

## Form C: Offering Memorandum

(Exhibit A to Form C)



### Purpose of This Form

A company that wants to raise money utilizing Regulation Crowdfunding must give certain information to prospective investors to allow investors a basis to formulate an informed investment decision. The Securities and Exchange Commission ("SEC") has issued regulations at 17 CFR §227.201 listing the information companies are required to provide. Form C is the form used to submit and file this information to the SEC.

Each heading below corresponds directly to a section(s) of the SEC's regulations.

### Basic Company Information – §227.201(a)

|                               |  |
|-------------------------------|--|
| Company Legal Name:           | Crypto Asset Rating Inc.   |
| Jurisdiction of Organization: | Delaware   |
| Date of Organization:         | 03/06/2018   |
| Form of Organization:         | Corporation  |
| Physical Address:             | 103 Mundy Ave<br>Edison, NJ 08820  |
| Issuer Website:               | <a href="http://www.cryptoassetrating.com">www.cryptoassetrating.com</a> |

### Directors and Officers of the Company – §227.201(b)

| Name:             | Title:                             | Start Date: |
|-------------------|------------------------------------|-------------|
| Pramod Attarde    | Chief Executive Officer            | 04/2018     |
| Medha Deshpande   | Chief Technology Officer           | 07/2018     |
| Sunita Attarde    | Chief Operating Officer            | 05/2018     |
| Maninderjit Sethi | Chief Business Development Officer | 04/2018     |
| Rashmi Kolhe      | Director                           | 03/2018     |
| Kshipra Attarde   | Director                           | 03/2018     |
| Dhananjay Kolhe   | Director                           | 03/2018     |

**Please refer to work history documents enclosed within Exhibit D.**

## Owners of 20% or More of the Voting Shares – §227.201(c)

| Name of Holder | Share Class  | Percentage Held |
|----------------|--------------|-----------------|
| Pramod Attarde | Common Stock | 51%             |

## Description of Company's Business – §227.201(d)

Crypto Asset Rating Inc. is a FinTech company driven to plug the gaps in the crypto market and bridge the governance institutions with the existing and new thought leaders of the crypto industry.

The crypto industry holds invaluable opportunities towards exponential economic growth through financial inclusion and participation of the masses. A new world is being born out of reinvention of the financial systems built on unprecedented technological advances. And the Company is already in play to reap the benefits for its investors.

We have developed solutions to resolve the four key challenges of the crypto industry:

**1. Minimal Regulatory Oversight:** [Crypto Asset Rating Platform \(CARP\)](#), an Independent Structured Rating Agency, comprehensively rate crypto assets for Institutional and Retail Clients. The Company developed custom rating algorithm to conduct an exhaustive multi-layered evaluation across 125 parameters from 15 categories and appraisal against four distinct risk buckets—business, financial, legal and technology.

**2. Illiquid Asset Market:** [Tokenization Asset Platform](#) (TAP) is a Software as a Service (SaaS) tokenization platform that offers the process of creating, issuing, managing and converting an asset to digital securities programmatically on Blockchain in a more restrictive and compliant way by embedding the logic in Smart Contracts. TAP also allows an issuer to create securities under various jurisdictions in a compliant way with a lock period, define vesting schedules, configure transfer and selling restrictions for inside and outside the exchange in accordance with regulatory rules, investor whitelisting, perform KYC and AML checks, digital securities recovery process, provide dividend distribution of tokens and conduct a voting event for shareholders.

**3. Trusted Community Deficit:** The Company's quality content knowledge platform, [Crypto Business World \(CBW\)](#), is the one-stop-shop for all updates in the crypto market. It integrates in-house and external content to deliver subject matter across all platforms—news and articles, videos

and podcasts, analysis reports and press releases. Additionally, it incentivizes industry experts to publish verified content on CBW through its 'Content Marketplace' feature. Thus, a trusted community (External Analyst-EA) is being developed. The Company developed a custom profile and consensus algorithm to nurture the trusted community

**4. Lack of Knowledge:** The [Crypto Training Platform \(CTP\)](#) aims at leveraging experts and specialists from all of Company's products, and their knowledge, to deliver Massive Open Online Courses (MOOC) and learning platforms and partnerships. This platform is a personal dream of the CEO and is currently under development.

