LEGAL BLOCKCHAIN™

a Circles X Platform

Innovating Claims into Markets ™

Managing Litigation Risk

The Stock Market for Claims ™

The Big Insurance Way

Before

There Must Be A Better Way

Privacy and Power to the People

After

There is a Better Way

Innovation

Legal Blockchain developed a way for crowdsourcing claim data so claimants and litigators to manage exposure to volatile and expensive legal fee prices while retaining the ability to be rightfully paid for a valid legal claim. Legal blockchain has pioneered innovating courts and claims into financial markets holding over 120 issued patents and patents pending in this innovation. Legal Blockchain is designed where users own their data and earn along the way.

Value

Legal Blockchain is not a law firm or a bank. Legal Blockchain is a provider of platform price risk management services, subrogation processing, technology and financing to the legal and claims industry. Legal Blockchain is a provider of litigation claim solutions and long term liquidity in the litigation market.

Scalability

Legal claim risk management does not have to be an all-or-none proposition. Companies or individuals may apply price risk management strategies only at the times and in the volumes that make sense. Legal Blockchain makes it possible.

Simplicity

You do not have to change any aspect of your relationships with your current lawyers or customers to take advantage of these services. Legal Blockchain is also social network for transactions and navigation system. Legal Blockchain subscriptions also allow for users to lock in protection.

Experience

Legal Blockchain is actively making a market in short and long-term claim price contracts. Our expertise flows from our experience from working at the world's largest commodity risk manager, leading investment banks and the world's largest commodity hedge fund.

Trust

Legal Blockchain is a reliable, committed, long-term partner. Our parent, Simpson Holdings, Inc. has been in business since 2002 as a Texas Corporation.

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Innovating Claims into Markets

Hedging Litigation Exposure

Litigation is a $700 billion global industry and a staple of our market economy. Litigation allows the weak and small to have equal footing to the mega companies. But litigation risk can allow for many valid claims to not be properly recovered, not to mention the those who have suffered from injury or malpractice or big pharmaceutical companies. From litigators to networks to social media influencers and creators that depend on litigation for their medical care and health, the number and range of people who are effected by litigation costs or businesses whose sales and profits are impacted by the litigation risk are enormous.

Given the size of the litigation industry and its impact on our economy, it is astonishing how little was done in the past to manage this price risk. Some large firms could use no recourse contingency outcome based fees to align claimant interest with attorney outcomes, but this was and remains an inflexible solution many cases simply are not heard due to the lack of financing, carrying substantial risk for law firms both large and small. Typical claimants are exposed to tremendous variation in litigation costs leading to uncertainty and reluctance to pursue valid claims. Few solutions were available to shield both litigators, insurance companies and claimants, or, for that matter, in fluctuating costs of settlements. Yet these fluctuating outcomes had a direct impact on the corporate profits, both for litigators, claimants and insurance companies.

Today, all this has changed, LITX has created a new breed of financial and physical risk management tools and structures that can be used to immunize companies against a wide range of litigation risks and help them achieve a broad cross-section of financial goals. Already, companies in industries as diverse as technology, finance, pharma, manufacturing, retailing and broadcasting are using these litigation risk management tools to:

- Assure privacy and consent
- Smooth revenues (compensate for trial risk)
- Cover excess costs
- Hedge fluctuations in litigation exposure
- Reimburse "lost opportunity" costs
- Bolster justice (helping claimants)
- Diversify investment portfolios

By using litigation price risk management tools to complement existing risk management strategies, companies can better manage their exposures. This, in turn, can help them reduce their cost of outcomes, capital, and, ultimately, attract a wider range of investors.

Finally, the burden of dealing with unpredictable litigation prices has become an opportunity.

