



Intellectual Property Coin Token Introduction

Intellectual Property Coin Group, Inc.

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James E. Malackowski

IPCG Introduction

Intellectual Property Coin Group, Inc. (“IPCG”) is a patent pending Ethereum based blockchain platform and related cryptocurrency designed to facilitate Intellectual Property (“IP”) based transactions, primarily focused on patents.

The company presents two offers:

- IP Coins (“IPC”) or tokens are a proprietary cryptocurrency loaned to patent owners, providing liquidity to purchase and license further patent rights from third parties.
- Unit License Right™ Smart Contracts (“ULR Contracts”) represent a blockchain ledger allowing patent owners to more efficiently license their IP rights creating greater transparency, a secondary market opportunity, a clear audit trail and accounting value recognition.

IPCG’s founders have pioneered numerous IP market products and services dating back to 1985. IPCG products are the next generation *Funding Innovation™*.



IPCG Team

James E. Malackowski, Executive Chairman

Mr. Malackowski is the Chairman, Co-Founder and Majority Member of Ocean Tomo. Jim has been recognized annually since 2007 by leading industry publications as one of the “World’s Leading Intellectual Property Strategists”. Jim is Past President of the world’s largest technology transfer trade association and a former member of the World Economic Forum Global Agenda Council on IP Policy. Jim was the founder and Chairman of the Intellectual Property Exchange International, Inc.

Jason Cohen, Chief Technology Officer

Mr. Cohen is a former CTO and Managing Director of Research for Ocean Tomo. Jason has built and managed technology teams at companies such as Washington Mutual, Orbitz, GoGo Air and most recently TransUnion.

James Falvey, General Counsel

Mr. Falvey is former Regulatory Counsel for Ocean Tomo and specializes in commodities, derivatives, securities and FinTech/RegTech, including all aspects of cryptocurrency and blockchain. Jim has also served as General Counsel for the IntercontinentalExchange and EurexUS.



IPC Token Loans

Intellectual Property Coins (IPC) are a proprietary blockchain token designed to facilitate intellectual property based transactions, primarily the sale and license of patents, on IPCG's Ethereum-based platform. IPC tokens allow patent owners to more efficiently monetize their patents creating greater resources for the Chief Intellectual Property Officer and accounting value recognition. Patent owners can use IPC tokens to acquire complimentary IP assets or license needed IP rights and related technology. IPC tokens can also be converted to other cryptocurrency or fiat money.