As complex as the Company's products and expertise are, the business model is simple, sustainable and highly profitable. All offered services are for profit—subscription-based models but are customized to each product line. This hedges the Company's risk and also allows for identification of the most profitable revenue model, with the flexibility of replicating it. The Company has the experts and has developed unparalleled crypto market solutions. Now, the Company is rapidly acquiring customers.

With a comprehensive Go-To-Market plan and an exhaustive Marketing strategy already in play, the Company has leveraged its technical expertise towards data analyses and automation to allow its subject experts to continuously innovate them using machine learning algorithms. The Company already has exciting products in the pipeline: Crypto Index, Crypto Sovereign and ETF Rating platforms, and more. In parallel, it also has a geographic expansion strategy in place—furthering financial inclusion.

The Company's leadership is made of technology and finance leaders with a combined experience of 200+ years—in entrepreneurship and intrapreneurship. And the Company's team is first and foremost passionate about the Blockchain technology and its applications. We are the only ones in the industry with such holistic product offerings built on total compliance. It is excited to bring our solutions and structure to this nascent industry and are confident that it will soon be shaping governmental and institutional policies. The Company is destined to be a change leader and wants you to join this exhilarating journey.

**Please refer to business plan document attached under Exhibit G.**

Number of Employees – §227.201(e)

|                      |    |
|----------------------|----|
| Number of Employees: | 56 |
|----------------------|----|

## Risks & Disclosures – §227.201(f)

### **Required Statement**

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

### **General Risk**

Investing in early stage companies without a proven track record of performance or sound liquidity, such as the Company, is highly speculative in nature and presents significant risk to you, as the investor. In short, you may lose your entire investment. Prior to investing, you need to thoroughly research and understand all potential risk associated with investing in the Company. Until the Company has achieved profitability and is without need of raising additional capital, the chance of you losing your entire investment remains likely. Therefore, you should not invest more than you are willing to comfortably lose.

Like the Company, many companies engaging in crowd funding are early stage start-ups with a high likelihood of failure due to various factors contained in these risk disclosures. Regardless of future revenue and/or profitability performance, good and bad, there is no guarantee that you will ever see a return on your investment, or that you will ever be in a place to exit your investment for a profit or a loss.

As with all investments, you should proceed with caution, do your own research, due diligence, and seek professional investment advice prior to

investing. A professional adviser may identify and alert you to risk not covered in these disclosures. The realization of any of the risks contained herein or unknown risks not disclosed could lead to an immediate need for the Company to raise additional capital, make difficult and unpopular operational decisions, or cease operations altogether. You understand that in the event you lose your entire investment you may have limited or no recourse against the Company.

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

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

Regulation of digital assets, cryptocurrencies, blockchain technologies, cryptocurrency exchanges and the technologies the Company will utilize to develop the Network, is currently undeveloped and likely to rapidly evolve as government agencies take greater interest in them, and will vary significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, or guidance, or take other actions, which may severely impact the permissibility of tokens generally and, in each case, the technology behind them or the means of transaction in or transferring them. Failure by the Company or certain users of the Tokens to comply with any laws, rules and regulations, some of which may not exist yet or that are subject to interpretations that may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines.

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

**The further development and acceptance of blockchain networks, which are part of a new and rapidly changing industry, are subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the successful development and adoption of the Tokens.**

The growth of the blockchain industry in general, as well as the blockchain networks on which the Tokens will rely, is subject to a high degree of uncertainty. The cryptocurrency and crypto securities industries as a whole have been characterized by rapid changes and innovations and are constantly evolving. Although they have experienced significant growth in recent years, the slowing or stopping of the development, general acceptance and adoption and usage of blockchain networks and blockchain assets may deter or delay the acceptance and adoption of the tokens.

**Developments in regulation in the U.S. or other countries may alter the nature of our business or restrict the use of blockchain assets or the operation of a blockchain network upon which we rely in a manner that adversely affects our business.**

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

The regulation of non-currency use of blockchain assets is of particular relevance to our business. For example, neither the SEC nor the CFTC has formally asserted regulatory authority over any particular blockchain network. The CFTC has publicly taken the position that certain blockchain assets are commodities, but the SEC has not taken the position that any

particular blockchain asset is a security. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over a blockchain network or asset upon which our business relies, our business and your investment in the Token may be adversely affected.

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

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

#### **Insured Risk/Secured Risk**

The investment offered through this raise is not guaranteed or insured by the FDIC or any other agency or entity. Nor are the interests issued through this offering secured by any collateral. In no scenario would the interest be redeemable for any tangible asset owned by the Company or its principal employees, management team, or other shareholders.