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Solutions to Litigation price risk

Applications for litigation risk management are almost intuitive in some situations. For example, a claimant or litigator might buy a "floor" (see Terminology) to cover lost revenue during periods when litigation prices are soft-much as a farmer might buy a floor to protect against low wheat prices. But the full potential of these risk management tools is virtually unlimited. Here are several examples of how they can be used to improve a company's bottom line:

Compensate for Loss of Demand

Erratic financial results can inflate a company's cost of capital as lenders and shareholders demand higher rates of return on their money. To hedge profits against fluctuating litigation prices and outcomes, companies or individuals can use a wide variety of risk management products. A law firm or insurance company, for example, might purchase a floor that pays out if the market for claims softens, while still retaining the upside if litigation pricing proves to be strong. Alternatively, the insurance company could enter into a zero-cost collar to simultaneously protect and limit its revenues from price extremes outside a prescribed price band. Finally, the insurance company could sell a cap against some of its litigation capacity, generating an additional and dependable revenue stream, regardless of litigation price fluctuations.

Cover Excess Costs

In some cases, severe swings in the cost of litigation reduce a company's profitability-not by shrinking its revenues, but by driving up its costs. One example: a insurance company that must enter the competitive and erratic litigation process at the last minute to promote defend their claims. Adjusters often get delayed, and when it does, competitors can detract from critical opening revenues. Litigation bought at the last minute at inflated prices can increase costs beyond budget. By purchasing a litigation price swap from LIT// , the claimants can easily protect their budget. The swap ensures the price of litigation is constant throughout the year at an agreed upon level.

Hedge Fluctuations in **Litigation Budgets**

To obtain favorable pricing, claimants frequently commit to the purchase of litigation in advance. For any number of reasons-a downturn in the economy, perhaps, or an across-the-board corporate mandate to reduce costs-jobs sometimes get cut after these purchase commitments have been made. Companies that work with LIT// can purchase an option that will allow them to sell back litigation they do not use. This can help to offset any lost savings associated with law changes or new court opinions.

Reimburse "Lost Opportunity" Costs

In an ideal world, law firms and insurance companies would sell, and claimants would purchase, the exact amount of claims they need. In the real world, schedule changes, sales estimates, budget forecasts are often proved wrong by fluctuating demand, and insurance companies find themselves sacrificing significant claim risk. For example, if a insurance company had superior claims. The insurance company litigation swap or security may be used to protect themselves from these "lost opportunity" costs, the insurance company or law firm could purchase a risk management tool that would allow them to sell claims to other claimants rather than forego those claims due to a lack of financing.

Drive orderly claim outcomes

Many companies depend upon their litigation or defense to drive sales and revenues. Often, though, companies are faced with the need to cut costs, and many times this will involve a reduction in their litigation budget. By using litigation risk management, such cuts may not be necessary. A price floor, for example, could allow a company to lock in claims or litigation audiences at above-market prices, eliminating the need to reduce the service.

Diversify Investment Portfolios

Litigation risk management tools offer fund managers, banks, reinsurance companies and other institutional investors an opportunity to increase their investment returns without assuming any increased **risk**, since returns generated from these contracts are not correlated with returns in other financial markets. Indeed, as the litigation market grows, it has the potential to function as a separate asset class. Financial swaps are a primary component of this asset class.

What is a Circles// browser?

LIT// operates a Virtual exchange for both physical and financial litigation price risk management tools. The exchange may sit as a plugin in a popular browser technology or the exchange may be hosted inside a web insurance company or litigation network. The exchange may interact with traditional open litigation exchanges however the primary innovations allow only the user to sell their data vault of information to the litigation claim pool market.

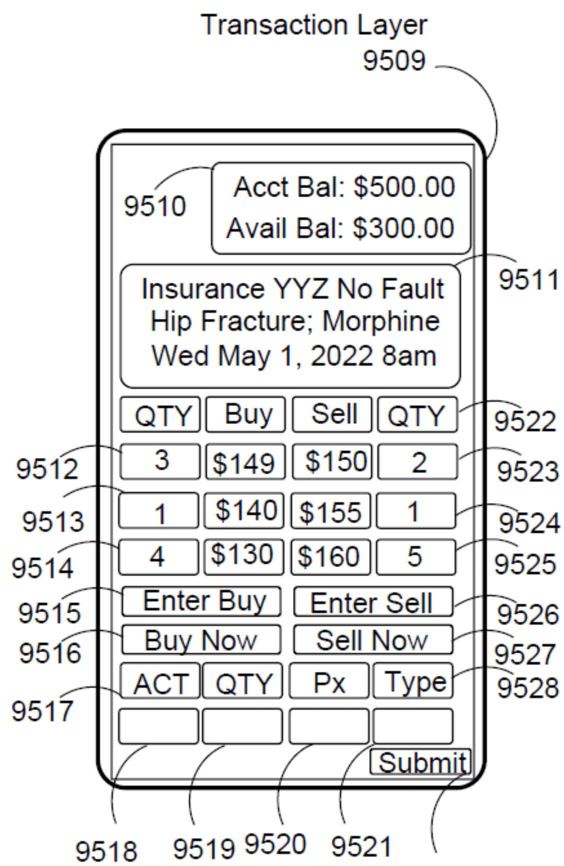
The exchange technology may also persist in the operating system or on our LIT// browser.

