

Theo Chino Affidavit Exhibit List

| EXHIBIT | DOCUMENT DESCRIPTION |
|----------------|--|
| I | Chino LTD Delaware Certificate of Incorporation |
| II | Chino LTD's Filing Receipt for Application for Authority (Foreign Bus) |
| III | CBC's New York Certificate of Incorporation |
| IV | Bitcoin Processing Agreement between CBC and Neio Wireless |
| V | Photo of Signage Given To Stores |
| VI | Application under the New York State Minority Owned/Women Owned Business Enterprise Program for Chino LTD and Status Report |
| VII | Chino LTD's Application for License to Engage in Virtual Currency Business Activity |
| VIII | Receipt from Rehana's Wholesale indicating Bitcoin purchase |
| IX | January 4, 2016 Letter from New York State Department of Financial Services |
| X | Chino LTD's 2013 U.S. Income Tax Return, filing as a "S Corporation" |
| XI | Chino LTD's 2014 U.S. Income Tax Return, filing as a "S Corporation" |
| XII | Chino LTD's 2015 U.S. Income Tax Return, filing as a "S Corporation" |
| XIII | Chino LTD's 2016 U.S. Income Tax Return, filing as a "S Corporation" |
| XIV | Daniel Cawrey, <i>Credit Cards Have Not Evolved With the Internet. Enter Bitcoin.</i> , COINDESK (Jan. 5, 2014), http://www.coindesk.com/credit-cards-not-evolved-enter-bitcoin/ |

EXHIBIT “I”

County of New Castle
Dated: November 19th, 2013

ORGANIZATION ACTION IN WRITING OF INCORPORATOR

OF

CHINO LTD

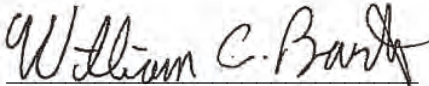
(Organized on November 19th, 2013)

The following action is taken this day through this instrument by the incorporator of the above corporation:

1. The election of the following person[s] to serve as the director[s] of the corporation until the first annual meeting of stockholders and until their successors are elected and qualified or until their earlier resignation or removal:

Theo B Chino

The Company Corporation, Incorporator

By: 

Name: William Bartz
Assistant Secretary

CERTIFICATE OF INCORPORATION

FIRST: The name of this corporation shall be: CHINO LTD

SECOND: Its registered office in the State of Delaware is to be located at 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware, 19808. The name of its registered agent at such address is The Company Corporation.

THIRD: The purpose or purposes of the corporation shall be:

To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock, which this corporation is authorized to issue is One Thousand, Five Hundred (1,500) shares of common stock without a par value

FIFTH: The name and address of the incorporator is as follows:

The Company Corporation
2711 Centerville Road
Suite 400
Wilmington, Delaware 19808

SIXTH: The Board of Directors shall have the power to adopt, amend or repeal the by-laws.

SEVENTH: No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law, (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. No amendment to or repeal of this Article Seventh shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

IN WITNESS WHEREOF, the undersigned, being the incorporator herein before named, has executed signed and acknowledged this certificate of incorporation this 19th day of November, 2013.

The Company Corporation, Incorporator

By: /s/ William Bartz
Name: William Bartz
Assistant Secretary

EXHIBIT “II”

FILING RECEIPT

ENTITY NAME: CHINO LTD

DOCUMENT TYPE: APPLICATION FOR AUTHORITY (FOREIGN BUS)

COUNTY: NEWY

FILED:02/24/2014 DURATION:PERPETUAL CASH#:140224000732 FILM #:140224000671
DOS ID:4533808

FILER:

EXIST DATE

THEO CHINO
640 RIVERSIDE DRIVE
10B
NEW YORK, NY 10031

02/24/2014

ADDRESS FOR PROCESS:

THEO CHINO
640 RIVERSIDE DRIVE
NEW YORK, NY 10031

10B

REGISTERED AGENT:



The corporation is required to file a Biennial Statement with the Department of State every two years pursuant to Business Corporation Law Section 408. Notification that the biennial statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

SERVICE COMPANY: ** NO SERVICE COMPANY **

SERVICE CODE: 00

FEES 225.00
FILING 225.00
TAX 0.00
CERT 0.00
COPIES 0.00
HANDLING 0.00

PAYMENTS 225.00
CASH 0.00
CHECK 225.00
CHARGE 0.00
DRAWDOWN 0.00
OPAL 0.00
REFUND 0.00

DOS-1025 (04/2007)

EXHIBIT “III”

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on December 31, 2014.

A handwritten signature in cursive script that reads "Anthony Giardina".

Anthony Giardina
Executive Deputy Secretary of State

CERTIFICATE OF INCORPORATION
OF

Conglomerate Business Consultants Inc

Under Section 402 of the Business Corporation Law

FIRST: The name of the corporation is:

Conglomerate Business Consultants Inc

SECOND: This corporation is formed to engage in any lawful act or activity for which a corporation may be organized under the Business Corporation Law, provided that it is not formed to engage in any act or activity requiring the consent or approval of any state official, department, board, agency or other body without such consent or approval first being obtained.

THIRD: The county, within this state, in which the office of the corporation is to be located is NEW YORK.

FOURTH: The total number and value of shares of common stock which the corporation shall have authority to issue is: 200 SHARES WITH NO PAR VALUE.

FIFTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address within or without this state to which the Secretary of State shall mail a copy of any process against the corporation served upon him or her is:

Conglomerate Business Consultants Inc
14 Wall Street 20th Floor
New York, NY 10005

I certify that I have read the above statements, I am authorized to sign this Certificate of Incorporation, that the above statements are true and correct to the best of my knowledge and belief and that my signature typed below constitutes my signature.

Silfrido Martinez (signature)

Silfrido Martinez, INCORPORATOR
14 Wall Street 20th Floor
New York, NY 10005

Filed by:
Silfrido Martinez
14 Wall Street 20th Floor
New York, NY 10005

FILED WITH THE NYS DEPARTMENT OF STATE ON: 12/31/2014
FILE NUMBER: 141231010182; DOS ID: 4686913

ONLINE FILING RECEIPT

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ENTITY NAME: CONGLOMERATE BUSINESS CONSULTANTS INC

DOCUMENT TYPE: INCORPORATION (DOM. BUSINESS) COUNTY: NEW

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FILED:12/31/2014 DURATION:PERPETUAL CASH#:141231010182 FILE#:141231010182
DOS ID:4686913

FILER: EXIST DATE

SILFRIDO MARTINEZ 12/31/2014
14 WALL STREET 20TH FLOOR
NEW YORK, NY 10005

ADDRESS FOR PROCESS:

CONGLOMERATE BUSINESS CONSULTANTS INC
14 WALL STREET 20TH FLOOR
NEW YORK, NY 10005

REGISTERED AGENT:

STOCK: 200 NPV



The corporation is required to file a Biennial Statement with the Department of State every two years pursuant to Business Corporation Law Section 408. Notification that the Biennial Statement is due will only be made via email. Please go to www.email.ebiennial.dos.ny.gov to provide an email address to receive an email notification when the Biennial Statement is due.

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SERVICE COMPANY: ** NO SERVICE COMPANY **
SERVICE CODE: 00

| | | | |
|----------------|--------|----------|--------|
| FEE: | 145.00 | PAYMENTS | 145.00 |
| | ----- | | ----- |
| FILING: | 125.00 | CHARGE | 145.00 |
| TAX: | 10.00 | DRAWDOWN | 0.00 |
| PLAIN COPY: | 0.00 | | |
| CERT COPY: | 10.00 | | |
| CERT OF EXIST: | 0.00 | | |

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DOS-1025 (04/2007)

Authentication Number: 1412310167 To verify the authenticity of this document you may access the Division of Corporation's Document Authentication Website at <http://www.dos.ny.gov>

EXHIBIT “IV”



Conglomerate Business Consultants, Inc.

14 Wall Street – 20th Floor, New York, NY 10005
(888) 522-5211 – support@cbcna.co

001016

BITCOIN PROCESSING AGREEMENT

Effective beginning 05 / 28 / 2015 with the regularly scheduled transfers following the date of acceptance of this authorization by **Conglomerate Business Consultants, Inc.** ("CBC, Inc") and of which CBC, Inc. will notify me in writing, I (hereafter "I", "me" or "my") hereby authorize **Conglomerate Business Consultants, Inc** and its successors or assigns to process blockchain inscriptions and bitcoin transfers on my behalf.

The amount of each such **inscription** will be equal to my scheduled invoice due under the retail contract held by CBC, Inc and I (the "Agreement".)

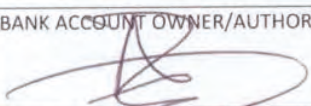
I understand that any financial information provided herein shall be deemed a part of this authorization.

| | | | |
|---|--------------------------|-----------------------|--|
| Activation Fee <u>0</u> | | Per Transaction Fee | |
| Monthly Airtime Fee (per terminal) <u>0</u> | | One Time Fee <u>0</u> | |
| BANK ROUTING NUMBER | ACCOUNT TYPE (CHECK ONE) | BANK ACCOUNT NUMBER | |

I may cancel this authorization by one of the following methods:

- a. Sending a written cancellation request by regular mail to **CBC, Inc, 14 Wall St, 20th Floor, New York, NY 10005;**
- b. Sending an email requesting cancellation addressed to **autopaycancel@cbcna.co;**
- c. Sending a cancellation request by facsimile to **(888) 531-3901;** or
- d. Enrolling as a registered user at **http://www.cbcna.co** and canceling as provided in that website;
- e. Requesting from any CBC, Inc. representative for the written cancellation form in person or by calling **(888) 522-5211** and returning it to CBC, Inc.

This authorization will remain in full force and effect until I cancel it by a method listed herein; and CBC, Inc. cancels it in writing. x AR

| | | | |
|---|--|---|-------------------------|
| COMPANY NAME <u>Neo wireless</u> | | ADDRESS <u>1481 Saint Nicholas Ave</u> | |
| FINANCIAL INSTITUTION NAME | | NAME(S) ON BANK ACCOUNT | |
| BANK ROUTING NUMBER | ACCOUNT TYPE (CHECK ONE) <input type="checkbox"/> Checking <input type="checkbox"/> Savings | BANK ACCOUNT NUMBER | |
| BANK ACCOUNT OWNER/AUTHORIZED SIGNER'S SIGNATURE  | | | DATE <u>05/28/15</u> |

Important Enrollment Information

- 1. Please make sure all information above is filled in and that a blank voided check is included with this authorization form containing any missing information.
- 2. Return the Authorization Form and voided check to the address below or by fax to 1-888-531-3901.

Conglomerate Business Consultants, Inc.
14 Wall Street – 20th floor
New York, NY 10005

EXHIBIT “V”



bitcoin
**ACCEPTED
HERE**

cBcC

CONGLOMERATE BUSINESS CONSULTANTS INC.
14 Wall Street New York, NY 10005
1-888-522-5211
E-mail: sales@cbcna.co
www.cbcna.co



FOR TECHNICAL SUPPORT
PLEASE CONTACT US AT:

1-888-316-4123
support@cbcna.co

EXHIBIT “VI”

[Main](#) | [Documents](#) | [Signature](#) | [Submit](#) | [Q & A](#) | [Utilities](#) | [Cert List](#)

Chino Ltd

Application Type: **New Application**

Application Number: **1109683**

Application status: **Submitted, Pending Receipt**

Application started: **6/26/2015**

Submitted: **8/16/2015**

Print to Printer

Print to PDF File

Certification Application Information

| | |
|--------------------|-----------------------------------|
| Application Type | New Application |
| Certifying Agency | New York State |
| Business Name | Chino Ltd |
| Current Status | Submitted, Pending Receipt |
| Application Number | 1109683 |
| Contact Person | Theo Chino |

Questions

1.A. This firm is applying for certification as

Minority Business Enterprise (MBE)

1.B. Name of applicant firm

Chino Ltd

1.C. "Doing Business As" (DBA) Name

1.D. Business Address

640 Riverside Drive
10B
New York, NY 10031

1.E. Mailing Address

640 Riverside Drive
10B
New York, NY 10031

1.F. Business Phone Number

347-809-5004

1.G. Alternate Business Number

1.H. Fax Number

212-809-5004

1.I. Email Address

nyscontract@vendor..chino.ws

1.J. Website

https://www.chino.ws

1.K. Twitter

1.L. Facebook

1.M. Other

Generated by Theo Chino, Chino Ltd on 8/16/2015

1.N. Federal Employer Identification Number (or SSN)

1473

1.O. Contact Person

Theo Chino, Founder

1.P. Name of Company President/Chief Executive Officer/Owner

Theo Chino, CEO

1.Q. Type of ownership

Corporation

1.R. Date firm was established

11/19/2013

1.S. Did the business exist under a different type of business ownership prior to the date indicated above?

No

1.T. Method of Acquisition

Started new business

1.U. Date of acquisition

1.V. Gross Receipts

| Year Ending | Total Receipts |
|-------------|----------------|
| 2014 | \$0 |
| 2013 | \$0 |
| 2012 | \$0 |

1.W. Number of employees

| Permanent | | Temporary/Seasonal | |
|-----------|---|--------------------|---|
| Full-time | 0 | Full-time | 0 |
| Part-time | 0 | Part-time | 0 |

1.X. In what regions of New York State are you willing and able to conduct your business activity?

