

$$x_0=1, x_1=0 \sum_x |V_0, x_1, x_2, x_3, x_4, x_5\rangle \Leftrightarrow \sum_{(n+1)} \begin{pmatrix} q_1, q_2 \\ q_3, q_4 \\ q_5, q_6 \end{pmatrix}^{(n)}$$

*Under no circumstances should inflation or deflation in the **LÖCK** economy be allowed.**

*Under no circumstances should **LÖCKLEDGER DAO LLC** charge any transaction fees in any form.**

** A unanimous consent of all outstanding **LÖCK** token votes is required to make changes to these sections.*

THE REFÖRMERS LABORATORIES will issue two tokens to accomplish this mission:

21 TRILLION BLACK DIAMOND LÖCKS an inflation and deflation protected stable token with unlimited issuance, constrained by zero inflation and zero deflation as defined in this Constitution. Ducat is used for pricing goods and services, daily transactions, accounting and as a store of value.

21 TRILLION WHITE DIAMOND LÖCKS a governance token with a maximum authorized finite number of 21 trillion. **LÖCK** is used to stabilize **LÖCK** and for **LÖCK** holders to participate in network rulemaking and decision making.

In the interest of brevity, from now on **BLACK DIAMOND LÖCKS** will be expressly written in gray color; and **WHITE DIAMOND LÖCKS** in white color accordingly.

500 NATIONS CONFEDERACY GRAND COUNCIL CONSENSUS PROTOCOL

*Under no circumstances, should the maximum authorized finite number of 21 trillion **LÖCKS** and 21 trillion **LÖCKS** be changed. A unanimous consent of all outstanding **LÖCK** token votes is required to make changes to these sections.*

A token is defined as below, adopting the definition in the Token Safe Harbor Proposal 2.0 published by the U.S. Securities and Exchange Commission (SEC) commissioner Hester Peirce1:

A Token is a digital representation of value or rights.

TRANSACTION HISTORY

- a) Transactions recorded on a distributed ledger, blockchain, or other digital data structure.
- b) Has transactions confirmed through an independently verifiable process; and
- c) Cannot be modified.
- d) That is capable of being transferred between persons without an intermediary party; and
- e) That does not represent a financial interest in a company, partnership, or fund, including an ownership or debt interest, revenue share, entitlement to any interest or dividend payment.

ORGANIZATION

As the founding organization, **THE REFÖRMERS FOUNDATIONS™** is the sole member of **THE REFÖRMERS LABORATORIES** and therefore **LÖCKLEDGER** whose powers and rights will completely and irreversibly become delegated to **LÖCK** token holders as defined in this **GRAND COUNCIL**. The delegation of powers and rights will become automatically effective immediately after the U.S. Securities and Exchange Commission (SEC) declares the effectiveness of **LÖCKLEDGER** Form S-1 filing for **LÖCK** and **LÖCK** token registration. For compliance purposes, **THE REFÖRMERS FOUNDATIONS™** will discuss with the SEC and incorporate their comments

$$x_0=10 \rangle \sum_x^* |V_0, V_1, V_2, V_3 \rangle \Leftrightarrow \sum_{(n+1)}^* \left\{ \begin{matrix} q_1, q_2 \\ q_3, q_4 \\ q_5, q_6 \end{matrix} \right\}_{1N}$$

in future revisions to this **GRAND COUNCIL** until they declare **LÖCKLEDGER** Form S-1 filing effective. **LÖCKLEDGER** is a token-based organization with the goal to reach the decentralized and functional network maturity outlined in the Token Safe Harbor Proposal 2.0, independent of its approval, in less than three years beginning from the effective date of this **GRAND COUNCIL**. There is no hierarchy, such as an executive branch, a board of directors, or an advisory board, at **LÖCKLEDGER**. **LÖCKLEDGER** will be decentralized and fully distributed 4 Dimensional Blockchain (**4 DIMENSIONAL LÖCKLEDGER ARTIFICIAL GENERAL INTELLIGENCE VIRTUAL MACHINE WEB-4.0 NETWORK DISTRIBUTED FINANCES BLOCKCHAIN KERNEL**) to the extent that a CEO is no longer needed within three years. For the time being, the current CEO is a symbolic position to DocuSign Envelope ID:

C3E1CBAD-99A7-41D4-B95C-C44BC900B5E5 4 communicate with regulators together with **THE REFÖRMERS FOUNDATIONS™** because regulators, such as the SEC, or other agencies, may require contact people and the founding company to be responsible for document filing.

