



Whitepaper

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Abstract

Loly is a revolutionary AI driven dating platform built on the blockchain that is prepared to disrupt the online dating industry. The platform will be delivered through iOS and Android applications with augmented reality capabilities, as well as a desktop version with enhanced profile matching capabilities. In this paper we will present the elements of the platform, including: the state of the art privacy features, the blockchain smart contracts which are helping redefine the notion of consent to make sexual encounters safer, and the patent-pending AI "Heat Index" that matches you based on compatibility which makes matches more enjoyable. We also lay out the platform's launch plan, including detailed specifications of the Loly tokens (LOLY) that enable in-app purchases, and that will play an integral role in the launch, development, and growth of the platform.

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Disclaimer

This version of the Loly whitepaper is released as a working draft - with the purpose of introducing the idea and receiving feedback from the blockchain community. If you wish to contribute by leaving your comment or review, please email thoughts@loly.co.

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1 Introduction

Loly is a hyper geolocation dating assistance app that pairs like-minded singles to create experiences in real life. In addition to our AI matching Heat Index™, Loly is built on the DigiByte blockchain, allowing consenting adults to verify their agreement that a sexual encounter is consensual and that they are not drunk and have the legal capacity to consent.

The world of online dating is taking a futuristic turn with the Loly app. Now singles can easily find a perfect match nearby, and instantly decide if they want to meet. Using augmented reality and geolocation, Loly promises to match you with both lifestyle and sexually compatible singles you have the chance to actually meet in person, not just message.

1.1 The Problem

Online dating apps like Tinder are notoriously slow, endless text exchanges with only 5% of matches resulting in real life meetings. Many of the 5% are disappointed to find out their dates were not honest in their profiles or that they are just not compatible in bed.

1.2 The Solution

Loly's Patent-Pending Heat Index™ matches based on Sexual Compatibility while Instant Video Chats help avoid endless text exchanges and promote honesty by putting you face to face with your prospective date immediately. Our Live Event solution makes navigating mixers a breeze, pointing out your best matches, eliminating the need to meet everyone, so you save time and focus on prospects that are suited to your needs.

When it comes time to get physical, Loly Matchbook™ gives users the security of knowing your consent is permanently logged, and once complete (after the fact) cannot be changed. With the Loly suite of tools, not only will dating be better, more fun, and safer, but the entire experience will be more pleasurable.

1.3 The Market

Today 1 in 3 dates, relationships, and marriages begin with a dating product. The \$2.2 Billion US online dating market has been expanding at 5% annually. Internationally, the market in China alone was estimated to have reached \$1.6 Billion this past year. Augmented reality is now readily available in over 380 million iPhones and that number is expected to increase with new android smartphones entering the market. Loly is poised to be the first AR dating app in the market. Add the AI matching back end, with the AR enhanced front end, and we anticipate the ability to create more successful relationships will be started on our app than any other platform.

1.4 Competition

The Mainstream Unicorn – Tinder users swipe through 1.6 billion profiles and make more than 26 million matches per day. More than 6 billion matches have been made since their launch in 2012...but Tinder takes too long with back and forth and back and forth with few in real life meetings.

The Rest – There are quite a few other dating sites, however, just like with Tinder, only a fraction of the interactions result in real life meetings. We aim to fix what doesn't work to help people connect in real life faster and with more compatibility, resulting in more long term relationships.

The Naughty Alternative – Adult FriendFinder is a high profit alternative that has 65 Million Members in the US with 245 Million Subscribers Globally throughout all of the FriendFinder brands with an average value of \$21.44/mo. per subscriber. However, the site is not what most “good girls” and “nice guys” are really looking for. As a woman, logging in you are bombarded by a wall of “cock shots” that scream “look at me” while giving little to no information about whether or not you'd like the person attached to it. And while some impressive “members” of the site get attention, that is not how most women make choices for bed mates.

1.5 Business Model

Only 4% of all iPhone applications feature in-app purchases, however, 72% of revenue comes from this small minority of apps that feature in-app purchases, especially that utilize gamification of actions as Loly has been designed to do. The Loly Matchbook™ application will be the leadgen to other offerings. The first app released and always free, the sexual consent app is used to drive mainstream adoption of DigiID and understanding of how blockchain functions by bundling it into a useful and practical application that every single needs. Our dating platform offering has varying monthly subscriptions as well as in app boosts and upgrades to make the experience more valuable.