All

2.A. Name & Position of all person(s) with ownership interest in this firm.

| Name | Position | Gender | Ethnic Group | Citizen | Date of Ownership | Ownership % | Voting % |
|------------|----------|--------|--------------|---------|-------------------|-------------|----------|
| Theo Chino | CEO | Male | Hispanic | Yes | 11/19/2013 | 100.0% | 100.0% |

2.B. If this firm is owned in full or in part by another firm, please identify the firm and percentage of ownership interest.

None

2.C. Please identify the cash and capital contributions to this firm by those identified as owners above.

| Contributor/Source | Amount/Value | Type | Date of Contribution |
|--------------------|--------------|-----------|----------------------|
| Theo Chino | \$50,000 | Cash/Loan | 11/19/2013 |

2.D. Identify holdings of all shareholders

| Shareholder | Number of Shares | Class | Amount Paid When Purchased | Date of Ownership |
|-------------|------------------|--------|----------------------------|-------------------|
| Theo Chino | 1,500 | Common | \$0 | 11/17/2013 |

2.E. Number of shares

| | Authorized Shares | Issued Shares |
|---------------------|-------------------|---------------|
| Common Stock | 1500 | 1500 |
| Preferred Stock | 1500 | 1500 |
| Total Shares | 3000 | 3000 |

2.F. List of current Board of Directors

| Name | Title/Position | Date Appointed | Ethnicity | Gender |
|------------|----------------|----------------|-----------|--------|
| Theo Chino | President | 11/17/2013 | Hispanic | Male |

3.A. If licensing, permits or accreditation is required to conduct the business, please identify

Not applicable or no licenses/permits held

3.B. Business Categories

Professional Service, Technical Service, Other: BlockChain Technology

3.C. Describe principal products/commodities sold, specialties or services offered

We offer Internet Blockchain technology which is licensed to other company to provide service to small businesses.

3.D. Provide the business's primary North American Industry Classification System (NAICS) number

NAICS 42511: Business to Business Electronic Markets

3.E. Provide the business's secondary North American Industry Classification System (NAICS) number**3.F. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.G. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.H. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.I. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.J. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.K. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.L. Additional OPTIONAL North American Industry Classification System (NAICS) number****3.M. Additional OPTIONAL North American Industry Classification System (NAICS) number****4.A. Identify those individuals responsible for managerial operations****1. Financial Decisions**

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

2. Estimating

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | |

3. Preparing Bids

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

4. Negotiating Bonding

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

5. Negotiating Insurance

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

6. Marketing & Sales

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

7. Hiring & Firing

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

8. Supervising Field Operations

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

9. Purchasing Equipment/Sales

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

10. Manging & Signing Payroll

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

11. Negotiating Contracts

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

12. Signatories for Business Accounts

| Name | Title/Position | Ethnicity | Gender | Owner |
|------------|----------------|-----------|--------|-------|
| Theo Chino | Founder | Hispanic | Male | Yes |

4.B. Is this firm currently involved in the bidding process or other contract/purchase order negotiations with any governmental agency, department or authority?

No

4.C. List the three largest completed accounts for which the applicant has provided goods or services within the last three years.

No projects currently underway

4.D. List the three largest active projects on which your firm is currently working

Yes

| Firm/Organization Name | Phone | Location of Performance | Type of Work | Project Start Date | Anticipated Completion Date | Dollar Value of Contract |
|------------------------|------------|-------------------------|----------------------------|--------------------|-----------------------------|--------------------------|
| CBC Inc | 8883164123 | New York City | Provide Blockchain Service | 1/1/2014 | 1/1/2020 | \$1,000,000 |

4.E. Is the firm bonded?

No bonding currently in place

4.F. Are you a Union Shop?

No

5.A. List rented, leased, or owned office facilities.

None

5.B. List rented, leased, or owned warehouse, plant, and yard facilities.

None

5.C. List major equipment or machinery that is owned or leased by the firm.

None

5.D. List vehicles that are owned or leased by the firm.

None

5.E. Identify Bank(s) where all firm's accounts are maintained.

| Name of Institution | Address | Contact person | Type of Account |
|---------------------|---------|----------------|-----------------|
| None | None | None | None |

5.F. Do you have a line of credit?

5.G. Major current creditors and/or lenders and types of investments and/or loans in the firm.

Yes

| Name of Creditor/Lender | Type of Investment/ Credit/ Loan | Original Dollar Value of Investment/ Terms/ Credit/ Loan | Current Balance | Name of Guarantor(s) | Purpose of Loan |
|-------------------------|----------------------------------|--|-----------------|----------------------|-----------------|
| Self | Credit Loan | \$50,000 | \$50,000 | Self | Run day to day |

6.A. Do any of the key personnel perform a management or supervisory function for any other business?

Yes

| Person | Title | Business Name | Function |
|------------|-------|---------------|-----------------------|
| Theo Chino | CEO | CBC Inc | Day to day operations |

6.B. At present, or at any time in the past, has your firm consisted of a partnership in which one or more of the partners are other firms?

No

6.C. Do any principals, officers and/or owners of the firm have an affiliation with any other firm?

No

6.D. At present, or at any time in the past, has your firm been a subsidiary of any other firm?

No

6.E. At present, or at any time in the past, has your firm owned any percentage of any other firm?

No

6.F. At present, or at any time in the past, has your firm had any subsidiaries?

Yes

| Name of Business | Address | Type of Business |
|------------------|--------------------|---------------------|
| Chino Ltd | Dominican Republic | Blockchain Services |

6.G. Has any other firm had an ownership interest in your firm at present or at any time in the past?

No

6.H. Do any of your immediate family members own or manage another company?

No

6.I. Does the firm share office space with any other firm?

No

6.J. Does the firm share yard space/warehouse space with any other firm?

No

6.K. Does the firm share equipment with any other firm?

No

7.A. C.P.A or Accountant for firm

None used

7.B. Attorney for firm

None used

8.A. Has the firm applied for certification as an M/WBE with another governmental agency, department or authority?

No

Mandatory Documents

| Document | Status |
|--|--|
| Certification Application Notarization (New Application) Certification_Application_Notarization.jpg (JPG, 778.40 KB) | Attached by Theo Chino on 6/26/2015 |
| Department of State registration for all domestic firms Incorporation.jpg (JPG, 813.57 KB) Delaware Dept of State Certificate | Attached by Theo Chino on 6/26/2015 |

| | |
|--|--|
| Personal Net Worth Affidavit, Attachment A for each minority or woman upon which certification is based Affidavit.pdf (PDF, 1.81 MB) | Attached by Theo Chino on 6/26/2015 |
| Current year business Financial Statements: including Year-To-Date Balance Sheet and Profit & Loss Statement Intuit-2013.pdf (PDF, 7.20 KB) Intuit-Todate.pdf (PDF, 9.12 KB) | Attached by Theo Chino on 8/16/2015 |
| Most recent three (3) years of Federal, and State tax returns for the BUSINESS including all statements, schedules, and amendments 2013_Chino_Ltd_Form_1120S_S_Corps_Tax_Return_Filing.pdf (PDF, 243.13 KB) Corp 2013 2014_Chino_Ltd_Form_1120S_S_Corps_Tax_Return_(v2)_Filing.pdf (PDF, 300.45 KB) Return 2014 | Attached by Theo Chino on 6/26/2015 |
| Most recent two (2) years of Federal and State PERSONAL tax returns; including all schedules, W2s, statements and amendments for each minority or woman upon which certification is based Return-2013.pdf (PDF, 671.03 KB) 2013 Personal Return Return-2014.pdf (PDF, 383.70 KB) Return 2014 W2-2013.pdf (PDF, 86.23 KB) W2 Theo W2-2014.pdf (PDF, 82.54 KB) W2 2014 Theo | Attached by Theo Chino on 6/26/2015 |
| Documented proof of sources of capitalization and investments NOBankAccount.jpg (JPG, 286.78 KB) | Attached by Theo Chino on 8/16/2015 |
| Bank signature card or letter from the bank identifying persons authorized to conduct transactions, level of authority and limitations, if any, on all business accounts Bank_Account.pdf (PDF, 42.74 KB) Bank Letter is Blockchain Addresses | Attached by Theo Chino on 6/26/2015 |
| Proof of US Citizenship or Proof of permanent resident alien status (i.e. permanent resident "green" card.) for each Minority or Woman who has an ownership interest in the applicant firm Passports(1).jpg (JPG, 1.58 MB) | Attached by Theo Chino on 6/26/2015 |
| Resumes of all principals, partners, officers and/or key employees of the firm ResumeTheoChino.pdf (PDF, 27.07 KB) | Attached by Theo Chino on 6/26/2015 |
| Current, signed lease or Deed for all locations where your firm conducts business ProofOfAddress.pdf (PDF, 3.64 MB) | Attached by Theo Chino on 8/16/2015 |
| Articles of Incorporation Article_of_Incorporation.pdf (PDF, 79.26 KB) Article Of Incorporation | Attached by Theo Chino on 6/26/2015 |
| Copies of all issued stock certificates; front and back, as well as, next unissued certificate Stock_Certificate_1.pdf (PDF, 1.28 MB) Stock Certificate for 1500 shares | Attached by Theo Chino on 6/26/2015 |
| Copy of completed, up-to-date stock ledger Stock_Ledger.jpg (JPG, 423.36 KB) Stock Ledger | Attached by Theo Chino on 6/26/2015 |
| Corporation By-Laws Corporation_Bylaws.pdf (PDF, 86.82 KB) Bylaws | Attached by Theo Chino on 6/26/2015 |
| Minutes of first corporate organizational meeting and amendments 1st_minutes.pdf (PDF, 29.82 KB) 1st Minutes Minute_of_First_Meeting.pdf (PDF, 1.43 MB) | Attached by Theo Chino on 6/26/2015 |
| State filing receipt, including amended receipts State_Filing_Receipt.jpg (JPG, 458.43 KB) | Attached by Theo Chino on 6/26/2015 |

Required Documents

Generated by Theo Chino, Chino Ltd on 8/16/2015

| Document | Status |
|---|--|
| Personal Net Worth Worksheet, Attachment B for each minority or woman upon which certification is based that has a net worth exceeding \$1.3 million Affidavit(1).pdf (PDF, 1.81 MB) | Attached by Theo Chino on 6/26/2015 |
| Proof of gender (any government-issued identification) | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Proof of minority status as described in the definition of MBE under Article 15-A for for each Minority who has an ownership interest in the applicant firm Passports.jpg (JPG, 1.58 MB) Dominican Passport. | Attached by Theo Chino on 6/26/2015 |
| All signed third party agreements including equipment rentals, purchase agreements, management, service agreements, etc. | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of all licenses, permits, certifications, and/or accreditations utilized by this firm to conduct business, including those held by individual | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copy of the New York State Vendor Tax Registration | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Signed lease Agreements or proof of ownership for office space, yard space, warehouse space, and/or equipment | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Vehicle registration(s) for all vehicles used for business purposes and/or charged to the Business | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Any certification, decertification or denial of certification documentation Oficio_fijción_domicilio.pdf (PDF, 320.91 KB) Certification to do business in the Dominican Republic | Attached by Theo Chino on 6/26/2015 |
| Any employment agreements CarlosContract.pdf (PDF, 7.81 MB) | Attached by Theo Chino on 8/16/2015 |
| If out-of-state, Certificate of Authority to conduct business in New York State, and any amendments State Filing Receipt(1).jpg (JPG, 458.43 KB) | Attached by Theo Chino on 6/26/2015 |
| Copies of agreements relating to buy-out rights | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to facts pertaining to the value of shares | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to restriction on the disposal of stock loan agreements | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to restrictions on the control of the corporation | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to shareholder voting rights | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to shareholders agreements | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Copies of agreements relating to stock options | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Written request for exemption from disclosure regarding trade secrets | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Written request for exemption from public disclosure of certain records maintained by the program Exception.jpg (JPG, 359.93 KB) Written Exception Request | Attached by Theo Chino on 6/26/2015 |
| Proof of business activity in the form of a signed contract or purchase order Intro Letter (JPG, 324.70 KB) NewFormat.pdf (PDF, 2.26 MB) OldContracts.pdf (PDF, 2.46 MB) | Attached by Theo Chino on 8/16/2015 |
| Addendum for MWBE Certification with County of Erie and City of Buffalo, Joint Certification Committee | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Addendum for MWBE Certification with The Port Authority of New York and New Jersey | Not Applicable, noted by Theo Chino on 6/26/2015 |
| Addendum for MWBE Certification with New York City Department of Small Business Services NYC_AddendumForMWBECertification.pdf (PDF, 132.18 KB) | Attached by Theo Chino on 6/26/2015 |

Electronic Signature

Generated by Theo Chino, Chino Ltd on 8/16/2015

| | |
|--------------|-------------------|
| Signature | Theo Chino |
| Title | Founder |
| Organization | Chino Ltd |
| Date | 8/16/2015 |

[Customer Support](#)

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ATTACHMENT A: NYS MWBE CERTIFICATION
INDIVIDUAL PERSONAL NET WORTH AFFIDAVIT
Division of Minority and Women Business Development

Each individual owner relied upon for certification as a minority or women-owned business enterprise (hereinafter "MWBE") must complete this form and provide the applicable supplemental documentation as referenced below as part of the application for certification or recertification.

