Based on the investigation, and under the facts presented, the Commission has determined that DAO Tokens are securities under the Securities Act of 1933 ("Securities Act") and the Securities Exchange Act of 1934 ("Exchange Act")."

The Report revealed that tokens introduced by the DAO were security instruments, hence are subject to the federal securities laws. Among others, the Report claims that blockchain technology-based securities must be registered unless a valid exemption applies. Those participating in unregistered offerings may be liable for violations of the securities laws.

The Commission confidently stresses that federal law shall be equally applied as to conventional corporations issuing investment instruments as to virtual structures such as decentralized autonomous organizations – the DAO.

The four cornerstones formed by the US judicial law shall be intact. And in this regard, the Report looks at the DAO Token through the prism of four elements of the well-known Howey Test: investment of money in a common enterprise for the expectation of profits solely from the managerial efforts of others.

As it is stated in the Investigation:

"This Report reiterates these fundamental principles of the U.S. federal securities laws and describes their applicability to a new paradigm—virtual organizations or capital raising entities that use distributed ledger or blockchain technology to facilitate capital raising and/or investment and the related offer and sale of securities.

The automation of certain functions through this technology, "smart contracts,"3 or computer code, does not remove conduct from the purview of the U.S. federal securities laws.4 This Report also serves to stress the obligation to comply with the registration provisions of the federal securities laws with respect to products and platforms involving emerging technologies and new investor interfaces."

Without any doubt, DAOs have dramatic effect on legal reasoning as to whether a token is a security instrument. This Legal Opinion is not an exception, as it will apply conclusions of the Commission and the four-prong test.

It is clearly stated in the Report that registration of securities is required for the purposes of full disclosure of information to the investors. Such disclosure enables purchasers to make a considerable decision and facilitates legal scrutiny for investor protection.

Section 5 of the Securities Act declares:

"The registration provisions of the Securities Act contemplate that the offer or sale of securities to the public must be accompanied by the "full and fair disclosure" afforded by registration with the Commission and delivery of a statutory prospectus containing information necessary to enable prospective purchasers to make an informed investment decision. Registration entails disclosure of detailed "information about the issuer's financial condition, the identity and background of management, and the price and amount of securities to be offered …"

The DAO is a drastic example that was used by the founders as a representation of a "virtual" organization incorporated in a form of a code. The DAO was thought as a for profit organization that emits tokens to investors in order to form a corpus of assets that would be then used to fund "projects".

Prospective holders of DAO tokens are supposed to share earnings from these projects as a return on their investment in DAO tokens. In addition, DAO token holders could monetize their investments re-selling tokens on a number of web-based platforms that supported secondary trading in the DAO Tokens.

"DAO Token holders were not restricted from re-selling DAO Tokens acquired in the offering, and DAO Token holders could sell their DAO Tokens in a variety of ways in the secondary market and thereby monetize their investment as discussed below. Prior to the Offering Period, Slock.it solicited at least one U.S. web-based platform to trade DAO Tokens on its system and, at the time of the offering, The DAO Website and other promotional materials disseminated by Slock.it included representations that DAO Tokens would be available for secondary market trading after the Offering Period via several platforms.

During the Offering Period and afterwards, the Platforms posted notices on their own websites and on social media that each planned to support secondary market trading of DAO Tokens."

"For example, customers of each Platform could buy or sell DAO Tokens by entering a market order on the Platform's system, which would then match with orders from other customers residing on the system. Each Platform's system would automatically execute these orders based on pre-programmed order interaction protocols established by the Platform."

DAO construction was built in a way to allow any DAO token holder to have a vote right for a project that would promise certain investment returns. Each action of a token holder was executed via a smart contract

"According to the White Paper, in order for a project to be considered for funding with "a DAO [Entity]'s [ETH]," a "Contractor" first must submit a proposal to the DAO Entity. Specifically, DAO Token holders expected Contractors to submit proposals for projects that could provide DAO Token holders returns on their investments. Submitting a proposal to The DAO involved: (1) writing a smart contract, and then deploying and publishing it on the public ledger."

The Report starts its legal analysis by applying each element of the Howey Test. The first one is straightforward. Each DAO participant invests a certain amount of funds to acquire tokens that would provide him with ownership rights and the right to vote in a project that promises to be profitable. Hence, the Commission finds the first element of the Howey Test to be satisfied.

"In exchange for ETH, The DAO created DAO Tokens (proportional to the amount of ETH paid) that were then assigned to the Ethereum Blockchain address of the person or entity remitting the ETH. A DAO Token granted the DAO Token holder certain voting and ownership rights. According to promotional materials, the DAO would earn profits by funding projects that would provide DAO Token holders a return on investment."

The second element was found to be positive as well since the DAO was clear in its intentions and provided on its website information on the for profit purpose of organization.

"[P]rofits" include "dividends, other periodic payments, or the increased value of the investment." Edwards, 540 U.S. at 394. As described above, the various promotional materials disseminated by Slock.it and its cofounders informed investors that The DAO was a for-profit entity whose objective was to fund 12 projects in exchange for a return on investment. 35 The ETH was pooled and available to The DAO to fund projects."

The final element has been met as token holders were fully reliant on the actions of third parties.

"Investors in The DAO reasonably expected Slock.it and its co-founders, and The DAO's Curators, to provide significant managerial efforts after The DAO's launch. The expertise of The DAO's creators and Curators was critical in monitoring the operation of The DAO, safeguarding investor funds, and determining whether proposed contracts should be put for a vote."

D. Consideration of Munchee Case by the Securities and Exchange Commission.

After the DAO Report the next case of a paramount importance is the cease-and-desist order (hereinafter – the **"Order"**) against a Californian corporation, Munchee Inc. (hereinafter – **"Munchee"**) where the latter was declared to be a company that organized the unregistered sale of security instruments.

After the Howey Test scrutiny, the Commission found that Munchee tokens did not satisfy the third and fourth element of the test. The SEC implications in Munchee`s Order has a long-standing effect on the legal reasoning applied to the tokens of any ICO project.

Thereby the SEC has sent a clear message that it will take substantial approach to any ICO project.

That said, factual actions of a company may implicate that tokens are contemplated to be traded on a secondary market. For instance, if it is marketed beyond the targeted audience or burned for its price appreciation or endorsed for third-party statements on token attraction for investment purposes. All these factors though not being explicitly stated shall be weighted in every ICO project, and in this Legal Opinion we analyze this fact pattern also.

Munchee created an iPhone application for people to review restaurant meals. In October and November 2017, Munchee arranged offering the digital tokens (hereinafter – **"MUN"** or **"MUN token"**) to be issued on a blockchain.

Munchee offered MUN tokens to raise about $15 million in capital so that it could, firstly, improve its existing application and, secondly, recruit application users (restaurants) to purchase advertisements, write reviews, post photographs or to buy food and conduct other transactions using MUN. The company communicated through its website, a white paper, and other means that it would use the proceeds to create the platform.

The SEC has investigated in the Order that in the white paper Munchee ensured investors that token shall be listed on several prominent US exchange markets or at least it will take all reasonable steps for that. Then, the trade has occurred far beyond the US while the visitors of the restaurant were in the California.

What is more, Munchee declared support of token price appreciation. Hence, any prospective token holder may reasonably believe that their investments in tokens could generate a considerable profit. The following is stated in the Order by the SEC:

"In the MUN White Paper, Munchee stated that it would work to ensure that MUN holders would be able to sell their MUN tokens on secondary markets, saying that "Munchee will ensure that MUN token is available on a number of exchanges in varying jurisdictions to ensure that this is an option for all token-holders."

"Munchee represented that MUN tokens would be available for trading on at least one U.S.-based exchange within 30 days of the conclusion of the offering. It also stated that Munchee would buy or sell MUN tokens using its retained holdings in order to ensure there was a liquid secondary market in MUN tokens."

In the white paper Munchee has tried to persuade investors that it would run its business in a way that would cause MUN tokens to rise in value. The so-called platform is structured to burn tokens taking them out of circulation and thereby raising their price. Or, in another case, it was stated in the white paper that the holder of more tokens would be rewarded with a major number of tokens.

Besides that, the SEC defined that despite of Munchee statements in the white paper, no economic circulation has finally occurred within the platform. Thereby, it may be concluded that Munchee artificially intensified appreciation of token value. The following is stated in the Order of the Commission:

"In the MUN White Paper, on the Munchee Website and elsewhere, Munchee and its agents further emphasized that the company. First, Munchee described a "tier" plan in which the amount it would pay for a Munchee App review would depend on the amount of the author's holdings of MUN tokens.

For example, a "Diamond Level" holder having at least 300 MUN tokens would be paid more for a 5 review than a "Gold Level" holder having only 200 MUN tokens. Also, Munchee said it could or would "burn" MUN tokens in the future when restaurants pay for advertising with MUN tokens, thereby taking MUN tokens out of circulation. Munchee emphasized to potential purchasers how they could profit from those efforts: While Munchee told potential purchasers that they would be able to use MUN tokens to buy goods or services in the future after Munchee created an "Platform," no one was able to buy any good or service with MUN throughout the relevant period."

As follows from the Order, the Munchee marketing campaign was aggressively designed as to deliver to investors an idea that MUN will be traded on a secondary market with an exponential growth. The more actively Munchee echoes this message, the less meaningful the economical use of the platform becomes. The SEC has traced the following blog post commercials that among others proves investors' expectations of profits.

"Munchee published a blog post on October 30, 2017 that was titled "7 Reasons You Need To Join The Munchee Token Generation Event." Reason 4 listed on the post was "As more users get on the platform, the more valuable your MUN tokens will become" and then went on to describe how MUN purchasers could "watch their value increase over time" and could count on the "burning" of MUN tokens to raise the value of remaining MUN tokens."