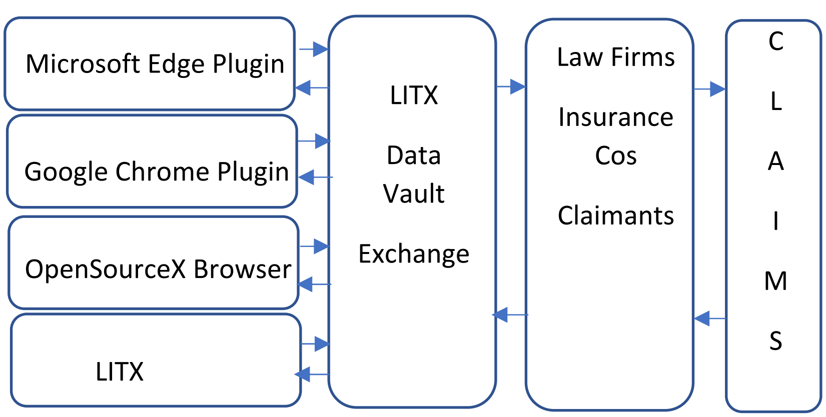
Additional innovations are on the legal side, where the litigation contract has been transformed to a firm contract as opposed to a best efforts or non-firm contract. The firm nature of the contract allows for the contract to be homogenous so that it may be traded once, twice or many times.

The nature of the legal contract transformations not only protects user privacy but they also allow for insurance company and claimants to use financial tools in parallel with the physical litigation impression market to manage upside and downside risks.

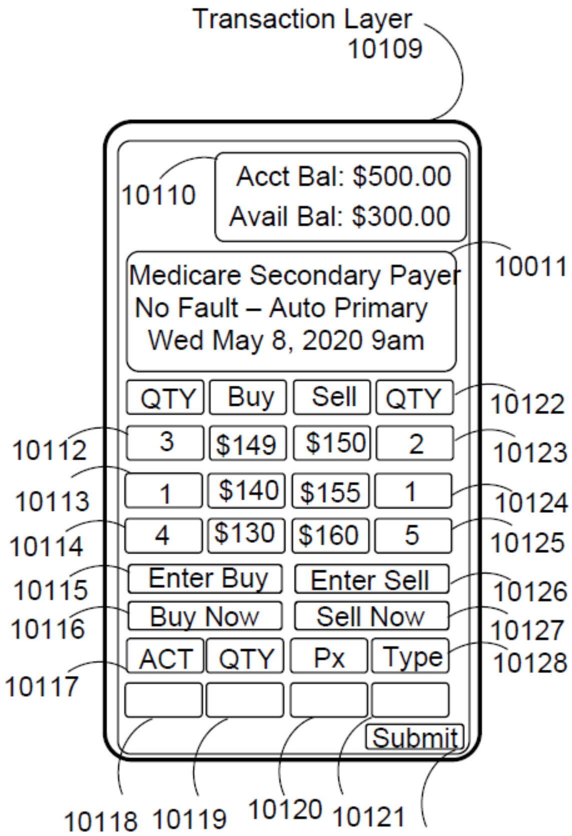
Users are paid as they go and as they provide claim data after clicking the sell button to avail their personal information and data vault to be sold into the litigation exchange markets.