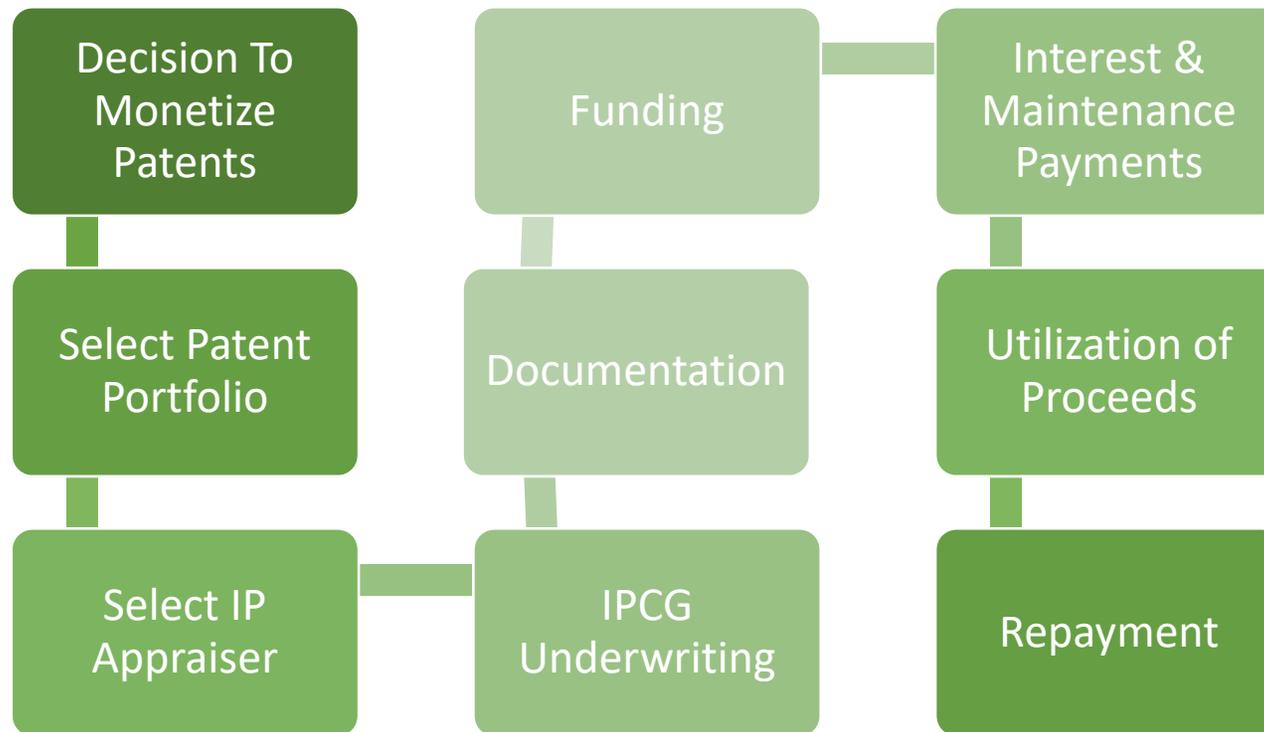
IPCG will issue and lend IPC tokens to patent owners secured by the borrower's underlying patents. These patent-backed loans will be funded at the then-current IPC token market price, in an amount not to exceed 25% of the appraised dollar value of the patent collateral and at a term not more than 5 years. IPC token loans are an interest bearing and may be paid back in IPC tokens, an approved cryptocurrency based on market pricing at the time of repayment or fiat money.



Strong IPC Token Loan Collateral

- The patents have at least ten (10) years of remaining life.
- The patents have broad application to third parties.
- The owner intends to maintain the patents in normal course.

IPC Token Loan Process



IPC Token

IPC tokens will be stored through specific IPCG “*wallets*” based on the core Ethereum ERC20 protocol. IPCG may look to integrate into select existing wallet technologies (e.g. Exodus) in the future. IPCG anticipates offering for sale to the public a limited number of IPC tokens through an Initial Coin Offering qualified under Regulation A under the Securities Act. The Company plans on proceeding under Tier 2 of Regulation A, which allows for an offering of up to \$50 million in gross proceeds over a 12-month period.

IPCG will retain a transfer agent registered pursuant to Section 17A(c) of the Securities Exchange Act of 1934, as amended to perform the function of a transfer agent with respect to the IPC tokens. IPCG will file annual, semiannual and special financial reports pursuant to Rule 257(b) of Regulation A. IP Coins may trade through an Alternative Trading System or in peer-to-peer transactions. IPCG will not be responsible for assuring that the IP Coins are quoted or traded on any token security exchange or ATS. .

IPC Token Loan Benefits

- Efficient monetization of patent portfolios.
- Access to liquidity not otherwise available.
- Non-dilutive to company equity.
- Unique source of capital for early stage companies or pre-profit research laboratories.
- Dramatically reduced legal and administrative cost.
- Accounting recognition.
- Receipt of IPC token dividends.

IPC Token Loan Public Disclosure

IPCG will present publicly on its website the following information for each IPC token loan and in aggregate of all IPC token loans:

- Loan amount
- Issuance date
- Maturity date
- Interest rate
- Historical interest and principal payment
- General borrower description only (e.g. industry, size, etc.)
- General description of patent collateral (e.g. number of patents, average age, technology area, etc.)
- Default status, if applicable
- Founder status, if applicable.

FAQ's

Is IPCG Planning an Initial Coin Offering (ICO) for IPC tokens?

Yes, IPCG anticipates offering for sale to the public a limited number of IPC tokens through an ICO qualified under Regulation A under the Securities Act. The Company plans on proceeding under Tier 2 of Regulation A, which allows for an offering of up to \$50 million in gross proceeds over a 12-month period.

