

INVESTMENT OPPORTUNITY

Unique Banking Opportunity – Cayman Islands – Profitable and Well-Positioned

- Private, profitable, compliant Cayman banks are often not advertised widely
- They are typically sold in highly-private transaction cycle
- Many top banking jurisdictions are reluctant to issue new banking licenses
- Purchasing an existing bank when with possible reduces start-up risk and provides a more rapid path for expansion.
- The process to apply, if available, to a competent jurisdiction, is lengthy, expensive, and uncertain.

The Bank, (“the Bank”) is licensed as a Category “B” Bank and is located in Grand Cayman, Cayman Islands. It is regulated by the Cayman Islands Monetary Authority (“CIMA”). A Category “B” Bank is permitted to conduct banking activities worldwide but is restricted from any retail business within the Cayman Islands. The Bank is compliant with all relevant regulatory bodies, adheres to Basel II, and performs Know Your Customer/Anti-Money Laundering (“KYC/AML”) on all customers regardless of size or type. The Bank provides services for high net worth individuals, hedge funds, private equity clients and corporations. The Bank also provides operating and high-yield term deposits and bank accounts for high net worth individuals and corporates. The bank has not experienced any credit losses to date.

The Bank is implementing an automated, blockchain-based application process which will increase efficiency and allow the Bank to increase the number of clients, deposits, and investments, with minimal incremental costs.

The Bank desires to increase its regulatory capital as defined by the Cayman Islands Monetary Authority (“CIMA”) and is flexible with regard to the manner in which this is accomplished.

This opportunity is well-suited for a well-capitalized partner seeking an above average return in a high growth-oriented market and in high-margin niche sectors. The management team has completed several “startup-grow-exit” projects in diverse industries which have been profitably exited. The Bank’s main investment vehicles are lucrative, poised for continued growth and are highly profitable, and each can be expanded with limited additional capital, so effectively all of the capital raised will be deployed in one or both of the two main investments areas, or others that fit the risk/return profile of the Bank. Since the Bank is a highly-regulated financial institution, it provides the investor additional risk mitigation. Under the Rules of Basel II and with additional “buffers” enforced by the local Regulator, the Bank is required to maintain a prudent minimum CAR (“Capital Adequacy Ratio”) of 15%. As a bank it is able to leverage this capital to an extent greater than some other investors. With the addition of more capital and deposits, this will permit the Bank to make additional and/or larger loans and expand geographically.

Bank Opportunity

The Bank is uniquely positioned to expand and grow its primary investment area, and is at the forefront of providing banking services for compliant, crypto and blockchain companies. The bank is currently profitable and can immediately and profitably deploy additional capital.

Terms

The Owners will consider several options including sale of shares for either a minority, control, or 100% position. Management has initiated several new and ongoing services and investment areas and would be amenable to remaining to continue to develop these high-growth initiatives.

Auditors – BDO
Compliance –

Income Statements

For the years: 2019 (Budget) 2018 (Full year unaudited) and 2017, 2016 and 2015 (Full year audited)
(In USD)

	2019	2018	2017	2016	2015
	Full year	Full year	Full year	Full year	Full year
	<u>Budget</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
Net Interest Income	2,262,782	1,779,111	1,388,729	(41,747)	300,964
Operating Income	952,226	663,061	414,467	357,365	224,836
Net Revenue	3,215,008	2,442,172	1,803,196	315,618	525,800
Operating Expenses	(1,380,008)	(1,521,536)	(1,046,124)	(788,643)	(513,611)
Net Income before Owner’s commission	1,835,000	920,636	757,072	(473,025)	12,189
Owner’s commission	(991,500)	(632,000)	(180,000)	-	-
Net Income	843,500	288,636	577,072	(473,025)	12,189
Staff	6	5	4	4	2

Balance Sheets

For the years ended December 31, 2019 (Budget) 2018 (Unaudited) and 2017, 2016 and 2015 (Audited)
(In USD)