The personal net worth of each individual upon which certification is relied upon cannot exceed 3.5 million dollars. For certification purposes, personal net worth shall mean the aggregate adjusted net value of the assets of an individual remaining after total liabilities are deducted. Personal net worth includes the individual's share of assets held jointly with said individual's spouse but does not include the individual's ownership interest in the certified minority and women-owned business enterprise, the individual's equity in his or her primary residence, or up to five hundred thousand dollars of the present cash value of any qualified retirement savings plan or individual retirement account held by the individual less any penalties for early withdrawal.

I, Theo Chino, being duly sworn state that my social security number is [REDACTED] 6411 and I am a woman or a member of a minority group as defined in Article 15-A of the Executive Law. I own 100% percent of the equity in CHINO LTD, the business applying for certification or re-certification as an M or WBE with New York State. I have read the definition of net worth set forth in the statement above, and have calculated my net worth to be \$ 294,000.

Further, I understand that I am required to provide, with this affidavit, a true, executed copy of my submitted federal and state personal tax returns including all statements and schedules as filed for the prior taxable year. I also understand that in the event my personal net worth exceeds 1.3 million dollars at the time of this application, I am also required to submit a complete **Attachment B: Personal Financial Statement Worksheet** in the form or format supplied by the Division of Minority or Women's Business Development online at www.esd.ny.gov/mwbe.html.

I understand the tax returns I have submitted to the Division of Minority and Women Business Development as part of the certification or re-certification process must be true and correct copies of my personal tax returns and include all schedules, statements and amendments which I have submitted to the IRS and the state or, in the event that I have paid taxes in multiple jurisdictions, states where I have filed my most recent state income taxes. By signing below I am attesting that I am providing this as part of the application for certification or re-certification, and acknowledge any false statement made by the applicant will result in the denial of certification and is punishable as a Class E Felony under Section 175.35 of the Penal Law.

(Signature) [Handwritten Signature]

(Print) THEO CHINO

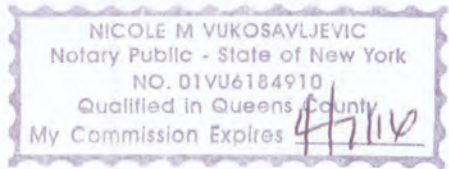
State of New York, County of New York. On this 24 day of June 2015, before me appeared

(Name) Theo Chino to me personally known, who being duly sworn, properly did execute the foregoing affidavit and did state that s/he was properly authorized by

(Name of Firm) Chino Ltd. to execute the affidavit and did so as his or her free act and deed.

Notary Public Nicole M. Vukosavljevic

Commission Expires 4/7/16



Subject: NYS: Application Review In Process
From: New York State Contract System <ny@newnycontracts.com>
Date: 4/14/2017 2:39 PM
To: Theo Chino <nyscontract@vendor.chino.ws>

Certification Application Review In Process

Applicant: **Chino Ltd**
Certifying Agency: **New York State**
Application Type: **New Application**
Application Number: **1109683**
Contact: **Theo Chino**
Date Submitted: **8/16/2015**
Date Received: **4/14/2017**

Dear Theo Chino,

Your application received on **4/14/2017** is now in process. During this time, you may be contacted to supply additional information and/or supporting documentation. The staff person assigned to review your application will contact you to schedule an on-site visit at your principal place of business, if required.

To view your application, visit: <https://ny.newnycontracts.com/?GO=677>

If you have any questions, please email us at ny@newnycontracts.com.

New York State Contract System
Web: <https://ny.newnycontracts.com/>
Email: ny@newnycontracts.com

NYS M/WBE Program: <http://www.esd.ny.gov/MWBE.html>

This message was sent to: "Theo Chino"
Sent on: 4/14/2017 1:39:03 PM
System ReferenceID: 47208210

System Tip: Have you updated your contact information in the system lately?

EXHIBIT “VII”



APPLICATION FOR LICENSE TO ENGAGE IN VIRTUAL CURRENCY BUSINESS ACTIVITY

(Before filling out this form read the instructions carefully. All answers should be printed or typed. If additional space is required to complete any statement, prepare and annex a rider. Write "none" or "not applicable" where appropriate.)

August 7, 2015

To the Superintendent of Financial Services of the State of New York:

The undersigned, desiring to engage in Virtual Currency Business Activity pursuant to the provisions of 23 NYCRR 200, does hereby make application for a license in accordance with 23 NYCRR §200.

1. The name and full address of the applicant is (include any trade name, under assumed name (UAN) or doing business as (DBA) name):

CHINO, LTD

2. Type of Application is: (Check type)

De Novo (new licensee) [X] Other (specify) []

3. Form of Organization of Applicant is: (Check type of entity in which business will be conducted)

Individual (Sole Proprietor) [] Partnership [] Corporation [X]
Limited Partnership [] Association []
Limited Liability Company [] Other (specify) []

4. Is the applicant also applying for a money transmission license with the Department at this time? If yes, the applicant must also submit an Application for a License to Engage in the Business of Issuing Travelers Checks, Money Orders, Prepaid/Stored Value Cards, and/or Transmitting Money (available at the Department's website). Additionally, note that information or documents recently submitted in connection with an application for a money transmitter license may be used to cross-satisfy information requested as part of this application. Please see section III of the application instructions for more information.

Yes [] No [X]

5. Is the applicant currently licensed with the Department as a New York money transmitter?

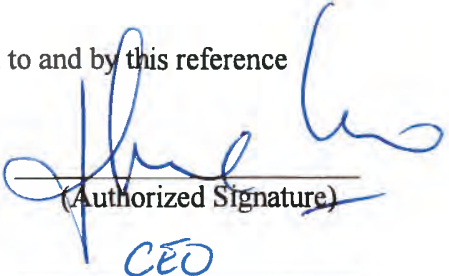
Yes []

No

The documents and information attached hereto are hereby referred to and by this reference incorporated herein.

Thes CHINO
(Name of Applicant)
347-809-5002
(Telephone Number)

(Fax Number)



(Authorized Signature)
CEO

(Print Name and Title)

dfs license@vendor.chino.us
(E-Mail Address)

VERIFICATION

The undersigned swears or affirms that the information contained in this application, including the attached information and documents, is true and correct. FALSE WRITTEN STATEMENTS IN THIS APPLICATION ARE PUNISHABLE UNDER SECTION 210.45 OF THE NEW YORK PENAL LAW (making a punishable false written statement). Also, as per the New York Financial Services Law and regulations, the Superintendent of Financial Services may initiate regulatory actions against the licensee.

The undersigned further verifies that he/she is the named person below and that he/she is authorized to attest to and submit this application on behalf of the Applicant.

This application is executed at 640 Riverside Drive, New York
(or insert name of other jurisdiction) August 7 on
6, 2015.

Theo Ghino
(Applicant Name)

Theo Ghino
(Authorized Signature)

THEO GHINO, CEO
(Print Name and Title)

AUTHORITY TO RELEASE INFORMATION

TO WHOM IT MAY CONCERN:

I hereby authorize any duly authorized representative of the New York State Department of Financial Services (DFS) bearing this release, or copy thereof, within one year of its date, to obtain any information in your files pertaining to any professional license awarded to me (including any grievance records), employment, military, educational records (including, but not limited to academic achievement, attendance, athletic, personal history, and disciplinary records), credit records, and law enforcement records (including, but not limited to any record of charge, prosecution or conviction for criminal or civil offenses). I hereby direct you to release such information upon request to the bearer. This release is executed with full knowledge and understanding that the information is for the official use of the DFS. Consent is granted for the DFS to furnish such information, as is described above, to third parties in the course of fulfilling its official responsibilities. I hereby release you, as the custodian of such records, your employers, officers, employees, and related personnel, both individually and collectively, from any and all liability for damages of whatever kind, which may at any time result to me, my heirs, family or associates because of compliance with this authorization and request to release information, or any attempt to comply with it. I am furnishing my Social Security Account Number on a voluntary basis with the understanding such is not required by statute or regulation. I understand that the DFS will use the number only to assist the Superintendent of Financial Services in making a determination as to whether I meet the standards set forth pursuant to the Financial Services Law and regulations for receiving the license for which I am applying. Should there be any question as to the validity of this release, you may contact me as indicated below:

I have read the above release and agree to the terms and conditions therein.

Social Security Account Number: _____
Date of Birth: _____
Signature of Parent or Guardian (if required): _____
Date: _____
Current Address: _____
Telephone Number: _____
CPA/Bar Membership(s) State: _____
Registration Number: _____
Full Name (Signature): _____
Full Name (Typed or Printed): _____
(Include maiden and any other previously-used name(s)): _____

STATE OF _____ } ss.:
COUNTY OF _____ }

Before me, a Notary Public in and for said County and State, personally appeared the above-named who acknowledged that s/he did sign the foregoing instrument and that the same is his/her free and voluntary act and deed. IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at, _____ this _____ day of _____, 20____.

Notary Public

BACKGROUND REPORT CERTIFICATION

Re: _____
(Subject of Report)

I, _____, do certify that a background report

on _____, _____
(Name) (Title)

of _____ was ordered
(Applicant's Name)

from _____
(Name of Company)

on _____ . If ordered by telephone, the report
(Date Report Was Ordered)

was ordered from _____
(Name of Person Taking Order)

*WSP REP
05/22/15
THU*

(Signature)

(Title)

(Date)

THIS FORM MAY BE REPRODUCED

PERSONAL FINANCIAL STATEMENT

NAME THOM CHINO
 (APPLICANT, OFFICER, DIRECTOR, STOCKHOLDER, OR INDIVIDUAL, AS APPLICABLE)

ADDRESS 640 Riverside Drive, NY, 10031

To: THE NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES (DFS)

The undersigned make(s) the following statement of (my)(our)(its) assets and liabilities at the close of business of the 8 day of August, 2016.

PLEASE ANSWER ALL QUESTIONS USING "NO" OR "NONE" WHERE NECESSARY.

| ASSETS | | LIABILITIES AND NET WORTH | |
|--------------------------------------|---------------|---------------------------------|------------------|
| Cash on Hand and in Banks (Sch 1) | 20 | Notes Payable Banks (Sch 1) | 27800 |
| Finance Agreements | | Notes Payable Others (Sch 4) | |
| Finance Agreements-Pledged | | Due to Principals (Sch 4) | |
| Notes Receivable | | Notes Rec., Discounted (Contra) | |
| Notes Rec., Discounted (Contra) | | Accounts Payable | |
| Accts and Loans Receivable | | Accrued Expenses Payable | |
| Cash | \$1151.00 | Accrued Interest Payable | |
| Securities (Sch 2) | \$24,127.54 | Accrued Taxes and Asses Pay. | |
| Due from Part, Stkhrs, Off, Empl. | | Brokers Margin Account Pay | |
| Inv. And Adv. -Affil. Or Subsid. Co. | | Mortgages Payable (Sch 3) | |
| Mortgages Owned | | Unearned Income | |
| Real Estate (Sch 3) | | Valuation Reserve-Bad Debts | |
| Furn, Fix, and Equip (Net of Depr) | 0 | Valuation Reserve-Contingencies | |
| Other Assets (Itemize) | | Other Liabilities (Itemize) | |
| | | | |

| | | | |
|--------------|-----------|---------------------------------|--------|
| | | | |
| | | Total Liabilities | 27.000 |
| | | | |
| | | Preferred Stock | |
| | | Common Stock | |
| | | Surplus | |
| | | Net Worth (Indiv. Or Part.) | |
| Total Assets | 25 298.54 | Total Liabilities and Net Worth | 27.000 |

SUPPLEMENTARY SCHEDULES

Sch. 1. Banking Relations (A list of all bank accounts, including savings)

| Name and Address of Bank | Balance | Loans, if any | Endorsed, Guaranteed or Secured |
|--------------------------|---------|---------------|---------------------------------|
| TD BANK | \$ 150. | | |
| BANK OF AMERICA | \$ 1 | | |
| ALASKA USA FCU | \$ 1000 | | |
| | | | |
| | | | |

Sch.2. Securities Owned (Stocks, Bonds, etc., but not mortgages)

| Par Val. Or Shs. | Description | Cost | Pres. Mkt. Val | To Whom Pledged |
|------------------|-------------|---------|----------------|-----------------|
| 155 | Facebook | 2044.50 | 14616.50 | |
| 77 | Netflix | 5005.00 | 9511.04 | |
| | | | | |
| | | | | |

Sch.3. Real Estate Owned – Mortgage Payable

| Location and Description | Cost | Asses. Val. | Est. Val. | Mortgage Balance | Maturity |
|--------------------------|------|-------------|-----------|------------------|----------|
| <i>None</i> | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Sch.4. Notes Payable – Due to Principals (Partners, Stockholders, Officers and Others)

| Due To | Amount | Due Date | Due To | Amount | Due Date |
|-------------|--------|----------|--------|--------|----------|
| <i>None</i> | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

CONTINGENT LIABILITY. The undersigned has (have) no contingent liabilities as endorser, guarantor, or otherwise, except the following: (Give details.)