Munchee underlines the strong linkage between the number of participants, building of the platform and growth of MUN token value.

"Similarly, on or about October 23, 2017, one of Munchee's founders described the opportunity on a podcast about the MUN offering: So they [users] will create more quality content to attract more restaurants onto the platform.

So the more restaurants we have, the more quality content Munchee has, the value of the MUN token will go up – it's like an underlying incentive for users to actually contribute and actually build the community."

What is more, Munchee was negligent to endorse third party statements that touted the opportunity to profit.

"On October 25, 2017, Munchee created a public posting on Facebook, linked to a third-party YouTube video, and wrote "199% GAINS on MUN token at ICO price! Sign up for PRE-SALE NOW!" The linked video featured a person who said "Today we are going to talk about Munchee. Munchee is a crazy ICO.

If you don't know what an ICO is, it is called an initial coin offering. Pretty much, if you get into it early enough, you'll probably most likely get a return on it."

This person went on to use his *"ICO investing sheet"* to compare the MUN token offering to what he called the *"Top 15 ICOs of all time"* and *"speculate[d]" that a $1,000 investment could create a $94,000 return."*

Finally, the MUN token marketing campaign strengthened beyond the United States where the restaurants were not located and focused primarily on the forums of people who are interested in crypto assets investments.

"Instead, Munchee and its agents promoted the MUN token offering in forums aimed at people interested in investing in Bitcoin and other digital assets, including on BitcoinTalk.org, a message board where people discuss investing in digital assets. These forums are available and attract viewers worldwide, even though the Munchee App was only available in the United States."

Similarly, Munchee offered to provide MUN tokens to people who published promotional videos, articles or blog posts in forums such as BitcoinTalk.org or otherwise helped Munchee promote the MUN token offering. More than 300 people promoted the MUN token offering through social media and by translating MUN token offering documents into multiple languages so that Munchee could reach potential investors in South Korea, Russia, and other countries where the Munchee App was unavailable"

In conclusion and for the purposes of this Legal Opinion, we note that in accordance with the SEC position in Re Munchee any ICO project may not meet the third and fourth prong (expectation of profits solely from the managerial benefits of others) of the Howey Test if the Project represents only veil without substantial economical underlines Platform.

E. Comparison with the Verge Crypto-Currency General Partnership case

Plaintiffs Cameron James and the other plaintiffs filed their Complaint against Justin E. Valo. The case allegedly arises out of the theft of Plaintiffs' Verge virtual currency (the **"Verge Coins"**), which were themselves unregistered securities, from a smart phone "hot wallet" application called CoinPouch, that was developed and marketed by two related Texas entities that are now in bankruptcy—Touch Titans, LLC, and Touch Titan Labs, LLC.

Among others, plaintiffs claim a Defendant Valo, the Lead Developer of Verge, and the Verge Crypto-Currency General Partnership, a common law general partnership that formed to develop, market and benefit from the use of the Verge Coins (collectively the **"Partnership"**), engaged in intentional, reckless or negligent acts leading to the theft of their Verge Coins.

In accordance with the complaint, the Partnership violated Sections 5 and 12(a) of the Securities Act and the Computer Fraud and Abuse Act ("CFAA") [18 U.S.C. § 1030], in addition to other relevant Texas state law claims pleaded. The second count was securities law violation, the third count conversion, the fourth unjust enrichment, and the fifth claim was based on product liability.

For the purposes of this Legal Opinion, we consider one issue that, on our point of view, might be relevant to the fact pattern provided in the WP even though there is no court decision in the Justin E Valo case.

We do not consider how Plaintiff came to the conclusion that Verge token *is not a security* in accordance with the Howey Test, since the latter does not provide explanations on the reasoning behind the claim. However, the question we have proposed is whether the GODE CHAIN Project amounts to a partnership.

In accordance with Uniform Partnership Act of 1997 Section 202:

a) …association of two or more persons to carry on as co-owners a business for profit forms a partnership, whether or not the persons intend to form a partnership.

b) In determining whether a partnership is formed, the following rules apply:

(1) Joint tenancy, tenancy in common, tenancy by the entireties, joint property, common property, or part ownership does not by itself establish a partnership, even if the co-owners share profits made by the use of the property.

(2) The sharing of gross returns does not by itself establish a partnership, even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

(3) A person who receives a share of the profits of a business is presumed to be a partner in the business, unless the profits were received in payment:

From the uniform law provided above it can be inferred that a major difference between a partnership and other forms of incorporation related to whether and the extent to which the entire business may be declared to be a legal entity.

In this respect, it can be defined that legal entity is a separate subject of law having its own rights such as the right to own and dispose of property, to sue and be sued, and to enter into contracts. In other words, there are two separate subjects recognized by the law.

When individuals carry out a common enterprise as partners, the common law dictates that partnership does not exist. Under the common-law theory, a partnership is an aggregate word for individuals. The rights and duties recognized and imposed by common law are those of the individual partners.

Plaintiffs in their lawsuit did not unfold the doctrine of joint partnerships, but did make such a conclusion as several people were listed in the Black Paper with the main goal of investment collection: such as founders, developers, marketers.

In this respect, and considering the alleged claims to be true that people involved in building an ecosystem are those that "receives a share of the profits," members of the decentralized system could fall into the domain of Section 202 (a) (3) of the Uniform Partnership Act 1997.

Based on the WP and information provided by the Platform Company, we note that the profit sharing element is not satisfied with respect to the Project tokens because:

(a) the Functions of the Tokens do not grant users any rights to participate in or receive any profit, income or other payments by virtue of their possession of the Tokens; and

(b) although a user using the Platform may be able to receive tokens for their contribution to the Platform, such distribution of rewards and / or incentives is based on the user contributing to the Platform by providing liquidity to the Platform's liquidity pool. Accordingly, rewards and / or incentives are allocated in accordance with such contributions of such user to the Project, and not because such user owns tokens.

The GODE CHAIN Project case is different since it is more likely that tokens do not represent an investment instrument as analyzed below. Taking for granted that Tokens are not securities, we may come to the conclusion that Section 202 (a) (3) is not applicable here. Each User is not a partner to GODE CHAIN and is not promised any share in any GODE CHAIN company.

Then, unlike with the Verge Case, in the GODE CHAIN Project none of the materials identify persons involved in the promotion of the Project, its tight circle, bonds, investments interests or forms of incorporation.

Yet, the GODE CHAIN Project might fall into a "safe harbor" under section 202 (a) 2 of the Uniform Partnership Act 1997 providing the mere sharing of gross returns does not establish partnership even if the persons sharing them have a joint or common right or interest in property from which the returns are derived.

Considering all the above, we note that the Verge case is a mere claim of a Plaintiff. No decision by a competent court has yet introduced the decision and underlined its point of view, therefore this case is not decisive to this Legal Opinion.

F. Guidelines, Report on ICO and other Sources taking for Consideration in this Legal Opinion.

1) SEC's order against blockchain company Block.one. to pay $24 million penalty for unregistered ICO;

2) SEC`s order against EtherDelta for operating an unregistered exchange;

3) SEC`s order against international security-based swaps dealer XBT Corp that targeted U.S. investors;

4) SEC`s order against ICO incubator ICOBox and founder for unregistered offering and unregistered broker activity;

5) SEC`s order against Bitqy and BitqyM and its founders for defrauding investors in unregistered offering and operating unregistered digital asset exchange;

6) SEC`s order against research and rating provider ICORating for failing to disclose it was paid to tout digital assets;

7) SEC against Kik Interactive, No. 19-cv-5244 (S.D.N.Y., filed June 4, 2018);

8) SEC`s Investor Bulletin: Initial Coin Offerings, July 25, 2017;

9) SEC Investor Alert: "Bitcoin and Other Virtual Currency-Related Investments";

10) SEC Investor Alert: "Ponzi Schemes Using Virtual Currencies";

11) SEC Investor Alert: "Social Media and Investing – Avoiding Fraud";

12) SEC Investor Alert: "Public Companies Making ICO-Related Claims" Aug. 28, 2017;

13) Statement on framework for investment contract' analysis of digital assets, Bill Hinman, Director of Division of Corporation Finance Valerie Szczepanik, Senior Advisor for Digital Assets and Innovation;

14) Chairman's testimony on virtual currencies: "The Roles of the SEC and CFTC" Chairman Jay Clayton, Washington D.C., February 6, 2018;

15) Framework for "Investment Contract" Analysis of Digital Assets by the Strategic Hub for Innovation and Financial Technology.

G. Analysis Under the Howey Test

We provide our analysis of the token below based on each Howey Test factor.

(1) Investment of Money

In determining whether an investment contract exists, the investment of "money" need not take the form of cash. See, e.g., Uselton v. Comm. Lovelace Motor Freight, Inc., 940 F.2d 564, 574 (10th Cir. 1991).

"In spite of Howey's reference to an 'investment of money,' it is well established that cash is not the only form of contribution or investment that will create an investment contract."

In Re DAO Report:

*"Investors in The DAO used ETH to make their investments, and DAO Tokens were received in exchange for ETH. Such investment is the type of contribution of value that can create an investment contract under Howey. See SEC v. Shavers, No. 4:13-CV-416, 2014 WL 4652121, at *1 (E.D. Tex. Sept. 18, 2014) (holding that an investment of Bitcoin, a virtual currency, meets the first prong of Howey); Uselton, 940 F.2d at 574 ("[T]he 'investment' may take the form of 'goods and services,' or some other 'exchange of value'."*

As we can see in the case law analysis above, it was not difficult for courts to establish the *"investment money"* prong.

The public offer is not in doubt, since at the time of the preparation of the Legal Opinion, the White Book was developed by the Company. In addition, the official website of the Platform contains information about the GODE Tokens.

