**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**

# FORM S-1

**REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

# OBITX, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

7379

(Primary Standard Industrial Classification Code Number)

82-1091922

(I.R.S. Employer Identification Number)

4720 Salisbury Road
Jacksonville, FL 32256
(904 ) 748-9750

(Address, including zip code, and telephone number,
Including area code, of registrant's principal executive offices)

16192 Coastal Hwy
Lewes, DE 19958
(302) 645-7400

(Address, including zip code, and telephone number,
Including area code, of agent of service)

As soon as practicable after this Registration Statement becomes effective.

(Approximate date of commencement of proposed sale to the public)

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company:

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Small reporting company | ☐ |
| (Do not check if a smaller reporting company) | | Emerging growth company | ☒ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided to Section 7(a)(2)(B) of the Securities Act. ☐

**CALCULATION OF REGISTRATION FEE**

| Title of each class of securities to be Registered | Amount to be registered | Proposed maximum offering price per unit(1) (2) | Proposed maximum aggregate offering price(1) (2) | Amount of registration fee |
|---|---|---|---|---|
| Common Stock $0.0001 par value(3) | 2,902,811 | $ 0.55 | $ 1,596,546 | $ 198.77 |
| Warrants to Purchase Common Stock, par value $0.0001 at $1.00 per share(4) | 3,000,000 | $ 1.00 | $ 3,000,000 | $ 373.50 |
| Total Registration of all underlying common shares | 5,902,811 | $ 0.78 | $ 4,596,546 | $ 572.27 |

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended, the shares being registered hereunder include such indeterminate number of shares of Common Stock, as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.

(2) The proposed maximum offering price per share and the proposed maximum aggregate offering price have been estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rules 457(c) under the Securities Act of 1933.

(3) The proposed maximum offering price per share of the common stock registered is derived from the highest sale price of the stock. The Company converted debt owed to MCIG at the rate of $0.55 per common share on November 1, 2017.

(4) The proposed maximum offering price per share of the common stock issuable under the warrants is calculated at the exercise price of $1.00 per share.

**NO SHARES OF REGISTRANT'S COMMON STOCK WILL BE ISSUED TO ANY HOLDER OF SHARES OF MCIG, IN ANY JURISDICTION IN WHICH SUCH ISSUANCE WOULD NOT COMPLY WITH THE LAWS OF THAT JURISDICTION.**

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

The information in this prospectus is not complete and may be changed. The recipients of shares of common stock in the spin-off may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.



PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION, DATED February 7, 2018

**OBITX, INC.**

**2,902,811 SHARES OF COMMON STOCK AND WARRANTS TO PURCHASE 3,000,000 SHARES OF COMMON STOCK**

**SUBJECT TO COMPLETION DATED FEBRUARY 7, 2018**

MCIG, Inc., a Nevada corporation ("MCIG"), is distributing to its shareholders 402,811 shares of Common Stock of OBITX, Inc. (the "Company" or "OBITX"), owned by MCIG, a shareholder of OBITX. The shareholders of MCIG will receive one (1) share of OBITX common stock for every one thousand (1,000) shares of MCIG common stock that they hold as of the record date. The record date shall be defined as the first business day following an effective statement from the SEC in regard to this Form S-1 filing.

This Prospectus is being furnished in connection with the planned spin-off of OBITX from MCIG and the issuance of OBITX common stock in the spin-off, which will issue shortly after the date of this Prospectus (referred to herein as the "spin-off date"). Following the registered spin-off, each of OBITX and MCIG will be independent, publicly-traded companies. Upon effectiveness of the Registration Statement, OBITX will be a company reporting to the SEC under the Securities Exchange Act of 1934.

MCIG is effecting the spin-off pursuant to the terms of the MCIG Board of Directors' resolution and related organic actions. MCIG currently owns all of the Registrant's issued and outstanding Series A Preferred stock (100,000 shares) and 510,000 common shares issued and outstanding, giving MCIG majority control of the Company. MCIG will be distributing 402,811 shares of OBITX common stock to MCIG shareholders on a one for one thousand pro rata basis with MCIG retaining all remaining shares of common stock.

In addition, the Company is registering 2,500,000 shares of the Company's common stock belonging to two shareholders and 3,000,000 warrants to purchase the Company's common stock at $1.00 per share to six management personnel and shareholders with greater than 10% ownership of the Company. (*See Selling Shareholders*)

**Reason for Furnishing this Prospectus**

We are furnishing this Prospectus to provide information to holders of MCIG who will be issued OBITX shares in the spin-off. The information contained in this Prospectus is believed by us to be accurate as of the date set forth on its cover. Changes may occur after that date, and neither OBITX nor MCIG are required to update the information except in the normal course of our public disclosure obligations and practices.

*No stockholder approval of the spin-off is required, and none is being sought. Neither MCIG nor OBITX are asking you for a proxy.*

MCIG is an "underwriter" within the meaning of the Securities Act of 1933 in connection with the distribution of OBITX common shares to its shareholders.

OBITX is an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012 (the "**JOBS Act**") and applicable Securities and Exchange Commission rules and are, therefore, currently eligible for reduced public company reporting requirements.

There is currently no public market for OBITX securities. Our common stock is not publicly traded. Company management anticipates that an application will be filed with FINRA for the public trading of our common stock on the OTC Bulletin Board or the OTC Markets within 90 days of the distribution, but there is no assurance that the OBITX common stock will be quoted on the OTC Bulletin Board, the OTC Markets, or any Exchange.

**IN REVIEWING THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DESCRIBED UNDER THE CAPTION "RISK FACTORS".**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION NOT CONTAINED IN THE PROSPECTUS IN CONNECTION WITH THIS OFFERING AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.**

**UNTIL JUNE 30, 2018 (90 DAYS AFTER THE DATE HEREOF), ANY BROKER-DEALER EFFECTING TRANSACTIONS IN THE SHARES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A CURRENT COPY OF THIS PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A COPY OF THIS PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO ANY UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.**

**The date of this prospectus is February 7, 2018.**



The following table of contents has been designed to help you find information contained in this prospectus. We encourage you to read the entire prospectus.

**TABLE OF CONTENTS**





Please read this prospectus carefully. It describes our business, financial condition, results of operations and prospects. We have prepared this prospectus so that prospective investors will have the information necessary to make an informed investment decision.

Prospective investors should rely only on the information contained in this prospectus or in any free writing prospectus that we may specifically authorize to be delivered or made available to such investors. We have not, and the placement agents have not, authorized anyone to provide such investors with any information other than that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to such investors. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give to such investors. This prospectus may only be used where it is legal to offer and sell shares of our common stock and warrants. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of units. Our business, financial condition, results of operations and prospects may have changed since that date. We are not, and the placement agents are not, making an offer of these securities in any jurisdiction where the offer is not permitted.

**For investors outside the United States: We have done nothing that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the units and the distribution of this prospectus outside the United States.**



## GLOSSARY OF DEFINED TERMS AND INDUSTRY DATA

In this prospectus, each of the following quoted terms has the meanings set forth after such term:

“Altcoins” — the alternative cryptocurrencies launched after the success of Bitcoin

“Blockchain” — a digital ledger in which transactions made in bitcoin or another cryptocurrency are recorded chronologically and publicly

“Blockchain Network” — The online, end-user-to-end-user network hosting the public transaction ledger, known as the Blockchain, and the source code comprising the basis for the math-based protocols and cryptographic security

“CEA” — Commodity Exchange Act of 1936, as amended

“CFTC” — The US Commodity Futures Trading Commission, an independent agency with the mandate to regulate commodity futures and option markets in the United States

“Code” — The US Internal Revenue Code of 1986, as amended

“Cryptocurrency” and “Virtual Currency” — used interchangeably in this Prospectus, a digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank

“Digital Asset” — Collectively, all digital assets based upon a computer-generated math-based and/or cryptographic protocol that may, among other things, be used to buy and sell goods or pay for services

“Distributed Shares” — the shares owned by MCIG that will be distributed to the MCIG shareholders of record on the Record Date

“Distribution Date” — that date in which the Company shares shall be distributed to the MCIG shareholders, expected to be within 30 days of the effectiveness of this registration statement

“Exchange”— An electronic marketplace where exchange participants may trade, buy and sell cryptocurrencies based on bid-ask trading. The largest Exchanges are online and typically trade on a 24-hour basis, publishing transaction price and volume data

“Exchange Act” — The Securities Exchange Act of 1934, as amended

“Exchange Market” — The global exchange markets for the trading of cryptocurrencies, which consists of transactions on electronic Exchanges

“FDIC” — The Federal Deposit Insurance Corporation

“Fiat Currency” — Currency that a government has declared to be legal tender, but is not backed by a physical commodity. The value of fiat money is derived from the relationship between supply and demand rather than the value of the material that the money is made of

“FinCEN” — The Financial Crimes Enforcement Network, a bureau of the US Department of the Treasury

“FINRA” — The Financial Industry Regulatory Authority, Inc., which is the primary regulator in the United States for broker-dealers

“IRS” — The US Internal Revenue Service, a bureau of the US Department of the Treasury

“Record Date” — the first business calendar day following the effective registration date by the SEC

“Resale Shares” — the warrants and common stock identified in this registration statement

“SEC” — The US Securities and Exchange Commission

“Securities Act” — The Securities Act of 1933, as amended

“SIPC” — The Securities Investor Protection Corporation

“Tokens” — a fungible and tradeable representation of a particular asset or utility that usually resides on top of another blockchain



**Industry Data**

This prospectus also includes estimates of market size and industry data that we obtained from industry publications and surveys and internal company sources. The industry publications and surveys used by management to determine market size and industry data contained in this prospectus have been obtained from sources believed to be reliable.



**QUESTIONS AND ANSWERS ABOUT THE SPIN-OFF**

*The following questions and answers briefly address some commonly asked questions about the Spin-Off. They may not include all the information that is important to you. We encourage you to read carefully this entire Prospectus and the other documents to which we have referred you. We have included references in certain parts of this section to direct you to a more detailed discussion of each topic presented in this section.*

Q: ***What is the Spin-Off?***

A: The Spin-Off is the method by which we will separate from MCIG. In the Spin-Off, MCIG will distribute to holders of its common stock 402,811 outstanding shares of our Common Stock. Following the Spin-Off, we will be an independent publicly-traded company, and MCIG will retain 100,000 shares of Series A Preferred Stock and 107,189 common shares ownership interest in us.

Q: ***Will the number of MCIG shares of common stock I own change as a result of the Spin-Off?***

A: No, the number of shares of MCIG common stock you own will not change as a result of the Spin-Off.

Q: ***What are the reasons for the Spin-Off?***

A: The MCIG board of directors considered the following potential benefits in deciding to pursue the Spin-Off:

- The opportunities and challenges we expect to arise in the immediate future of the MCIG business differ markedly from those of our business. For MCIG, the obtaining licenses to facilitate the growth manufacturing, extraction, cultivation, and development of Hemp, Hemp based products, cannabis, cannabis based products will require a fully engaged board of directors and management team that has a different skill set and experience than those required to execute our goals and strategic initiatives. We believe the Spin-Off will enhance the ability of MCIG and the Company to focus on their respective strategies.

- Our near-term goals for our business include the expansion of our Digital Assets and further expansion into the cryptocurrency markets. Achieving these goals will likely require acquisitions or mergers funded, in part, with capital raises and strategic alliances with other companies. Our business will be separate and distinct from MCIG's business and, accordingly, we believe that pursuing such growth opportunities will be greatly facilitated with a capital structure that is tailored for the Company's needs, separate from those of MCIG.

- The Spin-Off will establish the Company as an independent publicly traded corporation, which we believe will meaningfully enhance its industry market perception, thereby providing greater growth opportunities for us than our consolidated operation as a division of MCIG.

Q: ***What will I receive in the Spin-Off?***

A: As a holder of MCIG common stock, you will receive a dividend of one (1) share of our Common Stock for every thousand (1,000) shares of MCIG common stock you hold on the Record Date (as defined below). The distribution agent will distribute only whole shares of our Common Stock in the Spin-Off. Your proportionate interest in MCIG will not change as a result of the Spin-Off.

Q: ***What is being distributed to holders of MCIG common stock in the Spin-Off?***

A. MCIG will distribute approximately 402,811 shares of our Common Stock in the Spin-Off, based on the approximately shares of MCIG's common stock outstanding as of the effective date of this registration. The actual number of shares of our Common Stock that MCIG will distribute will depend on the number of shares of MCIG common stock outstanding on the Record Date. The shares of our Common Stock that MCIG distributes will constitute 402,811l of the issued and outstanding shares of our Common Stock immediately prior to the Spin-Off. For more information on the shares being distributed in the Spin-Off, see "Description of Our Capital Stock—Common Stock."

Q: ***What is the record date for the Distribution?***

A: MCIG will designate the close of business as of the effective date of this registration statement as the "Record Date", as the record ownership date for the Distribution.

Q: ***When will the Distribution to holders of MCIG common stock occur?***



A: The Distribution will be effective as of close of business on the effective date of this registration statement, which we refer to as the

"Distribution Date." On or shortly after the Distribution Date, the whole shares of our Common Stock will be credited in book-entry accounts for stockholders entitled to receive those shares in the Distribution.

Q: ***What do I have to do to participate in the Distribution?***

A: You are not required to take any action, but we urge you to read this Prospectus carefully. Holders of MCIG common stock on the Record Date will not need to pay any cash or deliver any other consideration, including any shares of MCIG common stock, in order to receive shares of our Common Stock in the Distribution. No stockholder approval of the Distribution is required. We are not asking you for a vote, and we request that you do not send us a proxy card.

Q: ***How will MCIG distribute shares of our Common Stock?***

A: Registered stockholders: If you are a registered stockholder (meaning you own your shares of MCIG common stock directly through MCIG's transfer agent, Colonial Stock Transfer Company, Inc.), our distribution agent will credit the whole shares of our Common Stock you receive in the Distribution to a new book-entry account with our transfer agent on or shortly after the Distribution Date. Our distribution agent will mail you a book-entry account statement that reflects the number of whole shares of our Common Stock you own. You will be able to access information regarding your book-entry account holding our Common Stock at Computershare.

"Street name" or beneficial stockholders: If you own your shares of MCIG common stock beneficially through a bank, broker or other nominee, your bank, broker or other nominee will credit your account with the whole shares of our Common Stock you receive in the Distribution on or shortly after the Distribution Date. Please contact your bank, broker or other nominee for further information about your account.

We will not issue any physical stock certificates to any stockholders, even if requested. See "The Spin-Off—When and How You Will Receive Company Common Stock" for a more detailed explanation.

Q: ***How will fractional shares be treated in the Distribution?***

A : The distribution agent will not distribute any fractional shares of our Common Stock in connection with the Spin-Off. When calculating the shares to distribute, all fractional shares will be deleted from the shareholders total issuance, creating a "round down" effect.

Q: ***What are the U.S. federal income tax consequences to me of the Distribution?***

A : We have not requested and do not intend to request a ruling from the Internal Revenue Service or an opinion of tax counsel that the distribution will qualify as a tax free spin-off under United States tax laws. Under the U.S. Tax Code, MCIG would need to control at least 80% of our outstanding capital stock to qualify the distribution of our shares by MCIG as a tax free spin-off. MCIG does not meet this requirement and consequently, we do not believe that the distribution by MCIG of our stock to its shareholders will qualify for tax free spin-off status.

Q: ***Does the Company intend to pay cash dividends?***

A: Following the Spin-Off, we do not anticipate paying any dividends on our Common Stock in the foreseeable future. See "Dividend Policy" for more information.

Q: ***Will the Spin-Off affect the trading price of my MCIG common stock?***

A: We expect the trading price of shares of MCIG common stock immediately following the Spin-Off to be lower than immediately prior to the Spin-Off because the trading price will no longer reflect the value of OBITX, Inc., and our subsidiaries. Furthermore, until the market has fully analyzed the value of MCIG without the Company and our subsidiaries, the trading price of shares of MCIG common stock may fluctuate. We cannot assure you that, following the Spin-Off, the combined trading prices of the MCIG common stock and the Common Stock will equal or exceed what the trading price of MCIG common stock would have been in the absence of the Spin-Off. It is possible that after the Spin-Off, the combined equity value of MCIG and the Company will be less than MCIG's equity value before the Spin-Off.

Q: ***Do I have appraisal rights in connection with the Spin-Off?***

A: No. Holders of MCIG common stock are not entitled to appraisal rights in connection with the Spin-Off.

Q: ***Who is the transfer agent and registrar for the Common Stock?***



A: Colonial Stock Transfer Company, Inc., is the transfer agent and registrar for the Common Stock.

Q: ***Are there risks associated with owning shares of the Common Stock?***

A: Yes. Our business faces both general and specific risks and uncertainties. Our business also faces risks relating to the Spin-Off. Following the Spin-Off, we will also face risks associated with being an independent publicly-traded company. Accordingly, you should read carefully the information set forth in the section titled "Risk Factors" in this Prospectus.

Q: ***Are there any conditions to completing the Spin-Off?***

A: Yes. The Spin-Off is conditional upon a number of matters, including the authorization and approval of the board of directors of MCIG and the declaration of effectiveness of our Registration Statement on Form S-1, of which this Prospectus is a part, by the Securities and Exchange Commission. See "Summary of the Spin-Off— Conditions to the Spin-Off" for a more detailed explanation of the conditions to completing the Spin-Off.

Q: ***Could there be any other classes of capital stock of the Company outstanding after the Spin-Off?***

A: Yes. There are currently 100,000 shares of Series A Preferred Stock of the Company issued to MCIG.

Q: ***Where can I get more information?***

A: Before the Spin-Off, if you have any questions relating to the Spin-Off, you should contact:

Investor Relations
MCIG, Inc.
4720 Salisbury Road
Jacksonville, Florida 32256

After the Spin-Off, if you have any questions relating to the Company, you should contact:

Investor Relations
OBITX, Inc.
4720 Salisbury Road
Jacksonville, Florida 32256

## PROSPECTUS SUMMARY

*This summary highlights certain information contained in greater detail elsewhere in this prospectus and does not contain all of the information that prospective investors should consider in making their investment decisions. Before investing in our securities, prospective investors should carefully read this entire prospectus, including our financial statements and related notes, and the risks of investing in our securities discussed under "Risk Factors." Some of the statements contained in this prospectus, including statements under this summary and under the heading "Risk Factors," are forwardlooking statements and may involve a number of risks and uncertainties. We note that our actual results and future events may differ significantly based upon a number of factors. Please see "Cautionary Statement Regarding ForwardLooking Statements." Prospective investors should not put undue reliance on the forwardlooking statements in this document, which speak only as of the date on the cover of this prospectus.*

*You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with information different from the information that is contained in this prospectus. You should not rely on any information or representations not contained in this prospectus, if given or made, as having been authorized by us. This prospectus does not constitute an offer or solicitation in any jurisdiction in which the offer or solicitation would be unlawful. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock.*

*Except as otherwise indicated, market data and industry statistics used throughout this prospectus are based on independent industry publications and other publicly available information*.

*Unless otherwise indicated, references to "we," "our," "us," the "Company," or "OBITX" refer to OBITX, Inc., a Nevada corporation.*

**The Company**

We were incorporated in the State of Delaware on April 3, 2017, originally under the name GigeTech, Inc. On October 31, 2017, the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIG. The Company is headquartered in Jacksonville, Florida.

The Company's Primary Standard Industrial Classification Code (referred to as "SIC Codes") is 7379, Computer Related Services, not elsewhere classified. The Company's primary NAICS CODE is 519130, Internet publishing and broadcasting and web search portals. We publish and generate textual, audio, and/or video content on the Internet, and operate websites that use a search engine to generate and maintain extensive databases of internet addresses and content.

OBITX was originally formed as a wholly-owned subsidiary of MCIG. On November 1, 2017, the company began the process of separating its operations from MCIG through a restructuring. The Company issued 2,500,000 to two investors (one being the CEO of MCIG) 3,000,000 in warrants to key management personnel and investors and issued 960,000 shares to current and former management personnel. In addition, we entered into a Stock Purchase Agreement with MCIG, whereby MCIG was issued 500,000 shares of common stock and 100,000 shares of Series A Preferred stock in exchange for forgiveness of $3,043,275 in funds owed by the Company to MCIG. On January 1, 2018 the Company issued an additional 1,500,000 to the CEO of MCIG in exchange for an additional investment of $150,000. As a result of these transactions, the Company has issued 5,460,000 common shares of stock, 100,000 Series A Preferred share of stock and warrants for the purchase of 3,000,000 shares of common stock at the exercise price of $1.00 per share. The Series A Preferred Stock converts to common shares where one (1) share of Series A Preferred Stock converts into fifty (50) shares of common stock. The Series A Preferred Stock votes in conjunction with the common stock. Each share of Series A Preferred Stock votes as 100 common shares. As of February 7, 2018, MCIG had 52.9% voting control of the Company.

As of October 31, 2017, the Company's total assets are $4,295,782. These assets are comprised primarily of $1,250,000 in Accounts Receivable and $3,043,285 in software. Since inception through October 31, 2017, the company has utilized $239,411 in cash in support of its operating activity, averaging $34,202 per month. Based on our current monthly cash burn, we anticipate that our present capital will sustain us until December 31, 2018, before additional capital will be required. We were incorporated on April 3, 2017, and we started selling our services and products in September 2017 and have generated nominal revenues. Our net income for the quarter ended October 31, 2017, is $968,611. Our independent registered public accounting firm issued its report connection with the audit of our financial statements for the three months ended and the period ended October 31, 2017, which included an explanatory paragraph in Note 3 describing the existence of conditions that raise substantial doubt about our ability to continue as a going concern. Thus far, OBITX management has relied on MCIG for capital loans and equity investments for the purpose of maintaining ongoing operations. Without continued loans from our largest shareholder, MCIG, we will not have the necessary capital required to execute our business plan and grow our business. Management has estimated that the costs associated with implementation of its business plan over the next twelve months include, but are not limited to, payroll, consulting, marketing and general administration of $420,000 (which expenses will be satisfied by means other than available cash expenditure, such as, but not limited to, equity or profit sharing arrangements) and sales.



Management estimates that funding of $420,000 will be needed to implement the business plan, should revenues not be generated. In the event funding

is not realized, the business plan may need to be reduced or curtailed. There are no written agreements which obligate our largest shareholder, MCIG to continue funding us nor do we have any agreements with prospective investors. If we are unable to develop sufficient revenues to sustain our operations or receive funding, we may need to curtail or abandon our operations.

**Our Plan**

OBITX is engaged in the business of marketing and advertising through its proprietary software. We believe that our products will provide our consumers in the tech, internet, blockchain, and cannabis markets with an advertising and marketing approach uniquely designed for them. We provide consulting services in various approaches to marketing and advertising for each customer with an execution plan for the promotion and growth of their business.

We compete in a highly competitive market that includes other marketing companies, as well as traditional internet promotion companies. In this highly fragmented market, we have focused on building brand awareness early through viral adoption and word of mouth. In the future, we expect to employ additional marketing strategies.

Viral Marketing is a technique that uses pre-existing social networking services and other technologies to try to produce increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes.

Thus far, we have been successful in driving traffic to our websites and building a client base by utilizing viral marketing strategies. Specifically, we have built a presence on leading social-media sites such as Facebook and Twitter. Through these sites, we post information about our services and make daily attempts to engage our target audience. This process is designed to drive traffic to our websites and eventually leads to sales. The viral marketing strategy is cost-effective, and we do not anticipate any significant costs arising from this strategy.

We currently operate the following websites, which are not incorporated as part of this registration statement:

- www.ObitX.xom
- www.ehesive.com
- www.latestPR.com
- www.Marketaro.com

**Corporate Information**

Our principal executive office is located at 4720 Salisbury Road, Jacksonville, Florida 32256 and our telephone number is (904) 748-9750. Our fiscal year end is January 31 of each calendar year.

**Implications of Being an Emerging Growth Company**

We currently qualify as an "emerging growth company" as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we expect that we will take advantage of the reduced reporting requirements that are otherwise applicable to public companies. These reduced reporting requirements include:

- not being required to comply with the auditor attestation requirements of Section 404(b) of the SarbanesOxley Act of 2002, as amended (the "**SarbanesOxley Act**");
- reduced disclosure obligations regarding executive compensation in this prospectus and in our future periodic reports, proxy statements and registration statements; and
- not being required to hold a non-binding advisory vote on executive compensation or to seek stockholder approval of any golden parachute payments not previously approved.

We may continue to take advantage of these reduced reporting obligations until March 13, 2022. However, if certain events occur prior to such date, including if we become a "large accelerated filer," our annual gross revenue exceeds $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three year period, we would cease to be an emerging growth company.

We have elected to take advantage of certain of the reduced disclosure obligations regarding executive compensation and other matters in this prospectus and other filings we make with the SEC. As a result, the information that we provide to our stockholders is different than the information



you might receive from other public fully reporting companies in which you hold equity interests.

The JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. We have elected to avail ourselves of this exemption and, therefore, we are not subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

**The Offering**

| | |
|---|---|
| Securities Being Distributed as part of Spin-Off: | Up to 402,811 shares of common stock, par value $0.0001 per share. |
| Resale Shares: | 5,500,000 shares of Common Stock (the "Resale Shares" consisting of i) 3,000,000 shares of common stock issuable upon exercise of outstanding Common Stock Warrants exercisable at $1.00 per share. The warrants were issued to current and former management members; and ii) 2,500,000 shares of common stock under two separate private investment that closed on November 1, 2017. |
| Spin Off Date | The spin-off date is expected to occur on or about the date of the effectiveness of this registration statement. Holders of record of mCig, Inc. on the record date to be selected will become entitled to receive the Company common shares as outlined above. In addition, their rights as holders of common shares of mCig will continue. |

| | |
|---|---|
| Spin Off Ratio | Pursuant to the mCig, Inc. common stock spin-off and associated distributions outlined above, there will be a dividend to mCig shareholders of OBITX capital stock based on 1 for 100 basis of the MCIG shares of the outstanding common shares in OBITX. At the time of filing there were 402,810,809 MCIG common stock shares which would lead to the distribution of 402,811 Company shares owned by MCIG to its shareholders. |
| Securities Issued and Outstanding: | There are 5,460,000 shares of common stock issued and outstanding as of the date of this prospectus. The number of outstanding shares after the offering, assuming the 3,000,000 Resale Shares issuable upon the exercise of outstanding warrants are exercised for cash, will be 8,460,000. |
| Registration Costs | We estimate our total offering registration costs to be approximately $572.27. |
| Risk Factors | See “Risk Factors” and the other information in this prospectus for a discussion of the factors you should consider before deciding to invest in shares of our common stock. |



## SUMMARY FINANCIAL INFORMATION

The following table presents a summary of certain of our historical financial information. Historical results are not necessarily indicative of future results and you should read the following summary financial data in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our financial statements and related notes included on pages F1 through F14 of this prospectus. The summary financial data for the three months and period from inception ended October 31, 2017 was derived from our audited financial statements included on pages F1 through F14 of this prospectus. The summary financial data in this section is not intended to replace the financial statements and is qualified in its entirety by the financial statements and related notes included elsewhere in this prospectus.

***OBITX, Inc.***

***Balance Sheets***

**ASSETS**

| | As of October 31, 2017 |
|---|---|
| Current Assets | |
| Cash and cash equivalents | $ 2,497 |
| Accounts Receivable | 1,250,000 |
| Total current assets | 1,252,497 |
| Property, plant and equipment, net | 3,043,285 |
| Total assets | $ 4,295,782 |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | |
|---|---|
| Noncurrent liabilities | |
| Due to related party | 3,463,736 |
| Total noncurrent liabilities | 3,463,736 |
| Total liabilities | 3,463,736 |
| Stockholders' equity | |
| Common stock, $0.0001 par value, voting; 10,000 shares authorized; 10,000 shares issued, and outstanding, as of October 31, 2017. | 1 |
| Accumulated earnings | 832,045 |
| Total stockholders' equity | 832,046 |
| Total liabilities and stockholders' equity | $ 4,295,782 |

See accompanying notes to audited financial statements.



