



S.V.LAW OFFICE

สำนักงานที่ปรึกษาทนาย เจส.วี. ธุรกิจและการบัญชี

S.V. CONSULTANTS BUSINESS & ACCOUNTING OFFICE

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Registered No. S.V. 009 / 2020

NOTARIAL CERTIFICATE



Reg. No./ ทะเบียนเลขที่ 1485/2546

Commission Expires / ทะเบียนหมดอายุ

Date / วันที่ 15 December 2021

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S.V. 009 / 2020

7th January 2020

To whom it may concern

I, the undersigned, Attorney at Law License No. 1485/2546 and Member of the Law Society of Thailand, License No. 1851/2533, do hereby certify information as below:

PRIVATE & CONFIDENTIAL
MEMORANDUM

TO: EDU TECH EIU.AC
ATTN: Prof Dr Edward Roy Krishnan CEO
FROM: S.V.CONULTANTS BUSINESS & ACCOUNTING OFFICE
DATE: 7 JANUARY 2020
RE: Review of LOLTOKEN EIU.AC's White Paper& ICO Model

BACKGROUND

1. We are instructed that EDU TECH EIU.AC's (the "Client") intends to launch or has launched an initial coin offering ("ICO") to offer tokens (i.e. LOLTOKEN BY EIU.AC, hereinafter referred to as "LOLTOKEN") based on Ethereum token standard, Ethereum Request for Comments 20 ("ERC20"). The LOLTOKEN holders will then have a right to access a proposed central cryptocurrency & blockchain based e-learning platform to gain lifelong educational and professional skills including degrees and certifications which it has to offer on Pedagog.ac along with at the same time be able to trade, transfer, swap to other cryptocurrencies and manage their portfolios in crypto exchanges supporting LOLTOKEN.

("PEDAGOG.AC here refers to an E-LEARNING PLATFORM designed, built and managed by European International University EIU.AC" which will utilise LOLTOKEN for providing its specialised services)



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2. We understand that the LOLTOKEN Platform generally seeks to provide a range of functions and services, including the following:
- (a) Learning skills for professional growth Advancement of education, certifications, degrees and various learning advancement programmes offered by partner institutions, colleges, universities and freelance tutors globally
 - (b) It uses proof of learning/work protocols for certifications using blockchain based ledgers which makes the system much advanced than its counterparts.
 - (d) Pedagog uses tokenised education ecosystem for learning to avoid transaction fees for learning and payment to service providers/ tutors etc thus it aims to minimise the costs of global learning and extend its reach to the masses
 - (e) The system uses advanced algorithms for educators and learners creating an environment of gamification and incentives using LOLTOKEN by which it aims to reduce the current problems faced by current e learning platforms
 - (f) LOLTOKEN will be used in the education ecosystem through Pedagog which aims to connect learners directly to tutors/trainers' universities etc, Students can exchange or redeem LOLTOKEN for skills, courses, degrees or certifications provided by universities. On the other hand tutors, trainers can exchange their LOLTOKEN for its equivalent amounts in fiat in an exchange as their revenues
3. Our views below are based upon the instructions that we have received to date, and may change upon further documents and/or information which may subsequently be made available to us. Further, our views are based on the current applicable laws and regulations as of the date of his Memorandum.

INSTRUCTIONS AND QUERIES

4. The Client would like to enquire:
Whether the LOLTOKEN is a security token or utility token based on International laws
5. As a preliminary matter, we believe that the following statutes and legislation are relevant to these questions, namely the:
- (a) Securities & Futures Act
 - (b) Financial Advisers' Act and
 - (c) Guideline on Digital Token Offerings;
- (hereinafter collectively referred to as the Securities Regulations").