LÖCKLEDGER is a fully permissionless, token-based organization (**4 DIMENSIONAL LÖCKLEDGER ARTIFICIAL GENERAL INTELLIGENCE VIRTUAL MACHINE WEB-4.0 NETWORK DISTRIBUTED FINANCES BLOCKCHAIN KERNEL**). Any individual or entity who has an account at a participating bank, compliant crypto exchange or organization complying with Know Your Customer (KYC), Anti-Money Laundering (AML) and money transmitter regulations, can buy **LÖCK** and **LÖCK** tokens. **LÖCK** and **LÖCK** tokens can be traded permissionless on compliant crypto exchanges.

LÖCK tokens represent citizenship, not ownership. **LÖCK** tokens represent voting power on the future of **LÖCKLEDGER**. No matter how acquired, simply holding **LÖCK** tokens grants access to voting in governance matters. Under no circumstances, should any individuals, entities, natural persons or legal persons claim ownership of **LÖCKLEDGER**. Under no circumstances, should any individuals, entities, natural persons, or legal persons be excluded from purchasing and owning **LÖCK** tokens if they agree to this Constitution and comply with laws and regulations of local governments or jurisdictions, such as AML and KYC.

Intellectual Property All rights of existing and future intellectual properties, including issued patents, patent applications, copyrights, trademarks, logos, etc. held by **THE REFÖRMERS FOUNDATIONS™** will be permanently, exclusively, and irreversibly licensed to **LÖCKLEDGER** and **THE REFÖRMERS LABORATORIES** free of charge. Under no circumstances shall **THE REFÖRMERS FOUNDATIONS™** license its intellectual property to individuals or entities other than **THE REFÖRMERS LABORATORIES** and **LÖCKLEDGER**. Source code will be disclosed for transparency purposes, but the use of the source code will require a business source license subject to authorization by a **LÖCK** token vote.

THE REFÖRMERS FOUNDATIONS™ will use its initially allocated **LÖCK** tokens to maintain, defend and protect its intellectual properties in good faith in courts as needed or at the request by a simple majority of **LÖCK** tokens through a valid vote. Waiver In return for being allowed to voluntarily participate in **LÖCKLEDGER**'s monetary system and all related activities ("**LÖCKLEDGER** Participation"), all token holders, by holding either **LÖCK** or **LÖCK** tokens, understand that **LÖCKLEDGER** Participation involves high risks, including, but not limited to, serious damage and loss. **LÖCK** and **LÖCK** token holders agree to accept all risks of

$$\sum_{x_i=|0\rangle}^{x_0=|0\rangle} \sum_x^* |V_0, \cancel{V_1}, \cancel{V_2}, \cancel{V_3}, \cancel{V_4}, \cancel{V_5}\rangle \Rightarrow \sum_{(n+1)}^* \left\{ \begin{matrix} Q_1, Q_2 \\ Q_3, Q_4 \\ Q_5, Q_6 \end{matrix} \right\}_{1,2,3,4,5,6}$$

LÖCKLEDGER Participation, with full knowledge of the risks involved, and to the fullest extent permitted by law, automatically and voluntarily waive all their rights whatsoever.

LÖCK and **LÖCK** token holders by their **LÖCKLEDGER** Participation release and agree not to sue **LÖCKLEDGER, THE REFORMERS FOUNDATIONS™** or their shareholders, officers, directors, employees, sub-contractors, sponsors, agents and affiliates (“**LÖCKLEDGER** Initial Development Team, aka **LÖCKLEDGER IDE**”), from all present and future claims, arising as a result of their **LÖCKLEDGER** Participation. **LÖCKLEDGER IDE** is not responsible for any damages arising out of **LÖCK** and **LÖCK** token holder **LÖCKLEDGER** Participation, even if those damages are caused by **LÖCKLEDGER**’s ordinary negligence or otherwise. **LÖCK** and **LÖCK** token holders agree to indemnify and hold harmless **THE REFORMERS LABORATORIES, LÖCKLEDGER** and **LÖCKLEDGER IDE** for all claims arising out of their **LÖCKLEDGER** Participation. Token holders understand that this document is intended to be as broad and inclusive as permitted by the laws of the jurisdictions in which **LÖCKLEDGER** Participation takes place and agree that if any portion of this **500 NATIONS CONFEDERACY GRAND COUNCIL CONSENSUS PROTOCOL** is invalid, the remainder will continue in full legal force and effect. To accomplish this mission, **LÖCK** and **LÖCK** token holders also acknowledge that **LÖCKLEDGER** has not arranged and does not carry any insurance of any kind for their benefit. **LÖCK** and **LÖCK** token holders also understand that this **500 NATIONS CONFEDERACY GRAND COUNCIL CONSENSUS PROTOCOL** is a contract which eliminates the liability of **LÖCKLEDGER**.