An Example of

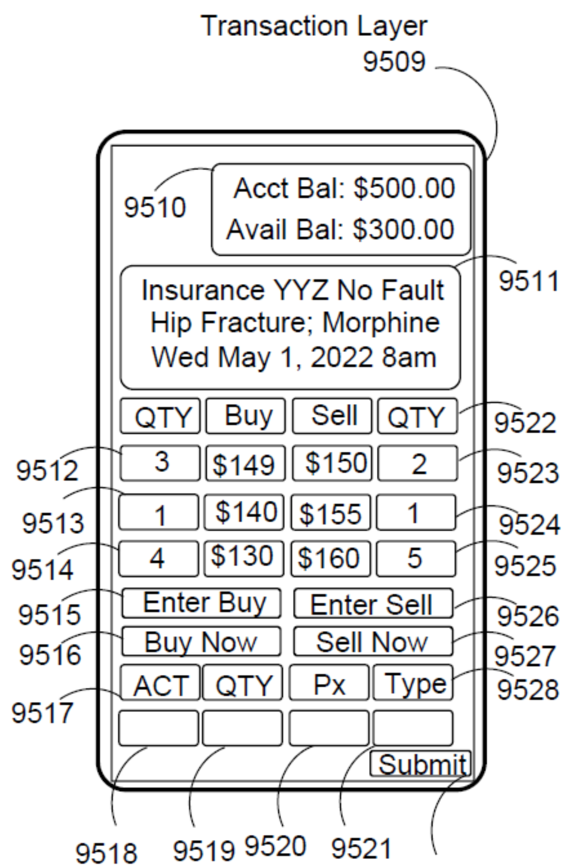




Operating System Integrations



Circles// may integrate the data vault exchange for customers such that they may earn as they spend timing on their computing system no different than on the internet.



Litigation platform licensing

Circles

How do I buy a Circles claim platform license?

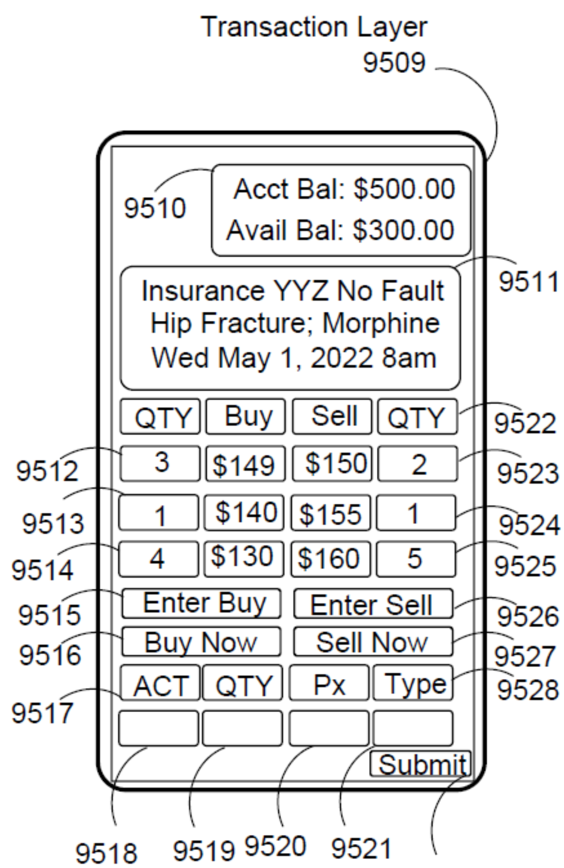
Want to lock in your price of litigation? Don't need your subscription anymore? Circles has invented the only litigation subscription in the world that allows user to not only buy claims, sell claims, but also trade the impression or subscription of claims like a commodity or stock. The Circles system allows for the ultimate in flexibility for the consumer or even provider of litigation services.

Circles users may buy 10 claims, 30 claims, 100 impression, 500 impression quantities.

What is a Circles Litigation Community?

Circles has also invented as intellectual property the concept of making an impression a social community to which one may follow, friend, subscribe or like.

Go to the litigation communities menu option for an litigation community near you. Litigation Communities are run by local captains along your commute. Fellow workers who are along your route going to work or school.