#### **Valuation Risk**

With early stage investing, start-up valuation accuracy can be difficult to obtain. Accurate valuation of the Company can be difficult to assess. Public companies are valued publicly, and valuations are supported through market driven stock prices and vast amounts of corporate data provided by the public company. Valuation of a private company is established privately by the company itself and can be difficult to assess due to the limited availability of public information and historical records, or limited time in business. There may exist additional classes of equity with rights that are superior to the class being sold through this offering. New equity classes may be created based on future needs of the Company, which may dilute or devalue prior investor securities.

#### **Rolling Close Risk**

The Company's offering may involve "Rolling Closes". In such cases, once the target amount of the offering has been met investors with accepted subscription agreements become the Company's investors. Should a material change occur after the closing, you will no longer have the right to withdraw from the offering, regardless of such material change.

### **Corporate Governance Risk**

The Company is not subject to the corporate governance requirements of the national securities exchanges. Any company whose securities are listed on a national securities exchange is subject to a number of rules about corporate governance intended to protect investors. For example, the major U.S. stock exchanges require listed companies to maintain an audit committee comprised entirely of independent members of the board of directors (i.e., directors with no material outside relationships with the company or management), responsible for monitoring the company's compliance with local, state and federal law. The Company does not possess, nor will it be required to implement these and other such controls and investor protections.

### **Marketing Risk**

Sales and revenue projections are based on hypothetical marketing estimates. However, the Company may not be able to successfully maintain, promote and grow the brand through its marketing and communication strategies. Increasing the number of customers while establishing brand awareness and loyalty may prove difficult in the hyper competitive marketplace in which the Company operates. Inability to successfully market the Company and increase its customer base will adversely impact the Company's operations and inhibit success while posing a risk to shareholder investment.

### **Third Party Risk**

The Company relies on multiple third-party services that are essential to its operations and achievement of business objectives. It is possible that these third parties will fail to perform their services as represented or will perform them in an unacceptable manner that will result in a material negative impact to the Company and shareholder value. Your investment may be adversely impacted by the Company's reliance on third party service providers and their performance.

### **Financial Statement Risk**



Unless otherwise indicated, the Company has not provided investors with financial statements which have been audited by an independent third-party accounting firm. As such, information regarding the Company's capitalization, assets and liabilities is unaudited. If you feel that the information provided by the Company is not sufficient for you to make a reasonably informed decision, you should not invest in the Company.

### **Key Person Risk**

Due to the Company's small size, it is susceptible to key person risk. The success of the Company will largely be dependent upon the experience and skill of its oversight committee, board of directors, executive officers and tenured employees. The Company can make no guarantees that key individuals necessary for successful operation of the business objectives will continue to be employed by the Company for any defined period of time. Loss of any key persons for any reason could cause irreparable harm to the Company's ability to deliver value to shareholders, meet business objectives, and could cause the Company and your investment to suffer.

### **Intellectual Property (IP) Risk**

The Company's performance and success may be impacted by its ability to obtain, maintain and protect legal protections on its intellectual property rights to the technologies and processes used to deliver its products or services. Further, any patents or intellectual property protections obtained by the company may be challenged, circumvented, or determined unenforceable in the future. Intellectual property enforcement may be time consuming and cost intensive while simultaneously diverting the Company's attention away from successfully executing its business plan.

### **Risk of Limited Operating History**

The Company is a newly established entity that lacks a substantial operating history. Prospective investors will have limited information on which to base their investment decision.

### **Revenue Risk**

The Company is pre-revenue and will face challenges in its efforts to grow the business and monetize its products and services. It has limited operating capital and will be largely dependent upon its ability to finance operations from the sale of equity, the issuance of debt or other financing alternatives. The Company's failure to successfully raise operating capital or effectively monetize its products could potentially result in an adverse impact to the business, up to and including bankruptcy.

## **Competitive Risk**

The market in which the Company operates is highly competitive and is likely to become increasingly competitive in the future. The Company may ultimately face declining sales, decreased revenue or smaller margins as a direct result of competition in the marketplace. Changes in customer preference or the inability to successfully compete with other companies offering a similar product or service could negatively impact the Company's financial performance.