1.6 Our Product:

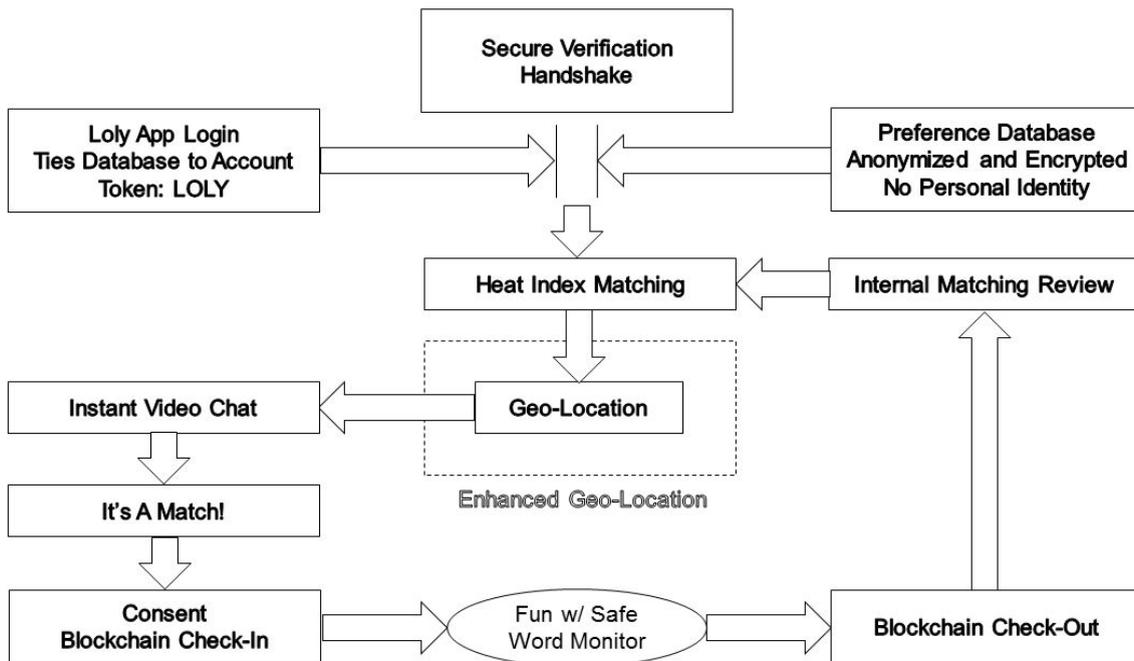
Proprietary Tech

Patent Pending **Heat Index™** - Matches Members by sexual compatibility rather than simple geolocation

Patent Pending **Loly Matchbook™** - Secure consent safety check ensures that members encounters are consensual and successfully documented.

Augmented Reality - LOLY has an overlay that allows nightclubs and venues to host live LOLY parties

Privacy – Loly offers state of the art privacy and data protection using encryption and machine specific logins to access personal preferences. Our core value of your data being your data is designed to allow users to be more honest about what they really want, and giving them the certainty that their data will not be used for third party anything.



Upcoming Features List

Chat: Chat is a popular feature for online communication.

Secure VoIP calls: Voice over Internet Protocol (VoIP), is the technology that allows people to make voice calls using a broadband Internet connection. It means that our dating site members will not have to disclose their phone numbers if they wish to hear each other's voice. The two numbers will only be visible to the system that will start a connection.

Questions: The Questions feature is about letting the site members ask each other questions and give answers when someone asks them something in return.

Members Match Exclusions: Rather than bombard you with a bunch of photos of people that aren't right for you, our AI Matchmaker will exclude members who match your "never" categories, reducing the false positives and showing you only your great matches.

WhatsApp: WhatsApp is a popular instant messenger that boasts of over 1 billion users across the world. In our app we allow users to connect using WhatsApp for ease of communication, if they so choose.

Perfecting the Heat Index™: We populate the data we need to perfect our Heat Index™ by letting people chat with our AI bot on popular messenger apps such as Viber, Telegram, or WhatsApp.

Video Speed Dating: Loly's video speed dating feature promotes quality interactions between our members to give them a chance to get to know other members who match their preferences in a safe and fun way before they decide if they want to go on a date together. Photos may be deceitful, but live video interaction shows perfectly well if there is chemistry. A member enters the video speed dating section and is randomly connected to another person who matches them by location

and age/gender preferences. If the conversation does not go well, one can click the 'next chat' button and be connected to someone else. Exciting, easy, and just a hint of magic!

Date ideas: Not sure where to take a date? Don't worry, our AI Matchmaker knows exactly what your date loves, and her helpful advice will make it easier to plan for a date by helping people agree on what to do and where to go, with a little insight and inside information to make it spectacular.

Verified Users: Verified users earn perks, which is basically a bribe to prompt members to verify their identity by giving them more exposure and access to the platform as compared to non-verified members.

Events: The Events feature will showcase local events that people can join, comment on, upload photos of, and invite other site members to join and have fun. Live events are one way that Loly differentiates as an online dating portal.

Tell A Friend: The Tell A Friend feature lets site members earn bonuses by inviting friends to join the site and giving them reward tokens as an incentive to keep inviting friends.

Ratings: The Ratings feature is unique in that all ratings are private, and serve to inform our AI and help it learn to make better matches. It also encourages site members rate each other's profiles and media files, as well as view the list of Top Members. Top Members are added to the site as a stand-alone page.

Tell Me More: Our personal profile quiz is a series of questions and ready answer options that new members will see immediately after they sign up, and they will complete it as part of the registration process. The quizzes are fun, and entertaining, training our AI while building out the users profile.

Guess Who?: This guessing game activates once a day and shows 4 different profiles. Three of the profiles are random people that are a good match for you, but the fourth is the one who liked or otherwise expressed interest in the game player. The player is then able to select one of the profiles. If they guess correctly, there is a match and the two people can continue their conversation and decide to go on a date. If the guess is wrong, the user has to wait until the next day to play again.

Personal Profile Statistics: The Personal statistics feature gives users insight into their activity and overall attractiveness of their profile. It's helpful to know what's working and what's not and with our premium membership, users can see exactly what is and isn't attracting their ideal mate.

Video Intros: The idea behind the Video Introduction feature is to let people get a glimpse of their matches in real life before accepting a match or going on a date. The user will use a webcam or a phone camera to record short introductory videos of themselves. The videos will then appear in the gallery and in the person's profile, which are shown to potential matches.

Nearest Users: From a new search page with an interactive map, members can search for other people by radius, their own location being the starting point. Based on the member's preferences,

more or less matches will be displayed.

InstaPics: We let our members import their favorite pictures and videos from Instagram and display them in their profiles.

Crossing Paths: Sometimes love isn't next door, but it might have been 3 rows back on the last flight you took. With this in mind, we allow our users to see highly rated matches they cross paths with, and how often. It may help people find out who of their potential matches frequent the same area and who could potentially have the same interests and lead the same lifestyle as them. They might have even locked eyes across the street once!

Gift Store: Our Gift Store sells our own branded merchandise and goods and offers by third-party providers such as flower shops, jewellers, and so on.

Loly Tokens: Our members can purchase Loly tokens directly from the site without having to pay the added expense of going through an exchange, allowing our users to pay for all site services with our proprietary tokens.

Loyalty Rewards: Our members can earn free tokens by performing specific tasks on the site, like logging in everyday, sharing the platform with friends, attending events, and more. Our loyalty program is based on gamification of random rewards, so while certain tasks always result in a reward, daily visit rewards are hidden and only revealed up on earning.

Gender-Specific Profile Questions: Gender-specific, or user type-specific, profile questions are a good fit for niche solutions.

Photo Verification: The photo verification tool will help your dating site members prove that they are genuine people and not scammers who are using stolen photos.

Security by IP: Security by IP is a set of measures that will help you ensure a pleasant and safe experience for our site members.

Profile Doctor: Our profile doctor gives our members the opportunity to order profile optimisation and dating coaching from professionals to improve their dating situation.

Verification with Social Network: A person who has verified their identity with a social network account gains more trust, and thus more action on our site. The system prompts them to connect to their account and then displays a verified badge next to their profile photo.

Registration SMS Verification: SMS verification is widely used by almost all popular websites. We protect our site from spammers and bots using SMS Verification. During the registration process our new users have to enter the code that is sent to their mobile phone number to confirm their registration.

Cover Photo: Your Cover Photo is one of the first things people will see when they visit your profile

page, and that is exactly why it is so important to make the best first impression possible. Our members will be able to make their profile pages unique and catching.

Voyeur Mode: You can seek but not be found in the app, perfect for celebrities or high profile members.

Matchmaker: Sometimes even the most intelligent application needs help from a real experienced pro. That's where our Matchmakers come in. For our Elite members, matchmakers are available to search through our entire database for the right match for you, even if they are 3 states away. Love has no limit, so why should geography limit you?

1.7 Use Cases:

Regret or Rape?: A man and a woman were on a date. It went fabulously well and they ended up in bed. She put on the condom. She got on top. She drove the sexual activities and orgasms were had all around. They went to breakfast the next morning. Both were happy. A week later, he meets the woman of his dreams. They start dating. Three weeks later, the first woman, who had been very happy with their tryst, tells him that she is going to ruin him and claims that he raped her. There is nothing he can do.

Travelling: A woman is travelling and alone in her room, wishing she had company. Using the Loly app she identifies a potential mate. The app prompts a video call and the two start chatting. Quickly they realize they have chemistry and she invites him up. Because of her preference settings, she already knows he has a clean background check, a verified, ID, and matches her wants and needs sexually. Once in person, and confirming there is chemistry and a mutual desire to have sex, the Loly consent app is activated, both people confirm, and proceed. Once finished, both people check out of the app "safely", reaffirming their consent, which is then permanently logged on the blockchain.

Big Brother: Let's assume the above "Travelling" Use Case, but this time, both parties agree to "safe word monitoring." In this scenario, the app is passively listening for a safe word, and if heard, will phone the party and tell them their cat is at the vet and they need to leave. This gives the party an excuse to leave an uncomfortable situation before things get out of hand. If they can successfully disengage and leave, they would checkout "safely" but with issues. The ratings would reflect those issues and inform our AI for future mismatch potential. If the safe word is used and the party speaking it is not able to leave safely, the app records the issue for future potential litigation. Recordings and raw data are only available to law enforcement or by court order.

Revoking Consent: Unlike every other sexual consent app, Loly understands that consent can be revoked at any time. No one is required to continue if they don't want to. For this reason, Loly utilizes a two step process for consent, once before, and again after. If a party decides not to proceed, they can easily revoke consent, no harm, no foul, and checkout as "revoked safely."

1.8 Marketing Plan

Loly has a multi-pronged marketing plan that leverages the strength of our company's extensive network of influencers and media connections, our list of millions of our target users, referral incentives, joint ventures, competitive price points, and deep discounts for our founding members.

Social Media Campaign – We have partnered with several single celebrities looking for love to be spokesmodels for the brand and the experience. Utilizing influencers with deep reach into the singles community, our social media campaigns will focus on different archetypes of singles from busy executives to shy engineers and how the platform benefits them. A tongue and cheek “What (Ice Cream) Flavor Are You?” Campaign is being launched to get people to take the quizzes that will properly identify their sexual compatibility type.

Mainstream Media Talk Shows – Loly's Founder, Adryenn Ashley, has been a media darling for over a decade, appearing on over 300 media outlets. Through her close, personal relationships, Loly has already secured national network placement as soon as the site successfully launches.

Email Launch to 3.5 Million Singles – Every single could benefit from using a matchmaker, but not every single can afford the \$25,000 price tag. Using state of the art internet marketing tactics that are proven to convert, we will attract new members through our informative and funny viral email campaign where we will target our list of 3.5 million paying online dating members.

Affiliate Marketing – We are utilizing several key influencers in the dating industry internet marketing space who have lists of millions of singles who are actively seeking love. They are incentivized to talk about and refer members to Loly as well as receive a commission for each new member that signs up.

Refer a Friend – We have set up a program to reward our members for sharing the site with their trusted friends. More than just sending invitations indiscriminately, when they invite a friend, they are also vouching for them as a new member. Because trusted connections are more valuable in a network, we have also made sure the reward is also higher when our members refer their friends.

Joint Ventures Secured with Nightclubs – One of our early Alpha partners runs a nightclub promotion business with a list of 30,000 singles in San Francisco where we will pilot our augmented reality features before our national augmented reality events roll out.

Joint Venture with Marketing Partner – An additional joint venture has been secured with a marketing partner who has a list of 500,000 active singles in the United States.

Loly serves a subset of the mainstream market, which is untapped and lucrative.

The major drivers for the business are outlined below.

With 80 million new iPhone 8's launching Sept 1 and another 150 million devices getting the OS 11 upgrade, the ability to use Augmented Reality in the everyday world will drive singles to our app as the only app utilizing AR to make matches and connect. The current dating market is \$3 billion but with technology advances making connecting easier, we expect that market size to increase faster than the current 5% per year.

Currently, Adult Friend Finder reports the value of each subscriber is \$26.41 per subscriber per month. Our expectations based on our factual analysis of the published numbers is that this is the dollar sales we are targeting, this is the profit margin we have built into our product, our aim is to

provide you as the investor this rate of return in this time frame. With multiple ways to realize this return and a profitable exit strategy.

2 Token Description

2.1 The Purpose Our Token

Why are we creating a new token? Loly will be launching a new utility token to enable the purchase of services within the Loly dating platform, including subscriptions and other in-app purchases offering additional features. Here is a list of some of the in-app purchases opportunities our platform will offer:

- Membership Subscriptions
- Privacy Enhancements
- Voyeur Mode (Ultimate Privacy Mode)
- Affirmative Consent (Check-In and Check-Outs)
- Safe Word Monitoring
- Verified Memberships
- Background Checks
- STD Health Records Verification
- Matchmaker (AI)
- Premium Matchmaking
- Anonymous Gifting
- VIP Security
- Enhanced Proximity Zone (Expanded Geolocation)
- Passive Safety Checks
- Live Event Parties
- Etc...

In this paper, we will also describe the process by which users are rewarded in the network's internal token for confidentially reviewing new members successfully following a real life meet.

Using gamification and loyalty rewards, we will award members for engagement on the app and inviting other members.

Our Loly tokens (LOLY) will be good for both subscriptions and in-app purchases. The token sale will allow us to raise enough money to be able to fund the release of the advanced features of the Loly platform. These features have already been developed. Simultaneously, it will help us to build and grow our community from day one by identifying new members who will help us create the critical mass necessary to expand our community-based platform globally. Through our tokens, we will also be able to provide members with rewards for referring their friends to the platform. In addition, it will allow us to be able to reward our early supporters by giving them the opportunity to purchase highly discounted tokens that will allow them to receive future subscriptions and in-app purchases at discounted rates.

2.2 Token Specifications

The LLY token is built on the Ethereum blockchain using ERC20 standard protocols. There will be 100,000,000 tokens minted and no future tokens will ever be minted.

The Loly Matchbook sexual consent app is built on the DigiByte blockchain using their state of the art privacy and security protocols including DigiID.

3 Sale Methodology

Lifetime Membership Sale

Our Lifetime Membership Sale will start on February 8th, 2017 at 0:00 Pacific Time. During the Sale, we will be issuing 10,000 Lifetime Memberships to the Loly dating platform. The Sale will run until these 10,000 Lifetime Memberships are gone or until March 15, 2018, whichever comes first.

During the Sale, the first 1,000 Lifetime Memberships to Loly will be sold at a 90% discount, followed by an 80% discount for the next 1,000 Lifetime Memberships, and a 70% discount for the last 8,000 Lifetime Memberships.

Only USD will be accepted during the Lifetime Membership Sale. Each lifetime membership includes free Loly Tokens for use to purchase in app purchases and upgrades.

Lifetime Memberships Sale	Loly Lifetime Membership Cost	% Discount
1-1,000	\$99	90%
1,001 - 2000	\$199	80%
2,001-10,000	\$299	70%
Post Pre-Sale	\$999	No Discount

Token Sale

Our Token Sale crowdsale will begin on February 14th, 2018 00:00 Pacific Time and run until March 16th, 2018 23:59 Pacific Time.

During this time, a special page will be available at www.loly.io where token sale participants will be able to generate user accounts. The website will guide participants through the pledge and deposit

process. Just like in our Token Pre-Sale, several fiat and crypto currencies will be accepted. Please check back for details on our website's FAQ.

LLY tokens will be sold at a 50% discount during the Token Sale. The total duration of the token sale will be 30 days or until the tokens are sold out.

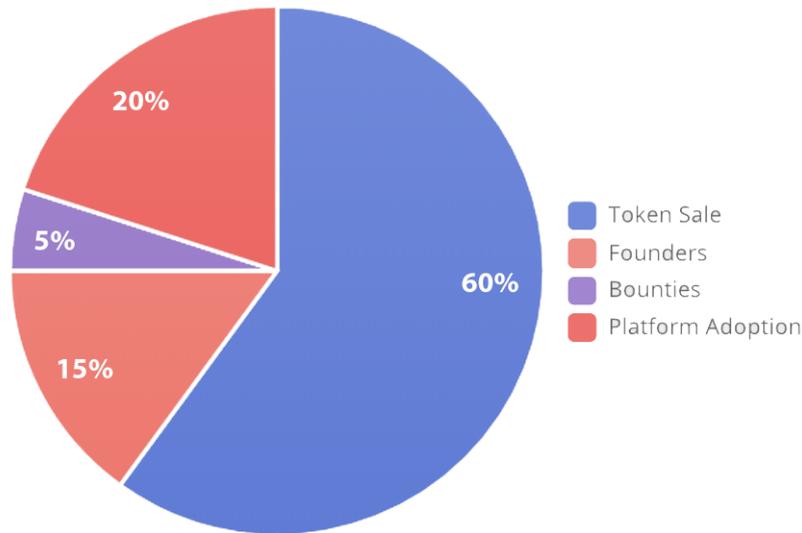
Round	Price Per Token Price (LOLY)	% Discount
Public Token Sale	\$0.50	50%
Post Token Sale	\$1.00	None

For the Token Sale, we will be issuing 60,000,000 Loly Tokens (LLY). The total supply of Loly Tokens will be 100,000,000 LOLY.

Price and Structure	Price Per Token (LOLY)	Tokens Available
Token Sale	\$0.50	60,000,000
Post Token Sale	\$1.00	40,000,000
TOTAL		100,000,000

LOLY Coin Distribution

During the Token Sale, 60,000,000, or 60% of Loly's 100,000,000 issued LLY Tokens will be sold and distributed. Another 20%, or 20,000,000 LLY Tokens, will be set aside to be used as Member Rewards. To promote the platform, Loly will pay bounties up to 5%, or 5,000,000 LLY Tokens. The remaining 15,000,000, or 15% of the LLY Tokens, will be retained by the company for our Founders, Employees, and Advisors.



4 Coin Distribution Process

At the conclusion of the Crowd Sale, we will issue the Lifetime Memberships and bonus tokens. All purchased tokens will be issued automatically via smart contract for all tokens purchased during the token sale.

5 Security

As a blockchain dating platform, we are dedicated to implementing state of the art security measures not only in the data realm, but also for our users on a personal level.

5.1 Personal Security

Loly is redefining the notion of consent to make sexual encounters safer and more enjoyable. First we run extensive matching algorithms to match you with someone who is much more likely to be compatible with you than the ubiquitous swipe method. Next, we connect you and your match via Instant Video Chat to allow you to talk and do another level of due diligence before you arrange to meet in person. You can also decide whether you want to conduct a background check and/or STD status check on your match before you proceed. If you decide you want to connect with your match sexually, we make sure both parties consent via our Blockchain Check-In, Loly Lisason™, complete with a Sober Check first if you desire, and Check-Out consent system. Furthermore, you can program a Safe-Word that the platform will monitor for in case you ever find yourself in a situation in which you are not comfortable with the encounter.

While we understand that discomfort in a sexual encounter may come from a number of reasons, including an overlooked incompatibility or an individuals who did not know themselves and their true preferences well enough yet when filling out our matching surveys, we are very serious about promoting the safety of all of our users. We will investigate any users that abuse the policies we put in place to protect our community members. We reserve the right to expel any member who is in violations of our policies or represents a danger to our users.

5.2 Data Security and Privacy

Personal data is held separate and encrypted from sexual preference data making it impossible without the keys to connect the data to any identifiable person. Sexual preference data is encrypted and encoded on the smartphone of the user, and is only used to calculate the Heat Index™ of a potential match.

In-app purchases can also increase the level of privacy desired by the member, for example, it is possible to subscribe to Voyeur Mode where you can choose your matches, but no potential matches can see you.

6 Potential Risks of the Project

There are always potential risks when purchasing services from any company, but especially startups. We plan on revolutionizing online dating and making it a safer and more satisfying experience for millions of individuals around the world. However, there is always the risk that we are not able to accomplish all we plan on accomplishing.

The Company, Loly LLC, and the Offering are subject to a number of risks related to the development and operation of Loly, the Rights and the SAFT, along with the risks related to the LOLY Tokens and the LOLY Token Sale. These risks include, but are not limited to, the following:

Risks Related to Company's Business and Industry

To date, The Company has not generated revenue, do not foresee generating enough revenue in the near future to finance operations and therefore rely on external financing. The Company is a startup and its business model currently focuses on development and build out of Loly rather than generating significant revenue in year one. While the Company intends to generate revenue in the future, it cannot assure you when or if it will be able to do so.

The Company relies on external financing to fund our operations. The Company anticipates, based on our current proposed plans and assumptions relating to our operations (including the timetable of, and costs associated with, development and roll out of Loly) that, if the planned amount is raised in the Offering, it will be sufficient to satisfy our contemplated cash requirements to launch the LOLY Token Sale in the first half of 2018, assuming that the Company does not accelerate the development of Loly related opportunities available to it, engage in an extraordinary transaction or otherwise face unexpected events, costs or contingencies, any of which could affect its cash requirements.

The Company expects capital outlays and operating expenditures to increase over the next several years as it expands its infrastructure, commercial operations, development activities and Loly in general.

The Company's future funding requirements will depend on many factors, including but not limited to the following:

- The cost of expanding operations;
- The financial terms and timing of any collaborations, licensing or other arrangements into which the Company may enter;
- The rate of progress and cost of development activities;
- The need to respond to technological changes and increased competition;
- The costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- The cost and delays in product development that may result from changes in regulatory requirements applicable to the Company's products;
- Sales and marketing efforts to bring these new product candidates to market;
- Unforeseen difficulties in establishing and maintaining an effective sales and distribution network; and
- Lack of demand for and market acceptance of the Company's products and technologies.

If adequate funds are not available, The Company may have to delay, scale back, or eliminate some of its operations or its commercialization activities. Under these circumstances, if the Company is unable to acquire additional capital or is required to raise it on terms that are less satisfactory than desired, it may have a material adverse effect on its financial condition.

The Company has little operating history upon which you can evaluate our performance, and accordingly, its prospects must be considered in light of the risks that any new company encounters. In January 2017, Loly LLC (the "Holding Company") was formed as a Reno limited liability company, with two planned subsidiaries, Loly Dates Company, LLC ("Company") and Project LOLY Technology, LLC (the "Technology Company"). Company is the operating company that will operate the LOLY Token, and the Technology Company is the research and development arm and will hold all intellectual property, which will be licensed exclusively to Company through an intercompany license agreement. In October 2017, the Company acquired certain intellectual property rights from a "proof-of-concept" company using application technology rather than blockchain technology for a dating platform. Accordingly, we have little history upon which an evaluation of our prospects and future performance can be made. Our proposed operations are subject to all business risks associated with new enterprises. The likelihood of our creation of a viable business must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the inception of a business, operation in a competitive industry, use of blockchain technology and the continued development of advertising, promotions, and a corresponding LOLY base. We anticipate that our operating expenses will increase for the near future. There can be no assurances that we will ever operate profitably. You should consider Company's business, operations and prospects in light of the risks, expenses and challenges faced as an early-stage company, in particular as a company utilizing blockchain technology and a utility token model.

Company's success depends on the experience and skill of the board of directors, its executive officers and key employees. In particular, Company is dependent on Adryenn Ashley who is Founder & CEO of Company. Company has or intends to enter into an employment agreement with Adryenn Ashley although there can be no assurance that it will do so or that she will continue to be

employed by Company for a particular period of time. The loss of Adryenn Ashley or any member of the board of directors or executive officer could harm Company's business, financial condition, cash flow and results of operations.

The amount of capital Company is attempting to raise in the Offering is not enough to sustain Company's current business plan. Company is raising money in the Offering in order to launch Loly Platform using blockchain technology and the DigiByte protocol and sell its utility token, LOLY Tokens, which LOLYs will need to interact with Loly Platform. In order to achieve Company's near and long-term goals, Company will need to be successful in selling its LOLY Tokens. Company has targeted the public launch of its sale of LOLY Tokens for the first quarter of 2018. There is no guarantee Company will be able to sell sufficient LOLY Tokens. If we are not able to sell sufficient LOLY Tokens, we will not be able to execute our business plan, our continued operations will be in jeopardy and we may be forced to cease operations and sell or otherwise transfer all or substantially all of our remaining assets, which could cause a Purchaser to lose all or a portion of his or her investment.

Although dependent on certain key personnel, Company does not have any key man life insurance policies on any such people. Company is dependent on Adryenn Ashley in order to conduct its operations and execute its business plan, however, Company has not purchased any insurance policies with respect to those individuals in the event of their death or disability. Therefore, in any of Adryenn Ashley die or become disabled, Company will not receive any compensation to assist with such person's absence. The loss of such person could negatively affect Company and its operations.

We have not prepared any audited financial statements. Therefore, you have no audited financial information regarding Company's capitalization or assets or liabilities on which to make your purchase decision. If you feel the information provided is insufficient, you should not purchase LOLY Tokens.

The Company faces risks relating to competition for the leisure time and discretionary spending of audiences, which has intensified in part due to advances in technology and changes in consumer expectations and behavior. The Company's business is subject to risks relating to increasing competition for the leisure time and discretionary spending of consumers. It competes with all other sources of entertainment and dating. Technological advancements, such as new apps have increased the number of online dating choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences, including low-cost or free choices, could negatively impact not only consumer demand for the Company's products and services, but also advertisers' willingness to purchase advertising from the Company. The Company's failure to effectively anticipate or adapt to new technologies and changes in consumer expectations and behavior could significantly adversely affect its competitive position and its business and results of operations.

The Company's business could be negatively impacted by cyber security threats, attacks and other disruptions. Like others in its industry, the Company continues to face advanced and persistent attacks on its information infrastructure where it manages and stores various proprietary

information and sensitive/confidential data relating to its operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software programs) and phishing emails that attack the Company's products or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate the Company's network security and misappropriate or compromise its confidential information or that of its customers or other third-parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that the Company produces or procures from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of the Company's information infrastructure systems or any of its data centers as a result of software or hardware malfunctions, computer viruses, cyberattacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business.

Risks Related to the LOLY Token

Risk of Unfavorable Tax Treatment in One or More Jurisdictions. The U.S. Internal Revenue Service and other similar regulatory bodies have not yet issued definitive guidance on the tax treatment for tokens similar to LOLY. Purchasers should consult their own tax advisors for guidance on tax treatment of the LLY token.

Risk of Failure of the Token Sale. Company has sole discretion to accept or reject purchase requests and may terminate the token sale prior to the closing. If Company determines that the amount that Company raises is not sufficient to pursue the intended uses of the proceeds of the token sale, Company may decide to return the investments received (to the extent funds remain available for return) and abandon the token sale. Alternatively, Company may determine to close the token sale although less than the expected amount is raised. Raising less than the expected amount may require Company to delay or scale down some of Company's plans until further financing becomes available, and Company's projected results of operations and financial condition may be less likely to meet Company's original expectations than had Company raised the maximum amount sought in the Offering. Additionally, it is possible that, due to any number of reasons, including an unfavorable fluctuation in the value of DigiByte, development issues with Loly Platform (as defined in the White Paper), the failure of business relationships or competing intellectual property claims, Loly may no longer be viable as a business or otherwise and may dissolve or fail to launch.

Restriction on Transfer of the Rights of the SAFT Offering. There are substantial restrictions on the transferability of the Rights. A Purchaser may not assign or transfer its SAFT (including by operation of law, by merger or otherwise) or sell, delegate or sublicense its Right without compliance with applicable securities laws. Any such assignment, sale, delegation or sublicense without compliance with applicable securities laws shall be null and void, shall confer no rights on the purported assignee and may be a violation of applicable securities laws. The Offering has not been registered under the Securities Act or under the securities laws of any other jurisdiction, and the Rights are

being offered in reliance upon exemptions from registration in the United States under the Securities Act. Accordingly, the Rights may only be transferred within the United States or to “U.S. person” (as defined in Regulation S promulgated under the Securities Act) pursuant to either an effective registration statement registering the Rights or pursuant to an exemption under the Securities Act; the Rights may be subject to transfer restrictions under the securities laws of other jurisdictions; the Rights may be subject to holding period requirements; and there is no public market for the Rights.

Availability of Information. No governmental agency has reviewed or passed upon the token sale, Company or the White Paper. Purchasers of the LOLY utility token is not a security, therefore, will not receive any of the benefits that such SEC registration would otherwise provide. Additionally, Company is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Therefore, purchasers will not have access to information to which they would have access if the LLY token was a security and was registered under the Securities Act and if Company were subject to the reporting regulations promulgated under the Exchange Act. Purchasers must therefore assess the adequacy of disclosure and the fairness of the terms of the token sale on their own or in conjunction with their personal advisors.

Lack of Control. Purchasers of the LLY token will not have a vote or influence on Company’s management. All decisions with respect to the management of Company will be made exclusively by Company’s officers, managers and employees. Purchasers will have no right to vote on issues of, or otherwise participate in, Company management. Accordingly, no person should purchase a LLY token unless he/she/it is willing to entrust all aspects of Company management to Company’s management. See the White Paper for more information about management.

Company Discretion on Use of Proceeds. Company has ultimate discretion to use the proceeds of the token sale as it sees fit and is not obligated to set forth any specific uses for purchasers to evaluate. The net proceeds from the token sale will be used for such purposes as Company’s management deems to be in Company’s best interests in order to address changed circumstances or opportunities. As a result of the foregoing, Company’s success will be substantially dependent upon Company’s discretion and judgment with respect to application and allocation of the net proceeds of the token sale. Company may choose to use the proceeds in a manner with which purchasers do not agree and token holders will have no recourse. A use of proceeds that does not further Company’s business and goals could harm Company and its operations and ultimately cause the LLY token to lose all or some of its perceived value.

High Degree of Risk. Purchasing tokens involves a high degree of risk. The tokens are not publicly traded and, therefore, are illiquid and only have value on the LOLY Platform. Additionally, Company is in an earlier stage of development and does not have historical results upon which purchasers can make their decisions regarding whether and how much to purchase. If Company is unsuccessful, Purchasers will receive LOLY Tokens that have little to no value. Accordingly, investing in the Rights requires high risk tolerance, low liquidity concerns and long-term commitment. The Rights are not FDIC-insured; may lose value; and there is no bank guaranty. Purchasers must be able to afford to lose the entire amount paid for the Rights.

No Guarantee of Return on Investment. There is no assurance that the Rights will be exchanged for a specific number of LOLY Tokens in the LOLY Token Sale or that the LOLY Token Sale will take place, that any Purchaser will realize a return on his/her/its investment or that any Purchaser will not lose his/her/its entire investment. For this reason, each Purchaser should read the SAFT and all exhibits carefully and should consult with his/her/its own attorney and business advisor prior to making a decision to enter into the SAFT and purchase a Right.

Unanticipated Risks. Agreements for the sale of future cryptographic tokens are a new and untested area. In addition to the risks discussed, there are risks that Company cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or the emergence of new risks.

Risks Related to the LOLY Tokens and to the LOLY Token Sale

Risks Associated with Blockchain Technology and the DigiByte Protocol. Loly Platform, the Rights and the LOLY Tokens are based upon blockchain technology and the DigiByte protocol. As such, any malfunction, unintended function, unexpected functioning of or attack of blockchain technology and/or the DigiByte protocol or the Bitcoin protocol may cause Loly Platform to malfunction or function in an unexpected or unintended manner. DigiByte, the native unit of account of the DigiByte protocol, may itself lose value in ways similar to the LOLY Tokens, and in other ways. More information about the DigiByte protocol is available at <https://www.DigiByte.io/> to assist Purchasers in understanding this new technology.

Risks Associated with Buyer Credentials. Any person that gains access to or learns of a Purchaser's login credentials or private keys may be able to dispose of the Purchaser's FCFL Account and the Purchaser's LOLY Tokens. To minimize this risk, Purchasers should guard against unauthorized access to their electronic devices.

Risk of Unfavorable Regulatory Action in One or More Jurisdictions. Blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of Loly Platform and the LOLY Tokens could be impacted by one or more regulatory inquiries or actions, including the licensing of or restrictions on the use, sale, or possession of digital tokens like the LOLY Tokens, which could impede, limit or end the development of Loly Platform. In addition, the sweepstakes developed by Company may not be allowed in certain jurisdictions and Company may be unable to award a randomly selected prize if Purchasers reside in a jurisdiction that does not permit the type of sweepstakes designed by Loly.

Risk of Alternative Platforms. Following the token sale and the development of the initial version of Loly Platform, it is possible that alternative applications could be established, which use the same open source code and protocol underlying Loly Platform. Such competitors may have greater resources or experience and could potentially negatively impact Loly Platform, including its value and the value of LOLY Tokens.

Risk of Insufficient Interest in Loly Platform. It is possible that there will be limited public interest in the creation and development of Loly Platform and the LOLY Tokens. Such a lack of interest could negatively impact the Rights and the LOLY Tokens.

Risk that Loly Platform, as Developed, Will Not Meet the Expectations. Loly Platform is presently under development and may undergo significant changes before release. Any expectations or assumptions regarding the form and functionality of Loly Platform or LOLY Tokens (including token behavior) held by a Purchaser, may not be met upon release, for any number of reasons, including mistaken assumptions or analysis, a change in the design and implementation plans, and execution of Loly Platform.

Risk of Theft and Hacking. Hackers or other groups or organizations or countries may attempt to interfere with Loly Platform, the Rights or the LOLY Tokens in any number of ways, including service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks.

Risk of Adverse Tax Consequences. Significant aspects of the tax treatment of digital tokens have not yet been addressed, both for U.S. federal income tax purposes and under the tax laws of non-U.S. jurisdictions, and jurisdictions could impose onerous tax burdens on the purchasers and holders of digital tokens. Such onerous tax burdens could subject purchasers and holders of LOLY Tokens to adverse tax consequences and could decrease demand for and impede, limit or end the development of Loly Platform. Participants in the token sale are urged to consult their tax advisers regarding the substantial uncertainty regarding the tax consequences involved with the LOLY Token Sale and with the use, sale, or possession of digital tokens such as LOLY Tokens.

Risk of Security Weaknesses in Loly Platform Application Core Infrastructure Software. The Loly Platform consists of open source software that is based on open source software. There is a risk that the LOLYs, or other persons may introduce weaknesses or bugs into the core infrastructural elements of Loly Platform interfering with the use of or causing the loss of LOLY Tokens.

Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography. Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to Loly Platform and/or the LOLY Tokens, such as theft or loss.

Risk of Lack of Adoption or Use of Loly Platform. While the Loly Platform and LOLY Tokens should not be viewed as an investment, each may have value over time. That value may be limited if the Loly Platform lacks use and adoption or is unable to successfully implement its anticipated features. If this becomes the case, there may be few or no markets following the launch of the application, potentially having an adverse impact on Loly Platform.

Risk of an Illiquid Token Exchange for LOLY Tokens. While Company hopes that all buyers of LOLY Tokens remain active in the Loly community and hold their LOLY Tokens forever, some buyers may desire to sell their LOLY Tokens to others at various points in time. Company cannot guarantee that a secondary token exchange for the LOLY Tokens will develop.

Risk of Uninsured Losses. Unlike bank accounts or accounts at some other financial institutions, funds held on the Loly Platform or DigiByte network are generally uninsured. In the event of any loss, there is no public insurer, such as the Federal Deposit Insurance Corporation, or private insurer, to offer recourse to Purchasers.

Risk of Dissolution of Loly LLC. It is possible that, due to any number of reasons, including an unfavorable fluctuation in the value of DigiByte, development issues with Loly Platform, the failure of business relationships, or competing intellectual property claims, Loly may no longer be viable as a business or otherwise and may dissolve or fail to launch.

Risk of Malfunction in Loly Platform or the LOLY Token. It is possible that Loly Platform or the LOLY Token malfunctions, including one that results in the loss of LOLY Tokens.

Risk of Losing Access to Loly Account Due to Loss of Credentials. A LOLY Token account can only be accessed with login credentials selected by a Purchaser. The loss of these credentials likely will result in the loss of your LOLY Token account. Best practices dictate that Purchasers safely store credentials in one or more backup locations geographically separated from the working location.

Unanticipated Risks. Cryptographic tokens are a new and untested technology. In addition to the risks discussed, there are risks that Loly team cannot anticipate. Further risks may materialize as unanticipated combinations or variations of the discussed risks or the emergence of new risks.

7 Team

See Loly.io for current team makeup.

8 Launch Plan

The timeline for the development and launch of the Loly dating platform.

<u>Date</u>	<u>Target</u>
2/8/2018	Token Pre-Sale
11/17/2017	V1 of Loly Dating Site sans AI interface
2/14/2018	Launch Token Sale
3/16/2018	Conclude Token Sale
4/1/2018	V1 of Loly Matchbook released to App Stores
6/1/2018	V1 of Loly Dating Platform with AI matching
12/31/2018	V2 with features
3/1/2019	V3 with Augmented Reality overlay

9 Conclusion

We are excited to launch our lifetime and token sales and to start giving people what they want, a real experience, not a message buddy.

10 References

Dating Services in the US: Market Research Report by IBISWorld Published: February 2017

FRIENDFINDER NETWORKS INC. Form S-1 SEC Filing