Terminology

SWAPS:

Swaps are privately negotiated financial contracts in which two parties exchange risk exposures over a predetermined period of time. They can be used by a media buyer, for example, to synthetically convert media purchases at floating market rates to an effective fixed rate. While there are no standardized swap transactions, all swaps share a similar structure. There is no up-front charge. Instead, the parties involved typically agree to exchange payments over the life of the agreement, with one side paying a fixed price and the other side paying a variable price. Settlement is often financial, that is, cash changes hands, but physical product does not. Each month during the life of the transaction, the difference between the two prices is determined and payment made to the appropriate party.

CAPS AN FLOORS:

These contracts are often called “price guarantees”. In exchange for paying a fee known as the “premium,” the user is entitled to full price protection when litigation prices move above or below a specified level. A price cap gives the holder protection against rising prices without sacrificing the potential benefits associated with falling prices. Floors are the opposite of caps; they protect the holder against falling prices but allow the company to retain the upside potential associated with price increases. When a customer buys a price cap or floor, the full cost of the protection is predefined (it is equal to the premium paid). There are no potential future costs related to price movements.

COLLAR:

Collars are privately negotiated financial contracts that limit the user's exposure to litigation price volatility within a prescribed range. Collars combine the features of both a cap and a floor in one transaction and can be structured to be "zero cost,” meaning that they require no up-front premium from the company using them.

Collars are over-the-counter instruments that can be customized to meet a particular set of needs. For a company hedging litigation costs, for example, a collar will establish a floor, or minimum price, and a ceiling, or maximum price, to be paid.

Understanding CCU

CCU is an litigation term that stands for “Claims Capacity Unit” which was invented by Circles//. CCUs are an impression for a given data vault specification for advertising impression dimensions.

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As the leader and first inventor in the development of price risk management tools for the litigation industry, Circles// has the experience and resources to help you manage your litigation price risks. We can structure swaps, floors, caps and collars, as well as more complex risk management products designed to meet more complex needs. We are one of the few companies in the world that could, where appropriate, combine price protection for your litigation needs. We are one of the true innovators in litigation and may not only deliver financial risk management solutions but also logistics using our technology and intellectual property to provide a marketplace to buy, sell or trade actual physical litigation.

Because every litigation price risk management tool is an over-the-counter contract designed to meet your specific needs, we can offer you a wide variety of ways to structure your payments for these products.

Depending upon the structure, you may be able to pay no premium at all, or pay your premium up -front, over time or in arrears. In some cases, premiums or payouts can be made in a physical product.

You know that your sales, profits and cash flow are too important to be affected by fluctuating litigation prices. Find out more about our risk management solutions today by contacting us at 832-916-2001. We look forward to working with you.

Make a Free Account Online:

Circles// .com

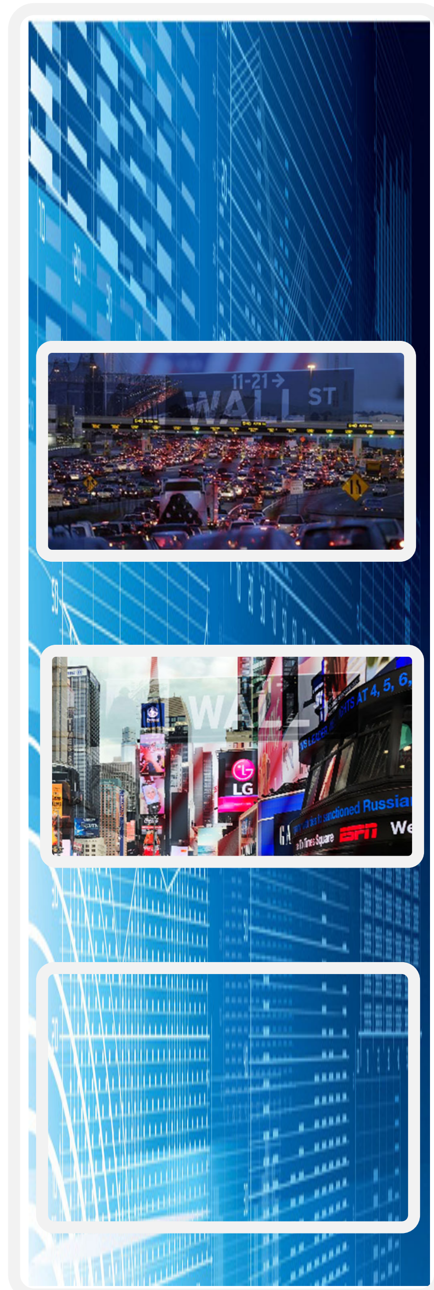
Call our Customer Service:

832-916-2001

In recent years. much has been written on how important it is that financial market participants fully understand the nature of their relationships with counter-parties. We agree that this is critical: unless a market participant has Informed Itself as to exactly where its counter party's responsibilities ends. it cannot easily assess where its own responsibility begins.