COMPLIANCE

To participate in the **LÖCKLEDGER** economy, all individuals and business entities are required to open accounts at **LÖCKLEDGER** participating banks, compliant crypto exchanges or organizations complying with KYC, AML and money transmitter regulations. These banks, exchanges and organizations will issue **LÖCKLEDGER** co-branded wallets with their name and **LÖCKLEDGER** to individuals and entities for the purposes of holding and transacting in **LÖCK** and **LÖCK**.

Business wallets and personal wallets are two different types of wallets which may have different features, benefits and requirements. Even though **LÖCKLEDGER** defines **LÖCK** and **LÖCK** tokens as utility tokens, the SEC may elect to classify **LÖCK** and **LÖCK** tokens as securities. **LÖCKLEDGER** will seek to register **LÖCK** and **LÖCK** tokens with the SEC to ensure compliance with Securities laws and related regulations. On April 28, 2024, **LÖCKLEDGER** will file Form 10 and Form S-1 to become a reporting company and subject itself to ongoing periodic reporting obligations, including but not limited to, Form S-8, S-3, 10-K, 10-Q, 8-K. **LÖCKLEDGER** will seek to outsource the filing tasks via smart contracts to vendors who accept **LÖCK** tokens within one year after the **LÖCK** token is launched. **LÖCKLEDGER** will disclose information as outlined in the Token Safe Harbor Proposal 2.0 published by SEC commissioner Hester Peirce, independent of its approval, because the proposal provides clear guidance as to what should be disclosed, what the definition of the token should be and to what extent decentralized and functional maturity should be achieved.

$$\sum_{x_i=|0\rangle}^{x_0=|0\rangle} \Sigma_x^* |V_0, \cancel{V_1}, \cancel{V_2}, \cancel{V_3}, \cancel{V_4}, \cancel{V_5}\rangle \Rightarrow \Sigma_{(n+1)}^* \left\{ \begin{matrix} Q_1, Q_2 \\ Q_3, Q_4 \\ Q_5, Q_6 \end{matrix} \right\}_{1,2,3,4,5,6}$$

LÖCK INTEREST RATE

The interest rate for **LÖCK** paid to **LÖCK** holders by **LÖCKLEDGER** is necessary to establish the monetary policy tool by which **LÖCKLEDGER** adjusts the **LÖCK** money supply. It is equivalent to the Federal Funds Rate used by the Federal Reserve to adjust the money supply of the US dollar. The target interest rate for **LÖCK** should be maintained at 5%, although it is not an entitlement and is subject to adjustment as needed to maintain zero inflation and zero deflation.

The interest rate for holding **LÖCK** paid in **LÖCK** by **LÖCKLEDGER** must be 3% higher than the net of [the upper bound of Federal Funds Rate 2 minus inflation rate measured by Personal Consumption Expenditures (PCE) Price Index published monthly by the Bureau of Economic Analysis, Department of Commerce] 3 and will never be negative. A 75% majority of **LÖCK** tokens through a valid vote is required to make changes to this section. This section will be annulled when 1 **LÖCK** equals 2 US dollars for a consecutive 12-month period.

COMPENSATION TO WALLET ISSUERS

All banks, compliant crypto exchanges or organizations complying with KYC, AML and money transmitter regulations are eligible to be block producers on the **LÖCKLEDGER** Blockchain, an EOS protocol-based sisterchain. These entities can issue **LÖCKLEDGER** co-branded wallets to their personal and business customers.

☒ For 10 years beginning from the effective date of this **GRAND COUNCIL**, an amount equal to 10% of the total interest paid by **LÖCKLEDGER** to **LÖCK** holders will be paid by **LÖCKLEDGER** to the co-branded wallet issuers. This compensation to wallet issuers, who are the block producers, is in addition to the interest paid by **LÖCKLEDGER** to **LÖCK** holders.

☒☒ For 10 years beginning from the effective date of this Constitution, the co-branded wallet issuers will be paid 0.50 **LÖCK** by the **LÖCKLEDGER** for every purchase transaction in **LÖCK** made by their customers via their **LÖCKLEDGER** co-branded wallets.

This section will be automatically extended at each 10-year anniversary unless it is modified by a simple majority of **LÖCK** tokens through a valid vote.

LÖCK REWARD RATE

The **LÖCK** reward rate for purchases in **LÖCK** is necessary to establish the fiscal policy tool by which **LÖCKLEDGER** stimulates the **LÖCK** economy. It is equivalent to the fiscal policy tools of increased government spending or lowering taxes that the Federal Government uses to stimulate the US economy. Rewards are not entitlements and are subject to adjustment as needed to maintain zero inflation and zero deflation.