	Full Year	Full Year	Full Year	Full Year	Full Year
	2019	2018	2017	2016	2015
	<u>BUDGET</u>	<u>Unaudited</u>	<u>Audited</u>	<u>Audited</u>	<u>Audited</u>
Assets					
Cash and Cash Equivalents	19,605,212	18,769,859	34,953,657	26,855,137	58,881,628
Mortgage Participations	34,797,830	19,672,830	18,517,496	9,593,384	-
Other Assets	590,604	315,445	328,659	332,545	168,667
Total Assets	54,993,646	38,758,134	53,799,812	36,781,066	59,050,295
Liabilities and Equity					
Deposits	50,528,400	36,701,325	52,329,042	35,896,927	57,835,392
Other liabilities	981,889	417,199	141,723	160,049	142,637
Shareholder’s equity	3,483,357	1,639,610	1,308,047	724,090	1,072,266
Total Liab. and Equity	54,993,646	38,758,134	53,778,812	36,781,066	59,050,295
Return on equity before owner’s commissions	41.0%	40.5%	50.9%	NA	1.1%
Return on equity after owner’s commissions	24.2%	17.6%	44.1%	NA	1.1%

Business Summary

In addition to providing traditional fee-based escrow, wire services, establishment of bank accounts, custodial, and foreign exchange services to its high net worth, hedge funds, and private equity clients worldwide (including U.S. persons and entities), the Bank has several low-risk, profitable, scalable, and expanding investment specialties.

Investment Areas

USA Residential Real Estate Mortgage Participations

The Bank generates significant interest income from its Asset-Based Lending (“ABL”) residential real estate mortgage participations and/or purchasing agreements. These products are focused on U.S.-based residential real estate via 1st lien bridge lending (typically under one year duration) to qualified investment funds, real estate developers, and non-bank finance companies who originate and service the loan portfolios, on behalf of the Bank, with Loan to Value (“LTV”) generally not exceeding 75%. The Bank has incorporated some additional protections into its documents that provide further safeguards to its principal such as requiring Personal Guarantees (“PG”) and corporate guarantees from principal owners of the Bank’s origination partners and developer clients, as well as a requirement to replace an asset in the event that certain measures of the original asset fail to meet certain performance criteria. In the event that such conditions occur, the Bank may also put the loan back to the originator.

Annual gross real estate levered returns have averaged approximately 100% utilizing the Bank’s capital and deposits.

The US Real Estate secured bridge lending industry is highly diversified by loan size, geography and is estimated overall in 2017 to have generated U.S. revenues of **\$40** billion of which the residential sector is approximately **\$15** billion. And since these are all short-term instruments, they obviate the impact of interest rate fluctuations. Management believes that under currently existing conditions, the Bank has the ability to expand its Real Estate Portfolio by in excess of 50% per annum with additional capital and a relatively modest increase in deposits.

2017 was a robust year for the U.S. Housing Market. The value of the entire U.S. housing stock increased by 6.5% - or \$2 trillion - according to a report from Zillow. All homes in the country are now worth a cumulative \$31.8 trillion. The gain in home values was the fastest since 2013, when real estate was in the early stages of its recovery from the recession. Yet it still trails the surge in other assets, with the S&P 500 Index up about 19%.

Real Estate responds to market fluctuation regionally. This characteristic serves to mitigate the cyclical risk. The Bank’s investments are all in residential, single, and multifamily real estate, none of which are owner-occupied. The Bank invests in multiple states and intends to seek investments in all geographical areas of the USA.

Los Angeles is the most valuable U.S. housing market at \$2.7 trillion, according to Zillow’s estimate of owner-occupied and rental homes, with New York second, at \$2.6 trillion. The 10 most valuable metropolitan areas are worth \$11.3 trillion combined, or 36 percent of the total value of the U.S. housing stock. Even though some of the tax incentives in the new federal tax laws are going to remove some of the benefits of home ownership, especially in the high-tax states, the market is still expected to be robust. These types of investments account for approximately 80% of the Bank’s gross income, and expansion is generally limited only by the availability of capital. In 2016 and 2017, this Real Estate Mortgage Participation portfolio returned a 10% gross yield.