***OBITX, Inc.***

***Statements of Operations***

| | For the three months ended October 31, 2017 | For the period ended October 31, 2017 |
|---|---|---|
| Sales | $ 1,266,150 | $ 1,266,150 |
| Total Cost of Sales | 220,558 | 246,474 |
| Gross Profit | 1,045,592 | 1,019,676 |
| Selling, general, and administrative | 10,176 | 20,373 |
| Payroll | 3,825 | 41,298 |
| Consulting | 21,000 | 42,000 |

| | | |
|---|---|---|
| Amortization and Depreciation | 41,980 | 83,960 |
| Total Operating Expenses | 76,981 | 187,631 |
| Net Income(Loss) from operations | 968,611 | 832,045 |
| Other (Expense) | - | - |
| Net Income (Loss) | $ 968,611 | $ 832,045 |
| Basic and Diluted (Loss) Per Share: | | |
| Income(Loss) per share from Continuing Operations | $ 96.86 | $ 83.20 |
| Income(Loss) Per Share | $ 96.86 | $ 83.20 |
| Weighted Average Shares Outstanding - Basic and Diluted | 10,000 | 10,000 |

See accompanying notes to audited financial statements.



## RISK FACTORS

An investment in the Shares involves a high degree of risk. We have listed below (not necessarily in order of importance or probability of occurrence) the most significant risk factors applicable to us, but they do not constitute all of the risks that may be applicable to us. New risks may emerge from time to time, and it is not possible for us to predict all potential risks or to assess the likely impact of all risks. Investors should carefully consider the risks described below and all of the information contained in this prospectus before deciding whether to purchase our securities. Our business, financial condition or results of operations could be materially adversely affected by these risks. Some of these factors have affected our financial condition and operating results in the past or are currently affecting our company. This prospectus also contains forward-looking statements that involve risks and uncertainties. For more information about forward-looking statements, please see the section of this prospectus titled "*Cautionary Statement Regarding Forward Looking Statements*."

### RISKS FACTORS RELATED TO OUR BUSINESS AND INDUSTRY

***If we are not able to maintain and enhance our brands, or if events occur that damage our reputation and brands, our ability to expand our base of customers may be impaired, and our business and financial results may be harmed.***

We believe that our brands have significantly contributed to and will continue to contribute to the success of our business. We also believe that maintaining and enhancing our brands is critical to expanding our customer base. Many of our customers are referred by existing customers. Maintaining and enhancing our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy, and innovative products and services, which we may not do successfully. We may introduce new products or terms of service or policies that customers do not like, which may negatively affect our brands. We will also continue to experience media, legislative, or regulatory scrutiny of our decisions regarding cryptocurrencies, user privacy, and other issues, which may adversely affect our reputation and brands. We also may fail to provide adequate customer service, which could erode confidence in our brands. Our brands may also be negatively affected by the actions of customers that are deemed to be hostile or inappropriate to other customers, by the actions of customers acting under false or inauthentic identities, by the use of our products or services to disseminate information that is deemed to be misleading (or intended to manipulate opinions), by perceived or actual efforts by governments to obtain access to user information for security-related and law enforcement purposes, or by the use of our products or services for illicit, objectionable, or illegal ends. Maintaining and enhancing our brands may require us to make substantial investments and these investments may not be successful. If we fail to successfully promote and maintain our brands or if we incur excessive expenses in this effort, our business and financial results may be adversely affected.

***We make product, service, and investment decisions that may not prioritize short-term financial results.***

We frequently make product, service and investment decisions that may not prioritize short-term financial results if we believe that the decisions are consistent with our mission and improve our financial performance over the long term. We may introduce changes to existing products, or introduce new stand-alone products, that direct our customers away from our current products. We are also investing in new products and services, and we may not successfully monetize such experiences. We also may take steps that result in limiting distribution of products and services in the short term in order to attempt to ensure the availability of our products and services to users over the long term. These decisions may not produce the long-term benefits that we expect, in which case our customer growth and our business results of operations could be harmed.

***Our new services and changes to existing services could fail to attract or retain users or generate revenue and profits.***

Our ability to retain, increase, and engage our customer base and to increase our revenue depends heavily on our ability to continue to evolve our existing services and to create successful new services, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing products or acquire or introduce new and unproven products, including using technologies with which we have little or no prior development or operating experience. If new or enhanced products fail to engage our customers, or if we are unsuccessful in our monetization efforts, we may fail to attract or retain customers or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be adversely affected.

***We face intense competition and our failure to compete effectively could have a material adverse effect on our business, results of operations and financial condition.***

There can be no assurance that we will be able to compete successfully against any of our competitors, some of whom have far greater resources, capital, experience, market penetration, sales and distribution channels than us. If our major competitors were, for example, to significantly increase the level of price discounts offered to consumers, we could respond by offering price discounts, which could have a materially adverse effect on our business, results of operations and financial condition.



In social media, we compete with companies that sell advertising, as well as with companies that provide social and communication products and

services that are designed to engage users and capture time spent on mobile devices and online. We face significant competition in every aspect of our business, including from companies that facilitate communication and the sharing of content and information, companies that enable marketers to display advertising, and companies that provide development platforms for applications developers. We compete with companies that offer services across broad platforms that replicate capabilities we provide. We also compete with companies that develop applications, particularly mobile applications, that provide social or other communications functionality, such as messaging, photo and video-sharing, and micro-blogging, as well as companies that provide regional social networks that have strong positions in particular countries. In addition, we face competition from traditional, online, and mobile businesses that provide media for marketers to reach their audiences and/or develop tools and systems for managing and optimizing advertising campaigns.

Some of our current and potential competitors may have significantly greater resources or better competitive positions in certain service segments, geographic regions or user demographics than we do. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some of our users are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some of our users have reduced their use of and engagement with our service in favor of these other products and services.

***In the event that our users increasingly engage with other products and services, we may not experience the anticipated growth, or see a decline, in use and engagement in key user demographics or more broadly, in which case our business would likely be harmed.***

Our competitors may develop products, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance, and reliability of our services compared to our competitors' services;
- the size and composition of our user base;
- the engagement of our users with our services and competing services;
- the timing and market acceptance of services, including developments and enhancements to our or our competitors' services;
- our ability to distribute our services to new and existing users;
- our ability to monetize our services;
- the frequency, size, format, quality, and relative prominence of the ads displayed by us or our competitors;
- customer service and support efforts;
- marketing and selling efforts, including our ability to measure the effectiveness of our ads and to provide marketers with a compelling return on their investments;
- our ability to establish and maintain developer's' interest in building mobile and web applications that integrate with Facebook and our other services;
- our ability to establish and maintain publisher interest in integrating their content with Facebook and our other services;
- changes mandated by legislation, regulatory authorities, or litigation, including settlements and consent decrees, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within our industry, which may result in more formidable competitors;
- our ability to attract, retain, and motivate talented employees, particularly software engineers, designers, and service managers;
- our ability to cost-effectively manage and grow our operations; and
- our reputation and brand strength relative to those of our competitors.

If we are not able to compete effectively, our user base and level of user engagement may decrease, we may become less attractive to developers and marketers, and our revenue and results of operations may be materially and adversely affected.

***We expect that new products and/or brands we develop will expose us to risks that may be difficult to identify until such products and/or brands are commercially available.***

We are currently developing, and in the future, will continue to develop, new products and brands, the risks of which will be difficult to ascertain until these products and/or brands are commercially available. For example, we are developing new formulations, packaging and distribution channels. Any negative events or results that may arise as we develop new products or brands may adversely affect our business, financial condition and results of operations.

***Internet security poses a risk to our products and services.***

We manage our websites and E-commerce platform internally and as a result, any compromise of our security or misappropriation of proprietary information could have a material adverse effect on our business, financial condition and results of operations. We rely



on encryption and authentication technology licensed from third parties to provide the security and authentication necessary to effect secure Internet

transmission of confidential information, such as credit and other proprietary information.

***Internet security poses a risk on business operations and management budgets.***

Advances in computer capabilities, new discoveries in the field of cryptography or other events or developments may result in a compromise or breach of the technology used by us to protect client transaction data. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause material interruptions in our operations. We may be required to expend significant capital and other resources to protect against security breaches or to minimize problems caused by security breaches. To the extent that our activities or the activities of others involve the storage and transmission of proprietary information, security breaches could damage our reputation and expose us to a risk of loss and/or litigation. Our security measures may not prevent security breaches. Our failure to prevent these security breaches may result in consumer distrust and may adversely affect our business, results of operations and financial condition.

***Currently, we are lacking diversification of revenues.***

Our business will depend upon entering into agreements with customers to use our advertising platform, services and software solutions, as well as, our consulting services.

User fees from our customers from the use of these services will provide all or substantially all of our revenues. We can give no assurance that our current and potential customers, including data service providers that provide broadband service to end users, government agencies or entities with private data networks, will license or will agree to pay the license fees we will request. The failure to enter into those agreements or realize the anticipated benefits from these agreements on a timely basis, or at all, or to renew any agreements upon expiration or termination would have a material adverse effect on our financial condition and results of operations.

***We will need significant additional financing to commercialize our products and services, and we may not be able to obtain such financing on acceptable terms or at all.***

To date, we have relied primarily on private placements of our common stock and warrants to purchase common stock to fund our operations. We will require additional financing in the near and long-term to fully execute our business plan. Even if we raise the maximum amount of financing contemplated by this offering, we anticipate that we will need additional financing to complete tests of our systems, as well as to cover our operational costs while we obtain all relevant certifications, negotiate relevant agreements and otherwise fully develop and commercialize them.

In addition, we are currently exploring various options with respect to developing and implementing services in cryptocurrencies, and may actively consider from time to time other significant technological, strategic and operational initiatives. In order to execute on any of these initiatives, we may require additional financing. Our success will depend on our ability to raise such additional financing on reasonable terms and on a timely basis.

The market conditions and the macroeconomic conditions that affect the markets in which we operate could have a material adverse effect on our ability to secure financing on acceptable terms, if at all. We may be unable to secure additional financing on favorable terms, or at all, or our operating cash flow may be insufficient to satisfy our financial obligations. The terms of additional financing may limit our financial and operating flexibility. Our ability to satisfy our financial obligations will depend upon our future operating performance, the availability of credit generally, economic conditions and financial, business and other factors, many of which are beyond our control. Furthermore, if financing is not available when needed, or is not available on acceptable terms, we may be unable to take advantage of business opportunities or respond to regulatory pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

We have from time to time evaluated, and we continue to evaluate our potential capital needs. We may utilize one or more types of capital raising in order to fund any initiative in this regard, including the issuance of new equity securities and new debt securities, including debt securities convertible into shares of our common stock. If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into shares of our common stock, our existing stockholders could suffer significant dilution in their percentage ownership of our company. In addition, any new securities we issue could have rights, preferences, and privileges senior to those of holders of our common stock, and we may grant holders of such securities rights with respect to the governance and operations of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

***Assertions by third parties of infringement, misappropriation or other violations by us of their intellectual property rights could result in significant costs and substantially harm our business and operating results.***



In recent years, there has been significant litigation involving intellectual property rights in many technology-based industries. We may face from time

to time in the future allegations that we or a supplier or customer have violated the rights of third parties, including patent, trademark and other intellectual property rights.

If, with respect to any claim against us for violation of third party intellectual property rights, we are unable to prevail in the litigation or retain or obtain sufficient rights or develop non-infringing intellectual property or otherwise alter our business practices on a timely or cost efficient basis, our business and competitive position could be materially adversely affected. Many companies may be devoting significant resources to obtaining patents that could potentially cover aspects of our business. We have not exhaustively searched patents relevant to our technologies and business and, therefore, it is possible that we may unknowingly infringe the patents of others.

Any claims of infringement, misappropriation or related allegations, whether or not meritorious, would be time-consuming, divert technical and management personnel and be costly to resolve. We do not presently have funds to defend any such claims without materially impacting funds for the development of our products and services. As a result of any such dispute, we may have to develop noninfringing technology, pay damages, enter into royalty or licensing agreements, cease providing certain products or services, adjust our marketing activities or take other actions to resolve the claims. These actions, if required, may be costly or unavailable on terms acceptable to us. In addition, certain of our potential suppliers may not indemnify us for third party infringement or misappropriation claims arising from our use of supplier technology. As a result, we may be liable in the event of such claims. Any of these events could result in increases in operating expenses and result in a loss of business.

***We may not be able to protect our intellectual property rights.***

We regard our intellectual property as important to our success. We plan to rely on trademark, copyright and patent law, trade secret protection and confidentiality agreements with our employees, vendors, consultants, and others to protect our proprietary rights. We cannot assure you that the efforts we have taken to protect our proprietary rights will be sufficient or effective, that any pending or future patent and trademark applications will lead to issued patents and registered trademarks in all instances, that others will not develop or patent similar or superior technologies, products or services, or that our patents, trademarks, and other intellectual property will not be challenged, invalidated, misappropriated or infringed by others. Furthermore, the intellectual property laws and enforcement practices of other countries may not protect our products and intellectual property rights to the same extent as the laws of the United States. If we are unable to protect our intellectual property from unauthorized use, our ability to exploit our proprietary technology or our brand may be harmed and, as a result, our business and results of operations may suffer.

***Increased costs and other demands associated with our growth could impact our ability to achieve profitability over the long term and could strain our personnel, technology and infrastructure resources.***

We expect our costs to increase in future periods as we experience growth in our personnel and operations, which will place significant demands on our management, administrative, technological, operational and financial infrastructure. Our success will depend in part upon our ability to contain costs with respect to growth opportunities. To successfully manage our potential growth, we will need to continue to improve our operational, financial, technological and management controls and our reporting systems and procedures. In addition, as and when we grow, we will need to effectively integrate, develop and motivate new employees. Our failure to successfully manage our growth could adversely affect our business, financial condition and results of operations.

***The industry within which we compete is highly competitive, which may hinder our ability to generate revenue and may diminish our margins.***

The technology and media focused advertising industry within which we will compete is highly competitive. New developments in technology may negatively affect the development or licensing of proprietary software, or make our proprietary software uncompetitive or obsolete. Some of our competitors may be much larger companies with longer operating histories and substantially greater financial, technical, sales, marketing and other resources than we do, as well as greater name recognition. As a result, our competitors may be able to compete more aggressively and sustain that competition over a longer period of time than we could. Each of these competitors has the potential to capture market share in various markets, which could have a material adverse effect on our position in the industry and our financial results.

**RISK FACTORS RELATED TO OUR FINANCIAL STATEMENTS, MANAGEMENT, COMMON STOCK, AND THIS OFFERING**

***Our business has a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.***



Our lack of operating history makes it difficult to accurately evaluate our business and predict our future performance. Any assessments of our current

business and predictions that we or you make about our future success or viability may not be as accurate as they could be if we had an operating history. We have encountered and will continue to encounter risks and difficulties frequently experienced by emerging growth companies in rapidly changing industries, and the size and nature of our market opportunity may change as we scale our business and begin deployment of new projects. If we do not address any of the foregoing risks, our business could be harmed.

***Our independent registered public accounting firms, in their audit reports related to our financial statements for theperiod ended October 31, 2017, expressed doubt about our ability to continue as a going concern.***

Our independent registered public accounting firms have included an explanatory paragraph in the reports on our financial statements included in this prospectus expressing doubt as to our ability to continue as a going concern. The financial statements included in this prospectus have been prepared assuming that we will continue as a going concern. However, we cannot assure you that we will be able to do so. Our lack of any cash flow raise substantial doubt about our ability to continue as a going concern, and our financial statements do not include any adjustments that might result from the outcome of this uncertainty. If we are unable to achieve or sustain profitability or to secure additional financing on acceptable terms, our inability to continue as a going concern may result in our stockholders losing their entire investment. There is no guarantee that we will become profitable or secure additional financing on acceptable terms, or at all.

***Material weaknesses in our internal controls over financial reporting may limit our ability to prevent or detect financial misstatements or omissions. These material weaknesses could result in our financial statements not being in accordance with generally accepted accounting principles, and such failure could negatively affect the price of our stock.***

Our current management has limited experience managing and operating a public company, and we rely in many instances on the professional experience and advice of third parties. As a result, we have in the past experienced, and in future may continue to experience, material weaknesses and potential problems in implementing and maintaining adequate internal controls as required under Section 404 of the Sarbanes-Oxley Act. Such material weakness could also include a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. If we fail to achieve and maintain the adequacy of our internal controls, as such requirements are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock could drop significantly.

We are required to include in our quarterly and annual reports the conclusion of our principal executive and principal financial officers regarding the effectiveness of our disclosure controls and procedures as of the end of the period covered by the report. In addition, in connection with our annual report, we are required to provide management's assessment of the effectiveness of our internal controls over financial reporting as of the end of the fiscal year. Management has concluded that our internal control over financial reporting was not effective because of material weaknesses that included:

- lack of a functioning audit committee and lack of a majority of outside directors on the Company's board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures;
- inadequate segregation of duties consistent with control objectives;
- insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of U.S. GAAP and SEC disclosure requirements; and
- ineffective controls over period end financial disclosure and reporting processes.

We expect to incur additional expenses and diversion of management's time as a result of performing the system and process evaluation, testing and remediation required in order to comply with the management certification.

***Currently we have agreements with our key personnel that allow for a 30-day termination notice by either party. The loss of one or more of our key personnel could harm our business.***

We depend on the continued service and performance of our key personnel, including Alex Mardikian, our Chief Executive Officer and Brandy Craig, our Chief Financial Officer. Some of these individuals have acquired specialized knowledge and skills with respect to our operations. As a result, if any of these individuals were to stop providing services to us, we could face substantial difficulty in hiring qualified successors and could experience a loss of productivity while any such successor obtains the necessary training and expertise. We do not maintain key man insurance on any of our officers or key employees. In addition, much of our key technology and systems are custom-made by our personnel. The loss of key personnel, including key members of our management team, as well as certain of our key technical personnel, could disrupt our operations and have an adverse effect on our ability to grow our business. We intend to enter into long term contracts with our key personnel but there is no guarantee we will be successful.



***We may fail to recruit, train and retain the highly skilled employees that are necessary to execute our growth strategy.***

Competition for key technical personnel in highly technical industries such as ours is intense. We believe that our future success depends in large part on our ability to hire, train, retain and leverage the skills of qualified software engineers, programmers and other highly skilled personnel needed to maintain and grow our network and related technology and develop and successfully implement our products and technology. We may not be as successful as our competitors at recruiting, training, retaining and utilizing this highly skilled personnel. In particular, we may have more difficulty attracting or retaining highly skilled personnel during periods of poor operating performance. Any failure to recruit, train and retain highly skilled employees could negatively impact our business and results of operations.

***The warrants are speculative in nature.***

The warrants to be issued to investors in this offering do not confer any rights of common stock ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to purchase shares of common stock at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the warrants may exercise their right to acquire shares of common stock at an exercise price of $1.00 per share, prior to five years from the date of issuance, after which date any unexercised warrants will expire and have no further value. There can be no assurance that the market price of our common stock will ever equal or exceed the exercise price of the warrants, and consequently, whether it will ever be profitable for holders of the warrants to exercise the warrants.

***There is no public market for our warrants, which could limit your ability to sell our warrants.***

There currently is no public market for our warrants, and we do not plan to have our warrants quoted or traded on any market.

***We will have broad discretion over the use of the net proceeds from this offering.***

There is no assurance we will receive any net proceeds from this offering. If we do, we will have broad discretion to use the net proceeds from the exercise of warrants in this offering, and investors in our units will be relying on the judgment of our board of directors and management regarding the application of these proceeds. We expect to use the net proceeds of this offering to continue development, testing, and commercialization of our product and services. Our inability to apply the net proceeds from this offering effectively could have an adverse effect on our financial condition or results of operations.

***Our articles of incorporation allow for our board to create new series of preferred stock without further approval by our stockholders, which could adversely affect the rights of the holders of our common stock.***

Our board of directors has the authority to fix and determine the relative rights and preferences of preferred stock. Our board of directors has the authority to issue up to 100,000,000 shares of our preferred stock without further stockholder approval. As a result, our board of directors could authorize the issuance of additional series of preferred stock that would grant to holders the preferred right to our assets upon liquidation, the right to receive dividend payments before dividends are distributed to the holders of common stock and the right to the redemption of the shares, together with a premium, prior to the redemption of our common stock. In addition, our board of directors could authorize the issuance of a series of preferred stock that has greater voting power than our common stock or that is convertible into our common stock, which could decrease the relative voting power of our common stock or result in dilution to our existing stockholders. Although we have no present intention to issue any additional shares of preferred stock or to create any additional series of preferred stock, we may issue such shares in the future.

***Future stock issuances could cause substantial dilution and a decline in our stock price.***

We expect to issue additional shares of common stock or other equity or debt securities convertible into shares of our common stock in connection with future financings and compensatory arrangements and may issue additional shares of common stock or other equity securities in connection with acquisitions, litigation settlements or otherwise. In addition, a certain number of shares of our common stock are reserved for issuance upon the exercise of stock options and other equity incentives. We may reserve additional shares of our common stock for issuance upon the exercise of stock options or other similar forms of equity incentives. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for our common stock. Any of these issuances could result in substantial dilution to our existing stockholders and could cause the trading price of our common stock to decline.

***Our significant stockholder could exert influence over our company, and if the ownership of our common stock continues to be concentrated, or becomes more concentrated in the future, it could prevent our other stockholders from influencing significant corporate decisions.***

MCIG currently owns 100% of the issued and outstanding Series A Preferred shares of the Company, as of the date of this prospectus. As a result, MCIG will be able to exercise influence over all matters requiring stockholder approval for the foreseeable future,



including approval of significant corporate transactions, which may reduce the market price of our common stock. As the Series A Preferred Stock

votes on a 100:1 basis of common stock, MCIG has 52.9% voting control of the Company.

***The interests of the dominant stockholders may conflict with the interests of our other stockholders.***

Our corporate governance guidelines address potential conflicts between a director's interests and our interests, and requires our employees and directors to avoid actions or relationships that might conflict or appear to conflict with their job responsibilities or our interests and to disclose their outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict to management or corporate counsel. These corporate governance guidelines and code of business ethics do not, by themselves, prohibit transactions with MCIG.

***We are an "emerging growth company," and any decision on our part to comply with certain reduced disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors. When we lose that status, there will be an increase in the costs and demands placed upon management.***

We are an "emerging growth company," as defined in the JOBS Act, and, for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote regarding executive compensation, and stockholder approval of any golden parachute payments not previously approved. In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards.

An emerging growth company can, therefore, delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may, therefore, not be comparable to those of companies that comply with such new or revised accounting standards. We could be an emerging growth company until our fiscal year ending on January 31, 2023, although, if the market value of our common stock that is held by non-affiliates exceeds $700 million prior to that or we issue more than $1 billion of non-convertible debt during a 3-year period, we would cease to be an "emerging growth company" earlier. We cannot predict if investors will determine that our common stock is less desirable if we choose to rely on these exemptions. If some investors determine that our common stock is less desirable as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock and our stock price may be more volatile.

When we lose emerging growth company status, we expect the costs and demands placed upon management to increase, as we would have to comply with additional disclosure and accounting requirements, particularly if our public float should exceed $75 Million, in which case we would also be ineligible to utilize certain scaled disclosure requirements available to smaller reporting companies.

***Certain provisions of Delaware law provide for indemnification of our officers and directors at our expense and limit their liability, which may result in a major cost to us and damage the interests of our stockholders, because our resources may be expended for the benefit of our officers and/or directors.***

Applicable Delaware law provides for the indemnification of our directors, officers, employees, and agents, under certain circumstances, for attorney's fees and other expenses incurred by them in any litigation to which they become a party resulting from their association with us or activities on our behalf. We are also obligated to pay the expenses of such litigation for any of our directors, officers, employees, or agents, upon such person's promise to repay us, if it is ultimately determined that any such person shall not have been entitled to indemnification. These indemnity obligations are set forth more fully in indemnification agreements that we have entered into with our officers and directors. This indemnification policy could result in substantial expenditures by us, which we would be unable to recover.

We have been advised that, in the opinion of the SEC, indemnification for liabilities arising under the federal securities laws is against public policy as expressed in the Securities Act and, therefore, unenforceable. In the event that a claim for indemnification against these types of liabilities, other than the payment by us of expenses incurred or paid by a director, officer or controlling person in the successful defense of any action, lawsuit or proceeding, is asserted by a director, officer or controlling person in connection with our securities being registered, we will (unless in the opinion of our counsel, the matter has been settled by controlling precedent) submit to a court of appropriate jurisdiction, the issue of whether such indemnification by us is against public policy as expressed in the Securities Act, and we will be governed by the final adjudication of such issue. The legal process relating to this matter, if it were to occur, probably will be very costly and may result in us receiving negative publicity, either of which factors would probably materially reduce the market and price for our common stock.

***The market for our common stock may be subject to the penny stock restrictions, which may result in lack of liquidity and make trading difficult or impossible.***



SEC Rule 15g9 establishes the definition of a "penny stock," for purposes relevant to us, as an equity security that has a market price of less than $5.00

per share or with an exercise price of less than $5.00 per share, subject to a limited number of exceptions. Our common stock is currently subject to the penny stock rules, and it is probable that our common stock will continue to be considered to be a penny stock for the immediately foreseeable future. This classification materially and adversely affects the market liquidity for our common stock. For any transaction involving a penny stock, unless exempt, the penny stock rules require that a broker-dealer approve a person's account for transactions in penny stocks, and the broker-dealer receive from the investor a written agreement to the transaction setting forth the identity and quantity of the penny stock to be purchased.

To approve a person's account for transactions in penny stocks, the broker-dealer must obtain financial information, investment experience and objectives of that person and make a reasonable determination that transactions in penny stocks are suitable for that person and that person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker-dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prepared by the SEC relating to the penny stock market, which, in highlight form, sets forth:

- the basis on which the broker-dealer made the suitability determination, and
- that the broker-dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stock in both public offerings and in secondary trading and commissions payable to, both, the broker-dealer and the registered representative, current quotations for the securities, and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Because of these regulations, broker-dealers may desire to not engage in the necessary paperwork and disclosures required to sell our common stock, and broker-dealers may encounter difficulties in their attempt to sell our common stock, which may affect the ability of holders to sell our common stock in the secondary market and have the effect of reducing trading activity in the secondary market of our common stock. These additional sales practice and disclosure requirements could impede the sale of our common stock. In addition, the liquidity of our common stock may decrease, with a corresponding decrease in the price of our common stock. Our common stock, in all probability, will continue to be subject to such penny stock rules for the foreseeable future and our stockholders will, quite probably, have difficulty selling our common stock.

***Sales of our common stock in reliance on Rule 144 may reduce prices in that market by a material amount.***

A significant number of the outstanding shares of our common stock are "restricted securities" within the meaning of Rule 144 under the Securities Act. As restricted securities, those shares may be resold only pursuant to an effective registration statement or pursuant to the requirements of Rule 144 or other applicable exemptions from registration under the Securities Act and as required under applicable state securities laws. Rule 144 provides in essence that an affiliate (*i.e.*, an officer, director, or control person) who has held restricted securities for a prescribed period may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed 1.0% of the issuer's outstanding common stock. The alternative limitation on the number of shares that may be sold by an affiliate, which is related to the average weekly trading volume during the four calendar weeks prior to the sale is not available to stockholders of companies whose securities are not traded on an "automated quotation system"; because the OTCQB is not such a system, marketbased volume limitations are not available for holders of our securities selling under Rule 144.

