



KELLEY DENISE SCOTT LAW FIRM

8913 Bridget Leigh Way, Bakersfield, CA 93312-6257
County: Kern County

Subject: Legal Opinion about the legal nature of AlcheCoin tokens

I write to provide my opinion on the legal nature of the AlcheCoin tokens. This is based on the analysis of the elements of the AlcheCoin token and research in accordance with United States security legislation and regulations. The purpose of this Legal Opinion letter is to certify that AlcheCoin token is a utility token not a security token.

The AlcheCoin token is a cryptocurrency and digital commodity created with strict mathematical principles by complex functions and algorithms. Unlike fiat currencies that are printed by central banks, and like other commodities that exist in the world today, AlcheCoin has a fixed supply, is inflation-proof, and responds to the basic principles of supply and demand.

As a result, many countries have recognized cryptocurrencies as a bonafide commodity that may be held and exchanged by its citizens. For example, in the European Union, it is recognized that cryptocurrencies need their own specific legislation, and therefore there is a new bill (the Regulation on Markets in Crypto Assets) that will very likely regulate the area in the future.

Since its offering, AlcheCoin has not been legally available to trade or exchange and has passed the 12-month transfer restrictions required by Reg S rules 903 and 904.

Similar to Ethereum, a peer in the industry, AlcheCoin is now operational, live, and is open to expansion by independent developers in the community. Further growth and expansion of the network will not rely on a single source or party including the AlcheCoin owner Company (Alchemon Inc). The power of future decisions in the network has been delegated to the network of AlcheCoin token holders. The network was previously influenced by AlcheCoin owner Company; however, is now controlled by a vast distributed global network of AlcheCoin token holders. AlcheCoin owner Company has elected AlcheCoin token to be a utility token as it has met its previous legal obligations.

Additionally, for use as a utility to support the operations of the network itself. It is the economic substance of the transaction that always determines the legal analysis, and in this case, in the AlcheCoin network – given its decentralized structure, current offers, and sales of AlcheCoin are not securities transactions.

Furthermore, when considering the evaluation criteria, it is important to notice that independent actors set the price based upon the principles of supply / demand for reasons deemed necessary by the actors themselves. The Company cannot support or influence market dynamics / trading.

Moreover, AlcheCoin's collateral and agreements explicitly mention that the token is intended for network use.

The AlcheCoin token has multiple and essential functions for the network including:

- i) The power to vote on proposals to influence and govern the future direction of the network
- ii) To execute smart contract code in the network for network operations, staking incentives, and network governance.

Based on a review of existing guidance, precedent, and enforcement actions, AlcheCoin owner Company believes that AlcheCoin tokens do not meet the US SEC's Howey Test as a security and/or are not subject to enforcement. As Coin's general legal counsel for global affairs, I share this opinion.

In my opinion, it is clear that AlcheCoin tokens are not securities and therefore should not be subject to any security enforcement.

Sincerely,

A handwritten signature in black ink, appearing to read 'Diane Wills', with a horizontal line extending to the right.

Diane Wills
Legal Counsel