## **Demand Risk**

Realized market demand for the Company's product and application may not yield forecasted sales or revenue expectations contained herein. All demand calculations factored into the forward-looking sales models are based on hypothetical estimates that may not be obtained when the products and services are released.

## **Personnel and Management Risk**

Investing in the Company is an investment in the founders, employees and management team. Their ability to execute the business plan and make sound operational decisions will be important factors in the viability and success of the Company. As the Company's investors, you will not be able to participate directly in the Company's day-to-day operations or engage management or other employees. The Company's security holders do not have special right of access to the Company unless otherwise granted. Your investment in the Company will in part be allocated by the Company to fund employee, management and executive officer compensation. This compensation is exclusively set by Company leadership.

## **Use of Funds Risk**

The projected use of funds and proceeds from this Regulation CF offering is a best estimate. Actual capital allocation may differ based on business conditions at time of execution and is solely based on the Company's discretion. The Company's investors should be comfortable with the provided intended fund usage description and understand the Company's leadership and management team reserves the right to re-allocate use of proceed funds based on the needs of the Company.

## **Credit Risk**

There is a high likelihood that the Company will require access to capital or credit in order to support business growth finance requirements. Acquiring extensions of credit with favorable terms can be challenging and is highly dependent upon macro-economic conditions coupled with aforementioned internal and external known and unknown factors. If the Company is unable to obtain needed credit it could be forced to modify business strategy, growth projections, or take other action necessary to raise additional capital or conserve existing funds. The Company's inability to secure future credit could adversely impact the business, its valuation, and/or the value of shareholder securities.

### **Capital Risk**

The Company requires ongoing intensive capital formation and allocation until profitability is achieved which may not happen due to various internal and external known and unknown factors. The amount of capital the Company is attempting to raise in this offering will not be enough to sustain its business operations to profitability. The Company will have to raise additional capital to continue development and fund operations and expansion. There is no guarantee that additional capital will be able to be raised by the Company even if this raise is successful. If the Company is unable to acquire additional capital it may be required to alter its business plan, business strategy, sell assets, reduce workforce, restructure under the protections of a bankruptcy filing, or cease operations and dissolve. Under such scenarios, no return of capital, shareholder settlement or refund would be issued to investors. The Company's inability to secure future capital could adversely impact the business, its valuation, and/or the value of shareholder securities.

### **Disclosure Risk**

Data and information regarding the Company and the investment opportunity is limited. You may not have or be able to obtain all the information requested or sought after in order to make a sound investment decision. While the Company is required to disclose certain information such as an offering document, annual financial statements, annual reports, information concerning intended use of funds and material changes, such disclosures and information contained herein do not represent all the data or risks associated with investing in early stage companies such as the Company.

Available information will be limited as the Company does not have a fully developed business plan and long history of operation. Investing in crowdfunding companies presents significantly more risk than investing in

publicly traded companies due to the limited amount of data and information provided by a company engaging in a Regulation CF raise. Unlike the Company, publicly listed companies are required to file annual and quarterly reports and promptly disclose material information, providing the ability for the investor to more closely and thoroughly monitor their investment.

### **Liquidity Risk**

The Company's securities will be illiquid. The Company's securities may not be converted into cash.

With limited exceptions, you will not be lawfully able to sell or transfer your securities during the initial mandatory 12-month lock-up period. After this period, Federal and State securities regulations may limit or restrict your ability to sell or transfer your securities. In the event you are able to sell your securities you will likely have a hard time finding a buyer due to a lack of an established market, and, if such a marketplace exists, it may experience low volume or few participants. You should be prepared to hold your investment for a very long time.

### **Performance Risk**

There is a high likelihood that future Company performance may not achieve its stated objectives herein. All statements, claims and representations of future performance are for the most part hypothetical, based on management's good faith and best efforts estimates, analysis, and forecasts. Current management expectations and projections regarding future performance, financial trends, societal trends, economic trends, and other reasonable beliefs impacting the business, financial conditions, and the results of its operations form the basis for the projections and other forward-looking statements made herein. As socioeconomic trends change, there is a high likelihood that such assumptions made in good faith and contained herein may become less reliable creating a circumstance where adjustments to the Company's operations may be required.

Achievement of stated performance contains risks based on known and unknown internal and external factors that could lead to material changes or variations of actual results. There is no guarantee that the Company's financial and operations performance will meet expectations or herein stated projections and forward-looking statements.