Pursuant to the provisions of Rule 144, there is no limit on the number of restricted securities that may be sold by a non-affiliate (*i.e.*, a stockholder who has not been an officer, director or control person for at least 90 consecutive days before the date of the proposed sale) after the restricted securities have been held by the owner for a prescribed period, although there may be other limitations and/or criteria to satisfy. A sale pursuant to Rule 144 or pursuant to any other exemption from the Securities Act, if available, or pursuant to registration of shares of our common stock held by our stockholders, may reduce the price of our common stock in any market that may develop.

***The trading market for our common stock may be restricted, because of state securities "Blue Sky" laws which prohibit trading absent compliance with individual state laws.***

Transfers of our common stock may be restricted pursuant to the securities and state laws promulgated by various states and foreign jurisdictions, commonly referred to as "Blue Sky" laws. Absent compliance with such laws, our common stock may not be traded in such jurisdictions. Because the shares of our common stock registered hereunder have not been registered for resale under the "Blue Sky" laws of any state, the holders of such shares and persons who desire to purchase such shares in any trading market that might develop in the future, should be aware that there may be significant state "Blue Sky" law restrictions upon the ability of investors to sell and purchasers to purchase such shares. These restrictions prohibit the secondary trading our common stock. We currently do not intend and may not be able to qualify securities for resale in those states which do not offer manual exemptions and require securities



to be qualified before they can be resold by our stockholders. Accordingly, investors should consider the secondary market for our securities to be

limited.

***The price of our common stock may be volatile and the value of our common stock could decline.***

The trading price of our common stock may be volatile. The trading price of our common stock may fluctuate widely in response to various factors, many of which are beyond our control.

In addition, the stock markets have experienced extreme price and volume fluctuations in recent years that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many such companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. These broad market fluctuations may adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, class action litigation has often been instituted against such company. Any litigation of this type brought against us could result in substantial costs and a diversion of our management's attention and resources, which would harm our business, operating results and financial condition.

***Credit card payment processors and merchant account pose a risk.***

We accept credit cards as a means of payment for the sale of our products. If we are unable to find suitable providers or an alternative method of payment for our customers, our cash-flow will be constrained and our sales may be effected which may have a material adverse effect on our performance, financial condition and results of operations.

***Services exchanges, returns, warranty claims, defect and recalls may adversely affect our business.***

All our services are subject to customer claims, which may subject us to requests for refunds and chargebacks. If we are unable to maintain a certain degree of quality control of our services we will incur costs of replacing and or refunding our services to our customers.

***We cannot assure you that we will effectively manage our expected growth.***

The growth and expansion of our business and products create significant challenges for our management, operational, and financial resources, including managing multiple relations with customers and other third parties. In the event of continued growth of our operations or in the number of our third-party relationships, our information technology systems or our internal controls and procedures may not be adequate to support our operations. In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage such growth effectively. To effectively manage our growth, we must continue to improve our operational, financial, and management processes and systems and to effectively expand, train, and manage our employee base. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. This could negatively affect our business performance.

***We intend to have significant international operations expanding our operations abroad where we have limited operating experience, and this may subject us to increased business and economic risks that could affect our financial results.***

We intend to expand our business operations into international markets. We may enter new international markets where we have limited or no experience in marketing, selling, and deploying our services. Our services are generally available globally through the



web and on mobile, but some or all of our services or functionality may not be available in certain markets due to legal and regulatory complexities. We may also outsource certain operational functions to third-party vendors globally. If we fail to deploy, manage, or oversee our international operations successfully, our business may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, many of which are beyond our control.

***The Company intends to enter into indemnification agreements with the officers and directors and we may be required to indemnify our Directors and Officers, and if the claim is greater than $1,000,000, it may create significant losses for the Company.***

We are authorized, under Delaware law, to indemnify our directors and officers to the extent provided in that statute. Our Articles of Incorporation require the Company to indemnify each of our directors and officers against liabilities imposed upon them (including reasonable amounts paid in settlement) and expenses incurred by them regarding any claim made against them or any action, suit or proceeding to which they may be a party by reason of their being or having been a director or officer of the company. We currently do not maintain officer's and director's liability insurance coverage. Consequently, any judgment against our Officers and Directors, the Company will be forced to pay. We have entered into indemnification agreements with each of our officers and directors containing provisions that may require us, among other things, to indemnify our officers and directors against certain liabilities that may arise because of their status or service as officers or directors (other than liabilities arising from willful misconduct of a culpable nature) and to advance their expenses incurred because of any proceeding against them as to which they could be indemnified. Management believes that such indemnification provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers. We are subject to claims arising from disputes with employees, vendors and other third parties in the normal course of business. These risks may be difficult to assess or quantify and their existence and magnitude may remain unknown for substantial periods of time. If the plaintiffs in any suits against us were to successfully prosecute their claims, or if we were to settle such suits by making significant payments to the plaintiffs, our operating results and financial condition would be harmed. In addition, our organizational documents require us to indemnify our senior executives to the maximum extent permitted by Nevada law. If our senior executives were named in any lawsuit, our indemnification obligations could magnify the costs of these suits.

**RISKS FACTORS ASSOCIATED WITH SOCIAL MEDIA**

***If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial results, and business may be significantly harmed.***

The size of our user base and our users' level of engagement are critical to our success. Our financial performance will be significantly determined by our success in adding, retaining, and engaging active users of our products. We anticipate that our active user growth rate will continue to grow over time as the size of our active user base increases, and as we achieve higher market penetration rates. If people do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A number of other social networking companies that achieved early popularity have since seen their active user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement levels. Our user engagement can be difficult to measure, particularly as we introduce new and different products and services. Any number of factors could potentially negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with other competitive products or services;
- we fail to introduce new products or services that users find engaging or if we introduce new products or services that are not favorably received;
- users feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size, and quality of ads that we display;
- users have difficulty installing, updating, or otherwise accessing our products on mobile devices as a result of actions by us or third parties that we rely on to distribute our products and deliver our services;
- user behavior on any of our products changes, including decreases in the quality and frequency of content shared on our products and services;
- we are unable to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks, and that achieve a high level of market acceptance;
- there are decreases in user sentiment about the quality or usefulness of our products or concerns related to privacy and sharing, safety, security, or other factors;
- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful, and relevant to them;
- we are unable to obtain or attract engaging third-party content;
- users adopt new technologies where our products may be displaced in favor of other products or services, or may not be featured or otherwise available;
- there are adverse changes in our products that are mandated by legislation, regulatory authorities, or litigation, including settlements or consent decrees;
- technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or similar content;
- we adopt terms, policies, or procedures related to areas such as sharing or user data that are perceived negatively by our users or the general public;
- we elect to focus our user growth and engagement efforts more on longer-term initiatives, or if initiatives designed to attract and retain users and engagement are unsuccessful or discontinued, whether as a result of actions by us, third parties, or otherwise;
- we fail to provide adequate customer service to users, marketers, developers, or other partners;
- we, developers whose products are integrated with our products, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity; or
- our current or future products, such as our development tools and application programming interfaces that enable developers to build, grow, and monetize mobile and web applications, reduce user activity on our products by making it easier for our users to interact and share on third-party mobile and web applications.



If we are unable to increase our user base and user engagement, our revenue and financial results may be adversely affected. Any decrease in user retention, growth, or engagement could render our products less attractive to users, marketers, and developers, which is likely to have a material and adverse impact on our revenue, business, financial condition, and results of operations. If our active user growth rate slows, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to drive revenue growth.

***We project to generate substantial revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.***

Substantially all of our revenue is currently projected to be generated from third parties advertising. As is common in the industry, our marketers do not have long-term advertising commitments with us. Many of our marketers spend only a relatively small portion of their overall advertising budget with us. In addition, marketers may view some of our products as experimental and unproven. Marketers will not continue to do business with us, or they will reduce the prices they are willing to pay to advertise with us or the budgets they are willing to commit to us, if we do not deliver ads in an effective manner, or if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives.

Our advertising revenue could also be adversely affected by a number of other factors, including:

- decreases in user engagement, including time spent on our products;
- our inability to continue to increase user access to and engagement with our mobile products;
- product changes or inventory management decisions we may make that change the size, format, frequency, or relative prominence of ads displayed on our products or of other unpaid content shared by marketers on our products;
- our inability to maintain or increase marketer demand, the pricing of our ads, or both;
- our inability to maintain or increase the quantity or quality of ads shown to users;
- changes to third-party policies that limit our ability to deliver or target advertising on mobile devices;
- the availability, accuracy, and utility of analytics and measurement solutions offered by us or third parties that demonstrate the value of our ads to marketers, or our ability to further improve such tools;
- loss of advertising market share to our competitors, including if prices for purchasing ads increase or if competitors offer lower priced or more integrated products;
- adverse legal developments relating to advertising, including legislative and regulatory developments and developments in litigation;
- decisions by marketers to reduce their advertising as a result of adverse media reports or other negative publicity involving us, our advertising metrics, content on our products, developers with mobile and web applications that are integrated with our products, or other companies in our industry;
- the effectiveness of our ad targeting or degree to which users opt out of certain types of ad targeting;
- the degree to which users cease or reduce the number of times they click on our ads;
- changes in the way advertising on mobile devices or on personal computers is measured or priced; and
- the impact of macroeconomic conditions, whether in the advertising industry in general, or among specific types of marketers or within particular geographies.

The occurrence of any of these or other factors could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, or cause marketers to stop advertising with us altogether, either of which would negatively affect our revenue and financial results.



***Our user growth, engagement, and monetization on mobile devices depend upon effective operation with mobile operating systems, networks, and***

***standards that we do not control.***

The substantial majority of our revenue will be generated from advertising on mobile devices. There is no guarantee that popular mobile devices will feature our products, or that mobile device users will continue to use our products rather than competing products. We are dependent on the interoperability of our products with popular mobile operating systems, networks, and standards that we do not control, such as the Android and iOS operating systems. Any changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, or in their terms of service or policies that degrade our products' functionality, reduce or eliminate our ability to distribute our products, give preferential treatment to competitive products, limit our ability to deliver, target, or measure the effectiveness of ads, or charge fees related to the distribution of our products or our delivery of ads could adversely affect the usage of our products and monetization on mobile devices. Additionally, to deliver high-quality mobile products, it is important that our products work well with a range of mobile technologies, systems, networks, and standards that we do not control. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, systems, networks, or standards. If it is more difficult for our users to access and use our products on their mobile devices, or if our users choose not to access or use our products on their mobile devices or use mobile products that do not offer access to our products, our user growth, and user engagement could be harmed. From time to time, we may also take actions regarding the distribution of our products or the operation of our business based on what we believe to be in our long-term best interests. Such actions may adversely affect our users and our relationships with the operators of mobile operating systems, or other business partners, and there is no assurance that these actions will result in the anticipated long-term benefits. If our users are adversely affected by these actions or if our relationships with such third parties deteriorate, our user growth, engagement, and monetization could be adversely affected, and our business could be harmed.

***Security breaches and improper access to or disclosure of our data or user data, or other hacking and phishing attacks on our systems, could harm our reputation and adversely affect our business.***

Our industry is prone to cyber-attacks by third parties seeking unauthorized access to our data or users' data. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or user data could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering (predominantly spear phishing attacks), and general hacking have become more prevalent in our industry and may occur on our systems in the future. As a result of the industry, we believe that we are a particularly attractive target for such breaches and attacks. Such attacks may cause interruptions to the services we provide, degrade the user experience, cause users to lose confidence and trust in our products, or result in financial harm to us. Our efforts to protect our company data or the information we receive may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance; government surveillance; or other threats that evolve. In addition, third parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to our data or our users' data. Although we have developed systems and processes that are designed to protect our data and user data, to prevent data loss, and to prevent or detect security breaches, we cannot assure you that such measures will provide absolute security.

In addition, some of our developers or other partners, such as those that help us measure the effectiveness of ads, may receive or store information provided by us or by our users through mobile or web applications. We provide limited information to such third parties based on the scope of services provided to us. However, if these third parties or developers fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our users' data may be improperly accessed, used, or disclosed.

Affected users or government authorities could initiate legal or regulatory actions against us in connection with any security breaches or improper disclosure of data, which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Any of these events could have a material and adverse effect on our business, reputation, or financial results.

***We may incur liability as a result of information retrieved from or transmitted over the Internet or published using our products or as a result of claims related to our products.***

We may face claims relating to information that is published or made available on our products. In particular, the nature of our business exposes us to claims related to defamation, dissemination of misinformation or news hoaxes, intellectual property rights, rights of publicity and privacy, personal injury torts, or local laws regulating hate speech or other types of content. This risk is enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear and where we may be less protected under local laws than we are in the United States. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. We could also face orders restricting or blocking our services in particular geographies as a result of content hosted on our services. If any of these events occur, our business and financial results could be adversely affected.



***Our products and internal systems rely on software that is highly technical, and if it contains undetected errors or vulnerabilities, our business***

***could be adversely affected.***

Our products and internal systems rely on software, including software developed or maintained internally and/or by third parties, that is highly technical and complex. In addition, our products and internal systems depend on the ability of such software to store, retrieve, process, and manage immense amounts of data. The software on which we rely has contained, and will in the future contain, undetected errors, bugs, or vulnerabilities. Some errors may only be discovered after the code has been released for external or internal use. Errors, vulnerabilities, or other design defects within the software on which we rely may result in a negative experience for users and marketers who use our products, delay product introductions or enhancements, result in targeting, measurement, or billing errors, compromise our ability to protect the data of our users and/or our intellectual property or lead to reductions in our ability to provide some or all of our services. In addition, any errors, bugs, vulnerabilities, or defects discovered in the software on which we rely, and any associated degradations or interruptions of service, could result in damage to our reputation, loss of users, loss of revenue, or liability for damages, any of which could adversely affect our business and financial results.

***Technologies have been developed that can block the display of our ads, which could adversely affect our financial results.***

Technologies have been developed, and will likely continue to be developed, that can block the display of our ads, particularly advertising displayed on personal computers. We project to generate substantially all of our revenue from advertising, including revenue resulting from the display of ads on personal computers. Revenue generated from the display of ads on personal computers has been impacted by these technologies from time to time. As a result, these technologies may have an adverse effect on our financial results and, if such technologies continue to proliferate, in particular with respect to mobile platforms, our future financial results may be harmed.

**RISK FACTORS ASSOCIATED WITH CRYPTOCURRENCIES**

***We may lose our private key to our digital wallet, destroying all of our cryptocurrency assets.***

Cryptocurrencies are stored in a digital wallet and are controllable by the processor of both the public key and the private key relating to the digital wallet in which the cryptocurrencies are held, both of which are unique. If the private key is lost, destroyed, or otherwise compromised, we may be unable to access our cryptocurrencies held in the related digital wallet which will essentially be lost. If the private key is acquired by a third party, then this third party may be able to gain access to our cryptocurrencies.

**We rely on third party service providers to exchange our cryptocurrencies who may be at risks to cyber-security and malicious activity.**

Trading platforms and third-party service providers may be vulnerable to hacking or other malicious activities which we cannot control. If one or more malicious actor(s) obtains control of sufficient consensus nodes on the Blockchain, or, other means of alteration, then a Blockchain may be altered. While the Blockchain is decentralized, there is increasing evidence of concentration and techniques that may increase the risk that one or several actors could control the Blockchain on which we conduct business.

Cryptocurrencies may be traded on numerous online platforms, through third party service providers and as peer-to-peer transactions between parties. Many marketplaces simply bring together counterparties without providing any clearing or intermediary services and without being regulated. In such cases, we assume all risks.

Cryptocurrency trading platforms, largely unregulated and providing only limited transparency with respect to their operations, have come under increasing scrutiny due to cases of fraud, business failure or security breaches, where we may not be compensated for losses caused by such activities. Although one does not need a trading platform or an exchange to trade cryptocurrencies, such platforms are often used to convert fiat currency into cryptocurrency or to trade one cryptocurrency for another.

**There are no assurances that the market for Cryptocurrencies will not continue to be highly volatile.**

The Digital Assets industry is part of a new and rapidly evolving ecosystem, which itself is subject to a high degree of uncertainty. For a relatively small use of Cryptocurrencies in the retail and commercial marketplace, online platforms have generated a large trading activity by speculators seeking to profit from the short-term or long-term holding of Cryptocurrencies. Most Cryptocurrencies are not backed by a central bank, a national or international organization, or assets or other credit, and their value is strictly determined by the value that the market participants place on them through their transactions, which means that loss of confidence may bring about a collapse of trading activities and an abrupt drop in value.

**Future regulations may prevent us or restrict our ability to use our Cryptocurrencies.**



There are significant inconsistencies among various regulators with respect to the legal status of Cryptocurrencies. Regulators are also concerned that

Cryptocurrencies may be used by criminal and terrorist organizations. Certain countries are restricting the right to acquire, own, hold, sell, or use Cryptocurrencies.

**We may not be able to convert our Cryptocurrency into FIAT currency in a timely manner.**

Policies and/or interruptions in the deposit and withdrawal of fiat currency into or out of the trading platforms may impact the ability of us to convert.

**RISK FACTORS ASSOCIATED WITH OUR COMMON STOCK**

***Should we be listed, the market price of our common stock may be volatile or may decline regardless of the Company's operating performance, and you may not be able to resell your shares at or above the initial public offering price and the price of our common stock may fluctuate significantly.***

We intend to file for initial placement on the OTC Markets for our stock. There is no guarantee that FINRA shall approve the listing of our stock. Should we be approved, the commencement of trading of our common stock on the OTC Markets, the market price of our common stock may be volatile, and fluctuates widely in price in response to various factors, which are beyond our control.

Furthermore, we must note that the price of our common stock may not necessarily be indicative of our operating performance or long-term business prospects. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our common stock. Factors such as the following could cause the market price of our common stock to fluctuate substantially:

***Volatility in our common stock price may subject us to securities litigation.***

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We could, in the future, be the target of similar litigation. Any such litigation could result in substantial costs and liabilities to us and could divert our management's attention and resources from managing our operations and business.

***The Company may issue more shares in connection with future mergers or acquisitions, which could result in substantial dilution to existing shareholders.***

Our Certificate of Incorporation authorizes the issuance of200,000,000 shares of common stock and 100,000,000 blank check preferred stock. Any future merger or acquisition effected by us may result in the issuance of additional securities without stockholder approval and may result in substantial dilution in the percentage of our common stock held by our then-current stockholders. Moreover, the common stock issued in any such merger or acquisition transaction may be valued on an arbitrary or non-arm's-length basis by our management, resulting in an additional reduction in the percentage of common stock held by our then existing stockholders. Our Board of Directors has the power to issue any or all of such authorized but unissued shares without stockholder approval. To the extent that additional shares of common stock or preferred stock are issued in connection with a future business combination or otherwise, dilution to the interests of our stockholders will occur, and the rights of the holders of common stock could be materially and adversely affected.

***We do not anticipate paying cash dividends for the foreseeable future, and therefore investors should not buy our stock if they wish to receive cash dividends.***

We have not paid dividends in the past and do not expect to pay dividends for the foreseeable future, and any return on investment may be limited to potential future appreciation on the value of our common stock.

We currently intend to retain any future earnings to support the development and expansion of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors



after taking into account various factors, including without limitation, our financial condition, operating results, cash needs, growth plans, and the terms

of any credit agreements that we may be party to at the time. To the extent we do not pay dividends, our stock may be less valuable because a return on investment will only occur if and to the extent our stock price increases, which may never occur. In addition, investors must rely on sales of their common stock after price appreciation as the only way to realize their investment, and if the price of our stock does not appreciate, then there will be no return on investment. Investors seeking cash dividends should not purchase our common stock.

***The Company has deeply centralized management that is vested a small number of shareholders, officers, and directors, which will limit the rights of the common shareholder.***

Our officers, directors, and principal stockholders (greater than 5% stockholders) collectively control approximately 50% of our outstanding common stock. As a result, these stockholders will be able to affect the outcome of, or exert significant influence over, all matters requiring stockholder approval, including the election and removal of directors and any change in control. In particular, this concentration of ownership of our common stock could have the effect or delaying or preventing a change in control of us or otherwise discouraging or preventing a potential acquirer from attempting to obtain control of us. This, in turn, could have a negative effect on the market price of our common stock. It could also prevent our stockholders from realizing a premium over the market prices for their shares of common stock. Moreover, the interests of this concentration of ownership may not always coincide with our interests or the interests of other stockholders, and accordingly, they could cause us to enter into transactions or agreements that we would not otherwise consider.

***Our common stock is considered to be a "penny stock," and thereby be subject to additional sale and trading regulations that may make it more difficult to sell.***

Our common stock is considered to be a "penny stock." It does not qualify for one of the exemptions from the definition of "penny stock" under Section 3a51-1 of the Exchange Act. Our common stock is a "penny stock" because it meets one or more of the following conditions:

- the stock trades at a price less than $5.00 per share;
- it is not traded on a "recognized" national exchange; or
- it is not quoted on the NASDAQ Global Market, or has a price less than $5.00 per share. The principal result or effect of being designated a "penny stock" is that securities broker-dealers participating in sales of our common stock are subject to the "penny stock" regulations set forth in Rules 15-2 through 15g-9 promulgated under the Securities Exchange Act.

For example, Rule 15g-2 requires broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document at least two business days before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to (i) obtain from the investor information concerning his or her financial situation, investment experience, and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience, and investment objectives. Compliance with these requirements may make it more difficult and time-consuming for holders of our common stock to resell their shares to third parties or to otherwise dispose of them in the market or otherwise.

***FINRA sales practice requirements may limit a shareholder's ability to buy and sell our common shares.***

In addition to the "penny stock" rules described above, FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common shares, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our shares.

***Rule 144 sales in the future may have a depressive effect on the company's stock price as an increase in supply of shares for sale, with no corresponding increase in demand will cause prices to fall.***

All of the outstanding shares of common stock held by the present officers, directors, and affiliate stockholders are "restricted securities" within the meaning of Rule 144 under the Securities Act of 1933, as amended. As restricted shares, these shares may be



resold only pursuant to an effective registration statement or under the requirements of Rule 144 or other applicable exemptions from registration

under the Securities Act of 1933 and as required under applicable state securities laws. Rule 144 provides in essence that a person who is an affiliate or officer or director who has held restricted securities for six months may, under certain conditions, sell every three months, in brokerage transactions, a number of shares that does not exceed the greater of 1.0% of a Company's issued and outstanding common stock. There is no limit on the amount of restricted securities that may be sold by a non-affiliate after the owner has held the restricted securities for a period of six months if the Company is a current reporting company under the Securities Exchange Act of 1934. A sale under Rule 144 or under any other exemption from the Securities Act of 1933 , if available, or pursuant to subsequent registration of shares of common stock of present stockholders, may have a depressive effect upon the price of the common stock in any market that may develop.

***Future issuances of shares for various considerations including working capital and operating expenses will increase the number of shares outstanding which will dilute existing investors and may have a depressive effect on the company's stock price.***

There may be substantial dilution to our shareholders purchasing in future offerings as a result of future decisions of the Board to issue shares without shareholder approval for cash, services, payment of debt or acquisitions.

***There may in all likelihood be little demand for shares of our common stock and as a result, investors may be unable to sell at or near ask prices or at all if they need to liquidate their investment.***

There may be little demand for shares of our common stock on the OTC Bulletin Board, or OTC Markets.com, meaning that the number of persons interested in purchasing our common shares at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that it is a small company which is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if the Company came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven, early-stage company such as ours or purchase or recommend the purchase of any of our Securities until such time as it became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in the Company's securities is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on the securities price. We cannot give investors any assurance that a broader or more active public trading market for the Company's common securities will develop or be sustained, or that any trading levels will be sustained. Due to these conditions, we can give investors no assurance that they will be able to sell their shares at or near ask prices or at all if they need money or otherwise desire to liquidate their securities of the Company.

***Public disclosure requirements and compliance with changing regulation of corporate governance pose challenges for our management team and result in additional expenses and costs which may reduce the focus on management and the profitability of our company.***

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

***SHOULD ONE OR MORE OF THE FOREGOING RISKS OR UNCERTAINTIES MATERIALIZE, OR SHOULD THE UNDERLYING ASSUMPTIONS PROVE INCORRECT, ACTUAL RESULTS MAY DIFFER SIGNIFICANTLY FROM THOSE ANTICIPATED, BELIEVED, ESTIMATED, EXPECTED, INTENDED OR PLANNED***



## CAUTIONARY STATEMENT REGARDING FORWARD–LOOKING STATEMENTS

This prospectus contains forward looking statements. All statements other than statements of historical or current facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, proposed new products and services, research and development costs, granting of regulatory approvals, timing and likelihood of success, plans and objectives of management for future operations and future results of anticipated products and services, are forward looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements.

In some cases, forward-looking statements can be identified by terms such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “would,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. The forward looking statements in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward looking statements speak only as of the date of this prospectus and are subject to a number of risks, and except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, prospective investors should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in, or implied by, the forward-looking statements due to a variety of factors, including:

- our financial performance, including our history of operating losses;
- our ability to obtain additional funding to continue our operations;
- changes in the regulatory environments of the United States and other countries in which we intend to operate;
- our ability to attract and retain key management and other personnel;
- competition from new market entrants;
- our ability to identify and pursue development of appropriate products; and
- risks, uncertainties and assumptions described under the sections in this prospectus titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this prospectus.

Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties.

Prospective investors should read this prospectus and the documents we have filed as exhibits to the registration statement of which this prospectus forms a part with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward--looking statements by these cautionary statements.

## INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we plan to operate, including our general expectations and potential market position, market opportunity and market share, is based on information from our own management estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. In addition, assumptions and estimates of our and our industry's future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this prospectus under the heading "*Risk Factors.*" These and other factors could cause our future performance to differ materially from our assumptions and estimates. For additional information, see "*Cautionary Statement Regarding ForwardLooking Statements*."

## THE DISTRIBUTION

| | |
|---|---|
| OBITX, Inc. Common Stock to be distributed to the MCIG. shareholders in the spin-off. MCIG. will serve as an underwriter within the meaning of the Securities Act of 1933 in connection with the distribution | 402,811 |
| 5,500,000 shares of Common Stock (the "Resale Shares" consisting of i) 3,000,000 shares of common stock issuable upon exercise of outstanding Common Stock Warrants exercisable at $1.00 per share. The warrants were issued to current and former management members; and ii) 2,500,000 shares of common stock under two separate private investment that closed on November 1, 2017. | 5,500,000 |
| Common Stock outstanding before the distribution | 5,460,000 |
| Common Stock outstanding after the distribution (maximum). Assumes all 3,000,000 Common Stock issuable under the warrants are exercised. All other distributions and registration are for stock already issued by the Company. | 8,460,000 |

## USE OF PROCEEDS

The Selling Shareholders will receive all of the proceeds from the sale of the Resale Shares offered by them under this prospectus. We will not receive any proceeds from the sale of the shares by the Selling Shareholders covered by this prospectus. However, we will receive the proceeds from any cash exercise of the warrants by the Selling Shareholders, to the extent that occurs rather than cashless exercises. If the registration statement which contains this prospectus is current, the warrant holders must exercise the warrants for cash. There can be no assurance that any of the Selling Shareholders will exercise all or any of their warrants. We intend to use any proceeds received from cash exercises for general corporate purposes, including payment of salaries to our management.

## DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock or other securities and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon our financial condition, results of operations, capital requirements, and such other factors as the Board of Directors deems relevant.

## DISTRIBUTION SUMMARY

**Record Date**

For purposes of determining a record date for distribution to current MCIG common shareholders, we have determined that the business day following the date that the Securities and Exchange Commission deems this prospectus effective shall be the record date.

**Prospectus**

A copy of this prospectus will accompany each certificate being distributed to the MCIG shareholders on the distribution date.

**Distribution Date**

The Distribution Date shall be within 30 days after the Record Date and only shareholders beneficially holding shares of MCIG on the record date shall receive shares of OBITX per this distribution. Following the spin-off, these shares are held by a total of 68 shareholders of record.