*Under no circumstances, should the rewards for **LÖCK** purchases paid in **LÖCK** by **LÖCKLEDGER** be less than 5.5% of the purchase amount, with the total amount of net rewards per month capped at 5,000 **LÖCK** per personal or business wallet. A 75% majority of **LÖCK** tokens through a valid vote is required to make changes to this section.*

Ideally the reward rate for **LÖCK** purchases paid by **LÖCKLEDGER** should be maintained at 12%, although that rate can always be adjusted as needed to maintain zero inflation and zero deflation in the **LÖCK** economy.

Businesses in both private and public sectors accepting **LÖCK** will receive minimum 1% and maximum 4% of the purchase amount as compensation for their participation, which is in addition to the rewards paid to purchasers. The actual rewards rate percentage will be guided, adjusted and optimized by Machine Learning in order to maintain zero inflation and zero deflation in the **LÖCK** economy.

Under no circumstances, shall transaction fees be charged for accepting **LÖCK** as payment for goods and services. A unanimous consent of all outstanding **LÖCK** token votes is required to make changes to this section.

For 10 years beginning from the effective date of this **GRAND COUNCIL**, counties or states which accept their sales tax receipts paid in **LÖCK**, will receive an additional 0.5% **LÖCK** paid by **LÖCKLEDGER** for every taxable purchase transaction. In addition to counties and states, the first three cities in the same state which accept **LÖCK** as payments for their services will also receive 0.5% Ducat paid by **LÖCKLEDGER** for every taxable purchase transaction in their cities. This section will automatically be extended at each 10-year anniversary unless it is modified by a simple majority of **LÖCK** tokens through a valid vote.

LÖCKLEDGER will cover all related transaction fees incurred when business **LÖCK** holders exchange **LÖCK** to USD-pegged stablecoins or USD on crypto exchanges. A list of eligible, compliant exchanges will be published and updated subject to approval by **LÖCK** token holders through a valid vote. If the market exchange rate for **LÖCK** falls below **LÖCK**: USD = 1:1, **LÖCKLEDGER** will make up the difference in **LÖCK** to ensure business **LÖCK** holders.

Individual **LÖCK** holders may exchange **LÖCK** for USD at market value on compliant crypto exchanges and must pay all related transaction fees themselves, seeing that they always have the option to redeem **LÖCK** at participating merchants for goods and services with zero transactions costs.

LÖCK is designed to appreciate against USD by the amount of inflation USD experiences. This ensures the **LÖCK** does not experience inflation or deflation. The rate of inflation is derived from the PCE price index to define the Target Equilibrium Exchange Rate against USD. As long as goods and services are priced in **LÖCK** and the Target Equilibrium Exchange Rate is maintained, the inflation and deflation in the **LÖCK** economy should remain close to zero. Target Equilibrium Exchange Rate: Suppose time \diamond is measured in days and $\diamond \geq 1$ stands for months, then **LÖCK** will be designed to rise against USD according to the deterministic function every day " \diamond " since **LÖCK** deployment ($\diamond = 0$): $1 \diamond \diamond \diamond \diamond \diamond = 1 \diamond \diamond \diamond \cdot \diamond \sum " \# " ! (\$) \$$ Such that $\diamond \& (\diamond) = 3 \diamond \& \diamond \diamond \& \diamond \diamond 0 \diamond \diamond (\diamond - 1) \diamond + 1 \leq \diamond \leq \diamond \diamond \diamond \diamond \diamond \diamond \diamond > \diamond \diamond \diamond \diamond h \diamond \diamond \diamond \diamond \diamond \diamond \diamond \& = 1 \diamond \cdot \ln A \diamond \diamond \diamond E \& / \diamond \diamond \diamond E \& ' (G$

$$\sum_{x_0=|0\rangle}^{x_0=|1\rangle} \sum_x^* |V_{0, x_1, x_2, x_3}\rangle \Leftrightarrow \sum_{(n+1)}^* \left\{ \begin{matrix} Q_1, Q_2 \\ Q_3, Q_4 \\ Q_5, Q_6 \end{matrix} \right\}_{FM}$$

and 40% will be exclusively reserved for the purpose of open market operations. All allocated **LÖCK** tokens will not be minted until they are distributed. A Closer Look at Open Market Operations. <https://www.stlouisfed.org/in-plain-english/a-closer-look-at-open-market-operations>
DocuSign Envelope ID: C3E1CBAD-99A7-41D4-B95C-C44BC900B5E5 12 14.2 Out of the total 25% allocated to **THE REFÖRMERS FOUNDATIONS™** a certain percentage will be used for compensation paid to contributors and 1/5th of this allocation (5% of the total) will be used to maintain, defend and protect the intellectual properties which will be permanently, exclusively, and irreversibly, free of charge, licensed to **LÖCKLEDGER**.