However, further distribution of the Tokens will ultimately be outside of the Project's control. Hence, we may treat this as broad communications to the general public. It is stated in the court's decision that Bitcoin may be used to purchase goods or services or to pay for individual living expenses. The only limitation of Bitcoin is that it is limited to those places that accept it as currency.

Since Bitcoin or any other cryptocurrency has all functions inherent to a real currency, it can be considered as the "money" when it is used as consideration in forming an investment contract.

Therefore, this element of the test is straightforward for us and points toward the GODE Tokens being an investment contract.

(2) Common Enterprise

In contrast with the *"Investment of Money"* prong, the GODE Token does not satisfy either common enterprise or vertical element of the Howey Test, subject, however, to certain presumptions made below.

In accordance with the *"Framework for Investment Contract Analysis of Digital Assets"* designed by the Strategic Hub for Innovation and Financial Technology:

"Courts generally have analyzed a "common enterprise" as a distinct element of an investment contract. In evaluating digital assets, we have found that a "common enterprise" typically exists.

Based on our experiences to date, investments in digital assets have constituted investments in a common enterprise because the fortunes of digital asset purchasers have been linked to each other or to the success of the promoter's efforts. See SEC v. Int'l Loan Network, Inc., 968 F.2d 1304, 1307 (D.C. Cir. 1992)."

We disagree.

The horizontal common enterprise is found where investors combine their investments in one pool and the fortune of each investor depends on the success of the overall enterprise. In some courts, judges are seeking to decide whether a pro rata sharing of profits takes place.

The essence of this approach is that investors are tied together in their risks either to receive or to lose everything. That is not the case in our circumstances.

It is likely that funds are pooled together because the fund initially collected by the Project from the Token purchasers are pooled and locked in the smart contract. However, the Project promotes gathering of funds not only for further development of the Platform but for marketing and development purposes also.

Another element for the horizontal common enterprise that has to be found is the dependence or, on the contrary, independence of the enterprise Company and each user. Under our circumstances, it cannot be inferred that the fortune of each investor depends on the success of the overall enterprise.

One may argue that, in respect of launching the Project, the success of each user shall indeed be equal to success of another, as the failure to develop the Platform would affect all users. However, this argument has many flaws.

We believe that with regard to the use of the Project, the participants and the Company are most likely independent. Any User of the Platform acts as an independent participant acting in their own interests. At the same time, the Platform provides technical support that participants can use to perform various operations and transactions using the capabilities and functions of the Project. Therefore, we can state that the state of each GODE User is more likely independent of the state of the Project.

Finally, the Platform is not designed to directly or indirectly share any of its profits with the users.

In the vertical enterprise test, it is not necessary that the funds of investors are pooled; what must be shown is that the fortunes of the investors are linked to those of the promoters, thereby establishing the requisite element of vertical commonality. Thus, a narrow vertical enterprise exists if a direct correlation has been established between the success and failure of the promoter's efforts and the success and failure of the investor.

The risks a GODE Users accepts are more likely of a different nature as compared with those risks that promoters incur (Company or some third parties).

The Project’s risks are associated with the inability to use funds in a way not specified in the WP, or to use them improperly, or to end up with a fiasco either with the use of funds or with the development of the system or its launch, or with the lack of a critical number of users that could increase the economy of the Project.

In all other cases, it is more likely that the promoter's risks do not correlate with those of the users. We are inclined to believe that, in general, GODE Users only face risk if the declarations contained in the WP will be not implemented.

In broad vertical commonality, investors' success depends on the efficacy of the managers or third parties. If the investor relies on the promoter's expertise, then the transaction or scheme represents a common enterprise and satisfies the second prong of the Howey Test.

The Platform may be launched by and is available for use to any allowed user, therefore, every member of the Project starts to pursue its own purposes and thus in such pursuit will face its own risks, misfortunes, and failures that would not be commingled with the fortunes of the Project enterprise.

At the same time, we did not find any information on the way funds collected from the sale of the Tokens shall be distributed among Company, developers of the Project or advisers.

It might be inferred that the Token is more likely to be a consumer goods than a security since consumer goods companies do not generally induce purchasers to purchase their products by advertising how the purchase money will be used. It is likely that the relevant information provided in the White Paper serves for informational purposes only, rather than to incentivize the prospective purchasers to buy the GODE Tokens.

Accordingly, and taking into account the above-mentioned, in our opinion, the GODE Token is more likely not to match a common enterprise element of the Howey Test.

The presumption in support of our reasoning here is based on the fact that a prospective GODE User purchases the Tokens not only with the speculative purposes but also with the intent to use the Platform and benefit from it.

However, this presumption may be eliminated by the fact that a single purchaser (or at least some of them) may purchase Tokens with no intention to use the Platform, rather to hold these Tokens and to profit from trading in exchanges or receiving a passive income.

(3) Expectation of Profits

We consider that the *"Expectation of Profits"* element is matched for the following reasons.

The case law that we have analyzed above revealed that the *"Profits"* definition may be construed broadly and may include not only the fiat money but also other benefits. However, even though the above is true, it would be a superficial analysis of the Project at issue.

In Re DAO Report in was stated the following

"The ETH was pooled and available to The DAO to fund projects. The projects (or "contracts") would be proposed by Contractors. If the proposed contracts were whitelisted by Curators, DAO Token holders could vote on whether The DAO should fund the proposed contracts. Depending on the terms of each particular contract, DAO Token holders stood to share in potential profits from the contracts. Thus, a reasonable investor would have been motivated, at least in part, by the prospect of profits on their investment of ETH in The DAO."

At the same time, in consideration of the Munchee case, an interesting point has been concluded:

"Like many other instruments, the MUN token did not promise investors any dividend or other periodic payment. Rather, as indicated by Munchee and as would have reasonably been understood by investors, investors could expect to profit from the appreciation of value of MUN tokens resulting from Munchee's efforts."

The SEC goes further in Munchee and underlines the uselessness of merely denoting token a utility as such:

Even if MUN tokens had a practical use at the time of the offering, it would not preclude the token from being a security. Determining whether a transaction involves a security does not turn on labelling – such as characterizing an ICO as involving a "utility token" – but instead requires an assessment of "the economic realities underlying a transaction."

Forman, 421 U.S. at 849. All of the relevant facts and circumstances are considered in making that determination. See Forman, 421 U.S. at 849 (purchases of "stock" solely for purpose of obtaining housing not purchase of "investment contract"); see also SEC v. C.M. Joiner Leasing Corp., 320 U.S. 344, 352-53 (1943) (indicating the "test . . . is what character the instrument is given in commerce by the terms of the offer, the plan of distribution, and the economic inducements held out to the prospect").

The expectation of profits from a purchase of any subject of value almost always takes place. One may be motivated and has to have speculative interest, for example, to resell the commodity or the right rather than retain an interest in personally consuming the subject of value.

"It is an investment where one parts with his money in the hope of receiving the profits from the efforts of others, and not where he purchases a commodity for personal consumption or living quarters for personal use."

Applying the above-mentioned law to the case at hand, we can infer that like in any other project, GODE Users will be inevitably divided into two groups - those who are seeking to use the Platform and those who merely intend to trade on the secondary market. We have to admit that some people in the first group of the users may enter the exchange market to sell the tokens due to its market price appreciation.

As we can see from the facts described below, the Platform is designed in such a way as not only to provide its holders with the opportunity to carry out cross-chain transactions within the framework of a platform protected from illegal fraudulent activities, but also to engage in staking. Thus, it can be concluded that the token may have features of a security token.

Therefore, and taking into account the foregoing, we suppose this prong is more likely to push the scale towards GODE Token being deemed as a security. However, for consumers it might be deemed as not fulfilled.

(4) Solely from the Managerial Efforts of Others

Analyzing this prong, courts consider whether the potential investors expect to receive profits 1) from their own efforts (use of rights or services obtained from promoters) or 2) from the efforts (managerial expertise) of the others (promoters, managers).

As we discussed above, not all courts share the approach of the Supreme Court using the term *"solely"* that defines the efforts of others.

If we apply the concept "only" from the efforts of others, this prong is more likely not to be satisfied.

However, some federal courts later relaxed this approach exploiting *"de minimis"* efforts of others or the concept of *"undeniably significant"* or *"predominantly"* after the Re Forman case. So even if the investor has the power to be involved, the transaction may still be an investment contract if the efforts of others predominate.

"Whether the efforts made by those other than the investor are the undeniable significant ones, those essential managerial efforts which affect the failure or success of the enterprise" (The Forman case; SEC v Glenn W Turner Enters., 474 F.2 d 476 sec.28 (Feb.1, 1973)."

In Re DAO it was stated based on the facts:

"The Curators exercised significant control over the order and frequency of proposals, and could impose their own subjective criteria for whether the proposal should be whitelisted for a vote by DAO Token holders. DAO Token holders' votes were limited to proposals whitelisted by the Curators, and, although any DAO Token holder could put forth a proposal, each proposal would follow the same protocol, which included vetting and control by the current Curators.

While DAO Token holders could put forth proposals to replace a Curator, such proposals were subject to control by the current Curators, including whitelisting and approval of the new address to which the tokens would be directed for such a proposal. In essence, Curators had the power to determine whether a proposal to remove a Curator was put to a vote."

Then in the DAO case, the SEC underlines that investors mostly rely on the actions of Slock.it.

"Although DAO Token holders were afforded voting rights, these voting rights were limited. DAO Token holders were substantially reliant on the managerial efforts of Slock.it, its co-founders, and the Curators."

However, we are inclined to believe that GODE Users will rely on the managerial and entrepreneurial efforts of the Project's team only to the extent that the latter will further develop the Platform that would permit all parties of the Platform to communicate and apply all functionality of the system as they deem fit. Besides and as we discussed above all profit derived from the use of the Platform may be obtained only from their own efforts.