### **Economic Risk**

The Company's success is extremely sensitive to various known and unknown internal and external societal, regulatory, and economic factors. These factors may impact the performance of the Company and its ability to achieve stated objectives.

Known factors include, but are not limited to:

- Local, regional, national, or global economic recessions;
- Changes in capital market conditions and the Company's ability to obtain future funding;
- Changes or declines in employment within the Company and outside the Company.
- Domestic or international tax policy changes;
- Domestic and global political conditions;
- Wars, natural disasters and other potential crises.

Unknown factors include ones undisclosed herein that have a high likelihood of occurring without forewarning or knowledge thereof. Such events could lead to a sudden and intense need for the Company to raise additional capital, make difficult and unpopular operational decisions, or cease operations.

### **Loans**

If funds in excess of those raised are needed by the Company, the Company retains the right to obtain a loan or additional debt, the repayment of which will take priority over the payment of dividends, revenue sharing returns and prior debt offerings to investors.

### **Fraud Risk**

There is no guarantee that any investment is immune from fraud. While most public offerings, including Regulation CF offerings, require screening standards, oversight and reviews, the risk of fraud remains high when investing in any early stage company including start-ups such as the Company. There is no guarantee as to the validity or accuracy of the Company's claims or representations about technology, projections and forward-looking statements, advertising materials related to this crowdfunding raise, or past or future performance. You are required to undertake your own diligence and/or consult your financial advisor with respect to the accuracy and validity of the Company's materials.

### **Dilution Risk**

The Company plans to raise more capital in the future with possibly more than one round of funding. Dependent upon the offering, new investors may receive additional equity shares in the Company and existing shareholders may experience a decrease in ownership percentage (dilution) upon the issuance of new shares by the Company, possibly at a lower price. Future offerings may provide the new investors with advantages not available to you as a previous investor.

**Target Offering Amount and Deadline – §227.201(g)**

|                         |                    |
|-------------------------|--------------------|
| Target Offering Amount: | Offering Deadline: |
| \$25,000.00             | 02/19/2021         |

**Required Statement:**

If the sum of the investment commitments does not equal or exceed the Target Offering Amount at the Offering Deadline, no securities will be sold in the offering, investment commitments will be cancelled and committed funds will be returned.

**Investments in Excess of Target Offering Amount – §227.201(h)**

| Issuer to Accept Investments in Excess of Target Offering Amount: | Maximum Amount to be Accepted in Excess of Target Offering Amount: | Oversubscription Allocation: pro-rata, first come-first served, other |
|---|--|---|
| YES   | \$107,000.00   | First-Come First-Served   |

**Purpose and Intended Use of Offering Proceeds – §227.201(i)**

**Purpose of the offering and description of intended use of funds:**

The Company will use the money raised for general offering expenses, marketing of the raise, legal fees, development of the product, accounting, and working capital.

**Intended Use of Funds:**

| Use of Funds (Description) | Amount (Target Raised) | Amount (Maximum Raised) |
|----------------------------|------------------------|-------------------------|
| Offering Expenses:         | \$500                  | \$1,000                 |
| Portal Fees:               | \$1,500                | \$6,420                 |
| Working Capital:           | \$8,500                | \$19,580                |

| Use of Funds<br>(Description) | Amount<br>(Target Raised) | Amount<br>(Maximum Raised) |
|-------------------------------|---------------------------|----------------------------|
| Legal:                        | \$500                     | \$4,000                    |
| Product Development:          | \$6,500                   | \$40,000                   |
| Marketing:                    | \$7,000                   | \$31,000                   |
| Accounting:                   | \$500                     | \$5,000                    |
| <b>Total Proceeds:</b>        | <b>\$25,000</b>           | <b>\$107,000</b>           |

**Irregular use of proceeds:**

None.

Investment and Cancellation Process – §227.201(j)

**Investment Process**

1. Navigate to [www.fundopolis.com](http://www.fundopolis.com)
2. Select Invest from top menu bar and choose List of Raises. Alternatively, navigate directly to Active Investments.
3. Navigate to Invest on active raise page.
4. Acknowledge that you have carefully read and understand each statement before proceeding with investment.

**Cancellation Process**

1. E-mail [fundsquad@fundopolis.com](mailto:fundsquad@fundopolis.com) providing your name, the name of the company you’re invested in, and your intention to cancel the investment.

**Required Statements:**

Investors may cancel an investment commitment until 48 hours prior to the deadline identified in the issuers offering materials. Fundopolis will notify investors when the target offering amount has been met.