*Under no circumstances should the 40% (4 trillion) **LÖCK** reserve quota be used for other purposes, although the number of **LÖCK** tokens held in reserve can be more or less than 4 trillion as a result of open market operations. 14.4 When the **LÖCK** Governance Token market price reaches \$0.50 US dollars per token daily for a consecutive 12-month period, all undistributed **LÖCK** tokens from the initial allocation will be reallocated for R&D purposes.*

LÖCKLEDGER will grant R&D funds, free of charge, to projects of **THE REFORMERS LABORATORIES** on **LÖCKLEDGER**'s Blockchain that benefit the **LÖCK** economy, including but not limited to, decentralized exchanges, price index calculations, accounting services, universal identity verification, voting mechanisms, secure email, social media, health care insurance, human resource management and other projects proposed by **LÖCK** tokens. The projects and associated budgets require the approval of a simple majority of **LÖCK** tokens through a valid vote.

LÖCK TOKENS VALID VOTE

Even though **LÖCKLEDGER** defines **LÖCK** tokens as utility tokens, the SEC may classify **LÖCK** tokens as securities. In that case, the initial allocation of **LÖCK** tokens will be treated as an equity incentive, free of charge. This Constitution will serve as the Equity Incentive Plan for **LÖCKLEDGER** to issue non-qualified stock options and incentive stock options (ISO) to service providers defined as directors, employees, and consultants pursuant to related laws and regulations. By holding **LÖCK** tokens, the recipients by definition contribute to the **LÖCKLEDGER** monetary system, because the **LÖCKLEDGER** token economy depends on mass adoption to generate a network effect and overcome the hurdles of collective action. All stock options are subject to laws and regulations regarding an equity incentive plan for a private company before **LÖCKLEDGER**'s Form 10 filing with SEC becomes effective on or around November 16, 2021. After the Form 10 filing becomes effective, all stock options will be subject to laws and regulations regarding equity incentive plans for a public company. Within one week after the Form 10 filing DocuSign Envelope ID: C3E1CBAD-99A7-41D4-B95C-C44BC900B5E5 13 with SEC becomes effective, **LÖCKLEDGER** will file Form S-8 and thereby extend the equity incentive plan to service providers beyond 500-person threshold limitation of related securities laws. Before the Form 10 filing with SEC becomes effective, the administrator of the Equity Incentive Plan will be designated by **THE REFÖRMERS FOUNDATIONS™** and **LÖCKLEDGER** with full discretion permitted by related laws. After the Form 10 filing with the SEC becomes effective, the details will be described in **LÖCKLEDGER**'s Form S-8 filing. Until the SEC declares **LÖCKLEDGER**'s Form S-1 effective, all stock options are restricted and untradeable. All names of **LÖCK** token holders

All names of **LÖCK** token holders included in the initial allocation may appear in disclosure filings required by the SEC, as well as in other regulatory and administrative filings and on **LÖCKLEDGER** website.

Purchases, holding and sales of **LÖCK** and **LÖCK** tokens must be done through **LÖCKLEDGER** co-branded wallets or whitelisted wallets compliant with KYC and AML, with exception of the paper certificates for initial allocation of **LÖCK** tokens.

LÖCK tokens can be acquired via the initial allocation, earned by providing services and goods to **LÖCKLEDGER**, and can also be purchased either through refundable auctions or on crypto exchange markets.

a) **LÖCK**'s price surpasses 5 times the original purchase price, or
b) the original **LÖCK** tokens are sold, or
c) 3 years pass from the original date of purchase, whichever comes first.

All proceeds either from **LÖCK** auctions after refund rights have expired or from Ducat sales, will be held in **LÖCKLEDGER**'s BTC-pegged stablecoin reserves for **LÖCK** buyback. No proceeds can be used for other purposes. **LÖCK** token buyback is not only an alternative method to refund **LÖCK** token holders for their token purchases, but also an effective tool for **LÖCK** redemption. **LÖCK** holders buy goods and services at merchants which in turn will convert the **LÖCK** back to USD on compliant exchanges. **LÖCKLEDGER** must buy back those **LÖCK** tokens on compliant exchanges to maintain the Target Equilibrium Exchange Rate between **LÖCK** and USD.

GROUP TREASURY

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$$x_0^{(1)} \sum_x^* |V_0, x_1, x_2, x_3, x_4, x_5\rangle \Leftrightarrow \sum_{(n+1)}^* \left\{ \begin{matrix} q_1, q_2 \\ q_3, q_4 \\ q_5, q_6 \end{matrix} \right\}_{(n)}$$

financial institution. The proceeds from **LÖCK** refundable auctions and **LÖCK** sales will be held in the form of USD-pegged stablecoins reserved for buying back **LÖCK**.