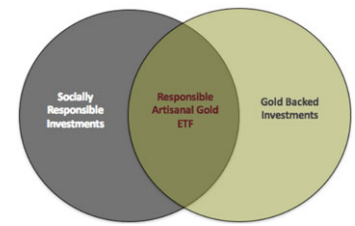
The Bank is currently experiencing an abundance of high-quality opportunities in its real estate lending activities and intends to apply the vast majority capital raised in this Offering to this area as well as continuing to develop its services geared toward the international (non-US) blockchain/crypto industry (see following page).

Gold Financing

The Bank is a secured investor through its unique gold financing program which is of short duration (less than 30-day repeating cycle) earning superior, safe, and consistent returns backed by physical gold, and backstopped additionally by set-off rights of its joint venture partner’s equity. All physical gold purchases and subsequent gold sales have prearranged pricing which acts as a natural hedge function. Each transaction is also supported by a blanket A.M. Best “A” rated insurance syndicate and is compliant with OECD standards.



Gold is a popular and worldwide investment for many reasons, for bank purposes, one of its attractions is that it carries credit risk weighting of zero, meaning that its risk is viewed as identical to a US Treasury Bill. What makes the Bank's gold investment business unique is that it is focused on artisanal gold which is purchased directly from the licensed small scale artisanal mining groups. By implementing this innovative buying strategy, we not only obtain the metal at a significant discount to spot pricing but also improve the lives of miners in South American and African countries. Our volume and consistency of gold purchases also enables us to take advantage of pricing advantages on the sell-side. The Bank currently purchases more than \$2 million of new gold within a 30-day period. In 2016 and 2017, the gold financing activities yielded approximately 15% annually. In accordance with banking rules gold carries a zero-percent charge to capital, and therefore effectively supplies infinite leverage on capital.



Crypto/Blockchain

The Bank has also positioned itself as one of the first Cayman Banks to provide bank account services for compliant Crypto/Blockchain companies requiring FIAT currency denominated bank accounts to support their business. The Bank has implemented an enhanced KYC/AML and onboarding process for these prospective and ongoing clients, has added several as clients, and is experiencing an active pipeline.

Blockchain and Crypto is an area which the Bank believes can become another attractive source of additional bank fee income. The Cayman Islands government has indicated a desire to establish Cayman as a leading jurisdiction for blockchain and crypto companies. Cayman Enterprise City, a privately-held and financed technology-focused Special Economic Zone in recent months has become home to dozens of companies developing FinTech, blockchain, and crypto technology. The Bank is already participating in the Island's developing Crypto/Blockchain industry with several clients and plans to remain involved in the Special Economic Zone and increase its participation as the industry develops on the island.

Competitors/ Competitive Advantage

There are numerous competitors in the short term residential real estate lending area. The Bank's unique characteristics that distinguish it from other lenders, from an Investor's perspective, are the numerous additional safeguards that it has built into its loan documents which greatly reduce the Bank's exposure to loss of principal. From a Real Estate borrower's perspective, the Bank works with a limited number of originators and can provide funding quickly.

In addition, the reduction in the number of banks in the US, as well as internationally, and the expansion of the global economy, has created opportunities for banking institutions that can respond quickly, with well-developed and functioning correspondent banking relationships, capable of seamlessly providing multicurrency accounts and services.

The Cayman Islands have developed into a highly-respected and trusted banking jurisdiction with over \$1 trillion in assets and overseen by a sophisticated regulatory regime adhering to the Basel II Accord, FACTA and CRS and other international banking guidelines. The Cayman Islands Monetary Authority provides a high-level of oversight to protect and maintain its reputation as an international banking center and the government is working independently as well as with private enterprise to make the Islands the center of high-tech finance and developing technologies in the Caribbean.

Management Bios



There are additional factors that positively impact the expansion opportunities and the safety of this investment and we would welcome the opportunity to discuss these matters with qualified interested parties.