These materials describe the economic terms of litigation price risk management transactions. These transactions involve a variety of significant potential risks. Including risk of adverse or unanticipated market developments, risk of counter party default, risk of illiquidity and other similar risks. The specific risks presented by a particular transaction necessarily depend on the nature of the transaction and your circumstance.

Your company should not enter Into any financial and physical transaction unless it fully understands the potential risks and rewards of chat transaction and has Independently determined that the transaction Is appropriate In light of its objectives. experience, financial and operational resources, and other relevant circumstances. Please bear In mind chat In proposing transactions or discussing market opportunities with you, Circles// *is acting as a potential arm's-length counter party and not as your company's financial advisor*



Circles//

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Technical support: Call (832) 916-2001

Litigation Price Risk Management Products

CAPS ARE PRIVATELY NEGOTIATED risk management tools that provide compensation to the buyer if market prices for a given product, such as litigation time or space, move above a predetermined level.

Caps, sometimes referred to as "call options," are arranged in conjunction with the physical purchase of litigation in order to establish a maximum price a media buyer will pay for that space or impression. They provide full protection from rising prices. In addition, caps allow media buyers to benefit fully from decreases in the price of litigation.

Financial caps provide cash compensation when ·market prices rise above a predetermined level and physical caps give the holder the right, but not the obligation, to buy litigation at a predetermined price level.

To purchase a cap, the buyer pays a cash premium to a counterparty willing to assume the underlying risk. (This counterparty is often a company such as Circles// which both buys and sells litigation price risk management tools and will hedge the risk of doing so through offsetting transactions with other entities.) The premium is the only cost to the buyer in such a transaction.

Companies in diverse industries with a wide range of business applications, including revenue smoothing, hedging costs and reimbursement of "lost opportunity costs" can use caps.

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Circles// Floors

Litigation Price Risk Management Products

FLOORS ARE PRIVATELY NEGOTIATED risk management tools that provide compensation to the buyer if market prices for a given product, such as litigation claims, move below a predetermined level.

Floors, sometimes referred to as "put options," are arranged in conjunction with the physical sale of litigation in order to establish a minimum price an litigation provider receives for litigation claims. They provide full protection from falling prices. In addition, floors allow an litigation provider to benefit fully from increases in the price of litigation.

Financial floors provide cash compensation to the holder when market prices fall below a predetermined level and physical floors give the holder the right, but not the obligation, to sell litigation at a predetermined price level.

To purchase a floor, the buyer pays a cash premium to a counterparty willing to assume the underlying risk. (This counterparty is often a company such as Circles// , which both buys and sells litigation price risk management tools and will hedge the risk of doing so through offsetting transactions with other entities.) The premium is the only cost to the buyer in such a transaction.
Companies in diverse industries with a wide range of business applications, including revenue smoothing, hedging costs and reimbursement of "lost opportunity costs" can use floors.

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Circles// Floor Application

XYZ Insurance company Group carries claims in 30 markets in across the United States. While a prosperous economy has helped the company meet most of its profit targets over the past five years, XYZ's management knows that its earnings could be severely impacted the next time the economy softens and adverse litigation outcomes occur. Management wishes to protect the company's revenues against this event, while retaining the ability to benefit when litigation prices are strong. To do this, the company must first calculate the impact that price fluctuations have on its sales and profits.