If the issuer reaches the target offering amount prior to the deadline identified in the offering materials, it may close the offering early if it provides notice about the new offering deadline at least five business days prior to such new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment).

If an investor does not cancel an investment commitment before the 48-hour period prior to the offering deadline, the funds will be released to the

issuer upon closing of the offering and the investor will receive securities in exchange for his or her investment.

### Material Changes – §227.201(k)

If an investor does not confirm his or her investment commitment after a material change is made to the offering the investor's investment commitment to the offering will be cancelled and the committed funds will be returned.

**Note:** A “material change” means a change that an average, informed investor would want to know about before making an investment decision. A material change can be positive or negative. If a material change occurs after an investment decision has been made but prior to the Offering's close, then the company will provide notification and ask whether you want to proceed with your investment commitment. If affirmative confirmation to proceed with the investment is not provided your commitment will be cancelled and your funds will be returned to you. You will **not** receive any securities from the Offering.

### Price of the Securities – §227.201(l)

The Company is offering a Debt Investment, which will be referred to as the “Convertible Note”. The Convertible Note issued by the company will have a valuation cap of \$12,000,000 with a discount rate of 20%.

### The Offering:

**Company:** Crypto Asset Rating Inc.  
**Address:** 103 Mundy Ave Edison NJ 08820  
**State of Organization:** Delaware  
**Date Company was Formed:** 03/06/2018

### The Terms:

**Minimum Investment Amount (per investor):** \$100.00  
**Maximum Investment Amount (per investor):** \$50,000.00  
**Offering Type:** Convertible Note  
**Type of Equity Converted Into:** Debt  
**Conversion Trigger:** \$200,000  
**Maturity Date:** 2 years  
**Valuation Cap:** \$12,000,000  
**Discount Rate:** 20%  
**Annual Interest Rate:** 7%



**Shareholder Voting Rights:** None  
**Shareholder Voting Rights Limitations:** None

### **Description of the Issuer's Securities**

| Security Class | Authorized Amount | Amount Outstanding | Voting Rights |
|----------------|-------------------|--------------------|---------------|
| Common Stock   | 10,000,000        | 7,904,000          | No            |

### **Summary of differences between security offered and outstanding securities:**

These are non-voting ordinary shares.

In the past, the Company has raised money under Regulation D exemption, issuing securities in the form of a Simple Agreement for Future Tokens, an agreement that is different from securities offered here. Under the terms, the Company would allow investors to purchase tokens in the future. This Reg D 506(c) offering filed with the SEC on 12/20/2019, total amount of securities sold equaled \$101,000.

Overall, the Company also has other shareholders, holding common stock in the Company. Such stock may allow its holders to voting rights, that are not otherwise afforded under securities issued in this offering.

### **Additional Risk Statements:**

#### **Exercise of Principal Shareholder Rights**

Principal Shareholders of the Company may make decisions that could negatively impact the company or its overall performance. These decisions may not be agreeable for all investors. Investors could lose some or all of their investment.

#### **Additional Issuances of Securities**

The Company may raise more capital in the future. Depending upon the offering, new investors may receive additional equity shares in the Company which will dilute existing shareholders ownership percentage. upon the issuance of new shares by the Company. Future offerings may provide the new investors with advantages not available to you as a prior investor.

#### **Issuer Repurchases of Securities**

The Company may have authority to repurchase its securities from shareholders, which may decrease liquidity for such securities, and/or decrease the percentage interests held by other investors, while creating pressure on the Investor to sell its securities to the Company.

### **Sale of Issuer or Its Assets**

Investors will be considered minority owners of the Company and will have no influence on the sale of the Company or its assets. All decisions related to the sale of the Company or its assets will be at the sole discretion of the executive management of the Company. In the event that a part or all of the Company or its assets are sold, there will be no guarantee that the investors initial investment in the company will be equal to or in excess of the investor's initial investment.

### **Transactions with Related Parties**

Transactions in which conflicts of interest arise with the Company are possible. In these cases, the executive management team or the Board of Directors will have the exclusive authority to determine whether such transactions are in the best interest of the Company. Investors acknowledge that such conflicts of interest may occur and waive claim to liability that could arise from conflicts of interest.