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RECIPROCAL NON-DISCLOSURE, NON-CIRCUMVENTION AND NON-COMPETITION AGREEMENT

This **NON-DISCLOSURE, NON-CIRCUMVENTION and NON-COMPETITION AGREEMENT** is made as of _____, 2019 by and between **Tango Research, LLC** on behalf of a client, individually or collectively, and on behalf of any/all/other affiliated companies, or approved agents and official representatives of the above organizations (hereinafter the "Company", "Companies" or the "Sponsor"); and _____ (hereinafter "Confidant"), with an address at _____

1. Purpose

The parties to this Agreement desire to engage in discussions regarding present and/or potential future business relationships. This Agreement combines a non-disclosure, a non-competition, and a non-circumvention agreement. The parties intend to engage in substantive discussions and sharing of confidential information regarding certain new and useful business opportunities, trade secrets, business entity formation and structuring, and tax planning. In connection with these discussions, it may be necessary and/or desirable for the Company to provide the Confidant with, or allow access to, proprietary, technical, or business data, and/or other confidential information of the Company (collectively the "Confidential Information"). Therefore, the Confidant, agrees that it and its employees, agents, directors, officers and representatives are under an obligation of confidentiality. The Company believes, and the Confidant hereby agrees, that the Company's Confidential Information has significant commercial value that would be diminished by unauthorized disclosure. Accordingly, the commitments of confidentiality in this Agreement are a prerequisite for the Company's disclosures, and a condition to the Company's willingness to engage in the contemplated business discussions and planning. The Confidant agrees that it shall not use any advantages derivable from such information in its own business or affairs, unless the same is done pursuant to a new agreement with all other signatories to this document.

The parties agree that the exchange of information with the prospect of evaluating potentially valuable business relationships is good and sufficient consideration for the obligations and undertakings herein.

2. Confidential Information

Confidential Information shall include, and shall be deemed to include, all information conveyed by the Company to the Confidant orally, in writing, by demonstration, or by other media. Confidential Information shall be considered as such at the time of transmittal. Confidential Information may include, by way of example but without limitation data, know-how, contacts, contracts, software, formulas, processes, designs, sketches, photographs, plans, drawings, specifications, samples, reports, information obtained from previous or current participants in programs of the Company, locations, and information relating to transactional procedures. However, Confidential Information shall not include information which can be clearly demonstrated to be:

- a. Generally known or available to the public, through no act or omission on the part of the receiving party; or

- b. Provided to the receiving party by a third party without any restriction on disclosure and without breach of any obligation of confidentiality to a party to this Agreement; or
- c. Independently developed by the receiving party without use of the Confidential Information.

3. Obligation of Confidentiality

The Confidant agrees that when it has received any Confidential Information:

- a. The Confidant shall not disclose or communicate any Confidential Information to any third party, except as herein provided;
- b. Confidant shall protect the Confidential Information using reasonable means, including at least the same degree of care exercised by its own personnel to protect its own most valuable confidential and proprietary information.
- c. The Confidant shall permit access to the Confidential Information to the Confidant's agents or employees or to third parties only if such disclosure is reasonably believed to be necessary to the purposes of the Confidant evaluating, contemplating, recommending, or engaging in any program or service offered by the Company or for the purpose of entering into a business relationship with the Company, and only if said agents, employees, or third parties:
 - 1. reasonably require access to the Confidential Information for the purposes contemplated by this Agreement, and
 - 2. have been made aware of this Agreement and the Confidant's obligations to maintain the trade secret status of Confidential Information and to restrict its use as provided by this Agreement and have agreed to abide by such obligations.

4. Obligation of Non-Competition

The non-competition provisions of this Agreement are essential and material undertakings of this Agreement and constitute a material condition inducing Company to disclose the Confidential Information. Accordingly, the Confidant agrees it shall not use the Confidential Information or any advantages derivable from such Confidential Information in its own business or affairs, unless the same is done pursuant to a new agreement executed by all signatories to this document.