**Listing and Trading**

There is currently no public market for our shares. Upon completion of this distribution, our shares will not qualify for trading on any national or regional stock exchange or on the NASDAQ Stock Market. Management anticipates that within 3 months of the date of the distribution, an application will be filed with FINRA for the public trading of our common stock on the OTC Bulletin Board or the OTC Markets, but there is no assurance that the Company's common stock will be quoted on the OTC Bulletin Board or the OTC Markets or any other exchange or trading facility. Even if a market develops for our common shares, we can offer no assurances that the market will be active, or that it will afford our common shareholders an avenue for selling their securities. Many factors will influence the market price of our common shares, including the depth and liquidity of the market which develops investor perception of our business, general market conditions, and our growth prospects.

## SHARES ELIGIBLE FOR FUTURE SALES

After completion of the spin-off and registration, there will be approximately 8,460,000 OBITX shares of common stock outstanding, based upon the number of shares of common shares outstanding as of the date of this prospectus and the exercise of all 3,000,000 shares under the warrants. There will be 5,902,811 shares that will be freely transferable without restriction under the Securities Act, consisting of the 402,811 of MCIG's OBITX common stock distributed to its shareholders and the 5,500,000 Resale Shares. All other stock that is owned by our "affiliates," as that term is defined in Rule144 under the Securities Act, which includes our directors, our significant stockholders, including MCIG. and those that received shares prior to the applicable holding period pursuant to Rule 144 shall be with restriction. Shares of our common stock held by affiliates, that is not part of this registration, may not be sold unless they are registered under the Securities Act or are sold pursuant to an exemption from registration, including an exemption contained in Rule 144 under the Securities Act.

**Rule 144**

In general, under Rule 144 as currently in effect, a person (or persons whose shares are aggregated), including an affiliate, who beneficially owns "restricted securities" of a "reporting company" may not sell these securities until the person has beneficially owned them for at least six months. Thereafter, affiliates may not sell within any three-month period a number of shares in excess of the greater of 1% of the then outstanding shares of common stock.

Sales under Rule 144 by our affiliates also will be subject to restrictions relating to the manner of sale, notice and the availability of current public information about us and may be effected only through unsolicited brokers' transactions.

Persons not deemed to be our affiliates who have beneficially owned "restricted securities" for at least six months but for less than one year may sell these securities, provided that current public information about us is "available," which means that, on the date of sale, we have been subject to the reporting requirements of the Exchange Act for at least ninety days and are current in our Exchange Act filings. After beneficially owning "restricted securities" for one year, our non-affiliates may engage in unlimited resales of such securities.

Shares received by our affiliates in the spin-off or upon exercise of stock options or upon vesting of other equity-linked awards may be "controlled securities" rather than "restricted securities." "Controlled securities" are subject to the same volume limitations as "restricted securities" but are not subject to holding period requirements.

**Dilution**

As of February 7, 2018, we had 5,460,000 shares of Common Stock outstanding and 100,000 Series A Preferred Stock which represents 5,000,000 underlying common shares should the holders of the Series A Preferred elect to convert into common shares. We are registering a total of 5,500,000 shares of Common Stock for resale by certain of our shareholders identified in this prospectus. In this prospectus, we refer to these shares as the Resale Shares. The 5,500,000 shares of Common Stock consist of (i) 2,500,000 shares of Common Stock, and (ii) 3,000,000 shares of Common Stock underlying outstanding Warrants exercisable at $1.00 per share. Assuming the Registration Statement containing this prospectus is effective the 3,000,000 shares of Common Stock will be freely tradeable upon the exercise of warrants and our shareholders will be significantly diluted.

There will be no dilution effect on the 402,811 shares distributed to MCIG shareholders by MCIG.

**Background and Reasons for the Distribution**

***Company Information; Organization***



The Company was incorporated under the laws of the state of Delaware on March 30, 2017, under the name of GigeTech, Inc. The Company changed its name to OBITX on October 31, 2017. The Company intends to serve as a technology company servicing the blockchain industry through the development of software solutions, marketing and advertising, and consulting services.

The Company was a wholly-owned subsidiary of MCIG until November 1, 2017. On November 1, 2017, the company converted $3,043,285 of its outstanding debt owed to MCIG into 500,000 shares of common stock and 100,000 shares of Series A Preferred stock. This conversion of debt was created when MCIG assigned the software it acquired in March, 2017, and has continuously funded its further development. The average price of an underlying common stock for the stock purchase was $0.5533 per share.

| | Shares | Underlying Common Stock | Price per underlying share of common stock | Purchase price |
|---|---|---|---|---|
| Common Stock | 500,000 | 500,000 | 0.5533 | $ 276,650 |
| Series A Preferred | 100,000 | 5,000,000 | 0.5533 | 2,766,635 |
| Total Purchase Price | | | | $ 3,043,285 |

The following chart shows the various software packages assigned to the Company by MCIG and MCIG's support of additional funding for the development of the software.

**420Cloud Cost Analysis as of November 1, 2017**

| | | Original purchase price | Additional development cost | Amortization | Value as of November 1, 2017 |
|---|---|---|---|---|---|
| Software - 420 Cloud - Mobile | $ | 677,389 | 4,503 | (68,189) | 613,703 |
| Software - 420 Cloud – Browser | | 315,709 | 21,099 | - | 336,808 |
| Software – 420 Cloud API | | 90,116 | - | (9,012) | 81,104 |
| Software - Whodab | | 67,587 | - | (6,759) | 60,828 |
| Software - Ehesive | | 450,882 | 24,841 | - | 475,723 |
| Software – 420 Cloud – Single Sign On | | 450,882 | 7,097 | - | 457,979 |
| Software – 420 Job Search | | 135,173 | 2,809 | - | 137,982 |
| Software – Weedistry | | 45,058 | 1,750 | - | 46,808 |
| Software – Marketaro | | 112,644 | 9,649 | - | 122,293 |
| Software – 420 Cue | | 450,882 | 2,997 | - | 453,879 |
| Software – 420 Wise Guy | | 225,593 | 1,500 | - | 227,093 |
| Software – Palm Weed | | 22,529 | 250 | - | 22,779 |
| Software - Harvest - Lead Gen | | - | 2,950 | - | 2,950 |
| Software - 420 Tienda | | - | 3,030 | - | 3,030 |
| Software - Cardosur | | - | 325 | - | 325 |
| Total assets acquired | $ | 3,044,445 | 82,800 | (83,960) | 3,043,285 |



**Mechanics of Completing the Distribution**

MCIG management anticipates that within thirty days of the date of the effective date this prospectus, MCIG will deliver 402,811 shares of our common stock to the distribution agent, Colonial Stock Transfer Company, Inc., to be distributed to the shareholders of MCIG. We have defined the record date as the first business day following the effective statement from the SEC. Only holder of MCIG on the record date shall receive shares of OBITX. Only those shares deemed "free trading" by our transfer agent shall be registered under this prospectus. These shares are held by a total of approximately 40,000 shareholders.

If you hold your MCIG shares in a brokerage account, your OBITX shares of common stock will be credited to that account. If you hold your MCIG shares in certificated form, a certificate representing shares of your OBITX common stock will be mailed to you by the distribution agent. The mailing process is expected to take about thirty days.

No cash distributions will be paid. No shareholder of MCIG will be required to make any payment or exchange any shares in order to receive our common shares in the distribution. MCIG will bear all of the costs of the distribution, and OBITX is bearing the costs of this Registration Statement.

**Tax Consequences of the Distribution**

We have not requested and do not intend to request a ruling from the Internal Revenue Service or an opinion of tax counsel that the distribution will qualify as a tax-free spin-off under United States tax laws. Under the U.S. Tax Code, MCIG would need to control at least 80% of our outstanding capital stock to qualify the distribution of our shares by MCIG as a tax-free spin-off. MCIG does not meet this requirement and consequently, we do not believe that the distribution by MCIG of our stock to its shareholders will qualify for tax-free spin-off status.

This prospectus should not be read as providing legal or tax advice with respect to the distribution to our shareholders. The distribution of the OBITX stock to MCIG shareholders will constitute a dividend, taxable as ordinary income, in an amount equal to the fair market value of the OBITX stock on the date of the distribution, as determined in good faith by MCIG. In determining the fair market value of the shares distributed hereunder, MCIG may reference the price of our shares in recent sales of our common stock, our book value, our discounted cash flows, similar sized entities in similar industries as those in which we operate, as well as recent economic conditions. If required by the tax laws, the distribution will be reported to the Internal Revenue Service on Form 1099 - DIV. The tax impact of the distribution on MCIG is not anticipated to be significant, given a large number of shareholders receiving shares in the distribution.

## CAPITALIZATION

The table below describes our cash, cash equivalents and investments and capitalization as of October 31, 2017. You should read this table in conjunction with the information under the captions "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes included elsewhere in this prospectus.

Prospective investors should read this table in conjunction with the sections of this prospectus titled "*Use of Proceeds*," "*Summary Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and in conjunction with our consolidated financial statements and related notes included elsewhere in this prospectus.

| | Actual | As Adjusted |
|---|---|---|
| | As of | |
| | October 31, 2017 | Noember 1, 2017 |
| | (audited) | (unaudited) |
| Cash and cash equivalents | 2,497 | 2,497 |
| Total liabilities | 3,463,736 | 420,451 |
| Stockholders' equity: | | |
| Common stock, $0.0001 par value per share: 200,000,000 shares authorized; 10,000 shares issued and outstanding, actual; 3,910,000 shares issued and outstanding, as adjusted | 1 | 391 |

| | | |
|---|---|---|
| Series A Preferred stock, $0.0001 par value per share: 1,000,000 shares authorized; 0 shares issued and outstanding, actual; 100,000 shares issued and outstanding, as adjusted | - | 10 |
| Additional paid in capital | - | 3,342,975 |
| Accumulated earnings | 832,045 | 832,045 |
| Total stockholders' equity | 832,046 | 4,175,721 |
| Total capitalization | 4,298,279 | 4,598,669 |



The total number of shares of our common stock issued and outstanding on October 31, 2017, was 10,000 common shares issued to MCIG. The following chart includes the common stock issued as of January 31, 2018:

| Common Stock | Shares | Par Value | APIC |
|---|---|---|---|
| Alex Mardikian | 50,000 | $ 5 | $ - |
| Brandy Craig | 50,000 | 5 | - |
| Carl G. Hawkins | 50,000 | 5 | - |
| Andrus | 50,000 | 5 | - |
| Epic Industry Corp | 250,000 | 25 | - |
| Paul Rosenberg | 500,000 | 50 | - |
| Paul Rosenberg | 2,500,000 | 250 | 249,750 |
| APO Holdings, LLC | 1,500,000 | 150 | 149,850 |
| MCIG | 10,000 | 1 | - |
| MCIG | 500,000 | 50 | 276,600 |
| Total | 5,460,000 | $ 546 | $ 676,200 |

In addition to the number of shares of our common stock not shown as outstanding at October 31, 2017, the following Series A Preferred was issued to MCIG, on November 1, 2017, and not reflected in the Series A Preferred stock as of October 31, 2017:

| Series A Preferred | Shares | Par Value | APIC |
|---|---|---|---|
| MCIG | 100,000 | 10 | 2,766,625 |
| Total | 100,000 | 10 | 2,766,625 |

The series A Preferred stock may be converted into common stock of the company where 1 share of Series A Preferred stock converts into 50 shares of common stock.

There are 3,000,000 shares of common stock issuable upon exercise of warrants outstanding, effective November 1, 2017, at a weighted average exercise price of $1.00. See Equity Compensation Plan.

**SHARES ELIGIBLE FOR FUTURE SALE**

There is not currently any market for our common stock. We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Sales of substantial amounts of our common stock in the public market after this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

**MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

**Market Information**

Although the Company anticipates that a public market for the over-the-counter trading of the Company's securities may develop after the distribution is completed, there can be no assurance that such a market will develop or that it will be sustained. After the effective date of this registration statement and the distribution, the shares of the Company's common stock distributed by MCIG in the distribution will be unrestricted and freely salable. We expect to apply for listing of our common stock on the OTC Bulletin Board or the OTC Markets (including the OTCQB or OTCQX), but there can be no assurance that such application, if filed, will be accepted, or that if accepted, any market for our shares will ever develop. For information on shareholders who will own 5% or more of our common stock following the distribution, as well as the ownership of our officers and directors, please see “Security Ownership of Certain Beneficial Owners and Management”.

**Holders**

Immediately following the distribution, the Company anticipates that there will be approximately 8 shareholders of the Company. One shareholder has shall be CEDE & Co. which shall have approximately 40,000 shareholders which shall be issued free trading shares of the Company as part of the spin-off.

**Dividends**

Since its incorporation, the Company has not declared any dividend on its common stock. The Company does not anticipate declaring or paying a dividend on its common stock for the foreseeable future. We plan to retain any future earnings for use in our business activities.

**Transfer Agent and Registrar**

The transfer agent and registrar for the Company's common stock will be Colonial Stock Transfer Company, Inc.. We have appointed the transfer agent on February 7, 2018.

**Equity Compensation Plans**

The following table provides information as of February 7, 2018, regarding shares of common stock that may be issued under the warrants issued to management and shareholders with greater than 10% ownership in the Company. The Company does not have an ongoing equity compensation plan. Information is included for the warrants approved by the Company's stockholders.

| Warrant No. | Issue Date | Warrant Holder | Shares | Purchase |
|---|---|---|---|---|
| 1 | 11/1/2017 | Alex Mardikian | 250,000 | 1.000 |
| 2 | 11/1/2007 | Brandy Craig | 250,000 | 1.000 |
| 3 | 11/1/2017 | Carl G. Hawkins | 250,000 | 1.000 |
| 4 | 11/1/2017 | Andrus Nomm | 250,000 | 1.000 |
| 5 | 11/1/2017 | Paul Rosenberg | 500,000 | 1.000 |
| 6 | 11/1/2017 | Epic Industry Corp | 500,000 | 1.000 |
| 7 | 11/1/2017 | APO Holdings, LLC | 1,000,000 | 1.000 |
| | | **Total** | **3,000,000** | |

## BUSINESS

The Company was incorporated under the laws of the state of Delaware on March 30, 2017. The Company was originally formed as a wholly-owned subsidiary of MCIG. On November 1, 2017, the company entered into various agreements with management, two investors (one being the CEO of MCIG), and a stock purchase agreement with MCIG for the conversion of debt to equity, in preparation of the Spin-Off. In accordance with this stock purchase agreement, the Company paid the debt owed to MCIG for the software development identified in this Prospectus in exchange for 500,000 shares of common stock and 100,000 shares of Series A Preferred stock. The following chart shows the capitalization of the Company as of February 7, 2018:

| Capitalization Structure | Shares | Underlying Common | Investment | Percentage | Fully Diluted |
|---|---|---|---|---|---|
| Common Stock | 5,460,000 | 5,460,000 | 676,741 | 52.0% | 40.34% |
| Series A Preferred | 100,000 | 5,000,000 | 2,766,635 | 48.0% | 37.29% |
| | - | | - | 0.0% | 0.00% |
| | - | | - | 0.0% | 0.00% |
| Total | 5,560,000 | 10,460,000 | 3,443,376 | 100.0% | 77.63% |
| Warrants | 3,000,000 | 3,000,000 | | | 22.37% |
| Options | - | - | | | 0.00% |
| **Total Capitalization** | 8,560,000 | 13,460,000 | | | 100.00% |

At the time of the filing of the Prospectus, we are still a 52.9% owned subsidiary of MCIG. MCIG owns 5,510,000 underlying common shares of the total of 10,410,000 underling common shares of the Company. The purpose of this registration statement is to finalize the spin-off whereby MCIG will be reduced to a 49.1% ownership position and MCIG public shareholders will own 3.9%.



The two investors of the Company will own 38.4% of the Company with the remaining 8.6% owned by the Company's current and former

management.

MCIG (MCIG) was incorporated in the State of Nevada on December 30, 2010, originally under the name Lifetech Industries, Inc. Effective August 2, 2013, the name was changed from "Lifetech Industries, Inc." to "MCIG" MCIG initially earned revenue through wholesale and retail sales of electronic cigarettes, vaporizers, and accessories in the United States. It offered electronic cigarettes and related products through its online store at www.MCIG.org, as well as through the company's wholesale, distributor, and retail programs. MCIG expanded operations to include the VitaCig brand in 2014. MCIG has been involved in the cannabis and electronic cigarette industries. It currently markets, services, and distributes cannabis wholesale supplies, software, and electronic cigarettes, vaporizers, and accessories internationally and in the United States. In 2016 MCIG expanded its products and services to include construction. In 2017 MCIG added consulting services in the cannabis industry. MCIG formed the Company in March 2017 in order to launch its recently acquired social media platform, 420Cloud, in the cannabis markets. Since that time, while the Company continues to expand its software solution, it has entered into multiple discussions of business development outside the cannabis industry. Company management and MCIG believe it's in the best interest of MCIG and MCIG shareholders to look at strategic opportunities outside MCIG core competency. The Company continues to expand its operations.

Subject to additional financing, the Company plans to create a portfolio of Digital Assets in cryptocurrencies to provide investors a diversified pure-play exposure to the blockchain industries. The Company intends to acquire Digital Assets through open market purchases and participating in initial Digital Asset offerings (often referred to as initial coin offerings and initial bounty offerings).

Digital asset blockchains are typically maintained by a network of participants which run servers which secure their blockchain. The market is rapidly evolving and there can be no assurances that we will be competitive with industry participants that have or may have greater resources than us.

*Blockchain Technology and Digital Asset Initiatives*

We are also focused on Digital Assets and Blockchain technologies. Subject to additional financing, we plan to continue to evaluate other strategic opportunities in this rapidly evolving sector in an effort to enhance shareholder value.

**BUSINESS STRATEGY**

OBITX Inc. is an advertising company marketing products and services using digital technologies across the internet, mobile devices, display advertisements, and other digital mediums. OBITX has developed proprietary software and web presence for the promotion and development of its business strategy.

We have developed a proprietary cloud based social media platform. This software can be a white label social media cross-platform service utilized in various industry to promote internal and external services and products. Clients may customize the parameters in which the software operates in the promotion and advertisement of their respective business. The software was initially launched under MCIG as its 420 Cloud software solution model. This software helps with managing social media by utilizing the following:

- Cloud - API / BackEnd: The HTTP and HTTPS API integration allow users greater cloud versatility. This cross-platform APIs allows cloud tenants the ability to access resources from primary cloud providers and others. This system saves time and development since organizations will be able to access the resources and workloads of different cloud providers and platforms.
- Content delivery network (CDN): this service stores a cached version of its content in multiple geographical locations (a.k.a., points of presence, or PoPs). The PoPs contain a number of caching servers responsible for content delivery to visitors within its proximity. This places your content in many places at once providing superior coverage to users.
- Single Sign-on / Wallet: single sign-on portal allowing users to enter one set of credentials to access to their web apps in the cloud only once – via desktops, smartphones, and tablets. The password security and multi-factor authentication ensure that only authorized users to get access to sensitive data. This service also allows users to make secure electronic transactions.
- Cloud Cue: A prioritize matching system based on ratings and credentials bringing products and people together. This system uses impression recognition and matching capabilities combined with the ability of mobile image capture to bring people to products they need and even people they want.
- Cloud Wise Buy: This takes cataloged data accompanying a product on an e-commerce portal and presents it in order to help a buyer find the best deal based on the time and geolocation from where the information is sourced.
- Lead Generation Software: Captures information at a point of contacts such as landing pages, white paper downloads, and email openings. These leads are then scored and defined providing information on how customers interact with brands allowing the creation of customer journeys to be used by sales teams to generate more sales.



- Cloud Tienda eCommerce: A centralized e-commerce repository system using a multichannel product content management platform making it

easy to centrally manage product information and publish listings in a growing selection of channels and websites.

- Media Processing: This system unifies the media processing chain offering a comprehensive software solution that transforms traditional video preparation and delivery architectures into a cloud operation, accelerating the time it takes you to process photos and videos.
- Cardosur payment processing: An e-commerce business allowing payments and money transfers to be made through the Internet. This gives users the ability to purchase from online vendors, auction sites, and other commercial users while making sure all private user data is encrypted and secure.

In addition to the software, the digital advertising based model utilizes marketing methods such as search engine optimization, search engine marketing, content marketing, campaign marketing, social media optimization, influencer marketing, content automation, and email direct marketing. These services are offered through a series of software platforms. These platforms include:

- Ehesive: is a self-serve cost per thousand (CPM) platform that rents digital ad space to publishers to be filled with content from a pool of advertisers. This platform uses content marketing, campaign marketing, and content automation to help users reach the most potential viewers.

- Marketaro: is our email service for developers and marketers with pre-built marketing automations to help send newsletters, shipping notices, password resets, and promotional emails to clients personal email lists.

- Latest PR: is a press release circulation service using SEO to place a press release high in google listing. When a user publishes a press release through the website, they are given the following automation tools: Social Media Distribution, Search Engine Distribution, Extended Marketaro Distribution, National Media Distribution, Premium International Distribution, Bulk Blast Industry Generic, Blog Certified Sponsor Post, Published on 3rd party sites related to network, Images and Video Included within Post.

- Blog Certified: is our digital ad service that uses influencers as publishers renting out ad space on their blogs to sell to advertisers. This platform offers world-class advertising management, professional advertising implementation, custom reporting dashboard, mobile optimization, access to all ad-types and tech, site and setup audits, dedicated ad-ops team, priority testing and a data team.

We intend on utilizing these software platform in multiple industries; however, our management team is primarily focused on the blockchain technology business as a key level of interest and future development.

**Blockchain Technologies**

A Blockchain is a decentralized and distributed digital ledger that is used to record transactions across many computers so that the record cannot be altered retroactively without the alteration of all subsequent blocks and the collusion of the network. The blockchain system has been designed to use nodes agreement to order transactions and prevent fraud so that records cannot be altered retroactively. The network orders transaction by putting them together into groups called blocks, each block contains a definite amount of transactions and a link to the previous block. Bitcoin, which is the name of the best-known cryptocurrency, is the one for which blockchain technology was invented. Blockchain is, quite simply, a digital, decentralized ledger that keeps a record of all transactions that take place across a peer-to-peer network.

Bitcoins are not the only type of Digital Assets founded on math-based algorithms and cryptographic security, although it is considered the most prominent as of the date of the filing of this Registration Statement. Over 1,000 other Digital Assets, (commonly referred to as “altcoins”, “tokens”, “protocol tokens”, or “digital assets”), have been developed since the Bitcoin Network’s inception, including Ethereum, Ripple, Litecoin, Dash, and Monero.

**Cryptocurrencies**

Cryptocurrency is an encrypted decentralized digital currency transferred between peers and confirmed in a public ledger via a process known as mining. As of September 2017, there are over 1,000 digital currencies in existence.



**Blockchain Value**

Cryptocurrencies are Digital Asset that is not a fiat currency (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization) and is not backed by hard assets or other credit. As a result, the value of cryptocurrencies is determined by the value that various market participants place on them through their transactions.

*Exchange Valuation*

Due to the peer-to-peer framework of cryptocurrencies, transferors and recipients of cryptocurrencies are able to determine the value of the cryptocurrency transferred by mutual agreement or barter with respect to their transactions. As a result, the most common means of determining the value of a cryptocurrency is by surveying one or more Exchanges where the cryptocurrency is publicly bought, sold and traded.

**Uses of Cryptocurrencies**

*Global Cryptocurrency Market*

Global trade in cryptocurrencies consists of individual end-user-to-end-user transactions, together with facilitated exchange-based trading. There is currently no reliable data on the total number or demographic composition of users on the global exchanges.

*Goods and Services*

Cryptocurrencies can be used to purchase goods and services, either online or at physical locations, although reliable data is not readily available about the retail and commercial market penetration of the various cryptocurrencies. In January 2014, US national online retailers Overstock.com and TigerDirect began accepting cryptocurrencies (bitcoin) payments. Over the course of 2014, computer hardware and software company Microsoft began accepting cryptocurrencies as online payment for certain digital content, online retailer NewEgg began accepting cryptocurrencies, and computer hardware company Dell began accepting cryptocurrency. There are thousands of additional online merchants that accept cryptocurrencies, and the variety of goods and services for which cryptocurrencies can be exchanged is increasing. Currently, local, regional and national businesses, including Time Inc., Wikimedia, WordPress, Expedia and Foodler, accept cryptocurrencies. Cryptocurrency service providers such as BitPay, Coinbase, and GoCoin and online gift card retailer Gyft provide other means to spend cryptocurrencies for goods and services at additional retailers. There are also many real-world locations that accept cryptocurrencies throughout the world. In 2014, payments giant PayPal announced a partnership with BitPay, Coinbase and GoCoin to expand their cryptocurrency-related services to PayPal's merchant customers, thereby significantly expanding the reach of cryptocurrency-accepting merchants. To date, the rate of consumer adoption and use of cryptocurrencies for paying merchants has trailed the broad expansion of retail and commercial acceptance of cryptocurrency. Nevertheless, it is likely that there will be a strong correlation between the continued expansion of the Cryptocurrency Network and its retail and commercial market penetration.

*Anonymity and Illicit Use*

The Blockchain Network was not designed to ensure the anonymity of users, despite a common misperception to the contrary. All transactions are logged on the Blockchain and any individual or government can trace the flow of cryptocurrencies from one address to another. Off-Blockchain transactions occurring off the Network are not recorded and do not represent actual transactions or the transfer of cryptocurrencies from one digital wallet address to another, though information regarding participants in an Off-Blockchain transaction may be recorded by the parties facilitating such Off-Blockchain transactions. Digital wallet addresses are randomized sequences of 27-34 alphanumeric characters that, standing alone, do not provide sufficient information to identify users; however, various methods may be used to connect an address to a particular user's identity, including, among other things, simple Internet searching, electronic surveillance and statistical network analysis and data mining. Anonymity is also reduced to the extent that certain Exchanges and other service providers collect users' personal information, because such Exchanges and service providers may be required to produce users' information in order to comply with legal requirements. In many cases, a user's own activity on the Blockchain Network or on Internet forums may reveal information about the user's identity.

Users may take certain precautions to enhance the likelihood that they and their transactions will remain anonymous. For instance, a user may send its cryptocurrencies to different addresses multiple times to make tracking the cryptocurrencies through the Blockchain more difficult or, more simply, engage a so-called "mixing" or "tumbling" service to switch its cryptocurrencies with those of other users. However, these precautions do not guarantee anonymity and are illegal to the extent that they constitute money laundering or otherwise violate the law.

As with any other asset or medium of exchange, cryptocurrencies can be used to purchase illegal goods or fund illicit activities. The use of cryptocurrencies for illicit purposes, however, is not promoted by the Blockchain Network or the user community as a whole. Furthermore, we do not believe our advertising, marketing, and consulting services has exposure to such uses because the services we provide are curated by our management and team.

**Government Oversight**

The Blockchain Network is a recent technological innovation and the regulatory schemes to which cryptocurrencies may be subject have not been fully explored or developed. Recent actions taken by the SEC in its Report that digital assets may be securities and actions taken by the CFTC including its July 24, 2017, order approving the first derivative clearing organization for digital currency swaps strongly suggest that the industry will face increased government regulation and oversight.

Until February 2014, the only U.S. federal regulator to release official guidance on cryptocurrencies was FinCEN, a bureau of the U.S. Department of the Treasury responsible for the federal regulation of currency market participants. On March 18th, 2013, FinCEN issued interpretive guidance relating to the application of the Bank Secrecy Act to distributing, exchanging and transmitting "virtual currencies." More specifically, it determined that a cryptocurrency user will not be considered a money service business ("MSB") or be required to register, report and perform recordkeeping; however, an administrator or exchanger of cryptocurrencies must be a registered money services business under FinCEN's money transmitter regulations. As a result, cryptocurrencies Exchanges that deal with U.S. residents or otherwise fall under U.S. jurisdiction are required to obtain licenses and comply with FinCEN regulations. FinCEN released additional guidance on January 30, 2014, April 29, 2014, October 27, 2014 and August 14, 2015, clarifying that most miners, software developers, hardware manufacturers, escrow service providers and investors in cryptocurrencies would not be required to register with FinCEN on the basis of such activity alone, but that Exchanges, payment processors and convertible Digital Asset administrators would likely be required to register with FinCEN on the basis of the activities described in the October 2014 and August 2015 letters.