Therefore, this prong is more likely not to be satisfied.

IV. Summary and Conclusion

Based on the information and facts described in the previous paragraphs and subject to all assumptions and qualifications, we believe that the token is not a security.

The GODE Token appears to satisfy the first prong of the Howey Test, and no one may reasonably conclude that the courts will determine otherwise.

The second prong is more difficult and debatable. However, our analysis has concluded that this element is not satisfied under both theories applied by the federal courts.

The third prong is more likely to be satisfied.

The fourth prongs of the Howey Test is not satisfied.

To conclude, since not all the elements of the Howey Test are met, in our opinion, the GODE Token does not meet the legal definition of a security under United States law.

Nevertheless, it should be noted that the Howey Test has not yet been directly applied by courts to any utility tokens before. Only a U.S. court may definitively determine whether the GODE Token is a security, based in its opinion and regulatory enforcement.

IN THE PROCESS OF PREPARING THIS LEGAL OPINION, WE ANALYZED ONLY THE PROJECT TOKEN NAMED GODE FOR ITS COMPLIANCE WITH THE HOWEY TEST.

WE HAVE NOT ANALYZED OTHER PROJECTS THAT THE COMPANY COULD USE IN PERSPECTIVE ON THE PLATFORM. ACCORDINGLY, THIS LEGAL OPINION MAY NOT BE COUNTED AS A PROFESSIONAL ASSESSMENT OF THE LEGISLATION BY THE EXCHANGE OR OTHER TOKENIZATION PLATFORMS.

THE ABOVE ANALYSIS IS BASED ON INFORMATION OBTAINED FROM A REPRESENTATIVE OF THE PROJECT, THE WHITE PAPER OF THE PROJECT AND ITS WEBSITE. THE SEC OR A COURT OF COMPETENT JURISDICTION MAY REACH AN ALTERNATIVE CONCLUSION TO THAT STATED IN THIS LEGAL OPINION LETTER. NO WARRANTIES OR GUARANTEES OF ANY KIND AS TO THE FUTURE TREATMENT OF USERS OR SIMILAR TOKENS ARE BEING MADE HEREIN.

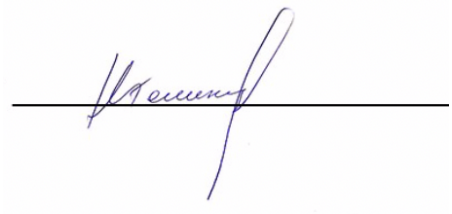
NOTICE TO RESIDENTS OF THE UNITED STATES

IF YOU ARE FROM THE UNITED STATES OF AMERICA, WE HEREBY INFORM YOU THAT TO THE BEST OF OUR KNOWLEDGE, THE OFFER OF SALE OF THE GODE TOKEN DOES NOT REPRESENT THE SALE OF A SECURITY. THEREFORE, THE OFFER OR SALE IS NOT REGISTERED IN ACCORDANCE WITH THE UNITED STATES SECURITY LAWS. IN CASE YOU BELIEVE OTHERWISE, PLEASE CONSULT WITH YOUR LEGAL COUNSEL AND NOTE THAT NO ACTION MAY BE BROUGHT ON THE BASIS OF THIS LEGAL OPINION.

Nikita Tepikin,

Lawyer, LLM, Esq. NY License Attorney

Registration number 5251814



Legal Kornet

APPENDIX NO. 1

Legal Kornet

Appendix 1

ASSUMPTIONS

(a) All documents are authentic, accurate, and complete and all copies submitted to us as certified or reproduced copies conform to the originals and such originals are authentic, accurate, and complete, and no relevant document, information or arrangement has been withheld from us.

(b) All facts, statements, representations, and/or information expressed in the documents and Instructions are and remain true, accurate and complete in all respects and not misleading due to the omission of any material matter, and we express no opinion on all such facts and information.

(c) All documents remain and will remain in the form reviewed by us, without amendment or supplement (whether in writing or otherwise).

APPENDIX №3

Legal Kornet

Appendix 2

QUALIFICATIONS

(a) This Legal Opinion is limited, and relates solely to US Federal security law as at the date of this Legal Opinion. This Legal Opinion is confined to matters of US laws and is given on the basis that it will be governed by and construed in accordance with the laws of US. Accordingly, we do not express or imply any opinion whatsoever as to any laws other than the laws of US and we have made no investigation of any other laws which may be relevant to the documents submitted to us.

(b) Our statements on the provisions of Part III of the Securities Exchange Act discussed in this Legal Opinion have been given on the basis of our interpretation of the relevant provisions, current practice, and the positions expressed by the documents, and accordingly, where we provide a statement in this Legal Opinion, we are expressing our view but this does not guarantee that a court or any other regulatory authority of US would necessarily come to the same view.

(c) This Legal Opinion is also given on the basis that we undertake no responsibility and are under no obligation to advise you of any other matters, including any matters in relation to any additional features of the Tokens that may be introduced in respect of the Tokens that are not set out in the documents and the instructions.

(d) This Legal Opinion is addressed to, and for the sole benefit of, the Company, and except with our prior written permission, may not be transmitted or disclosed to or used or relied upon by any other person for any purpose or filed with any governmental agency or other person (other than pursuant to an order of a court of US).

APPENDIX №3

Legal Kornet

Gode Chain

Technical White Paper

Gode Chain: Heterogeneous Multi-chain Framework
(Multi-chain communication, unlimited interface)

2021

Table of Contents

Introduction

Gode Chain：Heterogeneous Multi-chain Framework

——Multi-chain communication, unlimited interface

At present, there are many issues in the existing blockchain (high cost, high latency, cross-chain operation, etc.) , limiting the development of blockchain. Instead, Gode Chain adopts a brand-new architecture , applies multi-chain communication and unlimited interfaces in its ecosystem, finds a practical method of scalability and scalability; through the incentivization of untrusted public nodes, the bonded core can be scaled out. Gode Chain keeps the overall functionality to the absolute minimum of security and transport, and introduces the practical method of in-situ core scalability, thus achieving multi-chain framework successfully.

The heterogeneous nature of Gode Chain allows different types of consensus systems to interoperate in a trustless, fully decentralized "federation", allowing open and closed networks to have trust-free access to each other.

Gode chain proposes a way to provide backwards compatibility with one or more pre-existing networks (such as Ethereum). We believe that such a system can provide a useful basic component in the overall search and can find a system that can achieve global business-level scalability and at the same time, it is practical and feasible in terms of privacy.

Overview

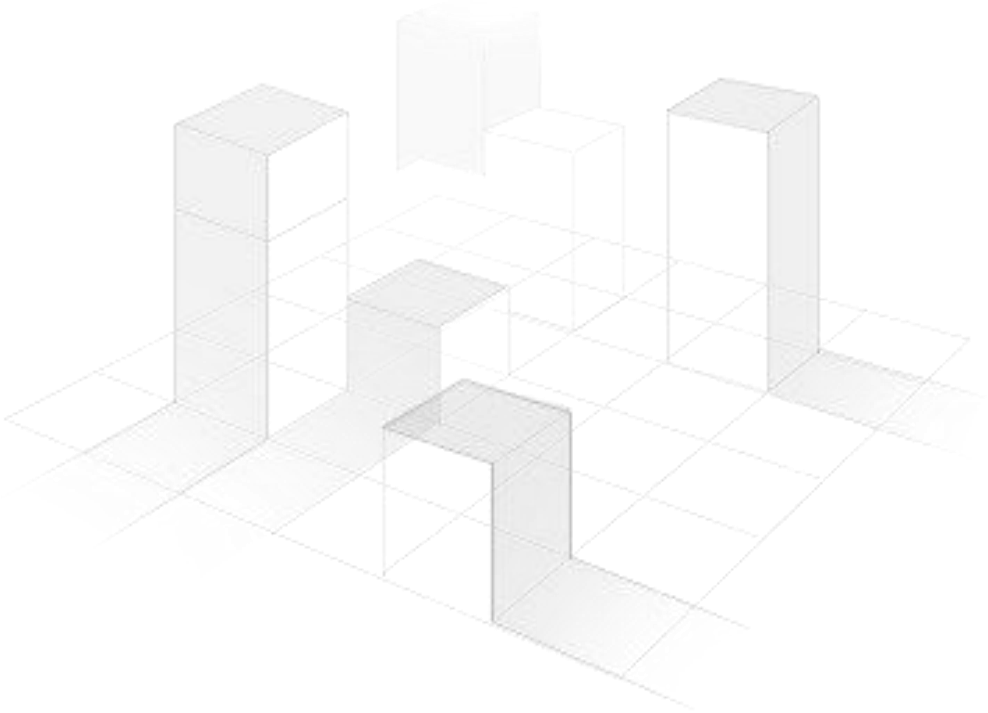
——It is a blockchain with unlimited potential

Gode Chain is a new generation blockchain protocol that unites the entire dedicated blockchain network so that they can operate seamlessly together on a large scale. Since Gode Chain allows any type of data to be sent between any type of blockchain, it unlocks a wide range of real-world use cases.

By bringing together the best features from multiple specialized blockchains, Gode Chain paves the way to a new decentralized market, providing a fairer way to access services through various applications and providers.

Although the blockchain has shown great prospects in many fields------- Internet of Things (IoT), finance, governance, identity management, web decentralization, and asset tracking, etc.-------there are limitations in the previous system design, which largely hindered large-scale adoption.

Compared with existing and traditional networks, the design of Gode Chain has several obvious advantages, including heterogeneous sharding, scalability, upgradeability, transparent governance and cross-chain composability.