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6. We have focused our analysis on whether the LOLTOKEN may be considered a security token or a utility token according to the legal requirements of the SEC, and have therefore endeavoured to structure our responses accordingly below.
7. For the purposes of our analysis below we have assumed the following in relation to the LOLTOKEN:
- (a) Only LOLTOKEN holders have access to the Pedagog Platform and the range of functions and services offered on the e-learning platform;
 - (b) All transactions on the Pedagog Platform will require the use of LOLTOKEN.
 - (c) LOLTOKEN do not create the right of ownership or disposal of EDU TECH eiu.ac Ltd or its assets.
 - (d) LOLTOKEN holders do not exert any influence over the decision making of the company or its activities.

EXECUTIVE SUMMARY

8. In our view, the proposed LOLTOKEN is likely to be characterised as a utility token which grants the token holders access to specific functions and services on the Pedagog Platform. We are therefore of the opinion that the Client's offering of LOLTOKEN per se would not require any approval. A Preliminary Discussion on Security Tokens and Utility Tokens
9. In general, we believe that a token with one or more of the following features may likely constitute a security token:
- (a) Ownership interest in a legal entity, including a general partnership;
 - (b) Equity interest;
 - (c) Share of profits and/or losses, or assets and/or liabilities;
 - (d) Status as a creditor or lender;
 - (e) Claim in bankruptcy as equity interest holder or creditor;
 - (f) Holder of a repayment obligation from the system or the legal entity issuer of the token;
- and
- (g) A feature allowing the holder to convert a non-security token into a token or instrument with one or more investment interests, or granting the holder an option to purchase one or more investment interests.

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10. Further, we believe that a token with the following rights would not generally be considered a security token, and would instead be characterised as a utility token:

(a) Rights to program, develop or create features for the system or to "mine" things that are embedded in the system;

(b) Rights to access or license the system;

(c) Rights to charge a toll for such access or license; (d) Rights to contribute labour or effort to the system;

(e) Rights to use the system (i.e. computer system, network, platform, application, software or protocol) and its outputs;

(f) Rights to sell the products of the system; and

(g) Rights to vote on additions to or deletions from the system in terms of features and functionality.

The Securities Regulations

11. Pursuant to the SEC, "capital markets products" are defined in as:

"any securities, futures contracts, contracts or arrangements for the purposes of foreign exchange trading, contracts or arrangements for the purposes of leveraged foreign exchange trading, and such other products as the „ Authority may prescribe as capita/ markets products.

"Securities" are further defined as follows:

"securities" means —

(a) debentures or stocks issued or proposed to be issued by a government;

(b) debentures, stocks or shares issued or proposed to be issued by a corporation or body unincorporated;

(c) any right, option or derivative in respect of any such debentures, stocks or shares;

(d) any right under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in —

(i) the value or price of any such debentures, stocks or shares;

(ii) the value or price of any group of any such debentures, stocks or shares; or (iii) an index of any such debentures, stocks or shares;

(e) any unit in a collective investment scheme;

(f) any unit in a business trust;

(g) any derivative of a unit in a business trust; or

(h) such other product or class of products as the Authority may prescribe, but does not include —

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- (i) futures contracts which are traded on a futures market;
- (ii) bills of exchange; (iii) promissory notes;
- (iv) certificates of deposit issued by a bank or finance company whether situated;
or
- (v) such other product or class of products as the Authority may prescribe as not being securities. "

12. Pursuant to the SEC, "investment products" are defined as:

- (a) any capital markets product as defined in the Securities and Futures Act; (b) any life policy; or
- (c) any other product as may be prescribed.

Issue 1: Whether the LOLTOKEN is a security token, or utility token

13. We understand that the LOLTOKEN simply enables token holders to access the Pedagog Platform and the range of functions and services offered on the its platform. Basic functions of the Pedagog.ac Platform such as studying, learning, access to study materials, courses for LOLTOKEN holders.

14. All transactions on the Pedagog.ac Platform will also require the use of LOLTOKEN. For example, the transaction fees for purchases of cryptocurrencies will be paid in LOLTOKEN. Further, LOLTOKEN will be used to pay for optional premium services such as high value and exclusive recommendations from the Pedagog.ac Algorithm, direct access to the Client's team of consultants and advisers, and additional dashboard capabilities.