The Company plans on initially offering 60,000,000 IP Coins at a fixed price of \$0.50 per IP Coin for up to 90 days, for a maximum total of \$30 million. If any of these IP Coins remain unsold at the end of such period, they may be offered for consecutive 90-day periods at a fixed price (which may be a different fixed price than the initial offering price).

FAQ's

How can IPC tokens be used?

IPC tokens can be used for any transaction where they are accepted by the counterparty. ICPG encourages the use of IPC tokens for the purchase of Unit License Right™ Smart Contracts, third party patents or other IP, or as payment for IP services.

IPC tokens are expected to be converted to other cryptocurrencies as well as fiat money on regulated token exchanges such as Tzero, Open Financial Network, Gemini or Binance.

FAQ's

What are the benefits of accepting IPC tokens as a currency for payment?

IPC tokens earn dividends by sharing in one-third of all IPC token loan interest and ULR Contract commissions collected by IPCG. IPC token dividends are paid quarterly based on ownership record (blockchain wallets) as that date.

Given an ability to convert to other currencies, acceptance of IPC tokens provides immediate liquidity for any transaction. IP managers benefit from accepting IPC tokens for the purchase of ULR Contracts in the form of reduced commissions paid to IPCG.

Holders of IPC tokens will not be entitled to any rights as a holder of IPCG securities, including but not limited to voting, governance, profit, conversion, redemption, liquidation, property (including all forms of intellectual property), or other financial or legal rights.

FAQ's

What are the terms of a standard IPC token loan?

- IPC token loans are generally for a five year term.
- IPCG charges interest at LIBOR plus 7%, compounded monthly.
- The patent owner provides IPCG a security interest in the patents used as collateral for the IPC token loan.
- The borrower is required to maintain the patents used as collateral during the term of the IPC token loan.
- IPC token loans are generally up to 25% of the appraised value of the patents used as collateral.
- There are no pre-payment restrictions or penalties associated with IPC token loans.
- IPC token principle and interest payments can be made in IPC tokens as well as many common cryptocurrencies or fiat money.

FAQ's

How does IPCG prevent devaluation of IPC tokens?

- IPC tokens used for principal repayment are returned to IPCG company treasury and are not distributed as dividends.
- Interest and principle payments made in currencies other than IPC tokens are first converted by IPCG to IPC tokens in the open market.
- IPCG does not currently plan a secondary coin offering.

FAQ's

What is the IPCG Founders Circle?

- IPCG is offering prior Members of the Intellectual Property Exchange International (IPXI) and select others an opportunity to participate in the IPCG Founders Circle.
- Participation as an IPCG Founder requires that the IP owner execute a Letter of Intent prior to IPCG's Initial Coin Offering (ICO) to participate as either an issuer of ULR Contracts or a borrower of IPC tokens.
- Benefits of becoming part of the IPCG Founders Circle include waiver of certain ULR Contract listing fees and further repayment options for IPC token loans.
- Members of the IPCG Founders Circle will have the opportunity to participate in peer community discussion groups, helping to shape the development of IPCG product markets.
- Please speak to an IPCG executive for further information.

FAQ's

What was IPXI?

- Chicago-based Intellectual Property Exchange International, Inc. (IPXI) was the world's first financial exchange for licensing and trading intellectual property rights. The exchange closed in March 2015 (see later slide).
- IPXI had more than 45 members. Among the IPXI's 20 Founding Members were: Ford Global Technologies, LLC; J.P. Morgan Chase & Co.; Philips Intellectual Properties & Standards; Sony Corporation of America, and Hewlett-Packard Company. The founding members committed to sponsor offerings on the exchange with an aggregate target market value of more than \$750 million.

FAQ's

Why did IPXI cease operations?

- Resistance to assign patents to SPV and subject to governance by IPXI
- Inability to purchase a paid-up license.
- Period of extreme patent troll activity -- ULR Contract buyers were not able to secure corporate funding to purchase (patent litigation funding priority).
- Uncertainty over IPXI enforcement role, commitment and resources.

Contact

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