SUITS, JUDGMENTS AND OTHER LEGAL ACTIONS. There are no suits, judgments, or other legal actions outstanding or pending against the undersigned and to the best of the undersigned's knowledge no legal actions are to be started against undersigned, except as follows: (Give details.)

PLEDGE ASSIGNMENT, AND TRANSFER OF TITLE OR ASSETS. As of the date of the statement of assets and liabilities, included in this financial statement, the undersigned has (have) not pledged, assigned, hypothecated, or transferred the title of any of the assets as listed above, except as noted in the various schedules of this financial statement; and the undersigned has (have) not pledged, assigned, hypothecated, or transferred the title of any such assets, except as follows: (Give details.)

INSURANCE COVERAGE. - Fidelity Bond: Partners, Officers, Employees \$ 0;
 Indemnity Coverage: Robbery and Holdup \$ 0; Burglary \$ 0;
 Misplacement \$ 0; Forgery \$ 0;
 Errors and Omissions \$ 0; Public Liability \$ 0;
 Fire Insurance: Furn., Fix., and Equip. \$ 0;
 Other Insurance (describe):

ACCOUNTING DATA. - If books are kept or audited please give name of
 accountant None; Indicate if Certified Public Accountant ;
 Frequency of Audits ; Date of Last Audit ; Date of Fiscal
 Year-End ; Did the accountant prepare the financial statement submitted
 herewith? N/A Are the figures shown the same as the auditor's
 figures? If not, how do the figures differ (give details):

The undersigned has (have) carefully read the foregoing statements, and all printed and written matter therein, and hereby certifies that all the statements are known to me (us) to be true and give a correct showing of the undersigned financial conditions, and that the undersigned has (have) no liabilities, direct, or contingent, business or accommodation, except as set forth in said complete statement, and that the legal and equitable title to all assets therein set forth is in the name of the undersigned solely, except as otherwise noted therein.

Signed this August day of 8, 2015.

CHINO LTD
 Name of Entity

By: [Signature]

Title: CEO, CHINO LTD

By: _____

Title: _____

By: _____

Title: _____

By: _____

Title: _____

LITIGATION AFFIDAVIT
FOR INDIVIDUALS

STATE OF NEW YORK,

}
}
}
}

ss:

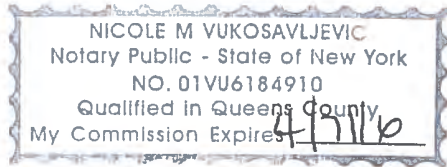
County of New York

I, THOM CHISNO, being duly sworn, depose and say:

That there are no arrests, indictments, criminal information or other criminal proceedings now pending against me as an individual, partner, director or officer of a corporation; that I have never been convicted of a crime in any jurisdiction in any of these capacities, that I have never been sued nor has any judgment been obtained against me in any of these capacities in any civil action in any jurisdiction; and that I have never been the subject of any administrative or disciplinary proceedings initiated by a regulatory or governmental agency in any of these capacities.

[Handwritten Signature]
Signature

Subscribed and sworn to before me this 7 day of August, 2015.



Nicole M. Vukosavljevic
Notary Public

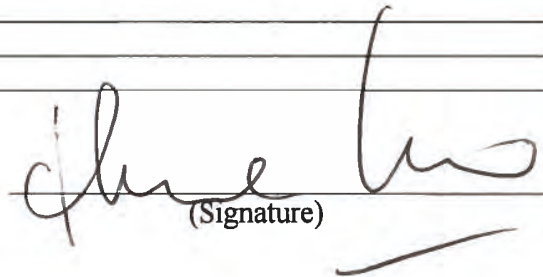
LITIGATION AFFIDAVIT
FOR LICENSEE/APPLICANT

I, THEO CHINO, the CEO of
(Print or type name) (Title)
CHINO LTD

being duly sworn, depose and say:

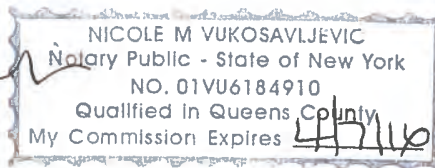
There are no indictments, criminal information or other criminal proceedings now pending against the licensee/applicant, that it has never been sued nor has any judgment been obtained against it in any civil action in any jurisdiction; and that it has never been the subject of any administrative or disciplinary proceedings initiated by a regulatory or governmental agency except as noted below.

N/A


(Signature)

Subscribed and sworn to before me this 7 day of August, 2015.


Notary Public



NEW YORK STATE DEPARTMENT OF FINANCIAL SERVICES
PERSONAL QUESTIONNAIRE
(Please Print or Type)

Please answer all questions, using "No," "None" or "Not Applicable" where necessary

1. Full Name: Thos B CHINO Soc. Sec. No.: —
First, Middle, Last

Have you ever been known by, or used, any other name? If so, list such name(s):

2. Home Address: 640 Riverside drive 1013
New York, NY 10031

How long at this address: 42 YEARS

3. Previous Home Address(es) (immediately prior to present address for the last 15 years):

How long at this address: _____

4. Present Occupation:

Firm Name: _____
Business Address: _____
Nature of Business: _____
Title: _____
Telephone Number: _____
Email Address: _____
Name of Immediate Superior: _____

5. Date of Birth: 19 Aug 72 Place of Birth: FRANCE

Citizenship: USA Right-to-Work in USA: Yes No ()

Passport No.: N Visa Type: A

Country of Issue: _____ Expiration Date: _____

6.

| <u>Education Awarded</u> | <u>Name and Address of School</u> | <u>Dates of Attendance</u> | <u>Major Area of Study</u> | <u>Degree Granted and Date</u> |
|-------------------------------------|-----------------------------------|----------------------------|----------------------------|--------------------------------|
| High School | | | | |
| College, University (Undergraduate) | N/A | | | |
| College, University (Graduate) | | | | |
| Professional or Technical School | | | | |
| | | | | |

7. Do you have a license to practice any profession: Yes No
(X) ()

If "yes" give details:

(a) Nature of License: New York Taxi & Limousine Comita
 (b) Date Issued: 6/11/2016 Number of license (if any): 5535449
 (c) Licensing Agency and Address: TLC

8. Employment Record for the last 15 years. Account for all gaps in employment. (Use additional sheets if necessary.)

| <u>Name & Address of Employer</u> | <u>Dates of Employment</u> | <u>Position Held & Duties</u> | <u>Immediate Supervisor</u> | <u>Reason for Leaving</u> |
|---------------------------------------|----------------------------|-----------------------------------|-----------------------------|---------------------------|
| Not Disclosed | | | | |
| | | | | |
| | | | | |
| | | | | |

9. If self-employed, describe each enterprise, including the name, address, state of incorporation, your percentage of ownership and the type of business of each corporate or other entity which you own or control. (Control means ownership of 10% or more of the stock or the ability to effectively control the management of the corporation or other entity.)

List names, addresses and percentage of control and/or ownership of other incorporators, partners, directors or officers of the entity referred to above.

10. Are you employed in any professional capacity, or do you perform any services for or have any business connections with any institution which is subject to the supervision of the Department, or any agency or authority of the State of New York?

Not disclosing Yes No
 () ()

If "yes," indicate name of institution, address and nature of your work.

11. Have you had, or do you now have, any financial interest, direct or indirect, in any institution under the supervision of any authority or agency in New York State, or any other state?

No Yes No
 () ()

If "yes," give the name of the institution, address and nature of interest.

12. References:

(a) List the names and addresses of three personal references who can attest to your character, fitness and reputation. (State how long you have known each person; do not include relatives or current business associates.)

None

(b) List the names and addresses of three professional references who can attest to your character, fitness, reputation, professional competence and business skills.

13. List of checking, savings and any borrowing relationships in excess of \$10,000, for both personal and business purposes. (Use additional sheets if necessary.)

| Name and address of Creditor/ Financial Institution | Account Number | Type of relationship (checking, savings, Personal/ business borrowing and so on) | Account balance / loan outstanding |
|---|----------------|---|------------------------------------|
| None | | | |
| | | | |
| | | | |
| | | | |

14. Answer yes to any of these questions if they apply to you as an individual, or as partner, director or officer of a corporation.

Except for minor traffic violations:

- | | Yes | No |
|---|-----|-----|
| (a) Are any arrests, indictments, criminal information or other criminal proceedings now pending against you? | () | (X) |
| (b) Were you ever convicted for any violation of law? | () | (X) |
| (c) Have you or has any partnership of which you were a member or any corporation of which you were a principal officer or major stockholder ever been adjudged a bankrupt or involved in a civil action either as a defendant or plaintiff (within the past 10 years)? | () | (X) |
| (d) Have you ever initiated or been named in any administrative or disciplinary proceedings? | () | (X) |
| (e) Has your salary ever been garnished (within the past 10 years)? | () | (X) |

If your answer to any of the above questions is "Yes", on a separate sheet of paper list the dates, name and location of the court of jurisdiction or administrative agency and a brief description of each action or charge and its disposition. Report all legal actions, regardless of disposition. Include copies of documents you have which provide information on any matters listed.

15. Has any enterprise in which you were a partner, director or officer been the subject of federal or state administrative proceedings, criminal indictment, criminal information or other criminal proceeding? () (X)

If your answer is "Yes", on a separate sheet of paper provide a description of each administrative or disciplinary proceeding and its disposition. Report all matters, regardless of disposition. Include copies of documents you have which provide information on any matters listed.

16. Have you and/or any enterprise in which you are a partner failed to file required federal, state and local tax returns for the previous three calendar years?

Yes () No (X)

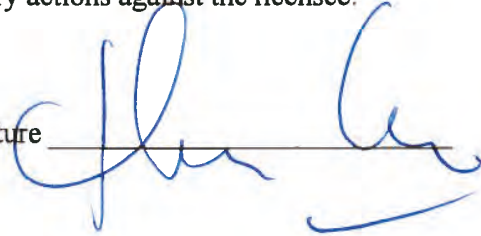
If your answer is "yes", on a separate sheet of paper, please explain the circumstances and include the date on which any applications for extension have been filed.

The undersigned affirms that the statements made and answers given herein are accurate and complete, and hereby authorizes the New York State Department of Financial Services to make any inquiry it deems appropriate in connection with processing this questionnaire. FALSE WRITTEN STATEMENTS IN THIS QUESTIONNAIRE ARE PUNISHABLE UNDER SECTION 210.45 OF THE NEW YORK PENAL LAW (making a punishable false written statement) and also as per the New York Financial Services Law and regulations, the Superintendent of Financial Services may initiate regulatory actions against the licensee.

Date

8/3/2015

Signature



**STATEMENT OF OWNERSHIP
OF LICENSED ENTITY ENGAGED IN VIRTUAL CURRENCY BUSINESS ACTIVITY**

I, The CHINO, being duly sworn, depose and state:

I. That I am an officer of the CHINO LTD Corporation,
namely CEO
(Title)

II. That in my capacity as such I have applied in the name of the corporation for a license to engage in Virtual Currency Business Activity.

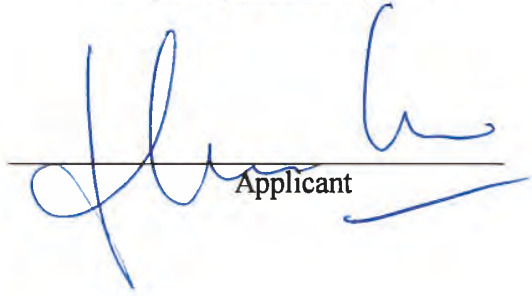
III. That the stock ownership of the CHINO LTD Corporation is distributed as follows:

The CHINO 100 %

_____ %

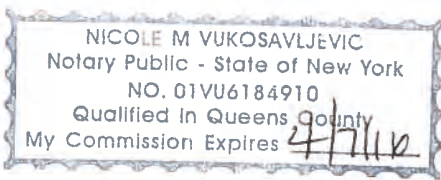
and that no other persons will invest any funds in the Corporation nor share in the management or profits of the Corporation, either directly or indirectly.

IV. That I understand that false statements made in this affidavit under oath may result in the revocation of the Virtual Currency Business Activity license of CHINO LTD (entity name) and in prosecution for perjury.



Applicant

Subscribed and sworn to before me this 7 day of August, 20 15.



Nicole M Vukosavljevic
Notary Public

TAXPAYER IDENTIFICATION INFORMATION

Disclosure of this information by you is mandatory in order to complete the processing of your application. The authority to request personal information from you, including identifying numbers, and the authority to maintain such information from you, including identifying numbers, and the authority to maintain such information is found in Section 5 of the Tax Law. The principal purpose for which the information is collected is to enable the Department of Taxation and Finance to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by the Tax Law.

(Print or Type information) (This form may be reproduced as necessary)

1. Social Security Number (complete only if applicant is other than a corporation. A separate form must be completed for each partner or associate).

— NOT Disclosing —

2. Employer Identification Code (for reporting wages of employees)

1473

3. Legal Name (individual, partner or associate)

THEO CHINO

4. Trade Name (Doing business as D/B/A in license or application)

5. Street Address of Business (to be licensed or authorized)

640 Riverside Drive 10B

6. City New York 7. State NY

8. Zip and 4 Digit Code 10031

9. County New York

August 8, 2015.

To Whom it May Concern,

With the present letter it is requested
a waiver of the fee of \$5000 as

Chino LTD is a small business entity
in New York State and ~~does not~~ the fee
represented \$5000 of the current budget
of the enterprise.