### **Restrictions on Transfer of the Securities Being Offered**

#### **Required Statement**

The securities being offered may not be transferred by any purchaser of such securities during the one-year period beginning when the securities were issued, unless such securities are transferred:

- 1) To the issuer;
- 2) To an accredited investor;
- 3) As part of an offering registered with the U.S. Securities and Exchange Commission; or
- 4) To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

**Note:** The term “accredited investor” means any person who comes within any of the categories set forth in Rule 501(a) of Regulation D, or who the seller reasonably believes comes within any such categories, at the time of the sale of the securities to that person.

**Note:** The term “member of the family of the purchaser or the equivalent” includes a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law of the purchaser and includes adoptive relationships. The Term “spousal equivalent” means a cohabitant occupying a relationship generally equivalent to that of a spouse.

### Capital Resources and Material Terms of Debt - §227.201(p)

The Company had capital contributions from a co-founder. The Company has received an investment under the Regulation D offering.

### Other Exempt Offerings within the Last 3 Years - §227.201(q)

**Yes**

Date of offering (date filed with the SEC): 12/20/2019

Type of offering exemption used: Regulation D

Be specific about the type of offering: 506(c)

Type of securities offered: Simple Agreement for Future Tokens (SAFT)

Amount of securities sold: \$101,000

Use of proceeds: (i) paying for the costs of this Offering (ii) the future development of the Company, (iii) the development of functional applications, products, services, and platforms for the Company, (iv) general corporate purposes, including capital expenditures, acquisitions, debt repayments, cybersecurity upgrades, augmenting technology, infrastructure and personnel, development of products and services, and short term investments, and (v) legal and accounting expenses.

### Transactions between the Company and “Insiders” - §227.201(r)

None.

## Financial Condition of the Issuer §227.201(s)

### **Does the issuer have an operating history?**

Yes.

### **Historical Financial Highlights:**

One of the Company's financial milestones is the fact that it has received investments of \$101,000 via Simple Agreement for Future Token (SAFT) securities under Regulation D. One of the trends impacting the Company's prospective financial condition is that due to the SEC's actions against fraudulent token issuers, the Company's business opportunity has increased and is projected to increase as investors want transparent and ethical analysis from independent structured rating agencies such as the Company. On the other hand, the market slowdown in the crypto space in 2019 mildly impacted the Company's financial condition.

Due to the COVID-19 pandemic, deficit is increasing worldwide, which will in turn increase demand for crypto assets. Also, printing money will decrease its value and further increase inflation, thus increasing confidence in crypto assets.

The current economic state of the country, as well as the possibility of a recession, indicates that cryptocurrencies will be pushed higher as an alternative to the dollar, increasing bitcoin's value and indicating confidence of global investors in the crypto market.

### **Financial Projections:**

The Company's short-term revenue projections show that that the company will be able to launch its Crypto Business World (CBW) product. As for its long-term projections, the Company anticipates to have Basic and Advanced Rating, Crypto Index Products, Crypto Access Platform (tokenization platform) and Crypto Exchange Rating.

The Company expects to generate revenue in year 2021, reach its breakeven in year 2022, and become cash-flow positive in year 2023.

The Company expects to generate \$3M revenue in 2021-2022, and \$100M in 2027-2028. The Company anticipates using the available cash generated from this offering within 1 year of the completion of the offering.

As for the available sources of capital to the business, the Company may implement a raise under the Regulation S exemption.

### Historical Issuer Financial Statements - §227.201(t)

Please refer to Exhibit B of the Offering Memorandum for historical financial statement information covering the two most recently completed fiscal years or the period(s) since inception, if shorter.

### Disqualification Events - §227.201(u)

#### **Required Statement**

A company/issuer is not permitted to raise funds utilizing Regulation CF if certain designated individuals associated with the company/issuer committed certain prohibited acts on or after May 16, 2016. This item requires a company/issuer to disclose whether any of those designated individuals committed any of those prohibited acts prior to May 16, 2016.

#### **Has the issuer or designated associated individuals been convicted of a financial crime:**

No.

### Ongoing Reporting Requirement - §227.201(v)(w)

#### **Annual Reporting**

The Company will file a report electronically with the SEC annually and post the report on its website no later than 120 days after the fiscal year covered by the report.

It is possible that the Company may not be required to continue filing annual reports and will notify investors if this occurs.

### Reporting Compliance Obligations - §227.201(x)(y)

The Company has not previously failed to file the reports required by Regulation CF associated with prior raises.