Example: Financial Floor

XYZ reviews historical CCU data for its major demographics (time-of -day slots) across 30 markets over the past five years. The company finds that, on average per quarter, it receives a $4.30/CCU for 5,000,000 impression CCUs, or $21.5 million

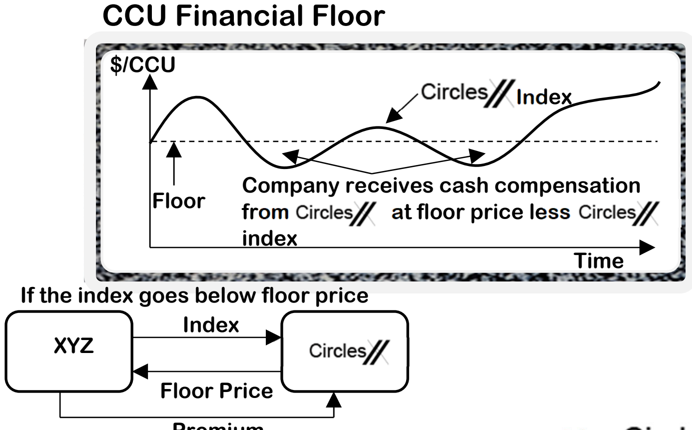
By comparing its sales records to its CCU impression data, the company calculates that its quarterly sales decline an average of $500,000 or 0.1%, for every $0.10/CCU below $4.30 per CCU.

For the upcoming year, management wishes to protect the company against any earnings shortfall associated with CCUs falling below a $4.30 each quarter, yet still be able to take advantage of any price increases.

The company buys a floor from Circles// with a "strike" price at $4.30/CCU, in which Circles// will track the CCUs in the 30 markets from January through December and pay the company $500,000 for each $0.10 below $4.30/CCU, as measured by the Circles// Index.

With this contract, the company has set a floor on its potential annual revenues of $21.5 million ($4.30 CCU x 5,000,000 units/ quarter x 4 quarters), less the cost of the floor itself. Meanwhile, if the market proves to be strong, the company will still enjoy 100 percent of any associated increase in sales and profits.

CCU Financial Floor

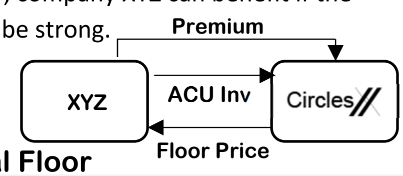


Example: Physical Floor

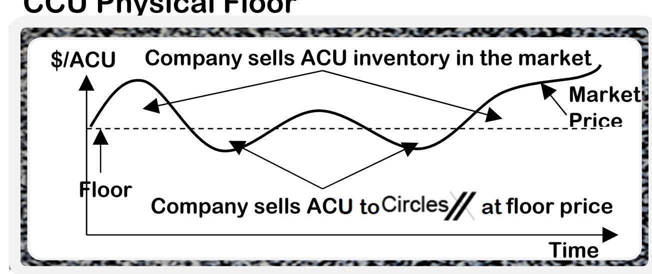
While the financial floor described above protects XYZ Insurance company Group against unanticipated declines in the market price for litigation claims, it doesn't protect the company from differences between market prices, as represented by the Circles// index, and the actual prices it is able to negotiate with media buyers, which may be more or less than the index depending upon the company's negotiating strength. If the company is highly confident in its negotiating abilities, this may not be a concern. If it is a concern, the company may wish to eliminate this risk by buying a physical floor rather than a financial floor. Physical floors protect against this execution risk, sometimes referred to as "individual performance risk." Here's how:

- XYZ Insurance company Group reviews its sales and income records and determines that it does not want to take the chance that it might have to sell litigation inventory below $4.30/CCU.
- The company buys a floor from Circles// , giving XYZ the right, but not the obligation, to sell 100,000 CCUs to Circles// at $4.30/CCU for a total of $0.43 million.

With this transaction, the company has put a floor on its revenues of $0.43 million, less the cost of the floor. Additionally, company XYZ can benefit if the market proves to be strong.



CCU Physical Floor



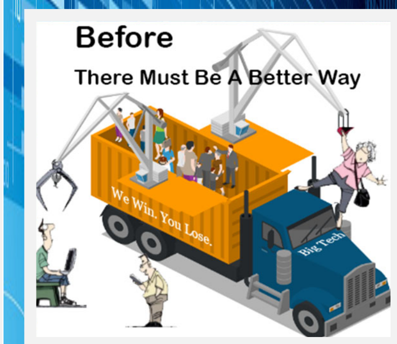
Circles// Swaps

Litigation Price Risk Management Products

SWAPS ARE PRIVATELY NEGOTIATED contracts that allow a company to reduce or eliminate the impact of specified market conditions on its business. There are two main types of swaps: financial and physical.