Sincerely,

Thue Chino

CEO Chino LTD

EXHIBIT “VIII”

Conglomerate Business Consultants, Inc.

cbc 40 Wall Street - 28th Fl
New York, NY 10005
(888) 522-5211 - support@cbcna.co



01/04/2016

Receipt for:

INV-3911418406

Rehana's Wholesale

40 West 31st ST
New York, NY 10001
(212) 532-5271

Current Invoice: \$ 279.41

Past due Invoice: \$ 0.00

Bitcoin Received: \$ 1.94

We received the sum of

\$ 277.47

for the payment of the Nobel One invoice.

Received by:

A handwritten signature in blue ink, appearing to be "Rehana", written over a horizontal line.

CBC, Inc / Rehana's Wholesale

Date:

January  2016



002678

 **bitcoin**

EXHIBIT “IX”



NEW YORK STATE
DEPARTMENT of
FINANCIAL SERVICES

Andrew M. Cuomo
Governor

Shirin Emami
Acting Superintendent

January 4, 2016

Chino Ltd.
640 Riverside Drive, 10B
New York, NY 10031

Attn: Theo Chino
Chief Executive Officer

RE: Chino Ltd.
Application for License to Engage in Virtual Currency Business Activity

Dear Mr. Chino:

The New York State Department of Financial Services (the "Department") has performed an initial review of the Virtual Currency Business Activity license application (the "Application") of Chino Ltd. (the "Company"). The Department notes that the submitted Application documentation is exceptionally limited. Among other issues, the Application does not contain any description of the Company's current or proposed business activity. Therefore, the Department is unable to evaluate whether the Company's current or intended business activity (if any) would be considered Virtual Currency Business Activity that requires licensing under the New York Financial Services Law and regulations (*see* 23 NYCRR Part 200). For that reason, the Application is herewith being returned to you without further processing by the Department.

The Department would emphasize that the instant letter does not offer any opinion as to whether or not any business activity of the Company requires or would require licensing in New York.

Should you have any questions, please contact me at Maharshi.Datta@dfs.ny.gov or (212) 709-1530.

Sincerely,

Maharshi Datta
Supervising Bank Examiner
Capital Markets Division
New York State Department of Financial Services
One State Street, New York, NY 10004-1511

Enclosure: Original Application

EXHIBIT “X”

U.S. Income Tax Return for an S Corporation

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

2013

For calendar year 2013 or tax year beginning Nov 19, 2013, ending Dec 31, 2013

| | | | |
|--|------------------------------|--|--|
| A S election effective date 11/19/13 | TYPE OR PRINT | Name Chino Ltd | D Employer identification number [REDACTED] 1473 |
| B Business activity code number (see instrs) 334110 | | Number, street, and room or suite no. If a P.O. box, see instructions. 640 RIVERSIDE DR | E Date incorporated 11/19/13 |
| C Check if Schedule M-3 attached <input type="checkbox"/> | | City or town, state or province, country, and ZIP or foreign postal code APT 10B NY 10031 | F Total assets (see instructions) \$ -4,390. |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ 1

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | |
|---|---|-------------|---------|
| INCOME | 1 a Gross receipts or sales | 1 a | |
| | b Returns and allowances | 1 b | |
| | c Balance. Subtract line 1b from line 1a | 1 c | |
| | 2 Cost of goods sold (attach Form 1125-A) | 2 | 2,992. |
| | 3 Gross profit. Subtract line 2 from line 1c | 3 | -2,992. |
| | 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797) | 4 | |
| 5 Other income (loss) (see instrs — att statement) | 5 | | |
| 6 Total income (loss). Add lines 3 through 5. ▶ | 6 | -2,992. | |
| DEDUCTIONS SEE INSTRUCTIONS | 7 Compensation of officers (see instructions - attach Form 1125-E) | 7 | |
| | 8 Salaries and wages (less employment credits) | 8 | |
| | 9 Repairs and maintenance | 9 | 84. |
| | 10 Bad debts | 10 | |
| | 11 Rents | 11 | |
| | 12 Taxes and licenses | 12 | 71. |
| | 13 Interest | 13 | 24. |
| | 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) | 14 | |
| | 15 Depletion (Do not deduct oil and gas depletion.) | 15 | |
| | 16 Advertising | 16 | 32. |
| | 17 Pension, profit-sharing, etc, plans | 17 | |
| | 18 Employee benefit programs | 18 | |
| | 19 Other deductions (attach statement) * .STMT | 19 | 1,164. |
| | 20 Total deductions. Add lines 7 through 19 ▶ | 20 | 1,375. |
| 21 Ordinary business income (loss). Subtract line 20 from line 6 | 21 | -4,367. | |
| TAX AND PAYMENTS | 22 a Excess net passive income or LIFO recapture tax (see instructions) | 22 a | |
| | b Tax from Schedule D (Form 1120S) | 22 b | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | 22 c | |
| | 23 a 2013 estimated tax payments and 2012 overpayment credited to 2013 | 23 a | |
| | b Tax deposited with Form 7004 | 23 b | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23 c | |
| | d Add lines 23a through 23c | 23 d | |
| | 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/> | 24 | |
| | 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | 25 | |
| | 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | 26 | |
| 27 Enter amount from line 26 Credited to 2014 estimated tax Refunded ▶ | 27 | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ CEO Title: _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name: Self-Prepared Firm's EIN: _____

Firm's address: _____ Phone no.: _____

| Schedule B Other Information (see instructions) | | | | | Yes | No |
|--|---|---------------------------------------|---------------------------------------|---|-----|----|
| 1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | | | | | | |
| 2 See the instructions and enter the: a Business activity. ▶ <u>Manufacturing</u> b Product or service. ▶ <u>Point of Sale Equipment</u> | | | | | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation | | | | | | X |
| 4a At the end of the tax year, did the corporation: Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | | | | | X |
| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage of Stock Owned | (v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | | | | | X |
| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Maximum % Owned in Profit, Loss, or Capital | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If 'Yes,' complete lines (i) and (ii) below. | | | | | | X |
| (i) Total shares of restricted stock ▶ _____ | | | | | | |
| (ii) Total shares of non-restricted stock ▶ _____ | | | | | | |
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If 'Yes,' complete lines (i) and (ii) below. | | | | | | X |
| (i) Total shares of stock outstanding at the end of the tax year ▶ _____ | | | | | | |
| (ii) Total shares of stock outstanding if all instruments were executed ▶ _____ | | | | | | |
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | | | | | X |
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | | | | | |
| 8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____ | | | | | | |
| 9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | | | | | |
| 10 Does the corporation satisfy both of the following conditions? | | | | | | |
| a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 | | | | | X | |
| b The corporation's total assets at the end of the tax year were less than \$250,000 If 'Yes,' the corporation is not required to complete Schedules L and M-1. | | | | | | |
| 11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If 'Yes,' enter the amount of principal reduction \$ _____ | | | | | | X |
| 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If 'Yes,' see instructions | | | | | | X |
| 13 a Did the corporation make any payments in 2013 that would require it to file Form(s) 1099? | | | | | | X |
| b If 'Yes,' did the corporation file or will it file required Forms 1099? | | | | | | |

| Schedule K Shareholders' Pro Rata Share Items | | Total amount |
|--|--|---------------------|
| Income (Loss) | 1 Ordinary business income (loss) (page 1, line 21) | 1 -4,367. |
| | 2 Net rental real estate income (loss) (attach Form 8825) | 2 |
| | 3 a Other gross rental income (loss) 3 a | |
| | b Expenses from other rental activities (attach statement) 3 b | |
| | c Other net rental income (loss). Subtract line 3b from line 3a | 3 c |
| | 4 Interest income | 4 |
| | 5 Dividends: a Ordinary dividends 5 a | |
| | b Qualified dividends 5 b | |
| | 6 Royalties | 6 |
| | 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 |
| Deductions | 8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8 a |
| | b Collectibles (28%) gain (loss) 8 b | |
| | c Unrecaptured section 1250 gain (attach statement) 8 c | |
| | 9 Net section 1231 gain (loss) (attach Form 4797) | 9 |
| | 10 Other income (loss) (see instructions) Type ▶ | 10 |
| | 11 Section 179 deduction (attach Form 4562) | 11 |
| | 12 a Charitable contributions | 12 a |
| | b Investment interest expense | 12 b |
| | c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ | 12 c (2) |
| | d Other deductions (see instructions) Type ▶ | 12 d |
| Credits | 13 a Low-income housing credit (section 42(j)(5)) | 13 a |
| | b Low-income housing credit (other) | 13 b |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | 13 c |
| | d Other rental real estate credits (see instrs) Type ▶ | 13 d |
| | e Other rental credits (see instrs) Type ▶ | 13 e |
| | f Biofuel producer credit (attach Form 6478) | 13 f |
| | g Other credits (see instructions) Type ▶ | 13 g |
| Foreign Transactions | 14 a Name of country or U.S. possession ▶ | |
| | b Gross income from all sources | 14 b |
| | c Gross income sourced at shareholder level | 14 c |
| | Foreign gross income sourced at corporate level | |
| | d Passive category | 14 d |
| | e General category | 14 e |
| | f Other (attach statement) | 14 f |
| | Deductions allocated and apportioned at shareholder level | |
| | g Interest expense | 14 g |
| | h Other | 14 h |
| | Deductions allocated and apportioned at corporate level to foreign source income | |
| | i Passive category | 14 i |
| | j General category | 14 j |
| | k Other (attach statement) | 14 k |
| Other information | | |
| l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14 l | |
| m Reduction in taxes available for credit (attach statement) | 14 m | |
| n Other foreign tax information (attach statement) | | |
| Alternative Minimum Tax (AMT) Items | 15 a Post-1986 depreciation adjustment | 15 a |
| | b Adjusted gain or loss | 15 b |
| | c Depletion (other than oil and gas) | 15 c |
| | d Oil, gas, and geothermal properties — gross income | 15 d |
| | e Oil, gas, and geothermal properties — deductions | 15 e |
| | f Other AMT items (attach statement) | 15 f |
| Items Affecting Shareholder Basis | 16 a Tax-exempt interest income | 16 a |
| | b Other tax-exempt income | 16 b |
| | c Nondeductible expenses | 16 c 23. |
| | d Distributions (attach stmt if required) (see instrs) | 16 d |
| | e Repayment of loans from shareholders | 16 e |

| Schedule K Shareholders' Pro Rata Share Items (continued) | | Total amount | |
|--|--|---------------------|---------|
| Other Information | 17 a Investment income | 17 a | |
| | b Investment expenses | 17 b | |
| | c Dividend distributions paid from accumulated earnings and profits | 17 c | |
| | d Other items and amounts (attach statement) | | |
| Reconciliation | 18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l | 18 | -4,367. |

| Schedule L Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|---|-----------------------|-----|-----------------|---------|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | | | 0. |
| 2 a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | | | | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6 Other current assets (attach stmt) | | | | |
| 7 Loans to shareholders | | | | -4,390. |
| 8 Mortgage and real estate loans | | | | |
| 9 Other investments (attach statement) | | | | |
| 10 a Buildings and other depreciable assets | | | 0. | |
| b Less accumulated depreciation | | | 0. | 0. |
| 11 a Depletable assets | | | | |
| b Less accumulated depletion | | | | |
| 12 Land (net of any amortization) | | | | 0. |
| 13 a Intangible assets (amortizable only) | | | 0. | |
| b Less accumulated amortization | | | 0. | 0. |
| 14 Other assets (attach stmt) | | | | |
| 15 Total assets | | | | -4,390. |
| Liabilities and Shareholders' Equity | | | | |
| 16 Accounts payable | | | | 0. |
| 17 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 Other current liabilities (attach stmt) | | | | |
| 19 Loans from shareholders | | | | 0. |
| 20 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 Other liabilities (attach statement) | | | | |
| 22 Capital stock | | | | |
| 23 Additional paid-in capital | | | | |
| 24 Retained earnings | | | | -4,390. |
| 25 Adjustments to shareholders' equity (att stmt) | | | | |
| 26 Less cost of treasury stock | | | | |
| 27 Total liabilities and shareholders' equity | | | | -4,390. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more – see instructions

| | | |
|--|---|---|
| <p>1 Net income (loss) per books -4,390.</p> <p>2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):</p> <p>-----</p> <p>3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize):</p> <p>a Depreciation \$ -----</p> <p>b Travel and entertainment . \$ ----- 23.</p> <p>----- 23.</p> <p>4 Add lines 1 through 3. -4,367.</p> | <p>5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):</p> <p>a Tax-exempt interest \$ -----</p> <p>-----</p> <p>6 Deductions included on Schedule K, lines 1 through 12, and 14l, not charged against book income this year (itemize):</p> <p>a Depreciation . . \$ -----</p> <p>-----</p> <p>7 Add lines 5 and 6.</p> | <p>8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7 . . . -4,367.</p> |
|--|---|---|

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|-------------------------------------|-------------------------------|---|
| 1 Balance at beginning of tax year | | | |
| 2 Ordinary income from page 1, line 21 | | | |
| 3 Other additions | | | |
| 4 Loss from page 1, line 21 | 4,367. | | |
| 5 Other reductions * .STMT. | 23. | | |
| 6 Combine lines 1 through 5 | -4,390. | | |
| 7 Distributions other than dividend distributions | | | |
| 8 Balance at end of tax year. Subtract line 7 from line 6. | -4,390. | | |