Prior to concluding that digital assets may be securities, the SEC has taken various actions against persons or entities misusing cryptocurrencies in connection with fraudulent schemes (i.e., Ponzi schemes), inaccurate and inadequate publicly disseminated information, and the offering of unregistered securities. Clarity regarding the treatment of cryptocurrencies was obtained on September 17, 2015, when the CFTC instituted and settled the *Coinflip* case. The *Coinflip* order found that the respondents (i) conducted activity related to commodity options transactions without complying with the provisions of the CEA and CFTC regulations, and (ii) operated a facility for the trading of swaps without registering the facility as a SEF or DCM. The *Coinflip* order was significant as it is the first time the CFTC determined that virtual currencies are properly defined as commodities under the CEA. Based on this determination, the CFTC applied CEA provisions and CFTC regulations that apply to transactions in commodity options and swaps to the conduct of the cryptocurrency trading platforms. Also of significance, is that the CFTC appears to have taken the position that cryptocurrencies are not encompassed by the definition of currency under the CEA and CFTC regulations. The CFTC defined virtual currencies as "a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value, but does not have legal tender status in any jurisdiction. Virtual currencies are distinct from 'real' currencies, which are the coin and paper money of the United States or another country that are designated as legal tender, circulate, and are customarily used and accepted as a medium of exchange in the country of issuance."

The CFTC affirmed its approach to the regulation of cryptocurrencies on June 2, 2016, when the CFTC settled charges against Bitfinex, a Bitcoin Exchange based in Hong Kong. In its Order, the CFTC found that Bitfinex engaged in "illegal, off-exchange commodity transactions and failed to register as a futures commission merchant" when it facilitated borrowing transactions among its users to permit the trading of bitcoin on a "leveraged, margined or financed basis" without first registering with the CFTC.

On March 25, 2014, the IRS released guidance on the treatment of virtual convertible currencies for U.S. federal income tax purposes. The guidance, the first issued by a U.S. government agency regarding the asset classification of cryptocurrencies, classified cryptocurrencies as "property" that it is not currency for U.S. federal income tax purposes. The guidance clarified that cryptocurrencies could be held as capital assets and that holders of cryptocurrencies were required to track gains and losses relating to their cost basis at acquisition and their amount realized upon sale or other disposition of the cryptocurrencies. The IRS also clarified that cryptocurrencies received as payment (e.g., as wages or, in the case of a miner, as a reward for solving a block) is included in the recipient's taxable income based on the fair market value of the cryptocurrency when received. The IRS may revisit its treatment of Digital Assets, including seeking enforcement of existing guidance or issuing new guidance, in response to recommendations in a September 2016 report by the U.S. Treasury Inspector General for Tax Administration. The asset classification of cryptocurrencies by the IRS is not controlling on other government agencies for purposes other than those relating to U.S. federal income tax.

On June 26, 2014, the U.S. Government Accountability Office publicly released a report to the Committee on Homeland Security and Government Affairs that summarized regulatory, law enforcement and consumer protection assessments regarding the cryptocurrency economy and Bitcoin in general. The report recommended that the U.S. Consumer Financial Protection Bureau participate in inter-agency working groups on Bitcoin to assess how the agency might address Bitcoin-related consumer protection issues. The report echoed, in part, a May 7, 2014, investor alert published by the SEC that highlighted fraud and other concerns relating to certain investment opportunities denominated in bitcoin and fraudulent and unregistered investment schemes targeted at participants in online Bitcoin forums. In the fall of 2014, the SEC is reported to have initiated an inquiry into the sale of unregistered securities denominated in cryptocurrencies, and into the sale of "crypto-equity" (i.e., tokens for use on altcoin programming platforms).

As of April 2016, the U.S. Congress, U.S. Senate Committee on Homeland Security and Government Affairs, U.S. Senate Committee on Banking, Housing and Urban Affairs, the CFTC, the New York State Department of Financial Services ("NYSDFS"), and the Conference of State Bank Supervisors had initiated formal inquiries into or held hearings on Digital Assets and possible regulation thereof. Members of the private sector and representatives of the Department of Justice, Secret Service and FinCEN (among other government agencies) had participated in such inquiries and hearings.



U.S. state regulators, including the California Department of Financial Institutions, NYSDFS, Virginia Corporation Commission, Idaho Department of

Financial Services and Washington State Department of Financial Institutions, have similarly released interpretations or mandates that Exchanges and similar cryptocurrency service providers register on a state-level as MTs or MSB. On July 20, 2017, Delaware amended its General Corporation Law to provide for the creation maintenance of certain required records by blockchain technology and permit its use for electronic transmission of stockholder communications. In June 2014, the State of California adopted legislation that would formally repeal laws that could be interpreted as making illegal the use of Digital Assets as a means of payment. In February 2015, a bill was introduced in the California State Assembly to establish a licensing regime for businesses engaging in virtual currencies. In September 2015, the bill was ordered to become an inactive file and as of the date of this registration statement, there hasn't been further consideration by the California State Assembly. As of August 2016, the bill was withdrawn from consideration for a vote for the remainder of the year.

In July 2014, the NYSDFS proposed the first US regulatory framework for licensing participants in "virtual currency business activity." The proposed regulations, known as the "BitLicense," are intended to focus on consumer protection and, after the closure of an initial comment period that yielded 3,746 formal public comments and a re-proposal, the NYSDFS issued its final "BitLicense" regulatory framework in June 2015. The "BitLicense" regulates the conduct of businesses that are involved in "virtual currencies" in New York or with New York customers and prohibits any person or entity involved in such activity to conduct activities without a license. The "BitLicense" requires, among other things, that licensees are adequately capitalized, maintain detailed books and records, adopt anti-money laundering policies, ensure they have robust cybersecurity policies and incorporate a variety of other compliance policies. As of February 7, 2017, the NYSDFS has granted a "BitLicense" to three (3) market participants.

On December 16, 2014, the Conference of State Bank Supervisors released for public comment a proposed model regulatory framework for state regulation of participants in "virtual currency activities." Although similar in some regards, the proposed model framework does not track completely the BitLicense regulations in New York. The Conference of State Bank Supervisors proposed framework is a non-binding model and would have to be independently adopted, in sum or in part, by state legislatures or regulators on a case-by-case basis. In numerous other states, including Connecticut, North Carolina, New Hampshire and New Jersey, legislation is being proposed or has been introduced regarding the treatment of bitcoin and other Digital Assets.

In addition, various foreign jurisdictions may adopt laws, regulations or directives that affect cryptocurrencies. In October 2012, the European Central Bank issued a report on "virtual currency" schemes indicating that Bitcoin may become the subject of regulatory interest in the European Union. In August 2013, the German Ministry of Finance released an interpretation that labeled bitcoin to be a form of private money or a unit of account that is not recognized as a full currency but is subject to German tax laws. A ruling by the Court of Justice of the European Union on October 22, 2015, found that exchange's trading of bitcoin for conventional currency (such as Euros or Swedish Krona) and vice versa was subject to value-added tax ("VAT") rules because it constituted the supply of services for consideration. However, the court also found that bitcoin could qualify for an exception reserved for transactions related to currency, bank notes, and other legal tenders, and thus the bitcoin trading could be exempted from VAT. The ruling shows that bitcoin tax treatment in the European Union has moved more closely in-line with that of conventional currency. Foreign government bodies have also initiated public inquiries similar to those taken by US government bodies, including public hearings on Digital Assets held by both the French and Canadian Senates. In October 2015, the European Court of Justice determined that exchanging transactions in Digital Assets are exempt from value-added taxes in the same manner as traditional currencies. In July 2016, the European Commission released a draft directive that proposed applying counter-terrorism and anti-money laundering regulations to virtual currencies, and in September 2016, the European Banking authority advised the European Commission to institute new regulation specific to virtual currencies, with amendments to existing regulation as a stopgap measure.

While jurisdictions such as Germany and China have taken a preliminary regulatory stance on cryptocurrencies, countries such as India have declined to apply regulation when afforded the opportunity. In June 2014, the Swiss government elected not to regulate cryptocurrency use and issued guidance on the further development and future application of laws to cryptocurrency-related activity in Switzerland. Among others, Australia, Finland, and the Netherlands have joined Canada and Germany among the foreign countries releasing formal or informal tax guidance regarding cryptocurrency income or operations.

Due in part to its international nature and the nascent stage of regulation, along with the limited experience with cryptocurrency of, and language barriers between, international journalists, and information regarding the regulation of cryptocurrencies in various jurisdictions may be incomplete, inaccurate or unreliable.

In April 2015, the Japanese Cabinet approved proposed legal changes that would reportedly treat Digital Assets as included in the definition of currency. These regulations would, among other things, require market participants, including exchanges, to meet certain compliance requirements and be subject to oversight by the Financial Services Agency, a Japanese regulator. These changes were approved by the Japanese Diet in May 2016 and became effective in April 2017.



**As both the regulatory landscape develops and journalistic familiarity with cryptocurrencies increases, mainstream media's understanding of**

**Digital Assets and the regulation thereof may improve. Regulation of Digital Assets varies from country to country as well as within countries. Any increase in the regulation of Digital Assets may adversely affect our proposed business by increasing compliance costs or prohibiting certain or all of our proposed activities**.

**Competition**

*Blockchain Technology and Digital Assets Initiatives*

Subject to raising additional capital, the Company's Digital Asset initiatives will compete with other industry participants that focus on investing in and securing the blockchains of Digital Assets. Market and financial conditions, and other conditions beyond the Company's control may make it more attractive to transact business with other entities, or to invest in Digital Assets directly.

Our potential competitors may have greater resources, longer histories, more developed intellectual property, greater hashing capacity, and lower costs of operations. Other companies also may enter into business combinations or alliances that strengthen their competitive positions.

**Intellectual Property and Trade Secrets**

We currently protect our software and business strategies as Trade Secrets, under applicable state and federal law. We are also currently determining whether several of the processes designed by us would qualify for protection under worldwide patent protection. We maintain multiple trademarks for the business. We also rely on the experience of our executive officers in the evolving Digital Assets business.

**Growth Strategy**

We anticipate growth in our operations through normal acceptance of our products and through acquisitions when deemed in the best interest of our shareholders.

**Employees**

We currently have 3 employees who provide programming services, offshore, for the Company. Our management team is currently employed under consulting agreements with the anticipation to convert to employment contracts upon the effectiveness of this registration statement. Current management is believed to have been compensated at below market levels since inception in (March 2017).

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read in conjunction with our financial statements and related notes included elsewhere in this prospectus. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties, including those set forth under the heading "Risk Factors" and elsewhere in this prospectus. Our actual results and the timing of selected events discussed below could differ materially from those expressed in, or implied by, these forward-looking statements.*

## OVERVIEW

The Company was incorporated under the laws of the State of Delaware on March 30, 2017. OBITX is a technology company that provides social media platforms and other computer software and programming. The Company fiscal year was April 30 as it is consolidated with MCIG for accounting purposes. Effective November 1, 2017, the company has elected to establish its fiscal year end as January 31.

**Plan of Operations**

We will continue to provide advertising, marketing, brand development in multiple industries with emphasis on Digital Assets. Our software will be utilized to grow our database of potential end-users to promote and advertise our clients. We will continue to provide consulting services in the development of marketing strategies for our clients.



**Results of Operations**

Substantial positive and negative fluctuations can occur in our business due to a variety of factors, including fluctuations in the economy, and the ability to raise capital. As a result, net income and revenues in a particular period may not be representative of full-year results and may vary significantly in this early stage of our operations. In addition results of operations, which may fluctuate in the future, may be materially affected by many factors of a national and international nature, including economic and market conditions, currency values, inflation, the availability of capital, the level of volatility of interest rates, the valuation of security positions and investments and legislative and regulatory developments. Our results of operations also may be materially affected by competitive factors and our ability to attract and retain highly skilled individuals.

Our operating results and cash flows are presented from inception (March 30, 3017) as the period ended October 31, 2017 and for the three months ended October 31, 2017.

**Our operating results for the period ended October 31, 2017:**

**Liquidity and Financial Condition**

Working Capital

| | | **As of October 31, 2017** |
|---|---|---|
| Current Assets | $ | 1,252,497 |
| Current Liabilities | $ | - |
| Working Capital | $ | 1,252,497 |

Cash Flows

| | | **For the six months ended October 31, 2017,** |
|---|---|---|
| Net Cash Used in Operating Activities | $ | 333,996 |

| | | |
|---|---|---|
| Net Cash Used by Investing Activities | $ | 3,127,244 |
| Net Cash Provided by Financing Activities | $ | 3,463,737 |
| Net Increase in Cash During the Period | $ | 2,497 |

We will require additional funds to fund our budgeted expenses in the future. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There is no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on their investment in our common stock. Further, we may continue to be unprofitable. Additionally, there is no assurance that any party will advance additional funds to us in order to enable us to sustain our plan of operations or to repay our liabilities. Presently, there are no funding arrangements in place with any parties after the spin-off. As a result, there is no assurance that our funding needs will be met.

As the largest shareholder in our company, MCIG. will continue to fund the company's development through shareholder loans or equity capital injections. However, there are no funding arrangements with MCIG and no assurances can be provided that MCIG will continue to fund our business.

**Operating Results**

Our operating results for the period ended and three months ended October 31, 2017are summarized as follows:



**OBITX, Inc.**

**Statements of Operations**

| | For the three months ended October 31, 2017 | For the period ended October 31, 2017 |
|---|---|---|
| Sales | $ 1,266,150 | $ 1,266,150 |
| Total Cost of Sales | 220,558 | 246,474 |
| Gross Profit | 1,045,592 | 1,019,676 |
| Total Operating Expenses | 76,981 | 187,631 |
| Net Income(Loss) from operations | 968,611 | 832,045 |

Three Months Ended October 31, 2017

*Revenue*

Our revenue from operations for the three months ended October 31, 2017, was $1,266,150. The revenue represents $1,250,000 for services provided in the marketing and consulting in the Digital Asset industry. $16,150 was generated through MCIG, the Company's majority owner. This amount was eliminated in the consolidation of MCIG's financial statements.

*Cost of Goods Sold*

Our cost of goods sold for the three months ended October 31, 2017, was $220,558. The costs of goods were primarily marketing expenses of $200,000 and $20,558 in programming and development costs directly associated with sales.

*Gross Profit*

Our gross profit for the three months ended October 31, 2017, was $1,045,592. The gross profit of $1,045,592 for the three months ended October 31, 2017, represents approximately 82.6% as a percentage of total revenue.

*Operating Expenses*

Our operating expenses for the three months ended October 31, 2017, was $76,981. Our total operating expenses for the three months ended October 31, 2017, of $76,981 consisted of $10,176 of selling, general and administrative expenses, $3,825 of payroll, consulting expense of $21,000, and $41,980 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

*Net Income*

Our net income for the three months ended October 31, 2017, was $968,611.

Period Ended October 31, 2017

*Revenue*

Our revenue from operations for the period ended October 31, 2017, was $1,266,150. The revenue represents $1,250,000 for services provided in the marketing and consulting in the Digital Asset industry. $16,150 was generated through MCIG, the Company's majority owner. This amount was eliminated in the consolidation of MCIG's financial statements.

*Cost of Goods Sold*

Our cost of goods sold for the period ended October 31, 2017, was $246,474. The costs of goods were primarily marketing expenses of $200,000 and $46,474 in programming and development costs directly associated with sales.

*Gross Profit*

Our gross profit for the period ended October 31, 2017, was $1,019,676. The gross profit of $1,019,676 for the period ended October 31, 2017 represents approximately 80.5% as a percentage of total revenue.

*Operating Expenses*

Our operating expenses for the period ended October 31, 2017, was $187,631. Our total operating expenses for the three months ended October 31, 2017, of $76,981 consisted of $20,373 of selling, general and administrative expenses, $41,298 of payroll, consulting expense of $42,000, and $83,960 of amortization and depreciation expenses. Our general and administrative expenses consist of bank charges, telephone expenses, meals and entertainments, computer and internet expenses, postage and delivery, office supplies and other expenses.

*Net Income*

Our net income for the period ended October 31, 2017, was $832,045.

**Liquidity and Capital Resources**

*Introduction*

During the period ended October 31, 2017, we gained $2,497 in operating cash flows. Our cash on hand as of October 31, 2017 was $2,497.

*Cash Requirements*

We had cash available of $2,497 as of October 31, 2017. Based on our revenues, cash on hand and current monthly burn rate, around break-even, we believe that our operations are sufficient to fund operations through December 2017.

**Sources and Uses of Cash**

*Operations*

We used $333,996 in cash by operating activities for the period ended October 31, 2017. Net cash provided by operations consisted primarily of the net income of $832,045 offset by non-cash expenses of $83,960 in depreciation and amortization. Additionally, changes in assets and liabilities consisted of an increase of $1,250,000 in accounts receivable.

*Investments*

We used $3,127,244 in investing activities for the period ended October 31, 2017. Our investing activities consisted of the purchase and development of our proprietary software of $3,127,244.

*Financing*

We had net cash provided in financing activities of $3,463,737 for the period ended October 31, 2017. Our financing activities consisted of an increase in net proceeds from the issuance of stock of $1 and an increase of $3,463,736 of advances made by a related party.

**Going Concern**

For the period from inception (March 30, 2017) to October 31, 2017, our company has a net profit of $832,045. For the three months ended October 31, 2017, the Company had a net profit of $968,611. Our company intends to fund operations through operational cash flow and equity/debt financing arrangements. These sources may be insufficient to fund its capital expenditures, working capital and other cash requirements for the future. In response to these problems, management intends to raise additional funds through public or private placement offerings.

As discussed in Note 3 to the financial statements, as of October 31, 2017 there are no assurances the Company can continue to generate a profit or obtain a positive cash flow. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

These factors, among others, raise substantial doubt about our company's ability to continue as a going concern. As noted in the auditor's opinion dated December 31, 2017, the accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

## PROPERTY

Our business office is located at 4720 Salisbury Road, Jacksonville, FL 32256. We believe that this space will be sufficient for our initial needs, although as funding and significant revenues become available, and the Company's operations grow, we anticipate finding other office space as needed.

## LEGAL PROCEEDINGS

The Company is not involved in any legal proceedings which management believes will have a material effect upon the financial condition of the Company, nor are any such material legal proceedings anticipated.

We are not aware of any contemplated legal or regulatory proceeding by a governmental authority in which we may be involved.

## MANAGEMENT

The following table sets forth information concerning our executive officers and directors and their ages at February 7, 2018:

| Name | Age | Position |
|---|---|---|
| Alex Mardikian | 47 | Chief Executive Officer, Secretary |
| Brandy Craig | 36 | Chief Financial Officer |
| Paul Rosenberg | 49 | Director |

**Biographical Information for Alex Mardikian**

Alex Mardikian has been our Chief Executive Officer since November 1, 2017. Prior to this, he has served as the CMO of MCIG., the Company's single shareholder and has served as the Interim CEO since the company's inception. Alex Mardikian has an extensive background in manufacturing, marketing, and sales, with 30-years of experience. His served as the Western Regional Manager, Product Design and Certification, for Schlumberger Industries and as a founding principal of Sonic Jet Performance, Inc., which changed its name to Force Protection, Inc., that traded on the OTC: FRPT.OB which was subsequently acquired by General Dynamics in 2011. He worked under exclusive licensing of Von Dutch, Ed Hardy, Quadrophenia with The WHO and the Grammy Label by the Recording Academy. In the last decade, Alex has focused his direction more so on digital marketing and the cannabis industry. Over that span to date, he has been appointed key roles in MegaUpload, Otherside Farms, an Education and Cultivation co-op in Southern California, Northsight Capital in Arizona and MCIG Group, headquartered in Nevada. He attended the University of Southern California, UC Riverside and Mt. San Antonio College specializing in Mechanical Engineering, with emphasizes in Hydraulics and Fluid Power Technologies.

**Biographical Information for Brandy Craig**

Brandy Craig has been our Chief Financial Officer since November 1, 2017. Prior to fulfilling this role, Mrs. Craig has been working in the financial field for more than 15 years. Mrs. Craig has worked in the banking and insurance industries as well as aircraft engine sales and maintenance, providing executive level services to multiple nanotech and fortune 500 privately held companies. Some of these companies include First Internet Bank of Indiana and International Medical Group, serving as a staff accountant for over 15 years. Mrs. Craig earned her B.S. in Accounting from Indiana Wesleyan University in Indianapolis (IWU) and her Master's Degree in Business Administration with a specialty in Accounting from IWU as well. Mrs. Craig is a Certified Public Accountant.

**Biographical Information for Paul Rosenberg**

Mr. Rosenberg was appointed as a director of MCIG, Inc. on January 23, 2014. Paul Rosenberg, aged 49 is the Founder, CEO, and Chairman of MCIG formerly known as Lifetech Industries since April 2013. For the past 5 years, Mr. Rosenberg has been a private investor focusing on the technology space where he has over two decades of experience as a software engineer specializing in complex distributed systems in C++, Delphi, VB, Java, and Oracle DB projects via his consulting company: PR Data Consulting. Since 1997, Mr. Rosenberg has worked as an independent consultant with both private and public enterprises including: The Federal Deposit Insurance Company (FDIC), The Zennstrom/Friis Group (Kazaa/Skype/Atomico Ventures), and Trust Digital (later sold to Mcafee in 2010), Dell, Inc., Boeing, and Microsoft Inc.

**Board Leadership Structure And Role In Risk Oversight**

Our Board of Directors is primarily responsible for overseeing our risk management processes. The Board of Directors receives and reviews periodic reports from management, auditors, legal counsel, and others, as considered appropriate regarding the Company's assessment of risks. The Board of Directors focuses on the most significant risks facing us and our general risk management strategy, and also ensures that risks undertaken by us are consistent with the Board of Directors' appetite for risk. While the Board of Directors oversees the Company, our management is responsible for day-to-day risk management processes. We believe this division of responsibilities is the most effective approach for addressing the risks facing the Company and that our board leadership structure supports this approach. With the absence of any independent directors, the roles of our management and directors are not clearly delineated.

**Code of Ethics**

We have not yet adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions since we have been focusing our efforts on growing our business and obtaining financing for our Company. We expect to adopt a code as we further develop our business.

**Family Relationships**

There are no family relationships between any of our directors or executive officers.

**Committees of The Board Of Directors**

Due to our size, we have not formally designated a nominating committee, an audit committee, a compensation committee, or committees performing similar functions.

The Board currently acts as our audit committee. Since we are still a developing company, the Board of Directors is still in the process of finding an "audit committee financial expert" as defined in Regulation S-K.

## EXECUTIVE COMPENSATION

**Executive Compensation**

The following summary compensation table sets forth information concerning compensation for services rendered in all capacities during the period ended October 31, 2017 awarded to, earned by or paid to our executive officers.

SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Salary ($) | Bonus ($) | Stock Awards ($) | Option Awards ($)(3) | Total ($) (4) |
|---|---|---|---|---|---|---|
| Alex Markidian, CEO | 2017 | 42,000 | - | - | - | 42,000 |
| Michael Hawkins, Interim CFO | 2017 (1) | - | - | - | - | - |
| Brandy Craig, CFO | 2017 | - | - | - | - | - |
| Paul Rosenberg, Director | 2017 | - | - | - | - | - |

(1) Mr. Hawkins served as the interim CFO for the Company through October 31, 2017. Brandy Craig became the Company's CFO on November 1, 2017. Epic Industry Corp, a wholly owned company of Mr. Hawkins was subsequently (November 1, 2017) granted a warrant to acquire 500,000 shares of common stock at $1.00 per share.

**Employment Agreements with Executive Officers**

To achieve our compensation objective of retaining and motivating qualified executives, we believe that we need to provide our executive officers protections offered by other companies. Offering our executive officers cash and warrants facilitates the operation of our business, allows them to better focus their time, attention and capabilities on our business.

On November 1, 2017, the Company entered into a consulting agreement with Alex Mardikian, the Chief Executive Officer and a consulting agreement with Brandy Craig, the Chief Financial Officer of the Company, which were subsequently amended on February 1, 2018. The amended terms of the Agreement are the same. The agreements call for $7,000 per month for a period of one year. The payments may be booked as a note due, which may be converted into shares of the company's common stock at the average price of the preceding five days of trading. The Company and consultant may elect to convert a portion of this into equity of the company. In addition, each executive was issued a five-year warrant to acquire 250,000 shares of the Company Stock at $1.00 per share.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

In connection with the distribution, the 402,811 shares of the Company's common stock held directly by MCIG will be distributed pro rata to the shareholders of MCIG., who own MCIG common stock as of the record date.

The following table indicates beneficial ownership of OBITX's common stock, as of February 7, 2018, by:

- Each person or entity is known by OBITX to beneficially own more than 5% of the outstanding shares of OBITX's common stock;
- Each executive officer and director of OBITX; and
- All executive officers and directors of OBITX as a group.
- Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Percentage of beneficial ownership is based on 10,460,000 shares of underlying common stock outstanding as of February 7, 2018.

Unless other indicated, the address of each beneficial owner listed below is c/o OBITX, Inc., 4720 Salisbury Road, Jacksonville, Florida 32256.

| Shareholder | Common Shares Prior To Distribution | Underlying Common Shares Series A Preferred | Securities Exercisable within 60 days | Total Shares and Securities Owned | Total Shares Calculated as % of Ownership | % | Common Shares After Distribution | % |
|---|---|---|---|---|---|---|---|---|
| MCIG. (1) | 510,000 | 5,000,000 | - | 5,510,000 | 10,460,000 | 52.68% | 5,107,189 | 48.83% |
| APO Holdings, LLC (1) | 1,500,000 | - | 1,000,000 | 2,500,000 | 11,460,000 | 21.82% | 2,500,000 | 21.82% |
| Epic Industry Corp (1) (2) | 250,000 | - | 500,000 | 750,000 | 10,960,000 | 6.84% | 750,000 | 6.84% |
| Carl G. Hawkins (1) | 50,000 | - | 250,000 | 300,000 | 10,710,000 | 2.80% | 300,000 | 2.80% |
| Alex Mardikian (1) | 50,000 | - | 250,000 | 300,000 | 10,710,000 | 2.80% | 300,000 | 2.80% |
| Brandy Craig (1) | 50,000 | - | 250,000 | 300,000 | 10,710,000 | 2.80% | 300,000 | 2.80% |
| Paul Rosenberg (1)(3) | 3,000,000 | - | 500,000 | 3,500,000 | 10,960,000 | 31.93% | 3,500,000 | 31.93% |
| All Other Shares | 50,000 | - | 250,000 | 300,000 | 10,710,000 | 2.80% | 702,811 | 6.56% |
| **All Officers and Directors as a Group Total** (1,6) | 5,460,000 | 5,000,000 | 3,000,000 | 13,460,000 | | | 13,460,000 | |

1) Percentage ownership is determined based on shares owned together with securities exercisable or convertible into shares of Common Stock within 60 days of February 7, 2018, for each shareholder. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of Common Stock subject to securities exercisable or convertible into shares of Common Stock that are currently exercisable or exercisable within 60 days of February 7, 2018, are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. As of February 7, 2018, there were 5,460,000 shares of our Common Stock issued and outstanding and an additional 3,000,000 common shares convertible under exercisable securities agreements.
2) Epic Industry Corp is wholly owned by Michael W. Hawkins.
3) Includes 2,500,000 shares owned directly by Paul Rosenberg through his investment into the company, and 500,000 shares owned by FinTech Labs, LLC a single member limited liability company owned by Paul Rosenberg.