15. We think that the LOLTOKEN is a utility token for the following reasons.

(a) As the LOLTOKEN must be purchased by persons who wish to access the Pedagog.ac Platform, and the resulting functions of the Pedagog.ac Platform are fully customisable by the LOLTOKEN holders depending on their individual needs and preferences, the LOLTOKEN therefore offers each individual token holder access to specific functions of the Pedagog.ac Platform. Each LOLTOKEN holder owns only the right to access and use the Pedagog.ac Platform, and does not have any right of ownership or disposal of the Client or its assets. LOLTOKEN holders do not exert any influence over the decision making of the Client or its activities.

(b) The LOLTOKEN may be used to pay for promotional and advertising activities conducted by those who wish to advertise their brands on the Pedagog.ac Platform.

16. In light of the above, we are therefore of the opinion that the LOLTOKEN would not fall under the definition of "capital markets products" pursuant to the SEC.

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17. In the circumstances, we therefore think that the LOLTOKEN is structured mainly as a digital representation of the token holder's rights to perform specific functions on the Pedagog.ac Platform. As LOLTOKEN are only used to access the Pedagog.ac Platform and its ecosystem of functions, the LOLTOKEN may therefore be characterised as a functional utility token.

Issue 2: Whether the Client's offering of LOLTOKEN would require approval

18. Pursuant to the Guideline on Digital Token Offerings, Approval is only required for the offer of security tokens. In light of the above, we think that the Client's proposed offering of LOLTOKEN would not therefore require approval as the LOLTOKEN is likely to be characterised as a utility token.

Conclusion

19. Based on the above, we believe that the LOLTOKEN is a utility token, as it merely gives the token holder the right to access and use the Pedagog Platform and its functions, and does not fall within the definition of "capital markets products". Therefore, the Client's proposed offering of the LOLTOKEN will not require approval in this specific regard, pursuant to the Securities Regulations.

DISCLAIMERS

20. The opinions expressed above are subject to the following qualifications:

- (a) Investment into cryptocurrencies are subject to general market and investment risks. As cryptocurrencies are slowly being regulated, our inputs provided above are only correct as of the date they were first given. Should you seek to rely on the information presented above, please contact and liaise with appropriate legal counsel.
- (b) Our opinion is based on the facts as provided to us by the client and after detailed understanding of their whitepaper/prospectus
- (c) Our opinion is strictly limited to the matters stated herein, and is not to be read as extending by implication to any other matter or document;
- (d) Our opinion is confined to and given on the basis of the Law. We have not made any investigation of the laws of any other country, and we do not express or imply and advice as to such other laws herein. Given the international nature of cryptocurrencies, our Opinion as to whether the token is a security or utility is only given on the basis of the laws applicable in this country. Jurisdiction-specific advice should be sought by the Client depending on (i) the jurisdiction of the exchanges LOLTOKEN will be listed on; and (ii) the nationality of the LOLTOKEN purchasers.

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- (e) Our opinion as contained in this letter is given solely for the benefit of the Client, and shall not be relied on by any other person, corporation, entity or otherwise;
- (f) Our opinion as contained in this letter shall not be disclosed to any person, corporation, entity or otherwise, other than those who are directly and intimately involved in this transaction or who would ordinarily be entitled by law to examine such information; and
- (g) Our opinion may change upon us having sight of any further documentary information which may be made available to us, and until we have had sight of such any and all such documentary information, our advice therefore remains academic and merely informative.

I will take full responsibility relating to this matter for any false and/or wrongdoings that have occurred, I have verified and are certain that what mentioned above is true and correct in every aspect.

Sincerely Yours,



Mrs.Sudsangven Hanvilai

Attorney At Law License No. 1485/2546

Member of the Law Society of Thailand, License No. 1851/2533

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