EXHIBIT “XI”

U.S. Income Tax Return for an S Corporation

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

2014

For calendar year 2014 or tax year beginning _____, 2014, ending _____,

| | | | |
|--|------------------------------|--|--|
| A S election effective date 11/19/13 | TYPE OR PRINT | Name Chino Ltd | D Employer identification number [REDACTED] 1473 |
| B Business activity code number (see instrs) 334110 | | Number, street, and room or suite no. If a P.O. box, see instructions. 640 RIVERSIDE DR | E Date incorporated 11/19/13 |
| C Check if Schedule M-3 attached <input type="checkbox"/> | | City or town, state or province, country, and ZIP or foreign postal code APT 10B NY 10031 | F Total assets (see instructions) \$ 3,040. |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ **1**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | |
|---|---|-------------|----------|
| INCOME | 1 a Gross receipts or sales | 1 a | |
| | b Returns and allowances | 1 b | |
| | c Balance. Subtract line 1b from line 1a | 1 c | |
| | 2 Cost of goods sold (attach Form 1125-A) | 2 | |
| | 3 Gross profit. Subtract line 2 from line 1c | 3 | |
| | 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797) | 4 | |
| 5 Other income (loss) (see instrs — att statement) | 5 | | |
| 6 Total income (loss). Add lines 3 through 5. ▶ | 6 | | |
| DEDUCTIONS | 7 Compensation of officers (see instructions - attach Form 1125-E) | 7 | |
| | 8 Salaries and wages (less employment credits) | 8 | 6,812. |
| | 9 Repairs and maintenance | 9 | |
| | 10 Bad debts | 10 | |
| | 11 Rents | 11 | 137. |
| | 12 Taxes and licenses | 12 | 598. |
| | 13 Interest | 13 | 2,374. |
| | 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) | 14 | |
| | 15 Depletion (Do not deduct oil and gas depletion.) | 15 | |
| | 16 Advertising | 16 | 449. |
| | 17 Pension, profit-sharing, etc, plans | 17 | |
| SEE INSTRUCTIONS | 18 Employee benefit programs | 18 | |
| | 19 Other deductions (attach statement) * .STMT | 19 | 49,297. |
| | 20 Total deductions. Add lines 7 through 19 ▶ | 20 | 59,667. |
| | 21 Ordinary business income (loss). Subtract line 20 from line 6 | 21 | -59,667. |
| TAX AND PAYMENTS | 22 a Excess net passive income or LIFO recapture tax (see instructions) | 22 a | |
| | b Tax from Schedule D (Form 1120S) | 22 b | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | 22 c | |
| | 23 a 2014 estimated tax payments and 2013 overpayment credited to 2014 | 23 a | |
| | b Tax deposited with Form 7004 | 23 b | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23 c | |
| | d Add lines 23a through 23c | 23 d | |
| 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/> | 24 | | |
| 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | 25 | | |
| 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | 26 | | |
| 27 Enter amount from line 26 Credited to 2015 estimated tax ▶ Refunded ▶ 27 | | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ CEO _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name _____ Preparer's signature _____ Date _____ Check if self-employed PTIN _____

Firm's name ▶ Self-Prepared Firm's EIN ▶ _____

Firm's address ▶ _____ Phone no. _____

| Schedule B Other Information (see instructions) | Yes | No | | |
|--|--|--------------------------------|--------------------------------|--|
| 1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | | | | |
| 2 See the instructions and enter the: a Business activity. ▶ <u>Manufacturing</u> b Product or service. ▶ <u>Point of Sale Equipment</u> | | | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation | | X | | |
| 4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | X | | |
| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage of Stock Owned | (v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | X | | |
| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Maximum % Owned in Profit, Loss, or Capital |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If 'Yes,' complete lines (i) and (ii) below. | | X | | |
| (i) Total shares of restricted stock ▶ _____ | | | | |
| (ii) Total shares of non-restricted stock ▶ _____ | | | | |
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If 'Yes,' complete lines (i) and (ii) below. | | X | | |
| (i) Total shares of stock outstanding at the end of the tax year ▶ _____ | | | | |
| (ii) Total shares of stock outstanding if all instruments were executed ▶ _____ | | | | |
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | X | | |
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | | | |
| 8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____ | | | | |
| 9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | | | |
| 10 Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 | X | | | |
| b The corporation's total assets at the end of the tax year were less than \$250,000 If 'Yes,' the corporation is not required to complete Schedules L and M-1. | | | | |
| 11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If 'Yes,' enter the amount of principal reduction \$ _____ | | X | | |
| 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If 'Yes,' see instructions | | X | | |
| 13 a Did the corporation make any payments in 2014 that would require it to file Form(s) 1099? | | X | | |
| b If 'Yes,' did the corporation file or will it file required Forms 1099? | | | | |

| Schedule K Shareholders' Pro Rata Share Items | | Total amount | |
|--|---|---------------------|----------|
| Income (Loss) | 1 Ordinary business income (loss) (page 1, line 21) | 1 | -59,667. |
| | 2 Net rental real estate income (loss) (attach Form 8825) | 2 | |
| | 3 a Other gross rental income (loss) 3 a | | |
| | b Expenses from other rental activities (attach statement) 3 b | | |
| | c Other net rental income (loss). Subtract line 3b from line 3a | 3 c | |
| | 4 Interest income | 4 | 0. |
| | 5 Dividends: a Ordinary dividends 5 a | | |
| | b Qualified dividends 5 b | | |
| | 6 Royalties | 6 | |
| | 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 | |
| Deductions | 8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8 a | |
| | b Collectibles (28%) gain (loss) 8 b | | |
| | c Unrecaptured section 1250 gain (attach statement) 8 c | | |
| | 9 Net section 1231 gain (loss) (attach Form 4797) | 9 | |
| | 10 Other income (loss) (see instructions) Type ▶ | 10 | |
| | 11 Section 179 deduction (attach Form 4562) | 11 | |
| | 12 a Charitable contributions | 12 a | |
| | b Investment interest expense | 12 b | |
| | c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ | 12 c (2) | |
| | d Other deductions (see instructions) Type ▶ | 12 d | |
| Credits | 13 a Low-income housing credit (section 42(j)(5)) | 13 a | |
| | b Low-income housing credit (other) | 13 b | |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) | 13 c | |
| | d Other rental real estate credits (see instrs) Type ▶ | 13 d | |
| | e Other rental credits (see instrs) Type ▶ | 13 e | |
| | f Biofuel producer credit (attach Form 6478) | 13 f | |
| | g Other credits (see instructions) Type ▶ | 13 g | |
| Foreign Transactions | 14 a Name of country or U.S. possession ▶ | | |
| | b Gross income from all sources | 14 b | |
| | c Gross income sourced at shareholder level | 14 c | |
| | Foreign gross income sourced at corporate level | | |
| | d Passive category | 14 d | |
| | e General category | 14 e | |
| | f Other (attach statement) | 14 f | |
| | Deductions allocated and apportioned at shareholder level | | |
| | g Interest expense | 14 g | |
| | h Other | 14 h | |
| | Deductions allocated and apportioned at corporate level to foreign source income | | |
| | i Passive category | 14 i | |
| | j General category | 14 j | |
| | k Other (attach statement) | 14 k | |
| Other information | | | |
| l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14 l | | |
| m Reduction in taxes available for credit (attach statement) | 14 m | | |
| n Other foreign tax information (attach statement) | | | |
| Alternative Minimum Tax (AMT) Items | 15 a Post-1986 depreciation adjustment | 15 a | |
| | b Adjusted gain or loss | 15 b | |
| | c Depletion (other than oil and gas) | 15 c | |
| | d Oil, gas, and geothermal properties — gross income | 15 d | |
| | e Oil, gas, and geothermal properties — deductions | 15 e | |
| | f Other AMT items (attach statement) | 15 f | |
| Items Affecting Shareholder Basis | 16 a Tax-exempt interest income | 16 a | 0. |
| | b Other tax-exempt income | 16 b | |
| | c Nondeductible expenses | 16 c | |
| | d Distributions (attach stmt if required) (see instrs) | 16 d | |
| | e Repayment of loans from shareholders | 16 e | |

| Schedule K Shareholders' Pro Rata Share Items (continued) | | Total amount | |
|--|--|---------------------|----------|
| Other Information | 17 a Investment income | 17 a | |
| | b Investment expenses | 17 b | |
| | c Dividend distributions paid from accumulated earnings and profits | 17 c | |
| | d Other items and amounts (attach statement) | | |
| Reconciliation | 18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14! | 18 | -59,667. |

| | Schedule L Balance Sheets per Books | | Total amount | |
|--|--|---------|---------------------|----------|
| | Beginning of tax year | | End of tax year | |
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | 0. | | |
| 2 a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | | | | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6 Other current assets (attach stmt) | | | | 2,579. |
| 7 Loans to shareholders | | -4,390. | | |
| 8 Mortgage and real estate loans | | | | |
| 9 Other investments (attach statement) | | | | |
| 10 a Buildings and other depreciable assets | 0. | | 461. | |
| b Less accumulated depreciation | 0. | 0. | 0. | 461. |
| 11 a Depletable assets | | | | |
| b Less accumulated depletion | | | | |
| 12 Land (net of any amortization) | | 0. | | 0. |
| 13 a Intangible assets (amortizable only) | 0. | | 0. | |
| b Less accumulated amortization | 0. | 0. | 0. | 0. |
| 14 Other assets (attach stmt) | | | | |
| 15 Total assets | | -4,390. | | 3,040. |
| Liabilities and Shareholders' Equity | | | | |
| 16 Accounts payable | | 0. | | |
| 17 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 Other current liabilities (attach stmt) | | | | 785. |
| 19 Loans from shareholders | | 0. | | 66,312. |
| 20 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 Other liabilities (attach statement) | | | | |
| 22 Capital stock | | | | |
| 23 Additional paid-in capital | | | | |
| 24 Retained earnings | | -4,390. | | -64,057. |
| 25 Adjustments to shareholders' equity (att stmt) | | | | |
| 26 Less cost of treasury stock | | | | |
| 27 Total liabilities and shareholders' equity | | -4,390. | | 3,040. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. The corporation may be required to file Schedule M-3 (see instructions)

| | | | |
|--|----------|--|----------|
| 1 Net income (loss) per books | -59,667. | 5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | | a Tax-exempt interest \$ _____ | 0. |
| ----- | | ----- | |
| 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize): | | 6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): | |
| a Depreciation \$ _____ | | a Depreciation . . . \$ _____ | |
| b Travel and entertainment. \$ _____ | | ----- | |
| ----- | | 7 Add lines 5 and 6. | 0. |
| 4 Add lines 1 through 3. | -59,667. | 8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7 . . . | -59,667. |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|-------------------------------------|-------------------------------|---|
| 1 Balance at beginning of tax year | -4,390. | | |
| 2 Ordinary income from page 1, line 21 | | | |
| 3 Other additions * .STMT. | | 0. | |
| 4 Loss from page 1, line 21 | 59,667. | | |
| 5 Other reductions | | | |
| 6 Combine lines 1 through 5 | -64,057. | 0. | |
| 7 Distributions other than dividend distributions | | | |
| 8 Balance at end of tax year. Subtract line 7 from line 6. | -64,057. | 0. | |

EXHIBIT “XII”

U.S. Income Tax Return for an S Corporation

Department of the Treasury
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

2015

| | |
|--|--|
| For calendar year 2015 or tax year beginning _____, 2015, ending _____ | |
| A S election effective date 11/19/13 | D Employer identification number [REDACTED] 1473 |
| B Business activity code number (see instrs) 334110 | E Date incorporated 11/19/13 |
| C Check if Schedule M-3 attached <input type="checkbox"/> | F Total assets (see instructions) \$ 3,509. |
| TYPE OR PRINT | Name Chino Ltd |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 640 RIVERSIDE DR |
| | City or town, state or province, country, and ZIP or foreign postal code APT 10B NY 10031 |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If 'Yes,' attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year ▶ 1