5. Non-Circumvention

The non-circumvention provisions of this Agreement are essential and material undertakings of this Agreement and constitute a material condition inducing Company to disclose the Confidential Information. Accordingly, the Confidant hereby agrees that , the Confidant, and the Confidant's officers, directors, agents, associates, employees, representatives and any related parties, will not, directly or indirectly, contact, deal with or otherwise become involved with any entity, entities or individuals introduced, directly or indirectly, by or through the Company, its officers, directors, agents or associates, for the purpose of avoiding the payment to the Company of profits, fees or otherwise, without the specific written approval of the Company.

6. No Representations

The Confidant understands that the Company seeks to provide reliable information but makes no representation or warranty as to the accuracy or completeness of the information it provides to the Confidant. The Confidant agrees that neither the Company, nor any of its advisers, representatives, agents, or employees shall be held liable for any harm which results from the Confidant's use of said information.

7. Term

This Agreement shall remain in full force and effect for three years from the date executed by all parties hereto.

8. Jurisdiction

This Agreement governs any and all matters arising from the exchange of Confidential Information hereunder, wheresoever in the world any such matter, including any breach or violation, may occur. Should the Company assert that a violation has occurred, the parties agree that the Company shall have standing and be entitled to take action to remedy the violation in the locale and/or legal jurisdiction in which the violation occurred, and/or in any other locale or jurisdiction(s) which is appropriate, in the opinion of the Company and their counsel.

9. Miscellaneous

- a. As used in this Agreement, the following terms shall have the following meanings:
 1. "Agents or employees" includes the directors, officers, representatives, and employees of any of the parties, it also includes the Confidant, any corporation, partnership, association, business trust, contractual organization, group, or other entity of which the Confidant is a member, officer, director, agent, trustee, beneficiary, or has a position similar to the aforementioned.

- b. Except for the limited right to use granted in section 3(c) herein, no right or license, either express or implied, under any patent, copyright, trade secret or other intellectual property right is granted hereunder.
- c. No agency or partnership relationship is created between the parties by this Agreement.
- d. No party has an obligation under this Agreement to purchase any service or item from any of the other parties, nor to offer any service or item for sale to any of the other parties. An agreement, if any, between the parties to enter into a business relationship will exist only when such agreement is in writing and duly executed by all the parties hereto.
- e. Any addition to, modification of or waiver of this Agreement shall be valid only if in writing and signed by all parties. However, the failure of a party to insist on full compliance with any provisions of this Agreement in a particular instance shall not preclude it from requiring full compliance thereafter.
- f. This Agreement is made and shall be governed and construed in accordance with the laws of the State of Connecticut without regard to its choice of law provisions. The proper venue for any action arising from or in connection to the interpretation or enforcement of this Agreement shall be decided by the Company.
- g. If any portion of this Agreement shall be held invalid, such invalidity shall not affect the other provisions hereof, and to this extent, the provisions of this Agreement are to be and shall be deemed severable. If any party hereto incurs any legal fees, whether or not action is then instituted, to enforce the terms of this Agreement or to recover damages or injunctive relief for breach of this Agreement, it is agreed that the successful or prevailing parties shall be entitled to reasonable attorney fees and other costs in addition to any other relief to which it or they may be entitled.
- h. This Agreement constitutes the entire understanding between all the parties and supersedes all previous understandings, agreements, communications and representations, whether written or oral, concerning the discussions by and between the parties hereto and the Confidential Information.
- i. Upon the cessation of discussions and exchanges hereunder, the Confidant shall destroy all copies of Confidential Information it has received hereunder and shall continue to be bound by all obligations of confidentiality, non-competition and non-circumvention provided for hereunder for the duration of the term of this Agreement.

10. Mutuality

To the extent that confidential information is disseminated or exchanged by both parties, such information shall be confidential as to both parties, the Companies and the Confidant, and the Company

shall exercise due care in handling the Confidant's confidential information in accordance with the provisions of section 3 (b) above.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed and delivered this Agreement, to be effective as of the date first written above.

AGREED TO AND ACCEPTED BY:

(THE COMPANY(S))



by: Nicholas Malino, Managing Member

CONFIDANT:

THE CONFIDANT

by: _____
(SIGNATURE)

Name:

Title:

Facsimile Number:

Contact Number: