

April 26<sup>th</sup>, 2022

Att. GreenCrypto Corporation OÜ

Ref. Legal Opinion on the legal nature of the AVDO Coin

Dear Sirs,

GreenCrypto Corporation OÜ (Hereinafter the “Company”) intends to list its native token, the Avocado Coin, on exchange platforms. The Company has requested a legal opinion regarding the legal nature of the Avocado Coin (\$AVDO). To these aims, I hereby provide my legal opinion regarding the legal qualification of the \$AVDO.

**TABLE OF CONTENT**

I.	Scope of my work .....	1
II.	Executive summary .....	2
III.	Description of the \$AVDO.....	2
IV.	Howey Test analysis.....	2
V.	Further jurisdictions .....	3
VI.	Concluding remarks.....	4
VII.	Disclaimers .....	4

**I. SCOPE OF MY WORK**

The content of this legal opinion is based on the following information provided by the Company: (i) The White Paper developed by the Company entitled “GreenCrypto Corporation - Next Generation Generation Blockchain and Cryptocurrency Project” (hereinafter the “White Paper”); (ii) information provided by the Company; (iii) the document entitled Agro 4.0 Technology in the avocado industry; and (iv) information available on the website <https://www.avocadocoin.com/>. The analysis, comments and conclusions set forth in this legal opinion are based solely on my review of such information and research of the pertinent legislation, regulations of the competent governmental institutions in different parts of the world and case law in force as of the date hereof.

For purposes of this legal opinion, I have not conducted any investigation as to factual circumstances. This opinion is merely informative and does not address matters of fact. It should be taken into account that the legal analysis herein may be updated in the future as new laws, regulations or case law arise.



## II. EXECUTIVE SUMMARY

I have considered whether the \$AVDO shall be classified as a security token or a utility Token. After the analysis of the information I received, it is my view that, provided that such information is accurate and complete, \$AVDO qualifies as a utility token and therefore, no licensing requirements apply.

I base my conclusion on the fact that, according to the documents reviewed, the \$AVDO coin does not pass the Howey Test and it does not constitute or represent shares, debentures or interests in the Company. Moreover, \$AVDO coins are separate and distinct from the shares in the Company and are only intended to allow holders to access and use the ecosystem.

## III. DESCRIPTION OF THE \$AVDO

The information provided by the Company states that, *"We are first Token of multiple agribusiness industry-backed cryptos that will foster green agro projects."*

According to the website, the Avocado Coin *"(...) is part of an ecosystem created to support, help and generate mass micro-funds for the improvement of the PLANET. Our purpose is to become a global reference in the development of disruptive technologies applied to agriculture. We rely on blockchain technologies of 4th generation, IoT and Agro 4.0 to make the most of our resources and foster green agro projects."*

Pursuant to the information provided to us by the Company, holding \$AVDO Coin allows users to participate in the ecosystem that aims to solve the food shortage crisis. Moreover, those holders of the \$AVDO Coin will receive a reward in the form of points in gratitude for their support of the project's objective. The \$AVDO Coin does not represent a guarantee of return of investment as it exists solely to grant the users access to the ecosystem and contribute to the technology being developed.

## IV. HOWEY TEST ANALYSIS

Under the Howey Test, an investment contract exists if there is an *"investment of money in a common enterprise with a reasonable expectation of profits to be derived from the efforts of others."*<sup>1</sup> In this case, the elements of the Howey Test are not present as there is no common enterprise, the \$AVDO Coin does not confer any monetary right upon its holders, and there is no expectation of profit from the purchase of \$AVDO Coins. Consequently, based on a review of existing regulations, guidelines, precedent, and enforcement actions, \$AVDO Coin

---

<sup>1</sup> U.S. Securities and Exchange Commission. "Framework for 'Investment Contract' Analysis of Digital Assets."



does not meet the US SEC's Howey Test as a security and is no subject to enforcement and therefore, no licensing requirements apply.

It is my opinion that \$AVDO Coin is a utility token, meaning that it is issued to support products and services within the ecosystem. In attention to the economic substance of the transaction and its decentralized structure, I deem it is safe to conclude that the sales of \$AVDO Coin cannot be regarded securities transactions.

However, in the interest of clarity, it should be noted that the analysis set forth herein reflects only my opinion and assessment to the best of my ability. Judicial and/or administrative authorities may reach a different conclusion. The conclusions reached herein can substantially change after a ruling on the matter or further regulations are issued by the competent authorities.

#### **V. OTHER JURISDICTIONS**

I have studied the laws and caselaw in the most relevant jurisdictions for the subject matter. Generally, they define a security as a collection of rights relating to a company. In view of such analysis, I am of the opinion that a Token with the following features may constitute a security token and would therefore be subject to regulation:

- a) Ownership interest in a legal person, including a general partnership;
- b) Equity interests; bonds; financial instruments
- c) share of profits and / or losses, or assets and / or liabilities;
- d) Status as a creditor or lender;
- e) Application for bankruptcy as a holder of interest on the capital or creditor;
- f) Holder of an obligation to repay the system or the legal entity issuing the Token; is
- g) A feature that allows the holder to convert a non-security Token into a Token or instrument with one or more investment interests.
- h) Voting rights in the company

On the other hand, it is my opinion that a Token with the following characteristics will be characterized as a utility Token or governance Token:

- a) Rights to program, develop or create functionality for the Ecosystem;



- b) Ecosystem access and use;
- c) Rights to contribute to the work or governance of the Ecosystem;
- d) Right to purchase goods or services on the Ecosystem;
- g) Rights to sell goods or services on the Ecosystem;
- e) Voting rights in terms of features and functionality of the Ecosystem.

In the case of the \$AVDO Coin, I conclude that the features of security tokens are not present since it does not entitle holders to an ownership interest over the Company, voting rights, profits nor liquidation rights. Furthermore, there is no “debt creditor” right against the company to claim a redemption of a Token’s worth. Consequently, it is my opinion that the \$AVDO Coin will be likely characterized as a utility token in most jurisdictions and, therefore, it will not infringe local securities laws. However, it should be noted that the analysis set forth herein reflects only my opinion and assessment to the best of my ability. Judicial and/or administrative authorities may reach a different conclusion. The conclusions reached herein can substantially change after a ruling on the matter or further regulations are issued by the competent authorities.

## **VI. CONCLUDING REMARKS**

As a logical conclusion of the foregoing, it follows that the \$AVDO Coin has its own utility regardless of the company’s resources and it does not correspond to the assets of the Company. It is also clear from the White Paper that \$AVDO Coin holders do not acquire ownership or equity of the company. As a consequence, I am of the opinion that the \$AVDO Coin does not meet the Howey Test, is not a security or an otherwise regulated product or instrument and, therefore, should not be subject to any security enforcement in any jurisdiction and shall be classified as a utility token.

## **VII. DISCLAIMERS**

I have done its best efforts in conducting its analysis to produce this legal opinion. Notwithstanding, nothing contained in this legal opinion should be relied upon as absolutely certain beyond doubt and neither the Company nor any third party may make any claim against the undersigned based on what it is expressed in this legal opinion, what it is not included herein, or how I have prepared it. There is no assurance as to the accuracy or completeness of the information contained herein and no representation or warranty is provided as to the accuracy or completeness of such information. No recourse or action can be taken against the undersigned, partners, lawyers, agents and/or employees of Law Prism Consultancy on the basis of the information contained or not contained in this document.



The undersign shall not be liable for any damages and/or losses (including interest thereon, if any) and costs suffered or incurred by the Company or any third party in connection with this opinion and its content, including breach of contract, breach of statutory duty, tort (including negligence), fault or other act or omission by the undersigned. This opinion is addressed to you on the basis that neither you nor any other party will bring any claim for damages resulting from or related to this legal opinion against the undersigned personally. This paragraph shall survive any termination of the Company's engagement with the undersigned.

The Company is advised that the SEC or a court of a competent jurisdiction may reach an alternative conclusion to that stated in this legal opinion. No warranties of any kind as to the future treatment of the \$AVDO Coin is made herein. The content of this legal opinion is for informational purposes only and should not be considered as investment nor other kind of advice.

Law Prism Consultancy is a fantasy name and is not a registered company. This legal opinion is to be understood as issued by the undersigned.

This opinion is furnished solely for the benefit of GreenCrypto Corporation OÜ and shall not be disclosed to any person, corporation, entity or otherwise outside of the Company.

\*\*\*\*

Yours truly,

Florencia Fernández  
Attorney at law