In a financial swap, a company receives financial compensation in the event of adverse market conditions, but pays out money in the event of favorable market conditions. Financial swaps are structured to cover a finite period of time and when used in the litigation industry are always tied to a specific litigation price index, such as Circles//. The parties to the contract establish a "strike" price for the chosen index. When the index falls below the strike price, one of the parties owes a payment to the other. When the index price is higher than the strike price, the payment flow is reversed. Financial swaps are always settled in cash, regardless of which party is making the payment.

A physical swap is structured much like a financial swap, again with a finite life and a specified strike price. However, the contract is settled with real assets; that is, by an exchange of litigation inventory for cash. Like financial swaps, physical swaps are typically settled on either a monthly or quarterly basis over the life of the contract.



Circles// Swap Application

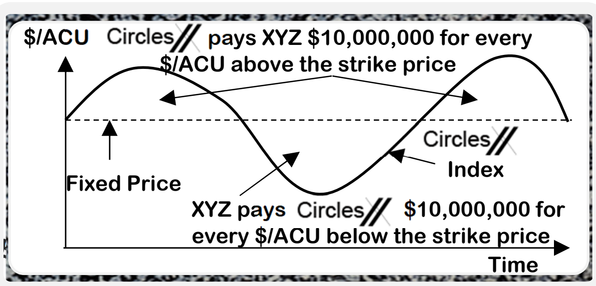
Litigation Price Risk Management Products

XYZ Department Store Company is a retail chain with 50 stores throughout California. Its revenues and profits are critically dependent upon cost effective litigation; the company runs litigation spots year-round, and also promotes sales and holiday events. Given this business model, the company's profits are highly sensitive to litigation prices. In one recent year, unexpectedly high litigation expenses reduced the company's net income by 3 cents per share.

Example: Financial Swap

The managers of XYZ agree that adverse litigation prices should not play a role in the company's profitability. They decide that they would like to eliminate the cost of unexpected increases in litigation expenses, and further agree that they would be willing to give up the financial benefits of unexpectedly low prices to achieve this cost stability.

- A review of historical CCU (Litigation Capacity Unit) impression data reveals that over the past five years, litigation prices for the cities where XYZ Department Stores are located have fluctuated by approximately 30%.
- XYZ calculates that each dollar increase in CCU increases its total litigation budget by approximately $50,000,000. Similarly, each dollar decrease in CCU cuts its costs by a like amount.
- The company enters into a swap agreement with Circles// covering a one-year period from January through December, agreeing in advance to a specified CCU "strike" price for the Circles// index. For each month that litigation prices are above the strike price, Circles// will pay the company $10,000,000 per CCU monthly $/CCUs above the strike price. During months that index is below the strike price, XYZ will pay $10,000,000 per CCU monthly $/CCUs below the strike price.



The financial swap described above serves as a hedge against volatility in the market price for litigation claims, as measured by an index such as . But it doesn't protect XYZ Department Store Company from differences between the index price and the actual prices it is able to negotiate in the marketplace. If the company is highly confident in its buying prowess, this may not be a concern. If not, it may wish to eliminate this risk by entering into a physical fixed price swap rather than a financial swap. Physical swaps protect against this risk of execution, sometimes referred to as “individual performance risk."

In this example, XYZ Department Store Company uses a physical swap to insure that it receives litigation inventory at a fixed price:

- XYZ wants to lock in a price for 5,000,000 CCU claims over the course of the upcoming year and eliminate any uncertainty about future market prices during that period of time.
- The company agrees to pay Circles// $4.30/ CCU for 5,000,000 CCUs over the course of the year, or a total of $21,500,000.
- Each quarter, XYZ pays Circles// $5.375 million in exchange for 1,250,000 CCUs.

By entering into this physical fixed price swap, XYZ is assured that even if market prices increase dramatically, it will still pay just $4.30/CCU. In exchange for this protection, it is willing to give up the potential benefit associated with unexpectedly low market prices.