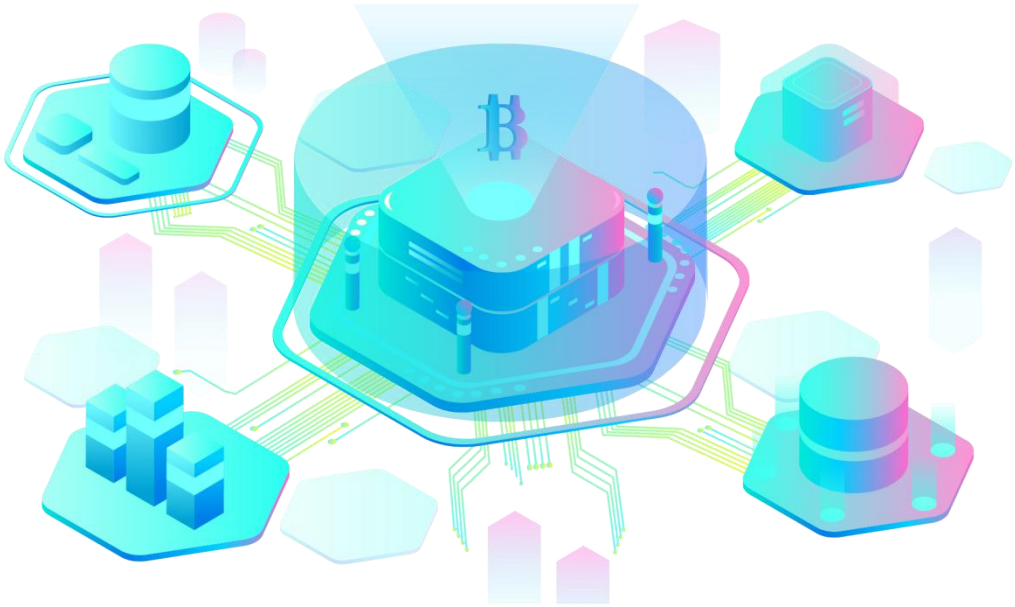
Challenges

——Technical problems that need to be solved urgently

Protocol, Implementation and Network.

Like Bitcoin and Ethereum, Gode Chain refers to both the network protocol and the primary public network that runs the protocol. Gode Chain aims to be a free and open project. The protocol of the agreement is under the Creative Commons license, and the code is under the FLOSS license. The project is developed in an open way and accepts all useful contributions. Unlike Python Enhancement Proposals, it is an RFC system that allows publicly collaborative over protocol changes and upgrades.

The initial version of the Gode Chain protocol implementation will be the Parity Gode Chain platform, and will include the complete protocol implementation and API binding. Like other Parity blockchain implementations, PPP is designed as a general-purpose blockchain technology stack, which is neither exclusively used for public networks, nor is it operated by a private/consortium.



The Gode Blockchain Ecosystem Introduction

The Gode vision is to empower, connect, share information, increase transparency, and provide a frictionless means for multi-chain blockchain ecosystem. Blockchain technology enables a decentralized and trustless network with an economic incentive layer to perpetuate its utilization now and far into the future. Gode has developed a vision that connects stakeholders within varying industries (e.g., supply chain, health care, banking, identity, insurance) into one ecosystem: Gode Chain.

Figure 1 illustrates a high-level depiction of the current vision of the Gode Multi-Chain Blockchain Ecosystem.

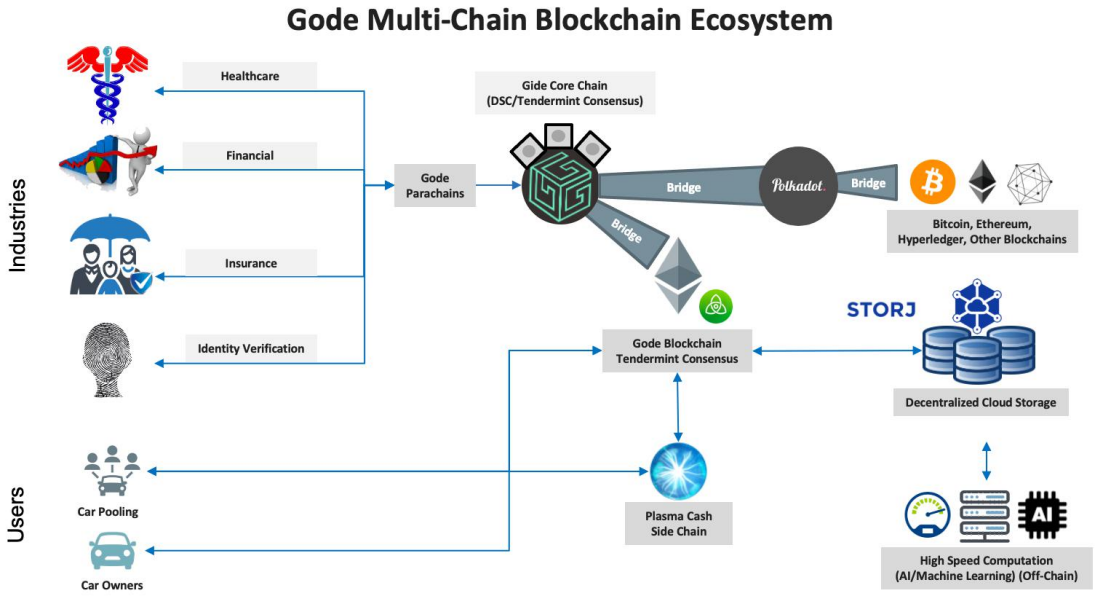


Figure 1: High-level diagram of the Gode Multi-Chain Blockchain Ecosystem

The Gode Ecosystem has blockchain technology at its core, which will enable industry stakeholders (companies and users) to connect, share, and transact in the Gode Chain-based cryptocurrency in a trustless and decentralized network. Given that the scope of Gode's vision is expansive, a phased approach has been developed to address the needs of stakeholders of blockchain technology.

The approach considers the trajectory of blockchain technology as well as distributed ledger technology (DLT) current shortcomings: scalability, speed, and providing a mechanism to move value and data across blockchains.

The Gode Blockchain Ecosystem Phase 1

Bitcoin1, the first peer-to-peer (P2P) digital currency network developed by Satoshi Nakamoto and released in 2009, enabled an immutable DLT that was cryptographically secure and included built-in economic incentives, enabling a self-sustainable network.Due to the success of Bitcoin, another network was developed called Ethereum2 that is like Bitcoin but has a Turing complete3 programing language for smart contracts (programs that are executed by all the nodes on the Ethereum blockchain).

Ethereum has been widely adopted by the development community, and tools have been created for Ethereum that will enable Gode to launch a blockchain with advanced features faster than if Gode developed its own custom blockchain solution. Gode has chosen to utilize an instance of Ethereum for its primary blockchain in phase 1 of the Gode Ecosystem.

Ethereum will serve as the initial backbone of Gode, for both payments and smart contract functionality. Ethereum is enabled with the capability to create smart contracts to permit custom developer targeted functionality. In Gode's vision, this will provide the backbone for utilization by multiple stakeholders in the automobile ecosystem to leverage the network and to enable frictionless and trustless computation of data and payments. The Gode token will be the fuel for the network to produce new blocks as well as fees for computation for sending payments and executing smart contracts.

In blockchains, the consensus engine provides the capability for multiple parties to agree on the order of transactions and which transactions to include in a block to the blockchain. Bitcoin and Ethereum both leverage an algorithm called Proof of Work3 (PoW). PoW for consensus works well, however there are drawbacks that include risks to decentralization and environmental impacts.

1 https://bitcoin.org/bitcoin.pdf

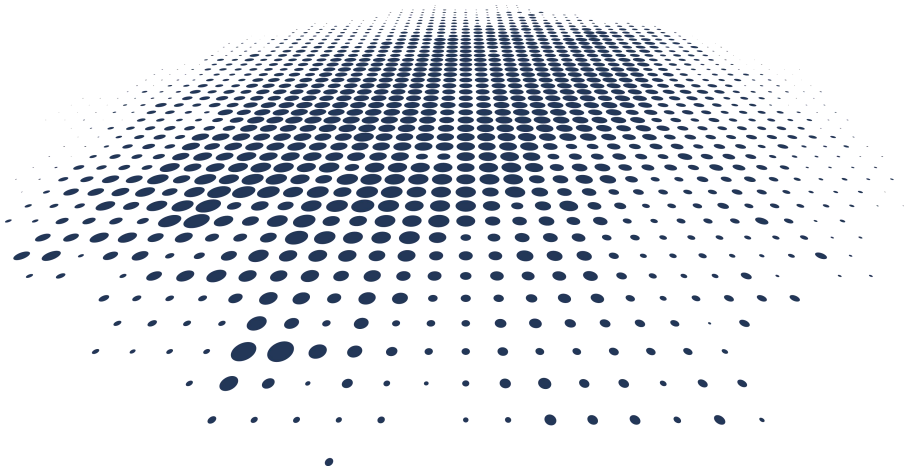
2 https://github.com/ethereum/wiki/wiki/White-Paper

3 https://www.cs.virginia.edu/~robins/Turing_Paper_1936.pdf

PoW algorithms have been known to be susceptible to specifically designed computers called ASICs4 (Application Specific Integrated Circuits).

ASICs are utilized only for running a specific PoW algorithm very fast (e.g., SHA-2565, equihash6). Additionally, due to the growth of Bitcoin's network, electricity utilized for Bitcoin mining has been growing globally, which has environmental impacts7. Bitcoin's hash power also has become less decentralized over time8, with many observers suggesting ASICs could be the culprit.