## SELLING SHAREHOLDERS

The shares of Common Stock being offered by the Selling Shareholders are the Resale Shares (i) issuable upon exercise of the warrants, and (ii) the 2,500,000 shares issued to investors. In addition to the Resale Shares, the shares of common stock being offered by MCIG as the Distribution Shares will be issued one share for every 100 shares of MCIG stock owned. We are registering the shares of Common Stock in order to permit the Selling Shareholders, whether the owner of Resale Shares or Distribution Shares, to offer the shares for resale from time to time.

All expenses incurred with respect to the registration of the Common Stock will be paid by us, but we will not be obligated to pay any underwriting fees, discounts, commissions or other expenses incurred by the Selling Shareholders in connection with the sale of the Resale Shares.

The Selling Shareholders named below may from the time-to-time offer and sell pursuant to this prospectus up to 5,902,811 Resale Shares.

The table below lists the Selling Shareholders and other information regarding the beneficial ownership of the shares of Common Stock by each of the Selling Shareholders.

The second column lists the number of shares of Common Stock beneficially owned by each selling shareholder, based on its ownership of the shares of Common Stock, as of August 9, 2017. This table is prepared solely based on information supplied to us by the Selling Shareholders and any public documents filed with the SEC.

The third column lists the shares of Common Stock being offered by this prospectus by the Selling Shareholders.

The fourth column assumes the sale of all of the Resale Shares offered by the Selling Shareholders and Distributed Shares by MCIG to MCIG shareholders pursuant to this prospectus.

We do not know how long the Selling Shareholders will hold the shares before selling them or how many shares they will sell, and we currently have no agreements, arrangements or understandings with any of the Selling Shareholders regarding the sale of any of the Resale Shares.

None of the Selling Shareholders is a broker-dealer or an affiliate of a broker-dealer. See “Plan of Distribution” for additional information about the Selling Shareholders and the manner in which the Selling Shareholders may dispose of their shares. Beneficial ownership has been determined in accordance with the rules of the SEC, and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shares voting or investment power of that security, and includes an option that is currently exercisable or exercisable within 60 days. Our registration of these securities does not necessarily mean that the Selling Shareholders will sell any or all of the securities covered by this prospectus.

| Name of Shareholder | Number of Shares of Common Stock Owned Prior to Offering | Maximum Number of Shares of Common Stock to be Sold Pursuant to this Prospectus (1) | Number of Shares of Common Stock Owned After Offering(2) | Percentage of Common Stock Beneficially Owned After Offering |
|---|---|---|---|---|
| APO Holdings, LLC | 2,500,000 | 2,500,000 | - | 0.00% |
| Paul Rosenberg | 3,500,000 | 2,000,000 | 1,500,000 | 17.73% |
| Epic Indutsry, LLC | 750,000 | 500,000 | 250,000 | 2.96% |
| MCIG | 510,000 | 402,811 | 107,189 | 1.27% |
| Carl G. Hawkins | 300,000 | 250,000 | 50,000 | 0.59% |
| Alex Mardikian | 300,000 | 250,000 | 50,000 | 0.59% |
| Brandy Craig | 300,000 | 250,000 | 50,000 | 0.59% |
| Andrus Nomm | 300,000 | 250,000 | 50,000 | 0.59% |

(1) The maximum number of shares of common stock to be sold assumes all warrants are exercised.
(2) The number of shares of common stock owned after the offering assumes that all warrants are exercised and subsequently sold



## DESCRIPTION OF SECURITIES

**General**

The following summary includes a description of material provisions of the Company's capital stock.

**Authorized Capital Stock**

The authorized capital stock of the Company consists of 200,000,000 shares of Common Stock, par value $.0001 per share, (the "Common Stock"), of which there are 5,460,000 issued and outstanding. The following summarizes the important provisions of the Company's capital stock.

**Common Stock**

Holders of shares of common stock are entitled to one vote for each share on all matters to be voted on by the stockholders. Holders of common stock do not have cumulative voting rights. Holders of common stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available. In the event of a liquidation, dissolution or winding up of the company, the holders of common stock are entitled to share pro rata all assets remaining after payment in full of all liabilities, and payments in full of all Series A Preferred Stock, Series B Preferred, and Blank Check Preferred Stock.

Holders of common stock have no preemptive rights to purchase the Company's common stock. There are no conversion or redemption rights or sinking fund provisions with respect to the common stock.

**Authorized Preferred Stock**

The Company has a Series A Preferred Stock, a Series B Preferred Stock and Blank Check Preferred Stock.

The authorized Series A Preferred Stock consists of 1,000,000 shares of Series A Preferred Stock, par value $0.0001 per share, (the "Series A Preferred Stock"), of which there are 100,000 shares issued and outstanding.

The authorized Series B Preferred Stock consists of 1,500,000 shares of Series B Preferred Stock, par value $0.0001 per share, (the "Series B Preferred Stock"), of which there are none issued and outstanding.

The authorized Blank Check Preferred Stock consists of 100,000,000 shares of Blank Check Preferred Stock, par value $0.0001 per share, (the "Blank Check Preferred Stock"), of which there are none issued and outstanding.

**Series A Preferred Stock**

Holders of shares of Series A Preferred Stock are entitled to one thousand (1,000) votes for each share on all matters to be voted on by the stockholders. Holders of Series A Preferred Stock do not have cumulative voting rights. Holders of Series A Preferred Stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available. In the event of a liquidation, dissolution or winding up of the company, the Series A Preferred Stock holders are entitled to share pro rata all assets remaining after payment in full of all liabilities and any security with seniority over the Series A Preferred Stock.

Holders of Series A Preferred Stock have no preemptive rights to purchase the Company's Series A Preferred Stock. There are no conversion or redemption rights or sinking fund provisions with respect to the Series A Preferred Stock.

Holders of the Series A Preferred Stock may convert into common shares, where one Series A Preferred Stock is converted into 50 shares of Common Stock.

**Series B Preferred Stock**

Each share of Series B Preferred Stock entitles the holder to one hundred (100) votes for each share on all matters to be voted on by the stockholders. Holders of Series B Preferred Stock do not have cumulative voting rights. Holders of Series B Preferred Stock are entitled to share ratably in dividends, if any, as may be declared from time to time by the Board of Directors in its discretion from funds legally available. In the event of a liquidation, dissolution or winding up of the company, the Series B Preferred Stock holders are entitled to share pro rata all assets remaining after payment in full of all liabilities.

Holders of Series B Preferred Stock have no preemptive rights to purchase the Company's Series B Preferred Stock. There are no conversion or redemption rights or sinking fund provisions with respect to the Series B Preferred Stock.

**Blank Check Preferred Stock**

The Blank Check Preferred Stock is reserved for issuance by the Board of Directors, with the terms and conditions to be set by the Board.

## LEGAL MATTERS

The Law Office of Thomas G. Amon will render a legal opinion as to the validity of the shares of the common stock to be registered hereby.

## EXPERTS

The financial statements of OBITX, Inc. at October 31, 2017, have been audited by Weinstein & Company, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere in this prospectus and are included in reliance upon such report given on the authority of such firm as an expert in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. Statements contained in this prospectus as to the contents of any contract, agreement or other document are summaries of the material terms of that contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed or incorporated by reference as an exhibit to the registration statement, reference is made to the exhibits for a complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of these materials may be obtained by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC's website is http://www.sec.gov.

We intend to file periodic reports and other information with the SEC. Such periodic reports and other information are available for inspection and copying at the public reference room and website of the SEC referred to above. We maintain a website at http://www.izea.com. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The information and other content contained on our website are not part of the prospectus.



## INDEX TO FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
OBITX, Inc.

We have audited the accompanying balance sheet of OBITX Inc. ("the Company") as of October 31, 2017 and the related statement of operations, changes in Stockholders' Equity and cash flow for the period then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OBITX Inc. as of October 31, 2017 and the results of its operations and cash flow for the period described above in conformity with generally accepted accounting principles in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate revenue necessary to fund operations. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plan regarding these matters is also described in Note 3 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Dov Weinstein & Co. C.P.A. (Isr)

Jerusalem, Israel

February 7, 2018



***OBITX, Inc.***
***Balance Sheets***

**ASSETS**

| | As of October 31, 2017 |
|---|---|
| Current Assets | |
| Cash and cash equivalents | $ 2,497 |
| Accounts Receivable | 1,250,000 |
| Total current assets | 1,252,497 |
| Property, plant and equipment, net | 3,043,285 |
| Total assets | $ 4,295,782 |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | |
|---|---|
| Noncurrent liabilities | |
| Due to related party | 3,463,736 |
| Total noncurrent liabilities | 3,463,736 |
| Total liabilities | 3,463,736 |
| Stockholders' equity | |
| Common stock, $0.0001 par value, voting; 10,000 shares authorized; 10,000 shares issued, and outstanding, as of October 31, 2017. | 1 |
| Accumulated earnings | 832,045 |
| Total stockholders' equity | 832,046 |
| Total liabilities and stockholders' equity | $ 4,295,782 |

See accompanying notes to audited financial statements



**OBITX, Inc.**
**Statements of Operations**

| | For the three months ended October 31, 2017 | For the period ended October 31, 2017 |
|---|---|---|
| Sales | $ 1,266,150 | $ 1,266,150 |
| Total Cost of Sales | 220,558 | 246,474 |
| Gross Profit | 1,045,592 | 1,019,676 |
| Selling, general, and administrative | 10,176 | 20,373 |
| Payroll | 3,825 | 41,298 |
| Consulting | 21,000 | 42,000 |
| Amortization and Depreciation | 41,980 | 83,960 |
| Total Operating Expenses | 76,981 | 187,631 |
| Net Income(Loss) from operations | 968,611 | 832,045 |
| Other (Expense) | - | - |
| Net Income (Loss) | $ 968,611 | $ 832,045 |
| | | |
| Basic and Diluted (Loss) Per Share: | | |
| Income(Loss) per share from Continuing Operations | $ 96.86 | $ 83.20 |
| Income(Loss) Per Share | $ 96.86 | $ 83.20 |
| Weighted Average Shares Outstanding - Basic and Diluted | 10,000 | 10,000 |

See accompanying notes to audited financial statements.



**OBITX, Inc.**
**Statement of Changes in Stockholders' Equity**

| | Common Stock | | Additional Paid-in Capital | Accumulated Profits | Total Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares | Amount | | | |
| Inception - March 13, 2017 | - | $ - | $ - | $ - | $ - |
| Founders stock issued | 10,000 | 1 | - | - | 1 |
| Net profit | - | - | - | 832,045 | 832,045 |
| Balance – October 31, 2017 | 10,000 | $ 1 | $ - | $ 832,045 | $ 832,046 |

The accompanying notes are an integral part of these audited financial statements.



**OBITX, INC.**
**Statements of Cash Flows**

| | For the three months ended October 31, 2017 | For the period ended October 31, 2017 |
|---|---|---|
| **Cash Flows From Operating Activities:** | | |
| Net (Loss) | 968,610 | 832,045 |
| *Adjustments to Reconcile Net Loss to Net* | | |
| *Cash Provided By (Used In) Operating Activities:* | | |
| Depreciation and Amortization | 41,980 | 83,960 |
| *Decrease (Increase) in:* | | |
| Accounts Receivable | (1,250,000) | (1,250,000) |
| Total Adjustment to reconcile Net Income to Net Cash | (1,208,021) | (1,166,041) |
| Net Cash Provided In Operating Activities | (239,411) | (333,996) |
| **Cash Flows From Investing Activities:** | | |
| *Increase (Decrease) in:* | | |
| Acquisition of property, plant and equipment | (39,064) | (3,127,244) |
| Net cash received in investing activities | (39,064) | (3,127,244) |
| **Cash Flows From Financing Activities:** | | |
| Proceeds from issuance of common stock | 1 | 1 |
| Proceeds (Repayments) to Related Party | 280,136 | 3,463,736 |
| Net Cash Provided By (Used in) Financing Activities | 280,137 | 3,463,737 |
| Net Change in Cash | 1,662 | 2,497 |

| | | |
|---|---|---|
| Cash at Beginning of Period | 835 | - |
| Cash at End of Period | 2,497 | 2,497 |
| | | |
| **Supplemental Disclosure of Cash Flows Information:** | | |
| Cash paid for interest | $ - | $ - |
| Cash paid for income taxes | $ - | $ - |
| Inventory transferred to related party | $ - | $ - |

See accompanying notes to audited financial statements.



**OBITX, INC.**
**NOTES TO FINANCIAL STATEMENTS**

**Note 1. Organization and Basis of Presentation**

The accompanying audited financial statements of OBITX, Inc., (the "Company", "we", "our"), have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC").

**Basis of Presentation**
The accompanying financial statements include the accounts of the Company and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP").

**Description of Business**
The Company was incorporated in the State of Delaware on March 13, 2017, originally under the name GigeTech, Inc. On October 31, 2017, the Company changed its name to OBITX, Inc., and updated its Articles of Incorporation through unanimous consent of its shareholder, MCIG. The Company is headquartered in Jacksonville, Florida.

The Company's primary NAICS CODE is 519130, Internet publishing and broadcasting and web search portals. We publish and generate textual, audio, and/or video content on the Internet, and operate websites that use a search engine to generate and maintain extensive databases of internet addresses and content.

The Company earns revenue through social media advertising, fees, and services. Under its plan, the Company developed its white label software solution for MCIG under the 420 Cloud brand in support of the cannabis industry. The company has expanded its services and solutions in software development and internet advertising and promotion into the social media industries of entertainment, business administration, blockchain technologies, and social media.[1]

**Note 2. Summary of Significant Accounting Policies**

**Use of Estimates**
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The most significant estimates include: revenue recognition; sales returns and other allowances; allowance for doubtful accounts; valuation of inventory; valuation and recoverability of long-lived assets; property and equipment; contingencies; and income taxes.

On a regular basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

**Revenue Recognition Policies**
The Company recognizes revenue on our products and services in accordance with the Securities Exchange Commission (SEC) Staff Accounting Bulletin No. 104, *Revenue Recognition*, corrected copy (which superseded Staff Accounting Bulletin No. 101) "*Revenue Recognition in Financial Statements*".

Typically, the Company's software license agreements are multiple-element arrangements as they may also include maintenance, professional services, and hardware. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. Where company-specific objective evidence of fair value cannot be determined for undelivered elements, the Company determines fair value of the respective element by estimating its stand-alone selling price, which is also applied for the presentation as part of the revenue categories noted above when certain of those elements are deemed to be a single unit of accounting.

The Company typically sells or licenses software on a perpetual basis, but also licenses software for a specified period. Revenue from short-term time-based licenses, which usually include support services during the license period, is recognized ratably over the license term.

Revenue from multi-period time-based licenses that include support services, whether separately priced or not, is recognized ratably over the license term unless a substantive support service renewal rate exists; if this is the case, the amount allocated to the delivered software is recognized as software revenue based on the residual approach once the revenue criteria have been met. In those instances where the customer is required to renew mandatory support and maintenance in order to maintain use of the licensed software over the license term, the Company recognizes the consideration attributable to the license and support for the initial term of the arrangement attributable to the license and support over the initial one-period term and recognizes revenue for the support renewal fees in subsequent periods over the respective renewal periods.

Revenue from the license of software involving significant implementation or customization essential to the functionality of the Company's product is recognized under the percentage-of-completion method of contract accounting based either on the achievement of contractually-defined milestones or based on labor hours. Any probable losses are recognized immediately in profit or loss. In certain situations where the outcome of an arrangement cannot be estimated reliably, costs associated with the arrangement are recognized as incurred. In this situation, revenues are recognized only to the extent of the costs incurred that are probable of recovery.

Maintenance and other recurring revenue primarily consist of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products. The company-specific fair value of maintenance is typically derived from rates charged to renew these services after an initial period. Maintenance revenue remaining to be recognized in profit or loss is recognized as deferred revenue in the consolidated statements of financial position when amounts have been billed in advance and the term of the service period has commenced.

Professional Services revenue including implementation, training, and customization of software is recognized by the stage of completion of the arrangement determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed-price contracts are recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion.

Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labor hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgement is also needed in assessing the ability to collect the corresponding receivables.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in work in progress. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

**Research and Development**
Research and Development Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalized only if the product or process is technically and commercially feasible, if development costs can be measured reliably, if future economic benefits are probable, if the Company intends to use or sell the asset and the Company intends and has sufficient resources to complete development. For the period ended October 31, 2017, the Company has recognized $82,800 as a capital asset.

**Concentration of Credit Risk and Significant Customers**
Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of temporary cash investments and accounts receivable. The Company places its temporary cash investments with financial institutions insured by the FDIC.

Concentrations of credit risk with respect to trade receivables and commodities are limited due to the diverse group of customers to whom the Company provides services to. The Company establishes an allowance for doubtful accounts when events and circumstances regarding the collectability of its receivables or the selling of its commodities warrant based upon factors such as the credit risk of specific customers, historical trends, other information and past bad debt history. The outstanding balances are stated net of an allowance for doubtful accounts.

For the period ended October 31, 2017, sales to the Company's primary customer, Render Payment, LLC accounted for approximately 99% of revenues and 100% of accounts receivable.

**Cost of Goods Sold**
The Company recognizes the direct cost of purchasing product for sale, including freight-in and packaging, as the cost of goods sold in the accompanying statement of operations.

**Cost of Revenue**
Cost of revenue includes: manufacturing and distribution costs for products sold and programs licensed; operating costs related to product support service centers and product distribution centers; costs incurred to include software on PCs sold by OEMs, to drive traffic to our websites and products, and to acquire online advertising space; costs incurred to support and maintain Internet-based products and services, including data center costs and royalties; warranty costs; inventory valuation adjustments; costs associated with the delivery of consulting services; and the amortization of capitalized software development costs. Capitalized software development costs are amortized over the estimated lives of the products.

**Cash and Cash Equivalents**
The Company includes in cash and cash equivalents all short-term, highly liquid investments that mature within three months of the date of purchase. Cash equivalents consist principally of investments in interest-bearing demand deposit accounts and liquidity funds with financial institutions and are stated at cost, which approximates fair value. For cash management purposes, the company concentrates its cash holdings in an account at Bank of America. The Company had no cash equivalents at October 31, 2017, or 2016.

**Property, Plant, and Equipment**
Property, plant, and equipment ("PPE") are stated at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, improvements and major replacements that extend the life of the asset are capitalized.

Depreciation and amortization are recorded using the straight-line method over the estimated useful lives of depreciable assets, which are generally three to five periods.

The Company classifies its software under the *Financial Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) No. 10, Accounting for Internal Use Software, and the Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting of Costs of Computer Software Developed or Obtained for Internal Use. When software is used in providing goods and services it is classified as PPE.* The Company considers its proprietary software as a major part of the Company's operations that are intended to provide profits.

**Accounts Receivable**
The Company's accounts receivable are trade accounts receivable. The Company recognized $0 as an uncollectable reserve for the periods ending October 31, 2017.

**Advertising Costs and Expense**
The advertising costs are expensed as incurred. During the periods ended October 31, 2017, the advertising costs was $4,725.

**Foreign Currency Translation**
The Company's functional currency and its reporting currency is the United States Dollar.

**Financial Instruments**
The carrying amounts reflected in the balance sheets for cash, accounts receivable, accounts payable, and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.



As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

**Level 1**—Valuations based on quoted prices for identical assets and liabilities in active markets.

**Level 2**—Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

**Level 3**—Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis.

**Income Taxes**
In accordance with *SAB Topic 1: Financial Statements, Subsidiary's or Division's Separate Financial Statements and Segments*, income taxes are consolidated with MCIG., the controlling entity of the Company. The following table reflects the tax implications should the Company not consolidate with MCIG.

***OBITX, Inc.***
***Proforma Statements of Operations***

| | For the three months ended October 31, | For the period ended October 31, |
|---|---|---|

| | 2017 | 2017 |
|---|---|---|
| Sales | $ 1,266,150 | $ 1,266,150 |
| Total Cost of Sales | 220,558 | 246,474 |
| Gross Profit | 1,045,592 | 1,019,676 |
| Selling, general, and administrative | 10,176 | 20,373 |
| Payroll | 3,825 | 41,298 |
| Consulting | 21,000 | 42,000 |
| Amortization and Depreciation | 41,980 | 83,960 |
| Total Operating Expenses | 76,981 | 187,631 |
| Net Income(Loss) from operations | 968,611 | 832,045 |
| Other (Expense) | - | - |
| Net Income(Loss) before Income Taxes | 968,611 | 832,045 |
| Income Taxes - Current | 329,328 | 283,235 |
| Net Income (Loss) after Taxes | 639,283 | 548,810 |
| Basic and Diluted (Loss) Per Share: | | |
| Income(Loss) per share from Continuing Operations | $ 63.93 | $ 54.88 |
| Income(Loss) Per Share | $ 63.93 | $ 54.88 |
| Weighted Average Shares Outstanding - Basic and Diluted | 10,000 | 10,000 |

See accompanying notes to audited financial statements.

**Basic and Diluted Net Earnings (Loss) Per Share**
The Company follows *ASC Topic 260 – Earnings Per Share*, and *FASB 2015-06, Earnings Per Share* to account for earnings per share. Basic earnings per share ("EPS") calculations are determined by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) for the period by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share are computed using the weighted average number of common and dilutive common stock equivalent shares outstanding during the period. Dilutive common stock equivalent shares consist of Series A convertible preferred stock, convertible debentures, stock options and warrant common stock equivalent shares.

**Concentration of Credit Risk**
Financial instruments, which potentially subject us to concentrations of credit risk, consist principally of cash and trade receivables. Concentrations of credit risk with respect to trade receivables are limited due to the clients that comprise our customer base and their dispersion across different business and geographic areas. We estimate and maintain an allowance for potentially uncollectible accounts and such estimates have historically been within management's expectations.

Our cash balances are maintained in accounts held by major banks and financial institutions located in the United States. The Company may occasionally maintain amounts on deposit with a financial institution that are in excess of the federally insured limit of $250,000. The risk is managed by maintaining all deposits in high-quality financial institutions. The Company had $0 in excess of federally insured limits on October 31, 2017.

**Commitments and Contingencies**
The Company reports and accounts for its commitments and contingencies in accordance with*ASC 440 – Commitments* and *ASC 450 – Contingencies*. We recognize a loss on a contingency when it is probable a loss will incur and that the amount of the loss can be reasonably estimated. As of October 31, 2017, the Company recognized $0 as a loss on contingencies.

**Recent Accounting Pronouncements**
The Company evaluated all recent accounting pronouncements issued and determined that the adoption of these pronouncements would not have a material effect on the financial position, results of operations, or cash flows of the Company.

On December 15, 2016, the following two ASU's became effective, *ASU 2015-11, Simplifying the Measurement of Inventory* issued July 2015 and *ASU 2014-09, Revenue From Contracts With Customers*, issued May 2014, and must be utilized in fiscal periods beginning after the effective date. The company has adopted and implemented the standards as part of its 2017 fiscal period. The early implementation had no effect on the financial performance of the Company. The Company reports its inventory by segments.

In June 2014, the FASB issued ASU No. 2014-10, which eliminated certain financial reporting requirements of companies previously identified as "*Development Stage Entities*" (Topic 915). The amendments in this ASU simplify accounting guidance by removing all incremental financial reporting requirements for development stage entities. The amendments also reduce data maintenance and, for those entities subject to audit, audit costs by eliminating the requirement for development stage entities to present inception-to-date information in the statements of income, cash flows, and shareholder equity. Early application of each of the amendments is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities). Upon adoption, entities will no longer present or disclose any information required by Topic 915. The Company has adopted this standard and will not report inception-to-date information.

On May 28, 2014, the FASB issued ASU No. 2015-08 a standard on recognition of revenue from contracts with customers (Topic 606). An issue discussed relates to when another party, along with the entity, is involved in providing a good or a service to a customer. In those circumstances, Topic 606 requires the entity to determine whether the nature of its promise is to provide that good or service to the customer (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). This determination is based upon whether the entity controls the good or the service before it is transferred to the customer. Topic 606 includes indicators to assist in this evaluation. The Company evaluated all its contracts to determine if the Company was a principal or agent. The Company has determined it was the principal in all its contracts.

In August 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-15, "*Presentation of Financial Statements—Going Concern: Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*." ASU 2014-15, which is effective for annual reporting periods ending after December 15, 2015, extends the responsibility for performing the going-concern assessment to management and contains guidance on how to perform a going-concern assessment and when going-concern disclosures would be required under GAAP.

We do not anticipate that the adoption of ASU 2014-15 will have a material impact on our consolidated financial condition or results from operations. Management's evaluations regarding the events and conditions that raise substantial doubt regarding our ability to continue as a going concern as discussed in the notes to our consolidated financial statements included elsewhere.

We have implemented all other new accounting pronouncements that are in effect and that may impact our financial statements and we do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our consolidated financial position or results of operations.

**Note 3. Going Concern**

The Company's financial statements are prepared using generally accepted accounting principles, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. Because the business is new and has a limited history, no certainty of continuation can be stated. The accompanying financial statements for the periods ended October 31, 2017, has been prepared to assume that we will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has negative cash flow but has recognized a substantial gain in October 2017, due in large part to the services provided to a single customer, Render Payment, LLC. There are no assurances the Company will generate a profit or obtain positive cash flow. The Company has sustained its solvency through the support of its single shareholder, MCIG., which raise substantial doubt about its ability to continue as a going concern.

Management is taking steps to raise additional funds to address it's operating and financial cash requirements to continue operations in the next twelve months. Management has devoted a significant amount of time to the raising of capital from additional debt and equity financing. However, the Company's ability to continue as a going concern is dependent upon raising additional funds through debt and equity financing and generating revenue. There are no assurances the Company will receive the necessary funding or generate the revenue necessary to fund operations. The financial statements contain no adjustments for the outcome of this uncertainty.

**Note 4. Property, Plant and Equipment**

In a major transaction, the Company acquired the 420 Cloud software environment which includes, 420 Cloud mobile, 420 Cloud browser, 420 Cloud API, WhoDab, BangPunch, 420 single sign-on mobile wallet, 420 job search, Weedistry, Ehesive, 420 cue, 420 wise guy, and Palm weed. While some of the software applications are currently in use, others are still under development. The Company launched its 420 cloud software service on April 20, 2017.

The following is a detail of equipment at October 31, 2017:

**Property, Plant, and Equipment**

| For the period ending October 31, | | 2017 |
|---|---|---|
| 420 Cloud | $ | 3,127,244 |
| Total acquisition cost | | 3,127,244 |
| Accumulated depreciation | | 83,960 |
| Total property, plant, and equipment | $ | 3,043,285 |

Depreciation expense on property, plant and equipment was $83,960 for the period ended October 31, 2017.

**Note 5. Related Parties and Related Party Transactions**

**Related Parties**
The following individuals/entities have been identified as related parties in accordance with the guidelines of*ASC 850 – Related Party Disclosures*:



**Related Parties**

| Name/Entity | Position | Became | Ended |
|---|---|---|---|
| Paul Rosenberg | Director | Inception | Current |
| Michael Hawkins | CFO | Inception | October 31, 2017 |
| Alex Mardikian | CEO | Inception | Current |
| Brandy Craig | CFO | November 1, 2017 | Current |
| Carl G Hawkins | Corporate Counsel | September 22, 2017 | Current |
| MCIG. | Greater than 10% Owner | Inception | Current |

**Related Party Transactions**
On March 31, 2017, MCIG entered into a purchase agreement with APO Holdings, LLC to acquire the 420 Cloud Software Network (see Note 7 – Acquisitions). MCIG acquired the assets and assigned them to OBITX. The cost of the asset was recorded as an intercompany transfer. OBITX has utilized the acquired assets of the 420 Cloud Network for its base of operations.

On November 1, 2017, the company assigned all rights and obligations to the 420 Cloud Software Network to OBITX in exchange for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock. The cost basis of the Assets at the time of transfer was $3,043,285. MCIG conducted an independent review of the Assets in August 2017. The independent review stated that no impairment was needed and that the assets had a fair market value in excess of the current cost basis.