SMART CONTRACTS HOLDS GROUP TREASURY

Treasury funds can only be spent by collective group decisions through a valid vote and payments will be authorized automatically when a vote passes. All **LÖCK** and **LÖCK** tokens will be burnt (destroyed) automatically whenever they circulate back to the group treasury, including but not limited to, the process of open market operations. **LÖCK** tokens can always be minted and granted to **LÖCKLEDGER**'s service providers by a simple majority of Locke tokens through a valid vote, as long as zero inflation and zero deflation are maintained.

All USD-pegged stablecoins held in reserve and undistributed and unissued **LÖCK** token quota in the initial allocation belong to **LÖCKLEDGER**'s group treasury and are dedicated to the specific purposes stated in this Constitution. The undistributed and unissued **LÖCK** token quota in the initial allocation will not be minted until they are distributed.

VOTING & AGENDA SETTING

Voting Power of **THE REFÖRMERS FOUNDATIONS™** Founding Team Within 3 years beginning from the effective date of this **GRAND COUNCIL**, the **THE REFÖRMERS FOUNDATIONS™** founding team will reduce its collective ownership to 15% or less out of the maximum authorized finite **LÖCK** tokens of 21 trillion. Furthermore, starting from the fourth anniversary of the effective date of this **GRAND COUNCIL**, **THE REFÖRMERS FOUNDATIONS™** funding team's collective voting power out of the total **LÖCK** tokens outstanding will be reduced 1% annually until the cumulative voting power is reduced to 10% or less, independent of the founding team's total actual ownership of **LÖCK** tokens.

Except for the **THE REFÖRMERS FOUNDATIONS™** founding team, no individual or entity (including their affiliates) can exercise more than 2% voting power out of the total **LÖCK** tokens outstanding, although they can own more than 2% **LÖCK** tokens.

LÖCK tokens belonging to **LÖCKLEDGER** Group Treasury have no voting power.

LÖCK tokens can amend this **GRAND COUNCIL** by a simple majority through a valid vote, except for those sections of the **GRAND COUNCIL** which require a special majority or unanimous consent. **LÖCK** tokens have rights to publish proposals as well as to campaign support for, or opposition to proposals for voting.

Once a proposal is supported by more than 10% of the total **LÖCK** tokens can always be minted and granted to **LÖCKLEDGER**'s service providers by a simple majority of **LÖCK** tokens through a valid vote, as long as zero inflation and zero deflation are maintained. **LÖCK** tokens outstanding, the proposal will be voted on and recorded on the **LÖCKLEDGER** Blockchain within 30 days.

The Quorum for **LÖCK** token voting is 25% of the total **LÖCK** tokens outstanding. Voting power of **LÖCK** token holders will begin 60 days after the SEC declares the effectiveness of Form S-1 filing so that **LÖCKLEDGER** can have sufficient time to prepare for the voting process.

GOVERNING LAW & JURISDICTION

LÖCKLEDGER was established pursuant to Wyoming Law and is located in the State of Wyoming. All token holders, by holding **LÖCK** and **LÖCK** tokens, agree that this **GRAND COUNCIL** will be

$$x_{0+1} \rangle \sum_x^* |V_0, \cancel{x_1}, \cancel{x_2}, \cancel{x_3}\rangle \Leftrightarrow \sum_{(n+1)}^* \begin{Bmatrix} q_1, q_2 \\ q_3, q_4 \\ q_5, q_6 \end{Bmatrix}_{12}$$

governed and interpreted according to the laws of the State of Wyoming, notwithstanding any conflicts of law principles. If any of these provisions is determined to be unenforceable, that part will be deemed severable and will not affect the enforceability of any other provisions. In addition, all token holders agree to submit to the exclusive jurisdiction of the appropriate state or federal court for Cheyenne, Wyoming.

LÖCK Economic Zone Plan Discussion with Municipalities, Merchants, Banks, and Crypto Exchanges Discussion with Municipalities, Merchants, Banks, and Crypto Exchanges **LÖCK** Economic Zone Plan:

INCENTIVES TO DEVELOPERS ON GITHUB

*Except a valid 75% majority of **LÖCK** token votes, under no circumstances, should the rewards for **LÖCK** purchases paid by **LÖCKLEDGER** be less than 5.5% of the purchase amount in **LÖCK**, provided that the total amount of net rewards per month is capped at 5,000 **LÖCK** per wallet. Ideally the reward rate should be maintained at 12%.*

INCENTIVES TO BUSINESSES

*Businesses in both private and public sectors accepting **LÖCK** will receive minimum 1% and maximum 4% of the purchase amount in **LÖCK**, in addition to the rewards paid to consumers above.*