Gode has chosen to utilize Proof of Stake9, 10 (PoS) algorithms for its consensus mechanisms, which is not susceptible to ASICs and environmentally friendly. For the Gode Ethereum instance, Tendermint11, 12 will be utilized as the primary consensus engine. Tendermint is a secure consensus algorithm that provides reliable replication of transactions in all Validators participating in consensus. Validators are nodes in the ecosystem responsible for committing blocks to a blockchain. Tendermint is Byzantine Fault Tolerant13 (BFT), which enables Tendermint to provide consensus even if 1/3 of the Validators fail, achieving instant finality14.



4 https://books.google.com/books/about/Application_Specific_Integrated_Circuits.html?id=3hxTAAAAMAAJ

5 https://csrc.nist.gov/CSRC/media/Publications/fips/180/2/archive/2002-08-01/documents/fips180-2withchangenotice.pdf

6 http://wp.internetsociety.org/ndss/wp-content/uploads/sites/25/2017/09/equihash-asymmetric-proof-of-work-based-generalized-birthday-problem.pdf

7 https://link.springer.com/chapter/10.1007/978-3-642-39498-0_7

8 https://dl.acm.org/citation.cfm?id=3212998

9 https://github.com/ethereum/wiki/wiki/Proof-of-Stake-FAQs#what-is-proof-of-stake

10 https://peercoin.net/assets/paper/peercoin-paper.pdf

11 https://cdn.relayto.com/media/files/LPgoWO18TCeMIggJVakt_tendermint.pdf

12 https://tendermint.com/docs/

13 https://dl.acm.org/citation.cfm?doid=357172.357176

14 https://blog.ethereum.org/2016/05/09/on-settlement-finality/

Tendermint Consensus Exhibit

Figure 2 illustrates how blocks are proposed, voted on, and committed to a blockchain using Tendermint.

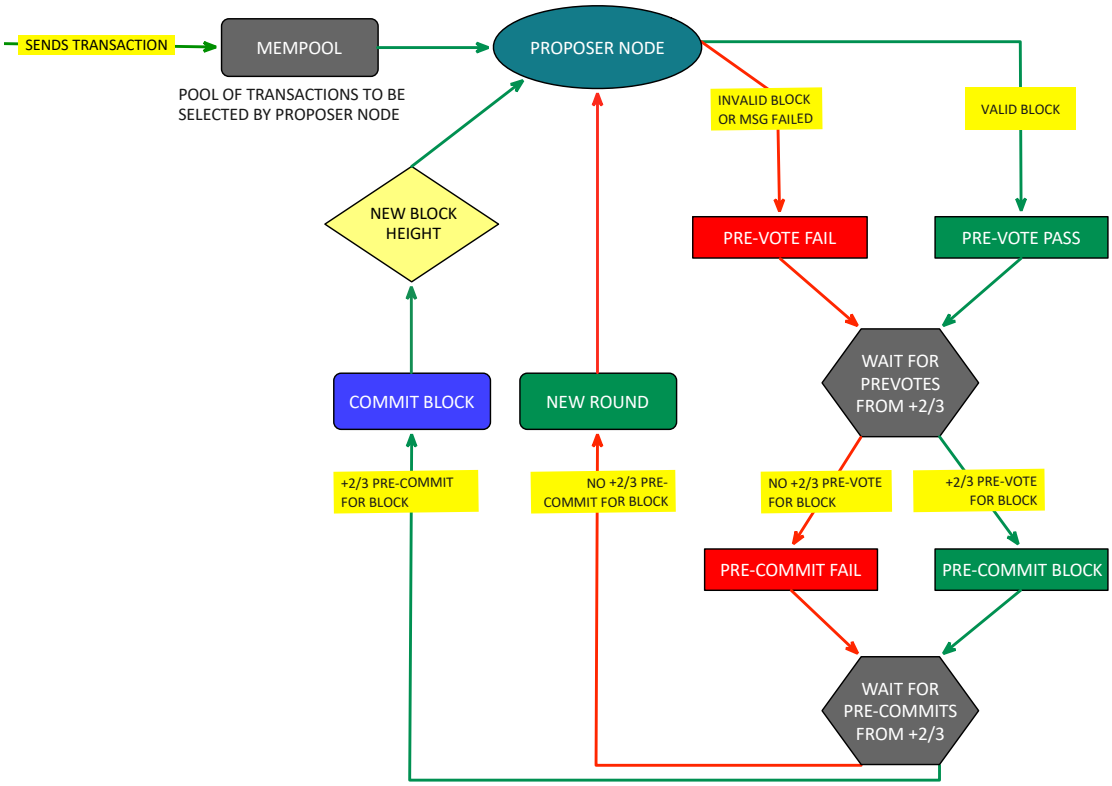


Figure 2: Based on illustration from Tendermint.org15

Validators take turns in proposing a block and voting on them, which then gets committed to the chain of blocks at a new block height. If a block fails to be committed, the protocol moves to the next round and a different Validator gets to propose a block for the next block height. If 2/3 of validators that pre-vote and pre-commit a block (two rounds required) in the same round, a new block gets committed to the blockchain.

Tendermint assumes that 1/3 of validators are byzantine, meaning Tendermint guarantees safety and will not commit two blocks at the same block height. Block height refers to the number of blocks in the chain between the current block and the first block in the blockchain (called the genesis block) which has a height of 0.

15 http://tendermint.readthedocs.io/en/master/introduction.html

Tendermint is a PoS protocol, and thus validators need to bond a stake of tokens (Gode) to participate in the consensus of blocks. The stake of tokens from the Validator is utilized as the weight of the voting power for the Validator. If a Validator is found to be byzantine, part of the Validator's stake will be taken away (slashed16).

Ethereum with the Tendermint Consensus engine speeds up transaction throughput while also leveraging an environmentally friendly consensus algorithm17. The Gode blockchain will enable Gode to create an ecosystem for the auto industry with technology available today. The utilization of Ethereum will also enable developers in the automotive community to develop applications for their own respective applications for vehicular data, such as telematics data or P2P auto sharing data, and in the future autonomous car-to-car data sharing. The Gode blockchain can connect the fragmented auto industry through smart contract enabled blockchain technology that provides censorship resistance, reduction of fraud, increased transparency, and one trusted platform for automobiles.

Five key failures of present technology stacks:

1. Scalability:

On a global scale, how much resources does the system need on processing, bandwidth and storage to process a single transaction, and how many transactions can be reasonably processed under peak conditions?

2. Isolatability:

Can the system solve the different needs of multiple parties and applications in the same framework and to a near-optimal degree?

3. Developability:

How effective are these tools? Do the APIs meet the needs of developers? Are there educational materials available? Is there a correct integration?

4. Governance:

Can the network remain flexible and adaptable over time? Can decision-making be sufficiently inclusive, legal and transparent to effectively lead the decentralized system?

16 https://medium.com/@VitalikButerin/minimal-slashing-conditions-20f0b500fc6c

17 https://tendermint.com/docs/tendermint.pdf

5. Applicability:

Can the technology address the urgent need independently? Do you need other "middleware" to bridge the gap with actual applications?

At present, our main goal is to solve the first two problems listed above: scalability and isolatability. We believe that the special framework of Gode Chain can provide meaningful improvements to these two problems.

Summary

Gode Chain is a scalable heterogeneous multi-chain. This means that unlike previous blockchain implementations (focusing on a single chain with varying degrees of generality over potential applications), Gode Chain itself is designed to provide no inherent application functions. Rather, Gode Chain provides the cornerstone "polycore-chain", which a large number of verifiable, globally-coherent dynamic data structures can be hosted side by side. We refer to these data structures as "parallelised" chains or parachains, although they do not necessarily need to be blockchains in nature.

In other words, in addition to the following two very important points, Gode Chain can be considered as a set of independent chains (e.g. a set that includes Ethereum, Ethereum Classic, Namecoin, and Bitcoin):

- Pooled security;
- Trust-free interchain transactability

These are the reasons why we think Gode Chain is "scalable". In principle, the problems to be deployed on the Gode Chain may be massively parallelized (scaled out) on a large number of parallel chains. Since all aspects of each parachain can be conducted in parallel by a different segment of the Gode Chain network, the system will have certain scalability. Gode Chain provides a fairly simple middleware level. This is a conscious decision that can reduce development risks, enable the necessary software to be developed in a short time, and ensure its safety and stability.

Gode Chain Heterogeneous Sharding

——Many Chains, One Network

In order to support the specific features and use cases, all blockchains will make different trade-offs. Moreover, as chain specialization increases, the demand for transactions between them will only increase over time.

Gode Chain is a sharded blockchain, that is, it can connect multiple chains in the same network, allowing them to process transactions in paralle, and exchange data between chains with security guarantees.

Because of Gode Chain's unique heterogeneous sharding model, each chain in the network can be optimized for a specific situation, rather than being forced to adapt to a one-size-fits-all model.

Will there be one blockchain to dominate the market in the future? We don't think so. More chains and more specialization mean more possibilities for innovation.