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | | |
|---|---|-------------|----------|--------|
| INCOME | 1 a Gross receipts or sales | 1 a | -12. | |
| | b Returns and allowances | 1 b | | |
| | c Balance. Subtract line 1b from line 1a | 1 c | | -12. |
| | 2 Cost of goods sold (attach Form 1125-A) | 2 | | |
| | 3 Gross profit. Subtract line 2 from line 1c | 3 | | -12. |
| | 4 Net gain (loss) from Form 4797, line 17 (attach Form 4797) | 4 | | |
| 5 Other income (loss) (see instrs — att statement) | 5 | | | |
| 6 Total income (loss). Add lines 3 through 5. ▶ | 6 | | -12. | |
| DEDUCTIONS SEE INSTRUCTIONS | 7 Compensation of officers (see instructions - attach Form 1125-E) | 7 | | |
| | 8 Salaries and wages (less employment credits) | 8 | | |
| | 9 Repairs and maintenance | 9 | | |
| | 10 Bad debts | 10 | | |
| | 11 Rents | 11 | | 5,568. |
| | 12 Taxes and licenses | 12 | | 236. |
| | 13 Interest | 13 | | 2,608. |
| | 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) | 14 | | |
| | 15 Depletion (Do not deduct oil and gas depletion.) | 15 | | |
| | 16 Advertising | 16 | | |
| | 17 Pension, profit-sharing, etc, plans | 17 | | |
| 18 Employee benefit programs | 18 | | | |
| 19 Other deductions (attach statement) * .STMT | 19 | | 22,164. | |
| 20 Total deductions. Add lines 7 through 19 ▶ | 20 | | 30,576. | |
| 21 Ordinary business income (loss). Subtract line 20 from line 6 | 21 | | -30,588. | |
| TAX AND PAYMENTS | 22 a Excess net passive income or LIFO recapture tax (see instructions) | 22 a | | |
| | b Tax from Schedule D (Form 1120S) | 22 b | | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | 22 c | | |
| | 23 a 2015 estimated tax payments and 2014 overpayment credited to 2015 | 23 a | | |
| | b Tax deposited with Form 7004 | 23 b | | 0. |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23 c | | |
| | d Add lines 23a through 23c | 23 d | | 0. |
| 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ <input type="checkbox"/> | 24 | | | |
| 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | 25 | | 0. | |
| 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | 26 | | | |
| 27 Enter amount from line 26 Credited to 2016 estimated tax Refunded ▶ | 27 | | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ CEO Title: _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name: _____ Preparer's signature: _____ Date: _____ Check if self-employed PTIN: _____

Firm's name: Self-Prepared Firm's EIN: _____

Firm's address: _____ Phone no.: _____

| Schedule B Other Information (see instructions) | | | | | Yes | No |
|--|---|---------------------------------------|---------------------------------------|---|-----|----|
| 1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | | | | | | |
| 2 See the instructions and enter the: a Business activity. ▶ <u>Manufacturing</u> b Product or service. ▶ <u>Point of Sale Equipment</u> | | | | | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation | | | | | | X |
| 4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | | | | | X |
| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage of Stock Owned | (v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (v) below | | | | | | X |
| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Maximum % Owned in Profit, Loss, or Capital | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 5a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If 'Yes,' complete lines (i) and (ii) below. | | | | | | X |
| (i) Total shares of restricted stock ▶ _____ | | | | | | |
| (ii) Total shares of non-restricted stock ▶ _____ | | | | | | |
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If 'Yes,' complete lines (i) and (ii) below. | | | | | | X |
| (i) Total shares of stock outstanding at the end of the tax year ▶ _____ | | | | | | |
| (ii) Total shares of stock outstanding if all instruments were executed ▶ _____ | | | | | | |
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | | | | | | X |
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | | | | | |
| 8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____ | | | | | | |
| 9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | | | | | |
| 10 Does the corporation satisfy both of the following conditions? | | | | | | |
| a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 | | | | | X | |
| b The corporation's total assets at the end of the tax year were less than \$250,000 If 'Yes,' the corporation is not required to complete Schedules L and M-1. | | | | | | |
| 11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If 'Yes,' enter the amount of principal reduction \$ _____ | | | | | | X |
| 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If 'Yes,' see instructions | | | | | | X |
| 13 a Did the corporation make any payments in 2015 that would require it to file Form(s) 1099? | | | | | | X |
| b If 'Yes,' did the corporation file or will it file required Forms 1099? | | | | | | |

| Schedule K Shareholders' Pro Rata Share Items | | Total amount | |
|--|---|---------------------|----------|
| Income (Loss) | 1 Ordinary business income (loss) (page 1, line 21) | 1 | -30,588. |
| | 2 Net rental real estate income (loss) (attach Form 8825) | 2 | |
| | 3 a Other gross rental income (loss) 3 a | | |
| | b Expenses from other rental activities (attach statement) 3 b | | |
| | c Other net rental income (loss). Subtract line 3b from line 3a | 3 c | |
| | 4 Interest income | 4 | |
| | 5 Dividends: a Ordinary dividends 5 a | | |
| | b Qualified dividends 5 b | | |
| | 6 Royalties | 6 | |
| | 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 | |
| 8 a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8 a | | |
| | b Collectibles (28%) gain (loss) 8 b | | |
| | c Unrecaptured section 1250 gain (attach statement) 8 c | | |
| | 9 Net section 1231 gain (loss) (attach Form 4797) | 9 | |
| | 10 Other income (loss) (see instructions) Type ▶ | 10 | |
| Deductions | 11 Section 179 deduction (attach Form 4562) | 11 | |
| | 12 a Charitable contributions | 12 a | |
| | b Investment interest expense | 12 b | |
| | c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ | 12 c (2) | |
| d Other deductions (see instructions) Type ▶ | 12 d | | |
| Credits | 13 a Low-income housing credit (section 42(j)(5)) | 13 a | |
| | b Low-income housing credit (other) | 13 b | |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) | 13 c | |
| | d Other rental real estate credits (see instrs) Type ▶ | 13 d | |
| | e Other rental credits (see instrs) Type ▶ | 13 e | |
| | f Biofuel producer credit (attach Form 6478) | 13 f | |
| | g Other credits (see instructions) Type ▶ | 13 g | |
| Foreign Transactions | 14 a Name of country or U.S. possession ▶ | | |
| | b Gross income from all sources | 14 b | |
| | c Gross income sourced at shareholder level | 14 c | |
| | Foreign gross income sourced at corporate level | | |
| | d Passive category | 14 d | |
| | e General category | 14 e | |
| | f Other (attach statement) | 14 f | |
| | Deductions allocated and apportioned at shareholder level | | |
| | g Interest expense | 14 g | |
| | h Other | 14 h | |
| | Deductions allocated and apportioned at corporate level to foreign source income | | |
| | i Passive category | 14 i | |
| | j General category | 14 j | |
| | k Other (attach statement) | 14 k | |
| Other information | | | |
| l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14 l | | |
| m Reduction in taxes available for credit (attach statement) | 14 m | | |
| n Other foreign tax information (attach statement) | | | |
| Alternative Minimum Tax (AMT) Items | 15 a Post-1986 depreciation adjustment | 15 a | |
| | b Adjusted gain or loss | 15 b | |
| | c Depletion (other than oil and gas) | 15 c | |
| | d Oil, gas, and geothermal properties — gross income | 15 d | |
| | e Oil, gas, and geothermal properties — deductions | 15 e | |
| | f Other AMT items (attach statement) | 15 f | |
| Items Affecting Shareholder Basis | 16 a Tax-exempt interest income | 16 a | |
| | b Other tax-exempt income | 16 b | |
| | c Nondeductible expenses | 16 c | |
| | d Distributions (attach stmt if required) (see instrs) | 16 d | |
| | e Repayment of loans from shareholders | 16 e | |

| Schedule K Shareholders' Pro Rata Share Items (continued) | | Total amount | |
|--|--|---------------------|----------|
| Other Information | 17 a Investment income | 17 a | |
| | b Investment expenses | 17 b | |
| | c Dividend distributions paid from accumulated earnings and profits | 17 c | |
| | d Other items and amounts (attach statement) | | |
| Reconciliation | 18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14! | 18 | -30,588. |

| Schedule L Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|---|-----------------------|----------|-----------------|----------|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | 0. | | 70. |
| 2 a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | | | | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6 Other current assets (attach stmt) . . In 6. St | | 2,579. | | 2,579. |
| 7 Loans to shareholders | | | | |
| 8 Mortgage and real estate loans | | | | |
| 9 Other investments (attach statement) | | | | |
| 10 a Buildings and other depreciable assets | 461. | | 860. | |
| b Less accumulated depreciation | 0. | 461. | 0. | 860. |
| 11 a Depletable assets | | | | |
| b Less accumulated depletion | | | | |
| 12 Land (net of any amortization) | | 0. | | 0. |
| 13 a Intangible assets (amortizable only) | 0. | | 0. | |
| b Less accumulated amortization | 0. | 0. | 0. | 0. |
| 14 Other assets (attach stmt) | | | | |
| 15 Total assets | | 3,040. | | 3,509. |
| Liabilities and Shareholders' Equity | | | | |
| 16 Accounts payable | | | | |
| 17 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 Other current liabilities (attach stmt) . . In 18. St | | 785. | | |
| 19 Loans from shareholders | | 66,312. | | 98,154. |
| 20 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 Other liabilities (attach statement) | | | | |
| 22 Capital stock | | | | |
| 23 Additional paid-in capital | | | | |
| 24 Retained earnings | | -64,057. | | -94,645. |
| 25 Adjustments to shareholders' equity (att stmt) | | | | |
| 26 Less cost of treasury stock | | | | |
| 27 Total liabilities and shareholders' equity | | 3,040. | | 3,509. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. The corporation may be required to file Schedule M-3 (see instructions)

| | | | |
|--|------------|--|------------|
| 1 Net income (loss) per books | - 30,588 . | 5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | | a Tax-exempt interest \$ _____ | |
| ----- | | ----- | |
| 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l (itemize): | | 6 Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): | |
| a Depreciation \$ _____ | | a Depreciation . . . \$ _____ | |
| b Travel and entertainment \$ _____ | | ----- | |
| ----- | | 7 Add lines 5 and 6 | |
| 4 Add lines 1 through 3 | - 30,588 . | 8 Income (loss) (Schedule K, ln 18). Ln 4 less ln 7 . . . | - 30,588 . |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|--|-------------------------------------|-------------------------------|---|
| 1 Balance at beginning of tax year | - 64,057 . | 0 . | |
| 2 Ordinary income from page 1, line 21 | | | |
| 3 Other additions | | | |
| 4 Loss from page 1, line 21 | 30,588 . | | |
| 5 Other reductions | | | |
| 6 Combine lines 1 through 5 | - 94,645 . | 0 . | |
| 7 Distributions other than dividend distributions | | | |
| 8 Balance at end of tax year. Subtract line 7 from line 6 | - 94,645 . | 0 . | |

EXHIBIT “XIII”

U.S. Income Tax Return for an S Corporation

2016

Department of the Treasury Internal Revenue Service

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. Information about Form 1120S and its separate instructions is at www.irs.gov/form1120s.

For calendar year 2016 or tax year beginning , 2016, ending , 20

Header section containing: A S election effective date (11/19/2013), B Business activity code number (334110), C Check if Sch. M-3 attached, D Employer identification number (1473), E Date incorporated (11/19/2013), F Total assets (\$3,509), G Is the corporation electing to be an S corporation beginning with this tax year? (No), H Check if: (1) Final return, (2) Name change, (3) Address change, (4) Amended return, (5) S election termination or revocation, I Enter the number of shareholders (1).

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for Income, Deductions, and Tax and Payments. Rows include: 1a Gross receipts or sales, 1b Returns and allowances, 1c Balance, 2 Cost of goods sold, 3 Gross profit, 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss), 7-21 Deductions (Compensation, Salaries, Repairs, etc.), 22a-c Excess net passive income or LIFO recapture tax, 23a-c 2016 estimated tax payments, 24 Estimated tax penalty, 25 Amount owed, 26 Overpayment, 27 Enter amount from line 26.

Sign Here: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature], Date: 04/17/2017, Title: CEO. May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only section: Print/Type preparer's name, Preparer's signature, Date, Check if self-employed, PTIN, Firm's name (Self-Prepared), Firm's EIN, Firm's address, Phone no.