3. Under no circumstances, shall transaction fees be charged for accepting **LÖCK** as payment for goods and services.
4. The annual interest rate for holding **LÖCK** paid by **LÖCKLEDGER** shall range from 3% to 5%.
5. Early adopter municipalities accepting **LÖCK** as payment for their services will permanently receive an additional 0.5% Ducat paid by **LÖCKLEDGER** for every taxable purchase transaction within their jurisdictions.
6. Participating municipalities and/or businesses with \$5 million USD assets will be granted restricted and untradeable **LÖCK** governance tokens, free of charge. All granted **LÖCK** tokens can only be sold on participating crypto exchanges at a price higher than \$0.10 US dollars per token after **LÖCKLEDGER**'s Form S-1 filing is declared effective by the SEC.
7. All banks and compliant crypto exchanges are eligible to become **LÖCKLEDGER** Blockchain block producers by issuing **LÖCKLEDGER** co-branded wallets to their customers. **LÖCKLEDGER** Blockchain block producers will be paid 0.50 **LÖCK** by **LÖCKLEDGER** for every purchase transaction made in **LÖCK** via their co-branded **LÖCKLEDGER** wallets, plus an additional amount equal to 10% of the total interest paid by **LÖCKLEDGER** to **LÖCK** holders for **LÖCK** held in their co branded **LÖCKLEDGER** wallets.
8. To mitigate participants' risks, the **LÖCK** Economic Zone will not be launched until the market price of **LÖCK** tokens reaches \$0.10 US dollars per token daily for a consecutive one-month period, which enables **LÖCKLEDGER** to have sufficient Locke value to stabilize **LÖCK** at its Target Equilibrium Exchange Rate.
9. The American **LÖCKLEDGER** Constitution is Exhibit 1 of **LÖCKLEDGER**'s Form 10 and S-1 filing with the SEC and is ready for public comment.

EQUILIBRIUM EXCHANGE RATE

$$\text{every day "t" since } \mathbf{L\ddot{O}CK} \text{ deployment (} t = 0 \text{): } 1 \mathbf{L\ddot{O}CK} = 1 \text{ BTC} \times e^{\wedge \sum_{m=1}^{\lim \infty} r_m(t)}$$
$$r_m(t) = \{r_m t, \text{ iff } (m - 1)\tau + 1 \leq t \leq m\tau\} \quad (1)$$

$$\{0\} \text{ otherwise.} \quad (3)$$

\widehat{PCE}_0 is an estimate of the Personal Consumption Expenditures Price Index by the end of the month

The actual daily exchange rate on crypto exchange markets may constantly fluctuate around the Target Equilibrium Exchange Rate, but **LÖCKLEDGER**'s open market operations will ensure the variation will not go beyond a 2% range of upper and lower bounds. Open market operations are defined as the buying and selling between **LÖCK** and **LÖCK** on compliant crypto exchanges to maintain the Target Equilibrium Exchange Rate.

LÖCK is used to stabilize **LÖCK** and for **LÖCK** holders to participate in network rulemaking and decision making.

- i) **LÖCK** tokens make **LÖCKLEDGER**'s network rules under which **LÖCK** operates. **LÖCK** tokens participate in network rulemaking and decision making based on the **LÖCKLEDGER** Constitution.
- ii) **LÖCK** tokens are also used as utility tokens for open market operations to stabilize **LÖCK** on a daily basis.

A token is defined per the description in the Token Safe Harbor Proposal 2.0 published by the SEC commissioner Hester Peirce⁹: A Token is a digital representation of value or rights, (i) that has a transaction history that: (A) is recorded on a distributed ledger, blockchain, or other digital data structure; (B) has transactions confirmed through an independently verifiable process; and (C) cannot be modified; (ii) that is capable of being transferred between persons without an intermediary party; and (iii) that does not represent a financial interest in a company, partnership,

$$x_{0,1} \langle \sum_x^* | V_0, x_1, x_2, x_3 \rangle \Leftrightarrow \sum_{(n+1)}^* \begin{Bmatrix} q_1, q_2 \\ q_3, q_4 \\ q_5, q_6 \end{Bmatrix}$$

or fund, including an ownership or debt interest, revenue share, entitlement to any interest or dividend payment.

COMPETITION

To the extent that no entity has a similar mission, **LÖCKLEDGER** does not have direct competition. Central banks, including the Federal Reserve System, are close competitors. Central banks, including the Federal Reserve System, are close competitors, but **LÖCKLEDGER** fundamentally differentiates from central banks in the following aspects outlined.