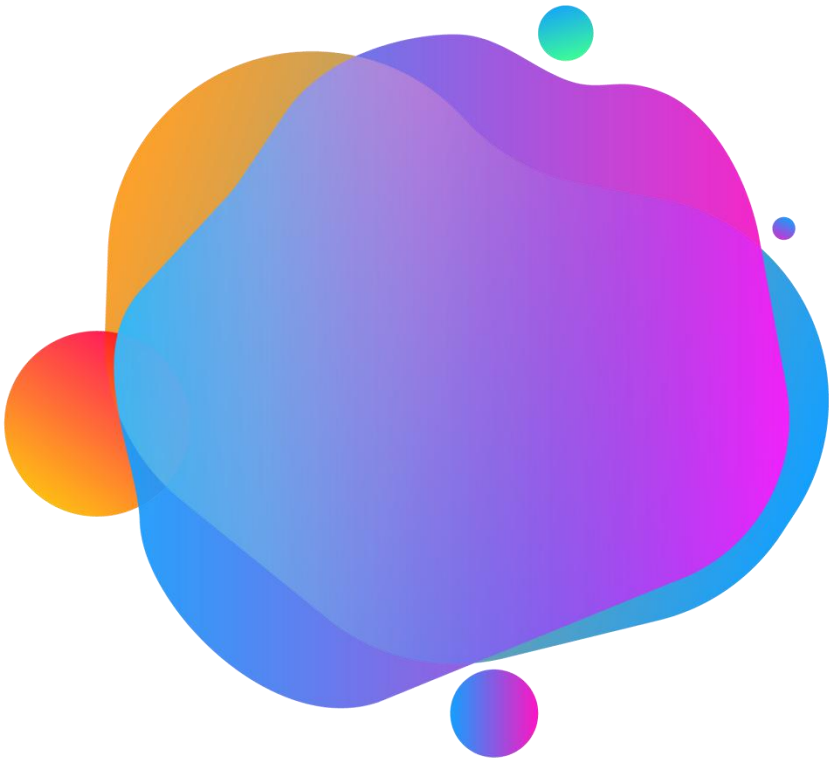
Scalability

Blockchains that grow

One single blockchain is not enough to support the prosperous future of decentralized applications. In early blockchains, limited throughput and lack of runtime specialization made their expansion in many practical use cases impractical.

By bridging multiple specialized chains to a shared network, Gode Chain allows the parallel processing of multiple transactions. This system eliminates the bottleneck of processing transactions one by one on the early network.

In the future, Gode Chain plans to further expand the functionality of Nested Polycore Chains, which can increase the number of shards that can be added to the network.



Upgradeability

——Future-proof your blockchain with forkless upgrades

Early computer games were shipped on Cartridge printed circuit boards. Since the code needs to be etched onto the chip, the manufacturing of these circuit boards is time-consuming and expensive.

Today, we are used to our apps, games, and browsers updating frequently and even automatically. Developers will fix the bugs that cause the problem and add new features as better solutions become available.

Like all software, the blockchain needs to be upgraded to remain relevant. However, it is much more difficult to upgrade the blockchain than apps, games, and browsers. Upgrading a conventional blockchain requires forking the network, which usually takes months of work. A particularly contentious hard fork may also lead to the break of the community.

Gode Chain has completely changed this process, it can upgrade itself without forking the chain. These fork-free upgrades are achieved through Gode Chain's transparent on-chain governance system.

With this feature, Gode Chain can keep the project agile, adaptable, and continue to evolve with the pace of technology. It also significantly reduces the risks associated with controversial hard forks-----a serious obstacle for many organizations.

Transparent Governance

——Community powered

The early blockchains had no formal governance procedures. Individual stakeholders are nearly impossible to propose or veto protocol Unless they know the right people.

Gode Chain is different. It is governed by all members in a fair and transparent manner.

All token holders can propose changes to the protocol or vote on existing proposals. They can also help elect board members, who will represent passive stakeholders in the Gode Chain governance system.

Cross-Chain Composability

——Collaborative by design

The early blockchain is like a walled garden isolated from other networks. However, as the number of chains in given use cases continues to increase, the demand for cross-chain communication and interoperability is also increasing.

Gode Chain's cross-chain composability and message transmission allows shards to communicate, exchange value, and sharing functionalities, opening the door to a new wave of innovation.

Because of Gode Chain's ability to bridge blockchains, Gode Chain's shards can also interact with popular decentralized financial protocols and cryptoassets on external networks such as Ethereum.

Gode Chain Architecture

——Connecting all dots

Gode Chain unites a heterogeneous blockchain sharding network called parachains. These chains are connected to and protected by the Gode Chain Polycore chain. They can also be connected to external networks through bridges.

Polycore Chain

The core of Gode Chain, responsible for network security, consensus and cross-chain interoperability.

The polycore chain will be a chain similar to Ethereum because it is state-based with the mapping address to account information, mainly balances and (to prevent relays) transaction counters. Placing accounts here achieves one purpose: to provide accounting information for the amount of stake an identity owns in the system.

Parachains

Sovereign blockchains can have their own tokens and optimize functionalities for specific use cases. To connect to the polycore chain, the parachain can pay on demand or lease a slot for continuous connection.

Each parachain is defined in the registry. It is a relatively simple, database-like structure, and holds static and dynamic information on each chain. The static information includes the chain index (a simple integer), and the validation protocol identity, which is a way to distinguish different classes of parachains so that the verifier can run the correct verification algorithm to propose valid candidates.

The initial proof of concept will focus on putting a new verification algorithm into the clients themselves, and each time an additional chain class is added, the protocol will be hard-forked by requirement. However, it is ultimately possible to specify the verification algorithm in a rigorous and efficient way so that clents can effectively use the new parachain without a hard fork. One possible way is to use a complete, natively compiled, platform-neutral language (such as WebAssembly) to specify the parachain verification algorithm.

Bridges

Special blockchains that allows Gode Chain shards to connect to and communicate with external networks such as Ethereum and Bitcoin.

Although the choice of a BFT consensus mechanism with validators comes from a set of stakehoders, we can still get a security consensus with a controllable number of validators that does not change frequently.

In a system with a total of 144 validators, with a block time of 4 seconds and 900 blocks (reporting, penalizing and repairing malicious behaviors like double votes), the validity of a block can be verified by only 97 signatures (Two-thirds of 144 plus 1), and a following 60-minute verification session without challenges deposited.

Super interface

Due to the limited interface load capacity of a single polycore chain, the super interface can connect multiple polycore chains thus achieve in-chain operation.

Gode Chain Consensus Roles

Validators

By staking tokens, validating proofs from packers, and participating in consensus with other validators, the Relay chain is secured.

The validator will charge the highest fee, which will help seal new blocks on the Gode Chain network. Although we allow the bonded party to nominate one or more validators to act on their behalf, the role of the validator will depend on whether a sufficiently high deposit is deposited. Therefore, some portion of the validator's deposit may not necessarily belong to the validator itself, but to these nominees.

The validator must run the polycore chain client with high availability and bandwidth. In each block, the node must be ready to accept the role of approving new blocks on the nominated parachain. This process involves receiving, validating, and republishing candidate blocks.

In a sense, validators are similar to the mining pool of the current PoW blockchain.

Certifier

By selecting trustworthy validators and collateralized tokens to secure the polycore chain.

The certifier is a stakeholder who contributes to the verifier's security deposit. They have no role other than placing risk capital, so they can prove that they trust the validator and can act responsibly while maintaining the network. They increase or decrease deposits in proportion to the growth of the bonds they contribute.

The certifier is the same as the packer, in a sense similar to the miners of today's PoW network.

Packers

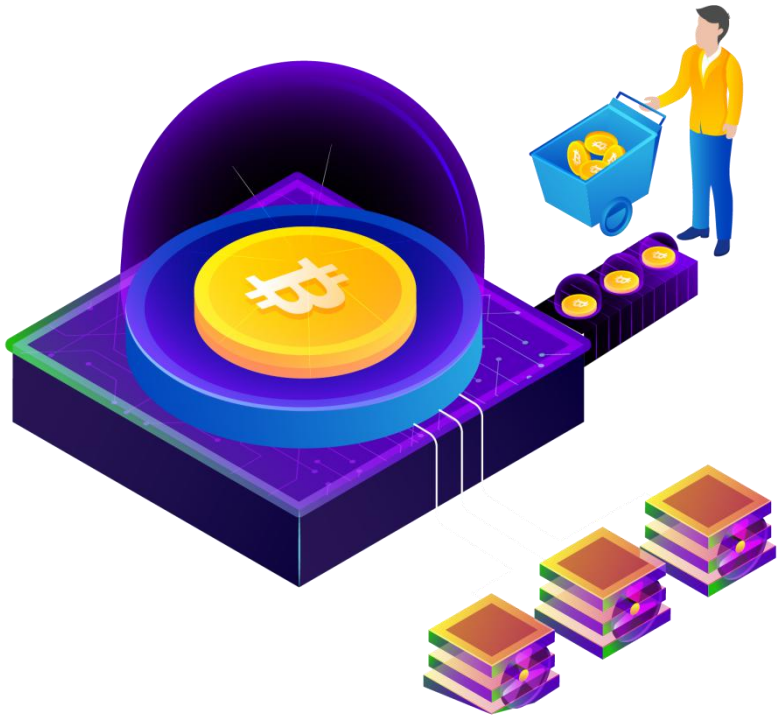
Maintain shards by collecting shard transactions from users and generating proofs for validators.

The transaction packer (referred to as the packer) is the party who assists the validator to produce valid parachain blocks. They maintain a "full node" for the parachain; this means that they retain all the necessary information in order to be able to author new blocks and execute transactions like miners do on the current PoW blockchain. Under normal circumstances, they will ocollate and execute transactions to create an unsealed block and provide it with zero-knowledge proof to one/or more validators who are currently responsible for proposing the parachain block.

inspector

Monitor the network and report bad behavior to the validators. The packer and any parachain full node can perform the role of inspector.

Unlike the other two active parties, inspector has no direct relationship with the block authoring process. Instead, they are independent "bounty hunters" motivated by one-time large rewards. It is precisely because of the existence of the inspector that we can expect that incidents of improper behavior will rarely occur. And even if it does occur, it will only be due to the binding party's carelessness with the security key, rather than maliciousness.



Gode Chain Governance Roles

Council Members

Representing passive stakeholders in two main governance roles:

1. Propose a referenda.
2. Vetoing dangerous or malicious referenda.

Technical Committee

It is composed of a team that actively building Gode Chain. Can propose emergency referenda and act with the council for fast tracking of voting and implementation.

The GODE Token

Gode Chain tokens serve three different purposes: network governance, staking, and binding.