On March 13, 2017 MCIG acquired 10,000 shares of OBITX common shares representing 100% ownership at the time.

On August 1, 2017, the Company entered into a contract with MCIG for hosting and email services. In addition, the Company will provide additional marketing services for MCIG and other internet based activities as mutually agreed upon. Under terms of the agreement, MCIG is to $2,000 per month for a period of 12 months. All additional services not identified are billed at an hourly rate of $150 per hour.

On September 13, 2017, the company entered into an agreement to provide social media and other advertising services to Render Payment, LLC. The contract calls for the payment of $1,250,000 for services rendered with a 90 day payment term. Michael Hawkins, the former Chief Financial Officer, is a non-controlling member with greater than 10% ownership in Render Payment, LLC.

On November 1, 2017, (see Subsequent Events) the Company entered into separate agreements with Alex Mardikian, Brandy Craig, and Carl G Hawkins ("Company Officers"), and Paul Rosenberg ("Company Director"). The Company Officers and Company Director agreements were for an initial 90 day period. Mr. Mardikian has been the CEO of OBITX since inception and has served as MCIG's Chief Marketing Officer. Mrs. Craig is a CPA who has agreed to be the Interim CFO. Mr. Hawkins was appointed as corporate counsel for MCIG and/or its subsidiaries since September 23, 2017. Each agreement calls for a numerical amount in monthly payments, which may be converted into common stock of OBITX, and a warrant to acquire shares through a vesting schedule. In addition, each individual was authorized to acquire certain shares with registration rights.

The Company entered a Line of Credit with MCIG, (see Subsequent Events) for up to $500,000 in funding on November 1, 2016. It was given at a 0% interest rate and is payable upon termination date with the option to convert the agreement into equity at a 15% discount to the then current market rate. Since inception, the Company had various transactions in which MCIG paid expenses on behalf of the Company. As of October 31, 2017, the Company borrowed $3,463,736 from MCIG. $3,043,285 of which represents the 420 Cloud Software Network that was exchanged for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock on November 1, 2017. As of October 31, 2017, the amount outstanding on the Line of Credit with MCIG is $420,451.

**Note 6. Commitments and Contingencies**

The Company entered into a commitment for its corporate offices on October 30, 2017. The commitment is for a period of twelve (12) months at the rate of $69 per month. The Company may utilize additional space on an as needed basis at an hourly or daily rate.



**Note 7. Acquisitions**

On March 31, 2017, MCIG acquired software code for a cloud-based social media platform to be known as 420Cloud, which was assigned to OBITX. The Company considers the acquisition of 420Cloud as a purchase of an asset, not a business. In this particular acquisition, the Company acquired software code and supporting functions for five different software packages that had not been finalized, marketed, and launched at the time of acquisition. The Company expects to continue to expend a significant amount of time and capital to further develop the software.

At the time of acquisition, the assets have no operational income and could not generate revenue without major consideration and effort by the Company. The following table summarizes the estimated fair values of the assets acquired and their accounting classifications, at the date of acquisition. We assumed the liability and responsibility to complete the software as it was designed for with the intent to market.

**420Cloud Accounting Classifications**

| | | |
|---|---|---|
| Software - 420 Cloud - Mobile | $ | 677,389 |
| Software - 420 Cloud – Browser | | 315,709 |
| Software – 420 Cloud API | | 90,116 |
| Software - Whodab | | 67,587 |
| Software - Ehesive | | 450,882 |
| Software – 420 Cloud – Single Sign On | | 450,882 |
| Software – 420 Job Search | | 135,173 |
| Software – Weedistry | | 45,058 |
| Software – Marketaro | | 112,644 |
| Software – 420 Cue | | 450,882 |
| Software – 420 Wise Guy | | 225,593 |
| Software – Palm Weed | | 22,529 |
| Total assets acquired | $ | 3,044,444 |
| Due to Shareholder – MCIG. | $ | 3,044,444 |

**Note 8. Stockholders' Equity**

**Common Stock**

As of October 31, 2017, the Company was authorized to issue 10,000 common shares at a par value of $0.0001. As of October 31, 2017, the Company had issued and outstanding, 10,000 common shares. All shares we issued to MCIG., at par value.

During the period ended October 31, 2017, the Company issued 10,000 shares of common stock as founder's shares valued at $1.

**Note 9. Basic Income per Share before Non-Controlling Interest**

Basic Income Per Share - The computation of basic and diluted income per common share is based on the weighted average number of shares outstanding during each period.

| **Basic Income Per share** | |
|---|---|
| Period Ending October 31, | |
| | 2017 |
| Net income | 832,045 |
| Basic income per share | $83.20 |
| Basic weighted average number of shares outstanding | 10,000 |

The computation of basic income per common share is based on the weighted average number of shares outstanding during the period.



**Note 10. Subsequent Events**

On November 1, 2017, the company issued five-year warrants for the purchase of a combined total of 3,000,000 common shares to seven individuals/entities at the purchase price of $1.00 per share.

The Company entered a Line of Credit with MCIG, (see Subsequent Events) for up to $500,000 in funding on November 1, 2016. The Line of Credit was subsequently increased to $1,000,000 on January 1, 2018.

The Line of Credit will terminate on April 30, 2019. It was given at a 0% interest rate and is payable upon termination date with the option to convert the agreement into equity at a 15% discount to the then current market rate. Since inception, the Company had various transactions in which MCIG paid expenses on behalf of the Company. As of October 31, 2017, the Company borrowed $3,463,736 from MCIG. $3,043,285 of which represents the 420 Cloud Software Network that was exchanged for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock on November 1, 2017. As of October 31, 2017, the amount outstanding on the Line of Credit with MCIG is $420,451.

On November 1, 2017, the Company entered into a consulting agreement with Alex Mardikian, the Chief Executive Officer and a consulting agreement with Brandy Craig, the Chief Financial Officer of the Company. The terms of the Agreement are the same. The agreements call for $7,000 per month for a period of one year. The payments may be booked as a note due, which may be converted into shares of the company at a then-current price per share. The Company and consultant may elect to convert a portion of this into equity of the company. In addition, each consultant was authorized to purchase 50,000 shares of common stock at par value ($0.0001 per share) through a warrant, which was subsequently exercised, and each consultant was issued a seven-year warrant to acquire 250,000 shares of the Company Stock at $1.00 per share or at the opening price on a federally regulated exchange service, whichever is less.

On November 1, 2017, the Company entered into a consulting agreement with the Law Offices of Carl G. Hawkins to serve as corporate counsel. The agreement calls for a one-time payment of $5,000 plus $150 per hour for legal services. The payments may be booked as a note due, which may be converted into shares of the company at a then-current price per share. The Company and counsel may elect to convert a portion of this into equity of the company. In addition, counsel was authorized to purchase 50,000 shares of common stock at par value ($0.0001 per share) through a warrant, which was subsequently exercised, and counsel was issued a seven-year warrant to acquire 250,000 shares of the Company Stock at $1.00 per share or at the opening price on a federally regulated exchange service, whichever is less.

On November 1, 2017, the company entered into an agreement with MCIG., to convert the $3,043,285 owed to MCIG for the assigned rights and obligations to the 420 Cloud Software Network to OBITX in exchange for 100,000 shares of Series A Preferred Stock and 500,000 shares of OBITX common stock.

On November 1, 2017 Alex Mardikian, the company's Chief Executive Officer, purchased 50,000 shares of common stock for $5.00.

On November 1, 2017 Brandy Craig, the company's Chief Financial Officer, purchased 50,000 shares of common stock for $5.00.

On November 1, 2017 Carl G. Hawkins, the company's Corporate Counsel, purchased 50,000 shares of common stock for $5.00.

On November 1, 2017 Paul Rosenberg, the company's Director, purchased 500,000 shares of common stock for $50.00.

On November 1, 2017 Epic Industry Corp, a wholly owned company of MCIG's Chief Financial Officer, Michael Hawkins, purchased 250,000 shares of common stock for $25.

On November 1, 2017 Paul Rosenberg entered into an agreement with the company to purchase up to 5,000,000 shares of common stock at the price of $0.10 per share. As of the time of this filing Mr. Rosenberg has purchased 2,500,000 for $250,000.

On November 1, 2017 APO Holdings, LLC purchased 1,500,000 shares of common stock with certain registration rights for $150,000

**OBITX, INC.**
**_____ shares of**
**Common stock**

**PROSPECTUS**

## PART II
## INFORMATION NOT REQUIRED IN PROSPECTUS

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth an itemization of all estimated expenses, all of which we will pay, in connection with the issuance and distribution of the securities being registered:

| | |
|---|---|
| SEC registration fee | $572.27 |
| Accounting fees and expenses | $8,000.00 |
| Total | $8,572.27 |

**Item14. Indemnification of Directors and Officers.**

Under the Delaware General Corporation Law, we can indemnify our directors and officers against liabilities they may incur in such capacities, including liabilities under the Securities Act. Our amended and restated articles of incorporation provide that, pursuant to Nevada law, our directors shall not be liable for monetary damages for breach of the directors' fiduciary duty of care to us and our stockholders. This provision in the articles of incorporation does not eliminate the duty of care, and in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief will remain available under Nevada law. In addition, each director will continue to be subject to liability for breach of the director's duty of loyalty to us or our stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director directly or indirectly derived an improper personal benefit, and for payment of dividends or approval of stock repurchases or redemptions that are unlawful under Delaware law. The provision also does not affect a director's responsibilities under any other law, such as the federal securities laws or state or federal environmental laws.

Our bylaws, as amended, provide for the indemnification of our directors and officers to the fullest extent permitted by the Delaware General Corporation Law. We are not, however, required to indemnify any director or officer in connection with any (a) willful misconduct, (b) willful neglect, or (c) gross negligence toward or on behalf of us in the performance of his or her duties as a director or officer. We are required to advance, prior to the final disposition of any proceeding, promptly on request, all expenses incurred by any director or officer in connection with that proceeding on receipt of any undertaking by or on behalf of that director or officer to repay those amounts if it should be determined ultimately that he or she is not entitled to be indemnified under our bylaws or otherwise.

We have been advised that, in the opinion of the SEC, any indemnification for liabilities arising under the Securities Act is against public policy, as expressed in the Securities Act, and is, therefore, unenforceable.

**ITEM 15. Recent Sales of Unregistered Securities**

None.

**ITEM 16. Exhibits and Financial Statements.**

The exhibits listed on the Index to Exhibits of this Registration Statement are filed herewith or are incorporated herein by reference to other filings.

(a) *Exhibits.* The following exhibits are included herein or incorporated herein by reference.

| Exhibit No. | Description |
|---|---|
| 3.1 | Articles of Incorporation* |
| 3.2 | Bylaws of the Registrant* |
| 3.3 | Amended Articles of Incorporation of the Registrant* |
| 5.1 | Opinion of Counsel as to the Legality of the Shares Being Spun Off and Consent** |
| 10.1 | Convertible Revolving Credit Agreement between the Registrant and MCIG* |
| 10.2 | Service Contract Agreement* |
| 10.3 | Consulting Agreement between OBITX and Alex Mardikian* |
| 10.4 | Consulting Agreement between OBITX and Brandy Craig* |
| 10.5 | Consulting Agreement between OBITX and Carl G Hawkins* |
| 10.6 | Stock Purchase Agreement Format* |
| 10.7 | Warrant Format* |
| 10.8 | Amendment to Consulting Agreement between OBITX and Alex Mardikian* |
| 10.9 | Amendment to Consulting Agreement between OBITX and Brandy Craig* |
| 10.10 | Stock Purchase Agreement between OBITX and APO Holdings, LLC on November 1, 2017* |
| 10.11 | Stock Purchase Agreement between OBITX and Paul Rosenberg on November 1, 2017* |
| 10.12 | Stock Purchase Agreement between OBITX and Paul Rosenberg on January 1, 2018* |
| 10.13 | Stock Purchase Agreement between OBITX and MCIG on November 1, 2017* |
| 23.1 | Consent of Counsel (included in Exhibit 5.1)** |
| 23.2 | Consent of Independent Registered Public Accounting Firm* |

* Filed herewith.
**To be filed by amendment.

**Item 17. Undertakings.**

The undersigned registrant hereby undertakes that:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

i. To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

ii. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

iii. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

i. Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

ii. Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

iii. The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

iv. Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.



**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jacksonville, State of Florida, on February 9, 2018.

**OBITX, INC.**
**(Registrant)**

Dated: February 9, 2018

/s/ *Alex Mardikian*
**Alex Mardikian**
President, Chief Executive Officer, Treasurer, and Director (Principal Executive Officer)

`

Pursuant to the requirements of the Securities Act of 1933, this S-1 Form registration statement has been signed by the following persons in the capacities and on the dates indicated.

Dated: February 9, 2018

/s/ *Alex Mardikian*
**Alex Mardikian**

President, Chief Executive Officer, Treasurer, and Director
(Principal Executive Officer)

Dated: February 9, 2018

/s/ *Brandy Craig*

**Brandy Craig**

Chief Financial Officer
(Principal Financial Officer)

Dated: February 9, 2018

/s/ *Paul Rosenberg*

**Paul Rosenberg**

Director

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:34 AM 03/30/2017
FILED 09:34 AM 03/30/2017
SR 20172128700 - File Number 6364115

# CERTIFICATE OF INCORPORATION
# OF
# GigeTech, Inc.

**FIRST:** The name of the corporation is: GigeTech, Inc.

**SECOND:** Its registered office in the State of Delaware is located at 16192 Coastal Highway, Lewes, Delaware 19958, County of Sussex. The registered agent in charge thereof is Harvard Business Services, Inc.

**THIRD:** The purpose of the corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of Delaware.

**FOURTH:** The total number of shares of stock which the corporation is authorized to issue is 500,000,000 shares having a par value of $0.000100 per share.

**FIFTH:** The business and affairs of the corporation shall be managed by or under the direction of the board of directors, and the directors need not be elected by ballot unless required by the bylaws of the corporation.

**SIXTH:** This corporation shall be perpetual unless otherwise decided by a majority of the Board of Directors.

**SEVENTH:** In furtherance and not in limitation of the powers conferred by the laws of Delaware, the board of directors is authorized to amend or repeal the bylaws.

**EIGHTH:** The corporation reserves the right to amend or repeal any provision in this Certificate of Incorporation in the manner prescribed by the laws of Delaware.

**NINTH:** The incorporator is Harvard Business Services, Inc., whose mailing address is 16192 Coastal Highway, Lewes, DE 19958.

**TENTH:** To the fullest extent permitted by the Delaware General Corporation Law a director of this corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

I, the undersigned, for the purpose of forming a corporation under the laws of the State of Delaware do make and file this certificate, and do certify that the facts herein stated are true; and have accordingly signed below, this March 30, 2017.

Signed and Attested to by: Richard H. Bell II

Harvard Business Services, Inc., Incorporator
By: Richard H. Bell, II, President

**BY LAWS OF OBITX, INC.**

## *ARTICLE I*
## *MEETINGS OF THE SHAREHOLDERS*

1. Shareholders' meetings shall be held at the principal office or place of business of this Corporation.

2. The annual meeting of the Shareholders of this Corporation shall be held at its principal office of the Corporation on the first day of April of each year, beginning with the year 2018, or any address duly noted in a proper notice delivered in accordance with these Bylaws, at which time the Shareholders of the Corporation shall elect, by ballot, a Board of Directors for the ensuing year, and the Shareholders shall transact any other business which properly comes before them.

3. Shareholders may conduct Shareholder meetings telephonically so long as proper notice is given as described herein and minutes of any such meeting specifically and explicitly state that said meeting was held telephonically.

4. A notice setting out the time and place of the annual meeting shall be mailed, postage prepaid, to each Shareholders of record, at the address that appears on the stock ledger of the Corporation, or if no address appears, at the last known place of address, at least ten (10) days and no more than (60) days prior to the annual meeting. Shareholder's may be noticed via an email account duly registered with the Secretary of the Company so long as confirmation of receipt from the Shareholder is received and recorded by the Secretary of the Company no later than eleven (11) days prior to the annual meeting.

5. Except as otherwise provided by Statute or the Articles of Incorporation, at all meetings of shareholders of the Corporation the presence at the commencement of such meetings, in person or by proxy, of shareholders of record holding a majority of the total number of shares of the Corporation then issued and outstanding and entitled to vote, but in no event less than one-third (1/3) of the shares entitled to vote at the meeting, shall constitute a quorum for the transaction of any business. If any shareholder leaves after the commencement of a meeting and the establishment of a quorum, such departure(s) shall have no effect on the existence of a quorum.

6. If a quorum is not present at the annual meeting, the Shareholders present in person or by proxy may adjourn to any future time as shall be agreed upon by them, and notice of the adjournment shall be mailed, postage prepaid, to each Shareholder at least five (5) days before the adjourned meeting; but if a quorum is present, they may adjourn from day to day as they see fit, and no notice of adjournment need be given.

7. Special meetings of the Shareholders shall be held at the same place as the annual meetings. These meetings may be called at any time by the President, any two Directors, or the holders of more than fifty percent (50%) of the shares of the capital stock of the Corporation. The Secretary shall mail a notice of the call for a special meeting of the Shareholders to each Shareholder of the Corporation, at least ten (10) days before the meeting, and the notice shall state the time and place of the meeting and the object thereof. Shareholder's may be noticed via an email account duly registered with the Secretary of the Company so long as confirmation of receipt from the Shareholder is received and recorded by the Secretary of the Company no later than eleven (11) days prior to the annual meeting. No business shall be transacted at a special meeting except as stated in the notice sent to the Shareholders, unless by the unanimous consent of all Shareholders, either in person or by proxy, such that all stock is represented at the meeting.

8. Each Shareholder shall be entitled to one (1) vote for each share of Common Stock. There shall be no cumulative voting. Any holder of a duly issued preferred stock shall retain voting rights as set forth by the Board as it defines the specific series of stock. Each Shareholder stands in his or her own name on the books of the Corporation, whether represented in person or by proxy.

9. All Shareholders must duly register their electronic address with the Secretary of the Corporation to be kept with the share ledger of the Corporation by filing, in writing, authorization for the Corporation to give notice to the Shareholder of any and all Shareholder meetings in accordance with the Bylaws of the Corporation.

10. All proxies shall be in writing and properly signed.

11. The following order of business shall be observed at all annual and special meetings of the Shareholders so far as practicable:

    1. Calling the roll.

    2. Reading, correction and approval of minutes of previous meeting.

    3. Reports of Officers.

    4. Reports of committees.

    5. Election of Directors.

    6. Unfinished business.

    7. New business.

***ARTICLE II***

***STOCK***

1. Certificates of stock shall be in a form adopted by the Board of Directors and shall be signed by the President and the Secretary and be attested by the corporate seal.

2. All certificates shall be consecutively numbered. The name of the person owning the shares with the number of the shares and the date of issue shall be entered on the Corporation's books.

3. All certificates of stock transferred by endorsement on the certificate shall be surrendered for cancellation and new certificates issued to the purchaser or assignee.

4. Shares of stock shall be transferred only on the books of the Corporation by the holder in person, by an attorney or by a transfer agent approved by the Board of Directors in accordance with these Bylaws.

5. No certificate representing shares shall be issued until the full amount of consideration therefore has been paid, or until the full value of services rendered, payment in kind has been approved and authorized by the Board of Directors in accordance with these Bylaws.

6. The Corporation shall maintain a ledger of the stock records of the Corporation. Transfers of shares of the Corporation shall be made on the stock ledger of the Corporation only at the direction of the holder of record upon surrender of the outstanding certificate(s). The Corporation shall be entitled to treat the holder of record of any share or shares as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

***ARTICLE III***

***THE BOARD OF DIRECTORS***

1. A Board of one (1) Director shall be chosen annually by the Shareholders at their annual meeting to manage the affairs of the Corporation. This number may be increased or decreased by amendment of these Bylaws, by the Shareholder's in accordance with these Bylaws or by unanimous consent of all Directors sitting at such time, but shall in no case be less than one (1) Director. The member(s) of the Board, who need not be shareholders, shall be elected by a majority of the votes cast at a meeting of shareholders entitled to vote in the election. The term of office for any elected Board member shall be one (1) year.

2. Vacancies in the Board of Directors due to death, increase in the number of Directors per Article III(1), resignation or other causes shall be filled by the remaining Directors choosing a Director to fill the unexpired term. Said Director need not be a Shareholder. In the event that no Directors remain, Officers of the Corporation shall assign, temporarily, a Shareholder of their choosing to the position of Director until such time that a Shareholder meeting shall nominate, second and vote upon at least one (1) Director from the shareholders.

3. Regular meetings of the Board of Directors shall be held on the second ($2^{nd}$) Monday of every third ($3^{rd}$) month, beginning on February 12, 2018 at the office of the Corporation, or at any other time and place as the Board of Directors shall by resolution designate.

4. Annual meetings of the Board of Directors shall be held at the principle offices of the Corporation, at a place to be determined no later than thirty (30) days prior to the annual meeting of the Board of Directors on the fifteenth ($15^{th}$) day of March each year beginning in 2018.

5. Special meetings may be called by the President or any two (2) Directors by giving five (5) days written notice to each Director delivered personally, by mail, courier or shipping Corporation; or by giving ten (10) days written notice via email if confirmation is received by the Secretary no later than six (6) days prior to the date of a special meeting. If mailed by U.S. Postal Service, such notice shall be deemed delivered upon deposit in the United States Mail with prepaid postage. If delivered through a third party delivery service, such notice shall be deemed delivered upon delivery to the third party or an agent thereof.

6. Any meeting, regular, annual, special or otherwise, may be conducted telephonically so long as proper notice is given as described herein and minutes of any such meeting specifically and explicitly state that said meeting was held telephonically. All members of the Board of Directors present at any such telephonic meeting shall sign the minutes. Minutes of telephonic meetings ONLY, may be signed in counterparts.

7. A majority of the Directors shall constitute a quorum. A majority of the Directors present at the time and place of any regular or special meeting, although less than a quorum, may adjourn the same from time to time without notice, until a quorum shall be present.

8. The Directors shall have the general management and control of the business and affairs of the Corporation and shall exercise all the powers that may be exercised or performed by the Corporation, under the statutes, the Certificate of Incorporation, and the Bylaws.

9. No Director shall receive compensation for any duties performed as a member of the Board, except by unanimous consent of the Board of Directors. Any and all amounts of compensation shall be reasonable and in no way burdensome to the Corporation or a hindrance to the operations of the Corporation.

## *ARTICLE IV*
## *OFFICERS*

1. The Officers of this Corporation shall consist of a President, a Treasurer, a Secretary, and any other Officers as shall from time to time be chosen and appointed. Any Officer may be, but is not required to be, a member of the Board. All Officers of the Corporation shall be elected by the Board at a regular annual meeting or special meeting of the Board. Each Officer shall hold office for a term of one (1) year, to be automatically renewed, unless the Board takes action to terminate for cause at any regular, annual, or special meeting.

2. Any Officer may resign at any time by giving written notice of such resignation to the Secretary of the Corporation or to a member of the Board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Board member or by such Officer, and the acceptance of such resignation shall not be necessary to make it effective. Any Officer may be removed either with or without cause, and a successor elected by a majority vote of the Board at any duly noticed meeting of the Board.

3. A vacancy in any office may at any time be filled for the unexpired portion of the term by a majority vote of the Board at any duly noticed meeting of the Board.

4. The President shall preside at all meetings of the Directors and Shareholders and shall have general charge of the affairs of the Corporation subject to the Board of Directors.

5. The Secretary shall countersign all certificates of stock of the Corporation and keep a record of the minutes of the proceedings of meetings of Shareholders and Directors, and shall give notice as required in these Bylaws of all meetings. He or she shall have custody of all books, records, and papers of the Corporation, except those in the charge of the Treasurer or of some other person authorized to have custody and possession by a resolution of the Board of Directors.

6. The Treasurer shall keep accounts of all moneys of the Corporation received or disbursed, and shall deposit all money and valuables in the name of and to the credit of the Corporation in the banks and depositories as the Board of Directors shall designate.

7. The duties of all other Officer positions shall be enumerated and defined through an employment contract duly incorporated by a resolution of the Board or by a resolution of the Board alone. Before an Officer position is created, any motion to create a new position shall be accompanied by a draft employment contract that shall establish the parameters, terms, duties, obligations and benefits of the Officer position or by a resolution of the Board establishing the same.

8. The salaries of all Officers shall be fixed by the Board of Directors, and may be changed from time to time by a majority vote of the Board at any duly noticed meeting of the Board and shall be memorialized in duly executed employment contracts.

## *ARTICLE V*
## *THE SEAL*

1. The corporate seal of this Corporation shall be a circular seal with the name of the Corporation around the border and the year of incorporation in the center.

## *ARTICLE VI*
## *AMENDMENTS*

1. Any of these Bylaws may be amended by majority vote of the Shareholders at any annual meeting, or at any special meeting called for the purpose of voting on said amendments to the Bylaws.

2. The Board of Directors may adopt additional Bylaws in harmony with, but shall not alter or repeal any Bylaws adopted by the Shareholders of the Corporation.

## *ARTICLE VII*
## *INDEMNIFICATION*

1. Any Officer, Director or employee of the Corporation shall be indemnified to the fullest extent allowed by the laws of the State of Nevada by the Corporation.

## *ARTICLE VIII*
## *ELECTRONIC COMMUNICATIONS*

1. Notwithstanding, any and all proceeding provisions of these by-laws, where practicable and in the view of the Board of Directors, and or Officers; whose determination shall be final and unappealable; desirable, any and all procedures taken in accordance with these By-Laws may be undertaken in an entirely electronic/telephonic format, including but not limited to notices, meetings, voting, mailing, proxies, writings, signings, etc.
2. The limitation of the Corporation to Act via electronic means, shall be limited only by the requirements of state and federal law.
3. To enhance the effectiveness of this Article, all shareholders shall be required to register an electronic address (email or other form of electronic communication system) to which communications can be sent, and shall notify the corporation upon change of said electronic address. Shareholders shall be notified of this provision prior to holding shares, and delivery of any communications to the registered electronic address shall be considered effective unless otherwise limited by force of law.

**BY LAWS OF OBITX, INC.**

Certified to be the Bylaws of the Corporation adopted by the Board of Directors on this 1st day of November 2017.

/s/ *Alex Mardikian*
Alex Mardikian, President

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:30 PM 10/31/2017
FILED 02:30 PM10/3112017
SR 20176865797 - File Number 6364115

**AMENDED AND RESTATED CERTIFICATE of**

**the**

**ARTICLES OF INCORPORATION**

**OF**

**GIGETECH, INC.**

1. This Amended and Restated Certificate of the Articles of Incorporation of GigeTech, Inc., (the "Company") originally filed with the State of Delaware on March 30, 2017, is filed with the Secretary of State of the State of Delaware on 3P[1] day of October 2017. This Amended and Restated Certificate of the Articles of Incorporation was adopted by the Board of Directors of the Company, pursuant to unanimous written consent of the directors of the Company on October 31, 2017, and by majority consent of the Company's shareholders, and in accordance with sections 245 and 242 of the Delaware General Corporation law.

2. These Articles of Amendment were adopted by the Board of Directors of the Company with shareholder approval. The majority vote by which the stockholders holding shares in the corporation voted in favor, through written consent, of the amendment.

3. The Articles of Incorporation are hereby amended by replacing, in its entirety, the following Amended Articles of Incorporation, to read as follows:

**ARTICLE ONE**

The name of the corporation shall be OBITX, Inc.

**ARTICLE TWO**

The registered address of the corporation shall be 16192 Coastal Hwy, Lewes, Sussex County, Delaware, 19958. The registered agent shall be Harvard Business Services, Inc.

**ARTICLE THREE**

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the laws of the state of Delaware.