For Paperwork Reduction Act Notice, see separate instructions. Form 1120S (2016)

Schedule B Other Information (see instructions)

| | | |
|---|-----|----|
| 1 Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | Yes | No |
| 2 See the instructions and enter the: a Business activity ▶ <u>Manufacturing</u> b Product or service ▶ <u>Point of Sale Equipment</u> | | |
| 3 At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? If "Yes," attach Schedule B-1, Information on Certain Shareholders of an S Corporation . . . | | X |
| 4 At the end of the tax year, did the corporation: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | | X |

| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage of Stock Owned | (v) If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made |
|-------------------------|--|--------------------------------|--------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | |
|--|-----|----|
| b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below | Yes | No |
| | | X |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|----------------------|------------------------------|--|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | |
|---|-----|----|
| 5 a At the end of the tax year, did the corporation have any outstanding shares of restricted stock? If "Yes," complete lines (i) and (ii) below. (i) Total shares of restricted stock. ▶ _____ (ii) Total shares of non-restricted stock ▶ _____ | Yes | No |
| | | X |

| | | |
|---|-----|----|
| b At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? If "Yes," complete lines (i) and (ii) below. (i) Total shares of stock outstanding at the end of the tax year ▶ _____ (ii) Total shares of stock outstanding if all instruments were executed ▶ _____ | Yes | No |
| | | X |

| | | |
|---|-----|----|
| 6 Has this corporation filed, or is it required to file, Form 8918 , Material Advisor Disclosure Statement, to provide information on any reportable transaction? | Yes | No |
| | | X |

| | | |
|---|-----|----|
| 7 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | Yes | No |
| | | |

| | | |
|---|-----|----|
| 8 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$ _____ | Yes | No |
| | | |

| | | |
|---|-----|----|
| 9 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | Yes | No |
| | | |

| | | |
|--|-----|----|
| 10 Does the corporation satisfy both of the following conditions? a The corporation's total receipts (see instructions) for the tax year were less than \$250,000 b The corporation's total assets at the end of the tax year were less than \$250,000 If "Yes," the corporation is not required to complete Schedules L and M-1. | Yes | No |
| | X | |

| | | |
|---|-----|----|
| 11 During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt? If "Yes," enter the amount of principal reduction \$ _____ | Yes | No |
| | | X |

| | | |
|---|-----|----|
| 12 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions | Yes | No |
| | | X |

| | | |
|---|-----|----|
| 13 a Did the corporation make any payments in 2016 that would require it to file Form(s) 1099? | Yes | No |
| | | X |
| b If "Yes," did the corporation file or will it file required Forms 1099? | Yes | No |
| | | |

| Schedule K Shareholders' Pro Rata Share Items | | Total amount | |
|--|---|---------------------|----------|
| Income (Loss) | 1 Ordinary business income (loss) (page 1, line 21) | 1 | -53,053. |
| | 2 Net rental real estate income (loss) (attach Form 8825) | 2 | |
| | 3a Other gross rental income (loss) | 3a | |
| | b Expenses from other rental activities (attach statement) | 3b | |
| | c Other net rental income (loss). Subtract line 3b from line 3a | 3c | |
| | 4 Interest income | 4 | |
| | 5 Dividends: a Ordinary dividends | 5a | |
| | b Qualified dividends | 5b | |
| | 6 Royalties | 6 | |
| | 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 | |
| Deductions | 8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8a | |
| | b Collectibles (28%) gain (loss) | 8b | |
| | c Unrecaptured section 1250 gain (attach statement) | 8c | |
| | 9 Net section 1231 gain (loss) (attach Form 4797) | 9 | |
| | 10 Other income (loss) (see instructions) . . . Type ▶ | 10 | |
| Credits | 11 Section 179 deduction (attach Form 4562) | 11 | |
| | 12a Charitable contributions | 12a | |
| | b Investment interest expense | 12b | |
| | c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ | 12c(2) | |
| Foreign Transactions | d Other deductions (see instructions) . . . Type ▶ | 12d | |
| | 13a Low-income housing credit (section 42(j)(5)) | 13a | |
| | b Low-income housing credit (other) | 13b | |
| | c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable) | 13c | |
| | d Other rental real estate credits (see instructions) Type ▶ | 13d | |
| | e Other rental credits (see instructions) . . . Type ▶ | 13e | |
| | f Biofuel producer credit (attach Form 6478) | 13f | |
| Items Affecting Shareholder Basis | g Other credits (see instructions) Type ▶ | 13g | |
| | 14a Name of country or U.S. possession ▶ | | |
| | b Gross income from all sources | 14b | |
| | c Gross income sourced at shareholder level Foreign gross income sourced at corporate level | 14c | |
| | d Passive category | 14d | |
| | e General category | 14e | |
| | f Other (attach statement) | 14f | |
| | Deductions allocated and apportioned at shareholder level | | |
| | g Interest expense | 14g | |
| | h Other | 14h | |
| | Deductions allocated and apportioned at corporate level to foreign source income | | |
| | i Passive category | 14i | |
| | j General category | 14j | |
| | k Other (attach statement) | 14k | |
| Other information | | | |
| l Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14l | | |
| m Reduction in taxes available for credit (attach statement) | 14m | | |
| n Other foreign tax information (attach statement) | | | |
| Alternative Minimum Tax (AMT) Items | 15a Post-1986 depreciation adjustment | 15a | |
| | b Adjusted gain or loss | 15b | |
| | c Depletion (other than oil and gas) | 15c | |
| | d Oil, gas, and geothermal properties—gross income | 15d | |
| | e Oil, gas, and geothermal properties—deductions | 15e | |
| | f Other AMT items (attach statement) | 15f | |
| Items Affecting Shareholder Basis | 16a Tax-exempt interest income | 16a | |
| | b Other tax-exempt income | 16b | |
| | c Nondeductible expenses | 16c | |
| | d Distributions (attach statement if required) (see instructions) | 16d | |
| | e Repayment of loans from shareholders | 16e | |

| Schedule K Shareholders' Pro Rata Share Items (continued) | | Total amount | |
|--|--|---------------------|----------|
| Other Information | 17a Investment income | 17a | |
| | b Investment expenses | 17b | |
| | c Dividend distributions paid from accumulated earnings and profits | 17c | |
| | d Other items and amounts (attach statement) | | |
| Reconciliation | 18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14! | 18 | -53,053. |

| | Schedule L Balance Sheets per Books | | Total amount | |
|--|--|----------|---------------------|-----------|
| | Beginning of tax year | | End of tax year | |
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | 445. | | 70. |
| 2a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | () | | () | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6 Other current assets (attach statement) ^{Ln. 6 St} | | 2,579. | | 2,579. |
| 7 Loans to shareholders | | | | |
| 8 Mortgage and real estate loans | | | | |
| 9 Other investments (attach statement) | | | | |
| 10a Buildings and other depreciable assets | 859. | | 860. | |
| b Less accumulated depreciation | (0.) | 859. | () | 860. |
| 11a Depletable assets | | | | |
| b Less accumulated depletion | () | | () | |
| 12 Land (net of any amortization) | | 0. | | 0. |
| 13a Intangible assets (amortizable only) | 0. | | 0. | |
| b Less accumulated amortization | (0.) | 0. | (0.) | 0. |
| 14 Other assets (attach statement) | | | | |
| 15 Total assets | | 3,883. | | 3,509. |
| Liabilities and Shareholders' Equity | | | | |
| 16 Accounts payable | | | | |
| 17 Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 Other current liabilities (attach statement) | | | | |
| 19 Loans from shareholders | | 98,528. | | 151,207. |
| 20 Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 Other liabilities (attach statement) | | | | |
| 22 Capital stock | | | | |
| 23 Additional paid-in capital | | | | |
| 24 Retained earnings | | -94,645. | | -147,698. |
| 25 Adjustments to shareholders' equity (attach statement) | | | | |
| 26 Less cost of treasury stock | | () | | () |
| 27 Total liabilities and shareholders' equity | | 3,883. | | 3,509. |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: The corporation may be required to file Schedule M-3 (see instructions)

| | | | |
|---|------------|--|------------|
| 1 Net income (loss) per books | - 53,053 . | 5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize) _____ | | a Tax-exempt interest \$ _____ | |
| 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize): | | 6 Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize): | |
| a Depreciation \$ _____ | | a Depreciation \$ _____ | |
| b Travel and entertainment \$ _____ | | 7 Add lines 5 and 6 | |
| 4 Add lines 1 through 3 | - 53,053 . | 8 Income (loss) (Schedule K, line 18). Line 4 less line 7 | - 53,053 . |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|--|-------------------------------------|-------------------------------|---|
| 1 Balance at beginning of tax year | -95,018 . | 0 . | |
| 2 Ordinary income from page 1, line 21 | | | |
| 3 Other additions | | | |
| 4 Loss from page 1, line 21 | (53,053 .) | | |
| 5 Other reductions | () | () | |
| 6 Combine lines 1 through 5 | -148,071 . | 0 . | |
| 7 Distributions other than dividend distributions | | | |
| 8 Balance at end of tax year. Subtract line 7 from line 6 | -148,071 . | 0 . | |

EXHIBIT “XIV”



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Bitcoin (24h)

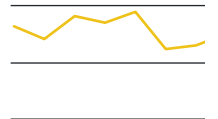
USD ▼ -3.64%

\$2278.

EUR €1988.34

CNY ¥15705.00

GBP £1745.31



Ethereum ▼ -8.65%

Credit Cards Have Not Evolved With the Internet. Enter Bitcoin.

Jan 5, 2014 at 11:57 by Daniel Cawrey

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The credit card has a lengthy history. One of the first iterations of plastic was actually made of sheet metal. It was called the [Charga-Plate, developed in 1928](#). It was issued to frequent customers by merchants in the same way that department stores today give out credit cards.

To record a transaction a merchant would place the Charga-Plate into a device that allowed a paper charge slip to be laid on top of it. An inked ribbon would then be run on top of the paper, creating a record of the sale.

This method of credit card processing was used for years until the digital revolution arrived. After that, electronic card readers could harness the information from swiping magnetic strips through a machine, providing easier record keeping.

Then, the internet came along. And it didn't accept cash, only payment information in the form of credit or debit cards. The credit card companies didn't evolve their product along with the internet; they pretty much kept it the same. This has created a number of issues that prove how outdated the credit card has really become.

Transaction Fees

A major challenge in the internet era has been how media companies make money on this new platform. Advertising has played a major part, but its long-term effectiveness has been questioned.

Sure, e-commerce is an effective method of generating money on the web. But paying small amounts for media content has been a much harder challenge.

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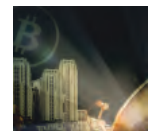
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Beyond Se Sztorc Thir Needs a N Roadmap



The State c Regulation Outlines Le Nations

Industry Press Releases

Jul 13 | 12:14

Harbour DAC

Jul 11 | 20:45

The Blockchain
Munich, a 2-1
Bitcoin and E
Technology

Jul 11 | 19:49

Changelly Air
Partnership

Jul 11 | 12:24

Utilizing the
Blockchain in
Sector

Digital ads are not replacing traditional advertising revenue. Source: [The Atlantic](#)

Consider the plight of many media companies that did not anticipate the digital age. If there were an easy way for them to accept tiny payments for their content, they would.

But credit cards don't easily allow for that. Many processors charge a fee of \$0.30 plus a percentage off the top of a transaction. And payment processors often consider a [microtransaction](#) as a payment of less than \$5.00 yet that really does not seem "micro" at all.

Credit card processors must make money in the form of transaction fees. That's their business.

But their ongoing model for small payments is outdated. This is evident when you go to a store that charges a fee for a particular transaction threshold, such as for less than \$5.00.

In a world where cash is becoming scarce as more people prefer plastic, credit card companies must learn to adapt to a newer fee model, or be overtaken by [digital currencies like bitcoin](#).

Privacy

Another problem with credit cards is all the information that is contained within them. Companies increasingly want to boost revenues by collecting purchasing information.

The theory goes that with this information they can glean insights on customers that will help to sell more goods and services. More goods and services can mean more revenue, which keeps stockholders happy.

The problem with that is many customers don't want to have that information given out to other companies that then might try to get them to buy additional products and services.

Yet credit card providers already [have been selling advertisers credit card purchasing information](#), a veritable treasure trove of data for marketers to mine through. The [Washington Post](#) has previously reported that companies have nicknames for ranking customers:

Everytime you buy with a credit card your information is being stored & evaluated
<http://t.co/mvY3HO77uk> via [@jurylady5](#)

— [cinnamon_carter \(@cinnamon_carter\)](#) December 26, 2013

Consumers have very little choice in this matter. After all, how can you pay for things on the internet without a credit card?

One company, called [MaskMe](#), allows users to create disposable credit card numbers when making purchases online. But that's a time-consuming method.

Many merchants accept PayPal linked to a bank account, yet many still are uncomfortable with a direct link to their banking data.

Fraud

Credit card fraud continues to be a problem. In fact, this has been an issue since the 1990s when AOL wasn't even [confirming credit card numbers at the time of sale](#).

Vinny Lingham, the CEO of gift card purveyor [Gyft](#), has to deal with credit card scammers all of the time. He has regularly [told audiences during events he speaks](#) at that his company sees zero fraud from accepting bitcoin as a method of payment.

Yet Gyft must contend with credit card fraud on a daily basis.

Gift cards are a resource for thieves to transfer the value of stolen credit cards over to something that appears more legitimate. What this means for the consumer is higher costs overall, for everything, because of all of

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these scams.

The recent news of the Target theft of payment details from over [40 million credit/debit cards](#) also highlights this problem.

That so much information was stolen shows just how fragile the existing system is as it stands. [eWeek](#) reported that the magnetic strip on the credit cards was the Target vulnerability.

The #Target security breach could have been avoided had the company made one change to its card readers. <http://t.co/QCG2GwF9QK>

— Wayne Rash (@wrash) [December 26, 2013](#)

Richard Crone, a payment consultant, [recently told PaymentsSource regarding the hack](#):

"If the payments industry was starting from scratch today, no one would pass actual payment credentials through the point of sale."

Conclusion

Credit cards were not built for the digital world that we live in today. Rather, they have been adapted to become the standard that we use for buying things online.

We don't even need the cards to buy things online; this is why digital currencies like bitcoin offer so much promise. Yet in the eyes of the banks and credit card processors, they pose a problem.

Banks warn of dangers of bitcoin because people already know of the dangers of banks and are looking for choices.

— [AndreasMAntonopoulos \(@aantonop\)](#) [December 26, 2013](#)

The payments industry may have no choice but to start from scratch.

Many credit card companies are now realizing that [mobile and contactless payments](#) are the future. Yet the prospect of personal information being sold or even hacked in new and different ways is still a threat with this new paradigm.

This is why the disruptive qualities that bitcoin presents to banks should actually be considered as an opportunity rather than a threat. It's a value proposition for merchants who are [fed up with chargebacks](#).

It can be a more private method of payment than what the credit card companies are currently offering.

The fact of the matter is that there is always going to be that risk of [fraud or theft](#). But as a purchasing method, bitcoin should be considered an [innovative framework](#) that could be more successful over current payment options for the internet today.

[Credit card machine](#) via Shutterstock

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