Governance

Gode Chain token holders have complete control over the protocol. All the privileges miners on other platforms will be granted to the participants (holders of GODE), including special events management such as protocol upgrades and repairs.

Staking

Game theory will incentivize token holders to act in an honest manner. Good actors can get rewards through this mechanism, and bad members will lose their stake in the network. This ensures that the network remains secure.

Binding

New parachains are added by binding tokens. By removing the bound tokens, outdated or useless parachains can be removed. This is a form of proof of stake.

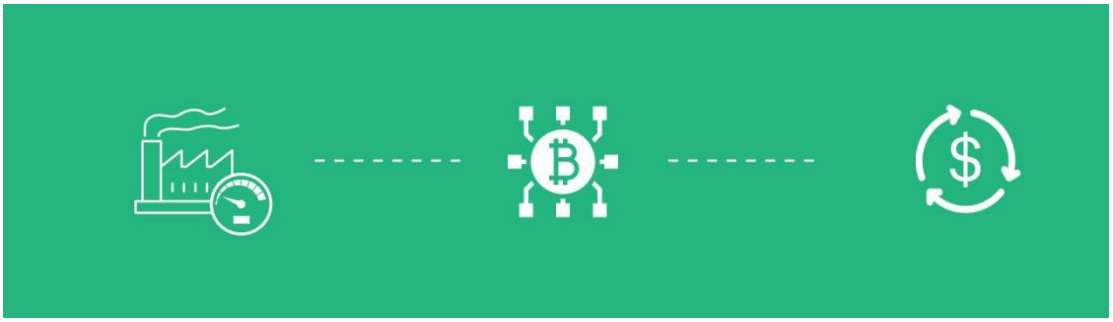
Gode Foundation

The foundation is created to nurture and manage technologies and applications in the field of decentralized network software protocols, especially those that use modern cryptographic methods to protect decentralized technologies and applications to benefit the Gode ecosystem and ensure its stability. Gode Chain is the flagship agreement of the Gode Foundation.

The Development Prospects of the Foundation

The foundation is seeking funding or otherwise assisting in the development and deployment of projects consistent with the following missions:

- Innovative blockchain technology, cryptographic messaging protocol.
- Data publication system (such as IPFS).
- NFT meta-universe chain gaming application system.
- Peer-to-peer network infrastructure (such as libp2p and devp2p)
- Blockchain sharing economy model (allowing more groups to benefit from the blockchain technology).
- Provide technology training services (to better assist traditional enterprise with blockchain technological advantages, and integrate blockchain technology with traditional enterprises rapidly and seamlessly)
- Crypto economic mechanism (such as DEFI/ DAC/DAO software)



About us

——————development team

The Gode Foundation has commissioned a technology development team led by Dr.Peiper and Adam.Luciano to build Gode Chain.

Adam

Adam has a Bachelor of Business Administration from Babson College-Oli Business School and a Bachelor of Finance and Investment from Baruch College. He is a former market research analyst with 13 years of business evaluation, product and project management experience.

Peiper

Peiper has a Ph.D. in Computer Science from the University of Illinois at Urbana-Champaign.

He is currently an Adjunct Professor at Drexel University. He was also an Adjunct Professor of Network Security at the University of Maryland. Prior to that he was a member of the former US Department of Defense Global Command and Control System Joint, Integrated Imaging and Intelligence Architecture Group. Lastly, he was also a Senior Application Architect.

The GODE team comes from a team of PhDs from Stanford, Yale, and MIT, and the core members have worked for Facebook, Google, Oracle, and other companies. 65% of the team members have master's degrees or PhDs, and there are many technical staffs with more than ten years of development experience or even designed Ether as early developers.

GODE will fundamentally reshape the blockchain industry: the team has highly absorbed the technical advantages of public chains such as ethereum, Polkadot, salana, and so on to innovate the cross-chain and cross-protocol technical architecture, Gode Chain multi-chain connection will be the core technical development direction of the next-generation blockchain.

GODE Token Issuance

Gode chain will issue 10 billion GODE tokens for the normal operation of the eco system:

- 30% is allocated by the f foundation to technical, community, and operations teams;
- 20% for private equity, early consens participants.
- 50% for stake and rewards of mining pools, miners and nodes.

Collaborations

——Friends of Gode Chain

Gode Chain is designed to be work with public, private and enterprise chains. We are excited to work closely with the following partners to develop more use cases, and look forward to working with other blockchain projects seeking to adopt this technology:

Contacts

——Dive deeper, stay connected and get building!

- Learn more on the Gode Chain website and Wiki
- Subscribe to Gode Chain Newsletter
- Participate in and join the Gode Chain Community Program
- Attend or host a Gode Chain meetup in your area
- Chat with the Gode Chain team on Telegram
- Additional resources

Gode Disclaimer

As a new investment model-digital asset investment

There are various risks, and potential investors need to assess the investment risks and their risk tolerance carefully.

Market Risks

The market environment after the issuance of Gode Token is inseparable from the digital asset market situation.

If the global market is generally depressed or there are other uncontrollable market factors, the price of Gode Token may remain undervalued for a long time even if the project has a good prospect.

Policy Risk

At present, digital assets have become the main regulatory object of each major country in the world, while the policies of some countries on digital assets are still unclear, if the regulatory body exerts influence, the application, promotion, and development of Gode may be restricted, hindered or even directly terminated.

Competition Risk

With the development of information technology and mobile internet, all kinds of decentralized applications continue to emerge, and the competition in the industry becomes increasingly fierce. As other projects emerge and continue to expand, the community will face continuous operational pressure and certain market competition risks.

White paper disclaimer

This document is for informational purposes only and does not constitute an opinion on the purchase or sale of Gode Token. Price offers or solicitations will be made on trustworthy terms and permitted by applicable law. The above information or analysis does not constitute an investment decision or specific recommendation.

This document does not constitute any investment advice, investment intention, or solicitation of investment in the form of tokens. This document does not constitute. It should not be construed as an offer to buy or sell, or any solicitation to buy or sell nor is it a contract or promise of any kind.

The interested party expressly understands the risks of Gode Token. By participating in the investment, the investor understands and accepts the risks of the project.

APPENDIX №4

Legal Kornet

To whom it may concern

Legal representation and guarantees

Hereby you provide the following representation and guarantees in relation to the _____ (_____website) (hereinafter - "**the Project**") and the token of a Project (hereinafter - "**the Token**")

You,_DFTZ FOUNDATION PTE.LTD, represented by _Ambrose Feng provide the following representation and guarantees in relation to the _Godechain_(__http://gode.vip/__website) hereinafter (the - "**Project**") and the token of a Project.

A. that, if you are an individual user, you are 18 years of age or older and that you have the capacity to contract under applicable Laws;
B. that, if you represent a legal entity, (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization; and (ii) you are duly authorized by such legal entity to act on its behalf;
C. that the Project does not intend to sell shares, derivative instruments or securities;
D. that offer for sale of the Token does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any shares, derivative instruments or securities, nor should it or any part of it form the basis of, or be relied on in any connection with, any contract or commitment whatsoever.
E. that Project does not promise any dividends or any other passive income to the holders of the Token and that the Token does not represent a share of the Project or give a rise to request an ownership right from the Project whatsoever.
F. that you are not from **Prohibited Jurisdictions"** means Cuba; Democratic People's Republic of Korea (North Korea); Iran; Pakistan; Singapore; Syria; the Government of Venezuela; and Crimea;
G. that you are not from **"Sanctions List"**[1] and you are not a "**Sanctioned Person"**[2]
H. that you will not use funds received from the token sale in order to conceal or disguise the origin or nature of proceeds of crime or terrorist financing, or blocked property, frozen assets, economic resources, or corruption related to any person or government official under any applicable laws, or to further any breach of applicable AML Laws or CTF Laws, or to deal in any unlawful digital tokens, fiat, property, funds, or proceeds;

Ambrose.Feng Ambrose.Feng.
(signature)

Ambrose.Feng.

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refers to any person or digital tokens address that is: (i) specifically listed in any Sanctions List; or (ii) directly or indirectly owned 50 percent or more by any person or group of persons in the aggregate, or a digital tokens wallet associated with such person or persons, referred to in any Sanctions List, or government or government official of any Prohibited Jurisdiction, and (iii) that is not subject to any government approval or otherwise not sanctioned, restricted, or penalized under applicable laws;

means the "Specially Designated Nationals and Blocked Persons" ("SDN") List and the Non-SDN List, including the "Sectoral Sanctions Identifications List", published by OFAC; the Section 311 Special Measures for Jurisdictions, Financial Institutions, or International Transactions of Primary Money Laundering Concern published by FinCEN; and, any other foreign terrorist organization

APPENDIX № 5

Legal Kornet

1. **KYC procedure.**

   Name：Ambrose Feng

   Position: project foundation sponsor

   Project leader’ s telegram: Long13149

   Project link: http://gode.vip/

2. **Concepts of a project. Security/utility.**

   Could you please briefly describe applicability of your token?

   The token is mainly applicable to the project side of GodeChain main chain, GodeChain smart contract and parallel chain, where the customer uploads interactive data.

3. **Do you issue your tokens to US citizens?**

   No, the team does not plan to issue tokens to US citizens.

4. **What are the main functions of you token?**

   For data uploading, transaction fees, project parties using Godechain smart contracts, super interface pledge, token exchange with other projects with business transactions, etc.

5. **Do you issue dividends to token holders?**

   No, the team does not issue dividends to token holders.

6. **Do you promise ownership to potential token holders?**

   No, the team does not promise ownership to potential token holders.

7. **Do you have a registered company? If yes, could you send the details?**

   Yes, the detailed information will be sent in the attachment.

8. **Could you read the attached files and sign it? (Legal representation and guarantees)**

   Yes.