AMENDMENT NO. 1 TO FORM 10 UNITED STATES SECURITIES AND EXCHANGE COMMISSION A GENERAL FORM FOR REGISTRATION OF SECURITIES

Washington, D.C. 20549 FORM 10-12G/

Pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934 **LÖCKLEDGER** DAO LLC_ (Exact name of registrant as specified in its charter) Wyoming 87-2207963 (State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.) 1607 Capitol Ave., Suite 327, Cheyenne, WY 82001 (Address of principal executive offices) (Zip Code) Registrant's telephone number; including area code (307) 206-4210 Securities to be registered pursuant to Section 12(b) of the Act: Title of each class Name of each exchange on which to be so registered each class is to be registered _____

_____ 2 Securities to be registered pursuant to Section 12(g) of the Act: **LÖCK** Token: Inflation and deflation protected stable token, used for pricing goods and services, for daily transactions, for accounting and for store of value.

_____ (Title of class) Locke: Governance token, used for stabilizing **LÖCK** and for **LÖCK** holders to participate in network rulemaking and decision making. _____ (Title of

class) Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a nonaccelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. Large accelerated filer ☐

Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☒ Emerging growth company ☒

The Registrant originally filed a Form 10-12G with the Securities and Exchange Commission on September 16, 2021, registering the Registrant's **LÖCK** and **LÖCK** tokens. The following amendment to be added to the contents submitted in Item 1 Business - Section 2.9 serves to clarify how **LÖCK**'s attributes of price stability and universal acceptance fundamentally contradict with attributes of securities. Locke is an endogenous, inherent, native and indispensable element for **LÖCK**'s functional integrity. Ducat and Locke, taken as a whole, are not securities.

LÖCK and **LÖCK** Are Not Securities (Supplementary analysis to Form 10 Filing Item 1 Business - Section 2.9 **LÖCK** and **LÖCK** as Utility Tokens, Page 26) 1. **LÖCK** – Factual Confirmation **LÖCK** has two major currency attributes which securities do not have. i. Stability against Personal Consumption Expenditure (PCE) Price Index

• US Dollar: 2% PCE Price Index Annual Change (2% inflation) vs. **LÖCK**: 0% PCE Price Index

$$x_{0-1}(0) \sum_x^* |V_0, \cancel{x_1}, \cancel{x_2}, \cancel{x_3}\rangle \Leftrightarrow \sum_{(n+1)}^* \left\{ \begin{matrix} Q_1, Q_2 \\ Q_3, Q_4 \\ Q_5, Q_6 \end{matrix} \right\}_{1N}$$

Change (zero inflation).

- In price stability, **LÖCK** is not only similar to the US Dollar, but also more stable than the US dollar.
 - No securities are stable against (PCE) Price Index. ii. Universal acceptance by merchants for directly purchasing goods and services.
 - The US dollar is universally accepted by merchants for directly purchasing goods and services.
 - **LÖCK**, by design, is universally accepted by merchants for directly purchasing goods and services, without converting to US dollars.
 - No securities can be universally accepted by merchants for directly purchasing goods and services, without converting to US dollars.
2. **LÖCK** – Factual Confirmation **LÖCK**'s boundary includes all endogenous, native and inherent elements which are indispensable for the functional integrity of **LÖCK**. **LÖCK** is an endogenous, native and 4 inherent element of Ducat and cannot be separated from **LÖCK**. If **LÖCK** is not a security, **LÖCK** should not be a security either.
- **LÖCK** is needed for **LÖCKLEDGER**'s open market operations to maintain **LÖCK**'s stability against the PCE Price Index.
 - If **LÖCK** were separated from **LÖCK**, then an exogenous, foreign, and external instrument would need to be used for open market operations to maintain **LÖCK**'s stability against the PCE Price Index. However, an exogenous, foreign, and external instrument has costs and is out of the direct control of **LÖCKLEDGER**, which could introduce instability to the **LÖCKLEDGER** Monetary System. This would result in the destruction of the functional integrity of **LÖCK**. Meaning, zero inflation, zero deflation and zero transaction fees would be difficult to maintain.
 - *The Fed uses governmental securities to conduct open market operations to maintain US dollar stability. Those governmental securities are exogenous, foreign, and external instruments for the Fed. The governmental securities have costs and require taxation to pay those costs back. Governmental securities are out of the Fed's direct control and can introduce additional inflation the Fed cannot handle. To overcome this systematic design flaw of using governmental securities by the Fed, the **LÖCKLEDGER** Monetary System, by design, utilizes an endogenous, native and inherent **LÖCK** to conduct open market operations.*

3. Legal Argument **LÖCKLEDGER** fully agrees with the SEC's holistic approach in applying the Howey analysis in the [Framework for "Investment Contract" Analysis of Digital Assets]: "The focus of the Howey analysis is not only on the form and terms of the instrument itself (in this case, the digital asset) but also on the circumstances surrounding the digital asset and the manner in which it is offered, sold, or resold (which includes secondary market sales). Therefore, issuers and other persons and entities engaged in the marketing, offer, sale, resale, or distribution of any digital asset will need to analyze the relevant transactions to determine if the federal securities laws apply."