**ARTICLE FOUR STOCK**

The total number of shares of all classes of stock that the Corporation shall have the authority to issue consists of:

(a) Two Hundred Million (200,000,000) shares of Common Stock, par value $0.0001 per share;

(b) One Million (1,000,000) Series A Preferred Stock, par value $0.0001 per share;

(c) One Million Five Hundred Thousand (1,500,000) Series B Preferred Stock, par value $0.0001 per share;

(d) One Hundred Million (100,000,000) shares of "blank check preferred stock" par value $0.0001 per share;

The designations, powers, preferences and relative participating, optional or other special rights, and the qualifications, limitations and restrictions thereof in respect of the Common Stock, the Series A Preferred Stock, the Series B Preferred Stock, and the Blank Check Preferred Stock are as follows:

**A. COMMON STOCK**

1. Voting. Except as otherwise expressly provided by law, and subject to the voting rights provided to the holders of Preferred Stock by this Certificate of Incorporation, the Common Stock shall have exclusive voting rights on all matters requiring a vote of stockholders, voting together with the holders of Preferred Stock, as one class.

2. Other Rights. Each share of Common Stock issued and outstanding shall be identical in all respects one with the other, and no dividends shall be paid on any shares of Common Stock unless the same is paid on all shares of Common Stock outstanding at the time of such payment. Except for and subject to those rights expressly granted to the holders of the Preferred Stock, or except as may be provided by the laws of the State of Delaware, the holders of Common Stock shall have exclusively all other rights of stockholders.

**B. SERIES A PREFERRED STOCK**

Preferred Stock of the Company, to be named "Series A Preferred Stock", consisting of 1,000,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. Designation and Rank. The designation of such series of the Preferred Stock shall be the Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"). The maximum number of shares of Series A Preferred Stock shall be 1,000,000. The Series A Preferred Stock shall rank senior to the Company's common stock, par value $0.0001 per share (the "Common Stock"), and to all other classes and series of equity securities of the Company which by their terms do not rank senior to the Series A Preferred Stock ("Junior Stock"). The Series A Preferred Stock shall be subordinate to and rank junior to all indebtedness of the Company now or hereafter outstanding.

2. Dividends. No dividend shall be declared or paid on the Series A Preferred Stock.

3. Voting Rights. Except as otherwise provided herein or by law, the shares of the Series A Preferred Stock shall be entitled to vote with the shares of the Corporation' s Common Stock at any annual or special meeting of the stockholders of the Corporation. Each share of Series A Preferred Stock shall be entitled to vote those number of shares equal to one thousand (1,000) times the amount of the Series A Preferred Stock held by the individual. The individual, through the ownership of this Series A Preferred Stock, has the voting power to act on behalf of the Corporation, to call a special meeting of the shareholders, to remove and/or replace the Board of Directors or management or any individual members thereof in the event that one or more of the foregoing has done, or failed to do, anything which, in his sole judgment, will materially and adversely impact the business of the Corporation in any manner whatsoever, including, but not limited to, any violations of any state or federal securities laws, or any action which could cause the bankruptcy, dissolution, or other termination of the Corporation. In no event will the ombudsman have the right or power to participate in the normal and usual daily operations of the Corporation.

4. Notices. Any notice required by the provisions hereof to be given to the holders of shares of the Series A Preferred Stock shall be deemed given when deposited in the United States mail, postage prepaid, and addressed to each holder ofrecord at his address appearing on the books of the Corporation.

5. Conversion.

a)Conversions at Option of Holder. Each share of Series A Preferred Stock shall be convertible, at the discretion of Holders into fifty (50) shares of Common Stock of the. Holders of the Series A Preferred Stock shall effect conversions by providing the Corporation with the form of conversion notice. The Notice of Conversion shall specify the number of shares of Series A Preferred Stock to be converted, the number of shares of Series A Preferred Stock owned prior to the conversion at issue, and the date on which such conversion is to be effected, which date may not be prior to the date the Holder delivers such Notice of Conversion to the Corporation by facsimile (the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. The calculations and entries set forth in the Notice of Conversion

shall control in the absence of manifest or mathematical error. To effect conversions, as the case may be, of shares of Series A Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing such shares of Series A Preferred Stock to the Corporation unless all of the shares of Series A Preferred Stock represented thereby are so converted, in which case the Holder shall deliver the certificate representing such share of Series A Preferred Stock promptly following the Conversion Date at issue. Shares of Series A Preferred Stock converted or redeemed in accordance with the terms hereof shall be canceled and may not be reissued.

b) Mechanics of Conversion

i. Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver to the Holder (A) a certificate or certificates which, after the Effective Date, representing the number of shares of Common Stock being acquired upon the conversion of shares of Series A Preferred Stock, and (B) a bank check in the amount of accrued and unpaid dividends (if the Corporation has elected or is required to pay accrued dividends in cash. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Corporation shall immediately return the certificates representing the shares of Series A Preferred Stock tendered for conversion.

ii. Obligation Absolute. The Corporation' s obligations to issue and deliver the Conversion Shares upon conversion of Series A Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to the Holder in connection with the issuance of such Conversion Shares.

iii. Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of the Series A Preferred Stock and payment of dividends on the Series A Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders, not less than such number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of herein) upon the conversion of all outstanding shares of Series A Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid, non-assessable.

iv. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series A Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of such shares of Series A Preferred Stock so converted and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

c) Stock Dividends and Stock Splits. If the Corporation, at any time while the Series A Preferred Stock is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation pursuant to this Series A Preferred Stock), (B) subdivide outstanding shares of Common Stock

into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification of shares of the Common Stock any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

d) Pro Rata Distributions. If the Corporation, at any time while Series A Preferred Stock is outstanding, shall distribute to all holders of Common Stock (and not to Holders) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price shall be determined by multiplying such Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holders of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Calculations. All calculations under this Section shall be made to the nearest cent or the nearest l/lOOth of a share, as the case may be. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the description of any such shares of Common Stock shall be considered on issue or sale of Common Stock. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holders; Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any of this Section, the Corporation shall promptly mail to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

6. Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the shares of Series A Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue Preferred Stock Certificates if the holder contemporaneously requests the Company to convert such shares of Series A Preferred Stock into Common Stock.

7. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designation. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Series A Preferred Stock and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holders of the Series A Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction

restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

8. Specific Shall Not Limit General; Construction. No specific provision contained in this Certificate of Designation shall limit or modify any more general provision contained herein. This Certificate of Designation shall be deemed to be jointly drafted by the Company and all initial purchasers of the Series A Preferred Stock and shall not be construed against any person as the drafter hereof.

9. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series A Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

**C. Series B CONVERTIBLE PREFERRED STOCK.**

Preferred Stock of the Company, to be named "Series B Preferred Stock", consisting of 1,500,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. Designation and Rank. The designation of such series of the Preferred Stock shall be the Series B Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"). The maximum number of shares of Series B Preferred Stock shall be 1,500,000. The Series B Preferred Stock shall rank senior to the Company's common stock, par value $0.0001 per share (the "Common Stock"), and junior to all other classes and series of equity securities of the Company which by their terms rank senior to the Series B Preferred Stock ("Junior Stock"). The Series B Preferred Stock shall be subordinate to and rank junior to all indebtedness of the Company now or hereafter outstanding.

2. Dividends. No dividend shall be declared or paid on the Series A Preferred Stock.

3. Voting Rights. Except as otherwise provided herein or by law, the shares of the Series B Preferred Stock shall be entitled to vote with the shares of the Corporation' s Common Stock at any annual or special meeting of the stockholders of the Corporation. Each share of Series B Preferred Stock shall be entitled to vote those number of shares equal to one hundred (100) votes for each share of Series B Preferred Stock held by the individual.

4. Notices. Any notice required by the provisions hereof to be given to the holders of shares of the Series A Preferred Stock shall be deemed given when deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Conversion.

a)Conversions at Option of Holder. Each share of Series B Preferred Stock shall be convertible, at the discretion of Holders, after twenty four months of ownership, into ten (10) share of Common Stock. The holders of the Series B Preferred Stock shall effect conversions by providing the Corporation with a form of conversion notice. The Notice of Conversion shall specify the number of shares of Series B Preferred Stock to be converted, the number of shares of Series B Preferred Stock owned prior to the conversion at issue, and the date on which such conversion is to be effected, which date may not be prior to the date the Holder delivers such Notice of Conversion to the Corporation by facsimile (the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the date that such Notice of Conversion to the Corporation is deemed delivered hereunder. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. To effect conversions, as the case may be, of shares of Series B Preferred Stock, a Holder shall not be required to surrender the certificate(s) representing such shares of Series B Preferred Stock to the Corporation unless all of the shares of Series B Preferred Stock represented thereby are so converted, in which case the Holder shall deliver the certificate representing such share of Series B Preferred Stock promptly following the Conversion Date at issue. Shares of Series B Preferred Stock converted or redeemed in accordance with the terms hereof shall be canceled and may not be reissued.

b) Mechanics of Conversion

i. Delivery of Certificate Upon Conversion. Not later than three Trading Days after each Conversion Date (the "Share Delivery Date"), the Corporation shall deliver to the Holder (A) a certificate or certificates which, after the Effective Date, representing the number of shares of Common Stock being acquired upon the conversion of shares of Series B Preferred Stock, and (B) a bank check in the amount of accrued and unpaid dividends (if the Corporation has elected or is required to pay accrued dividends in cash. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the Holder shall be entitled to elect by written notice to the Corporation at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Corporation shall immediately return the certificates representing the shares of Series B Preferred Stock tendered for conversion.

ii. Obligation Absolute. The Corporation' s obligations to issue and deliver the Conversion Shares upon conversion of Series B Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Corporation or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Corporation to the Holder in connection with the issuance of such Conversion Shares.

m . Reservation of Shares Issuable Upon Conversion. The Corporation covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of the Series B Preferred Stock and payment of dividends on the Series B Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders, not less than such number of shares of the Common Stock as shall be issuable (taking into account the adjustments and restrictions of herein) upon the conversion of all outstanding shares of Series B Preferred Stock. The Corporation covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid, non-assessable.

iv. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series B Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Corporation shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of such shares of Series B Preferred Stock so converted and the Corporation shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

c) Stock Dividends and Stock Splits. If the Corporation, at any time while the Series B Preferred Stock is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Corporation pursuant to this Series B Preferred Stock), (B) subdivide outstanding shares of Common Stock into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification of shares of the Common Stock any shares of capital stock of the Corporation, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.



d) Pro Rata Distributions. If the Corporation, at any time while Series B Preferred Stock is outstanding, shall distribute to all holders of

Common Stock (and not to Holders) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price shall be determined by multiplying such Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holders of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

e) Calculations. All calculations under this Section shall be made to the nearest cent or the nearest $1/100^{1}$ of a share, as the case may be. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the description of any such shares of Common Stock shall be considered on issue or sale of Common Stock. For purposes of this Section 6, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

f) Notice to Holders; Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any of this Section, the Corporation shall promptly mail to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

6. Lost or Stolen Certificates. Upon receipt by the Company of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of any Preferred Stock Certificates representing the shares of Series B Preferred Stock, and, in the case of loss, theft or destruction, of any indemnification undertaking by the holder to the Company and, in the case of mutilation, upon surrender and cancellation of the Preferred Stock Certificate(s), the Company shall execute and deliver new preferred stock certificate(s) of like tenor and date; provided, however, the Company shall not be obligated to re-issue Preferred Stock Certificates if the holder contemporaneously requests the Company to convert such shares of Series B Preferred Stock into Common Stock.

7. Remedies, Characterizations, Other Obligations, Breaches and Injunctive Relief. The remedies provided in this Certificate of Designation shall be cumulative and in addition to all other remedies available under this Certificate of Designation, at law or in equity (including a decree of specific performance and/or other injunctive relief), no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy and nothing herein shall limit a holder's right to pursue actual damages for any failure by the Company to comply with the terms of this Certificate of Designation. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by the holder thereof and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the holders of the Series B Preferred Stock and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, the holders of the Series B Preferred Stock shall be entitled, in addition to all other available remedies, to an injunction restraining any breach, without the necessity of showing economic loss and without any bond or other security being required.

8. Specific Shall Not Limit General; Construction. No specific provision contained in this Certificate of Designation shall limit or modify any more general provision contained herein. This Certificate of Designation shall be deemed to be jointly drafted by the Company and all initial purchasers of the Series B Preferred Stock and shall not be construed against any person as the drafter hereof.

9. Failure or Indulgence Not Waiver. No failure or delay on the part of a holder of Series B Preferred Stock in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or

partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege.

10. No Preemptive Rights. No holder of the Series B Preferred shall be entitled as of right to subscribe for, purchase or receive any part of any new or additional shares of any class, whether now or hereinafter authorized, or of bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares of any class, but all such new or additional shares of any class or bonds or debentures, or other evidences of indebtedness convertible into or exchangeable for shares may be issued and disposed of by the Board of Directors on such terms and for such consideration (to the extent permitted by law), and to such person or persons as the Board of Directors in their absolute discretion may deem advisable.

11. Legends. Any certificate evidencing the Series B Preferred Stock and the securities issued upon conversion of the Series B Preferred Stock shall bear legends in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER FEDERAL OR STATE SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD, OR TRANSFERRED FOR VALUE WITHOUT EITHER REGISTRATION UNDER THOSE LAWS OR THE FURNISHING OF AN OPINION OF COUNSEL SATISFACTORY TO COUNSEL FOR THE COMPANY THAT TO DO SO WOULD NOT VIOLATE THE REGISTRATION PROVISIONS OF SUCH LAWS."

**D. BLANK CHECK PREFERRED STOCK**

Preferred Stock of the Company, to be named "Blank Check Preferred Stock", consisting of 100,000,000 shares and shall have the following designations, powers, preferences and relative and other special rights and the following qualifications, limitations and restrictions:

1. Issuance. The blank check preferred stock may be issued from time to time in one or more series. Subject to the limitations set forth herein and any limitations prescribed by law, the Board of Directors is expressly authorized, prior to issuance of any series of blank check preferred stock, to fix by resolution or resolutions providing for the issue of any series the number of shares included in such series and the designations, relative powers, preferences and rights, and the qualifications, limitations, and restrictions of such series. Pursuant to the foregoing general authority vested in the Board of Directors, but not in the limitations of the powers conferred on the Board of Directors thereby and by the laws of the State of Delaware, the Board of Directors is expressly authorized to determine with respect to each series of blank check preferred stock:

a) The designation or designations of such series and the number of shares (which number from time to time may be decreased by the Board of Directors, but not below the number of shares then outstanding, or may be increased by the Board of Directors unless otherwise provided in creating such series) constituting such series;

b)The rate or amount and times at which, and the preferences and conditions under which, dividends shall be payable on shares of such series, the status of such dividends as cumulative or noncumulative, the date or dates from which dividends, if cumulative, shall accumulate, and the status of such shares as participating or nonparticipating after the payment of dividends as to which such shares are entitled to any preference;

c) The rights and preferences, if any, of the holders of shares of such series upon the liquidation, dissolution or winding up of the affairs of, or upon any distribution of the assets of the Corporation, which amount may vary depending upon whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates, and the status of the shares of such series as participating or nonparticipating after the satisfaction of any such rights and preferences;

d) The full or limited voting rights, if any, to be provided for shares of such series, in addition to the voting rights applied by law;

e) The times, terms, and conditions, if any, upon which shares of such series shall be subject to redemption, including the amount the holders of shares of such series shall be entitled to receive upon redemption (which



amount may vary under different conditions or at different redemption rates) and the amount, terms, conditions and manner of operation of any

purchase, retirement or sinking fund to be provided for the shares of such series;

f) The rights, if any, of holders of shares of such series to convert such shares into, or to exchange such shares for, shares of any other class or classes or of any other series of the same class, the prices or rates of conversion or exchange, and adjustments thereto, and any other terms and conditions applicable to such conversion or exchange;

g) The limitations, if any, applicable while such series is outstanding on the payment of dividends or making of distributions on, or the acquisition or redemption of, Common Stock or any other class of shares of such series either as to dividends or upon liquidation, to the shares of such series;

h) The conditions or restrictions, if any, upon the issue of any additional shares (including additional shares of such series or any other series or of any other class) ranking on a party with or prior to the shares of such series either as to dividends or upon liquidation; and

i) Any other relative powers, preferences and participating, optional or other special rights, and the qualifications, limitations or restrictions thereof, of shares of such series; in each case, so far as not inconsistent with the provisions of this Certificate of Incorporation or the General Corporation Law of the State of Delaware as then in effect.

**ARTICLE FIVE DIRECTORS**

The number of directors of the Corporation shall be fixed in the manner determined by unanimous consent of the then current Board of Directors or by majority consent of the shareholders. The election of directors of the Corporation need not be by ballot unless the By-laws so require. The board of directors shall be set to three members. The then current Board of Directors may fill any vacate positions of the Board of Directors by unanimous consent.

**ARTICLE SIX LIMITATION ON LIABILITY**

A director and/or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts of omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or (iii) for any transaction from which the director derived any improper personal benefit. Liability of a director and/or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the laws of the state of Delaware, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

**ARTICLE SEVEN**

**POWERS OF BOARD OF DIRECTORS**

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders, it is further provided:

1. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized and empowered:

1.1 To make, alter, amend or repeal the By-laws in any manner not inconsistent with the laws of the State of Delaware or this Certificate of Incorporation;

1.2 Without the assent or vote of the stockholders, to authorize and issue securities and obligations of the Corporation, secured or unsecured, and to include therein such provisions as to redemption, conversion or other terms thereof as the Board of Directors in its Sole discretion may determine, and to authorize the mortgaging or pledging, as security thereof, of any property of the Corporation, real or personal, including after-acquired property;

1.3 To determine whether any, and if any, what part, of the net profits of the Corporation or of its surplus shall be declared in dividends and paid to the stockholders, and to direct and determine the use and disposition of any such net profits or such surplus; and

1.4 To fix from time to time the amount of net profits of the Corporation or of its surplus to be reserved as working capital or for any other lawful purpose.

In addition to the powers and authorities herein or by statute expressly conferred upon it, the Board of Directors may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject nevertheless, to the provisions of the laws of the State of Delaware, of this Certificate of Incorporation, and of the By-laws of the Corporation.

2. Any director or any officer elected or appointed by the stockholders or by the Board of Directors may be removed at any time by two-thirds majority vote of the then current Board of Directors or by majority vote of the shareholders of the Corporation.

3. From time to time any of the provisions of this Certificate of Incorporation may be altered, amended or repealed, and other provisions authorized by the laws of the State of Delaware by unanimous consent of the Board of Directors or by majority vote of the stockholders of the Corporation.

**ARTICLE EIGHT**

WRITTEN CONSENT

All actions which may be taken by vote of the Board of Directors or the shareholders may be taken by written consent, so long as the written consent carries the total votes necessary to approve any action as specified by the Articles of Incorporation or the Company's Bylaws.

/s/ *Brandy Craig*
Brandy Craig, CFO

**Execution Copy**
**11/1/2016**

**U.S. $500,000**

# CONVERTIBLE REVOLVING CREDIT AGREEMENT

**Dated: As of November 1, 2017**

**Between**

**mCig, Inc.**

**and**

**OBITX, Inc.**

**REVOLVING CREDIT AGREEMENT**

CONVERTIBLE REVOLVING CREDIT AGREEMENT, dated as of November 1, 2017 (the "Agreement"), between mCig, Inc., a Nevada company (the "Lender"), and OBITX, Inc., a Delaware company (the "Borrower").

WHEREAS, the Lender has supported and loaned the Borrower funds since inception as an incubation service; and,

WHEREAS, the Lender and Borrower desire to formalize the unwritten agreement between them through a Convertible Revolving Credit Agreement; and,

WHEREAS, the Borrower has requested the Lender to make a Credit Facility (as hereinafter defined) available to the Borrower in the aggregate principal amount of up to U.S. $500,000 on the terms and conditions set forth herein; and

WHEREAS, the Lender has agreed to make the Credit Facility available to the Borrower on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

**ARTICLE I**
**DEFINITIONS AND ACCOUNTING TERMS**

SECTION 1.01 Certain Defined Terms. As used in this Agreement and unless otherwise expressly indicated, the following terms shall have the following meanings (such meanings to be equally applicable to both singular and plural forms of the terms defined):

"Accounts" means all present and future rights of the Borrower or any of its Subsidiaries to payment for goods sold or leased or for services rendered (except those evidenced by instruments or chattel paper), whether now existing or hereafter arising and wherever arising and whether or not earned by performance, and all proceeds thereof.

"Accounts Payable" means all present and future rights of third parties to payment for goods sold or leased to or for services performed for the Borrower or any of its Subsidiaries (except those evidenced by instruments or chattel paper), whether now existing or hereafter arising and wherever arising and whether or not earned by performance, and all proceeds thereof.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to vote 10% or more of the securities having ordinary voting power for the election of directors of such Person or to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or by contract or otherwise.

"Agreement" means this Revolving Credit Agreement, as amended, supplemented or modified from time to time.

"Applicable Law" has the meaning specified in Section 7.06 hereto.

"Borrower" has the meaning specified in the preamble to this Agreement.

"Business Day" means a day of the year on which commercial banks are not required or authorized to close in New York City and wherever such day relates to a Eurodollar Loan or notice with respect to any Eurodollar Loan, a day on which dealings in Dollar deposits are also carried out in the London interbank market.

"Capital Expenditures" means, for any period, the aggregate of all expenditures made by the Borrower or any of its Subsidiaries during such period that, in conformity with generally accepted accounting principles, are required to be included in or reflected by the property, plant or equipment or similar fixed asset account reflected in the balance sheet of the Borrower or any of its Subsidiaries.

"Capital Lease" of any Person means any lease of any property (whether real, personal or mixed) by such Person as lessee which lease would, in conformity with generally accepted accounting principles, be required to be accounted for as a capital lease on the balance sheet of such Person.

"Cash Dividends" means actual cash paid for dividends.

"Cash Taxes" means actual cash paid for income taxes.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.) and any regulations promulgated thereunder.

"Change in Control" means the transfer or sale of a more than 50% equity interest in the Borrower to any non-affiliated party.

"Closing Date" means the date on which the initial Loan is made hereunder, which shall occur on or before May 1, 2016, or such later date as the Borrower and the Lender may mutually agree.

"Consolidated" means, with reference to the accounts or financial reports of any Person, the consolidated accounts or financial reports of such Person and each Subsidiary of such Person.

"Current Assets" means at a particular date, all amounts which would, in conformity with GAAP, be included under current assets on a balance sheet of the Borrower as at such date.

"Debt" means (a) all Indebtedness of the Borrower, (b) all Debt referred to in clause (a) above secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property owned by the Borrower, even though such person has not assumed or become liable for the payment of such Debt, and (c) all Guaranteed Debt of the Borrower.

"Default" means an event which would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

"Dollars" and the sign "$" each means lawful money of the United States.

"EBITDA" means earnings before interest, taxes, depreciation and amortization, excluding certain minority interests and extraordinary items, where applicable.

"Environmental Law" means any law, rule, regulation, order, writ, judgment, injunction, ordinance, decree, rule of common law, determination or award relating to the environment, health or safety or to the release or threatened release of any regulated materials into the environment, including, without limitation, the Clean Air Act, as amended, the Clean Water Act of 1977, as amended, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Toxic Substance Control Act, as amended, and the Resource Conservation and Recovery Act of 1976, as amended.

"Equipment" means all machinery, all manufacturing, distribution, selling, data processing and office equipment, all furniture, fixtures and trade fixtures, all tools, tooling, molds, dies, vehicles, vessels and aircraft, and all other goods or fixtures other than Inventory, in each case whether now owned or hereafter acquired by the Borrower or any of its Subsidiaries and wherever located, and all accessions and additions thereto, parts and appurtenances thereof, substitutions therefore and replacements thereof.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" means any Person who for purposes of Title IV of ERISA is a member of the Borrower's controlled group, or under common control with the Borrower, within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Event" means (a) a reportable event, within the meaning of Section 4043 of ERISA, unless the 30-day notice requirement with respect thereto has been waived by the PBGC; (b) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (c) the cessation of operations at a facility in the circumstances described in Section 4068(f) of ERISA; (d) the withdrawal by the Borrower from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (e) the failure by the Borrower to make a payment to a Plan required under Section 302(f)(1) of ERISA, which Section imposes a lien for failure to make required payments; (f) the adoption of an amendment to a Plan requiring the provision of security to such Plan, pursuant to Section 4042 of ERISA, or the occurrence of any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, a Plan.

"Events of Default" has the meaning specified in Section 6.01.

"Funded Debt" means current balances outstanding on all senior bank debt (both current and long term debt), leases, net intercompany debt (assumes intercompany debt and receivables are to the same entity) and subordinated debt, if applicable.

"Guaranteed Debt" of any Person means all Debt referred to in clauses (a) and (b) of the definition of "Debt" in this Section guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through a agreement (a) to pay or purchase such Debt or to advance or supply funds for the payment or purchase of such Debt, or (b) to purchase, sell or lease (as lessee or lessor) property, or to purchase or sell services, primarily for the purpose of enabling the debtor to make payment of such Debt or to assure the holder of such Debt against loss, or (c) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is received or such services are rendered), or (d) otherwise to assure a creditor against loss.

"Hazardous Substance" means all materials subject to any Environmental Law, including, without limitation, materials listed in 49 C.F.R. §172.101, materials defined as hazardous pursuant to Section 104 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, flammable, explosive or radioactive materials, hazardous or toxic wastes, petroleum or petroleum distillates, PCB's or asbestos containing materials.

"Insufficiency" means, with respect to any Plan the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Interest Expense" means interest expense as it appears on the Income Statement.

"Loan Commitment" or "Commitment" means an amount not to exceed U.S. $500,000.

"Loan Documents" means this Agreement the Note, and any agreement executed in connection therewith, in each case as amended, supplemented or otherwise modified from time to time.

"Net Proceeds" means, with respect to any sale, lease, transfer or other disposition of any asset by any Person, the aggregate amount of cash received or receivable by such Person in connection with such transaction after deducting therefrom only reasonable and customary brokerage commissions, legal fees, finder's fees and other similar transaction fees and commissions and the amount of taxes payable in connection with or as a result of such transaction, to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, paid to a Person that is not an Affiliate and are properly attributable to such transaction or to the asset that is the subject thereof.

"Note" means a promissory note of the Borrower payable to the order of the Lender in substantially the form of Exhibit A (the "Note"), evidencing the indebtedness of the Borrower to the Lender resulting from the Loan owing to the Lender.

"Obligations" means all obligations of the Borrower now or hereafter existing under the Loan Documents, whether for principal, interest, fees, expenses, indemnification, or otherwise.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a country or political subdivision thereof or any agency or instrumentality of such country or subdivision.

“Prime Rate” means the base interest rate posted by 75% of the nation’s banks as listed in the Wall Street Journal.

"Real Property" means all real property in which the Borrower now or hereafter has or acquires title to, and all buildings, structures and improvements now or hereafter located on all or any portion of said real property.

"Required Principal Payments" means required long term debt payments, excluding any voluntary repayments.

"Revolving Loan" or "Loan" means a loan by the Lender to the Borrower pursuant to Section 2.01.

"Solvent" with respect to any Person means that as of any date of determination, (a) the then fair saleable value of the assets of such Person is (i) greater than the then total amount of liabilities (including contingent, subordinated, matured and unliquidated liabilities) of such Person and (ii) greater than the amount that will be required to pay such Person's probable liability on such Person's then existing debts as they become absolute and matured, (b) such Person's capital is not unreasonably small in relating to its business or any contemplated or undertaken transaction, and (c) such Person does not intend to incur, or believe or reasonably should have believed that it will incur, debts beyond its ability to pay such debts as they become due.

"Subsidiary" means any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether or not at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by such Person, or by such Person and one or more other Subsidiaries of such Person.

"Tangible Net Worth" means total stockholder's equity less intangible assets.

"Termination Date" means December 31, 2018, or such other date as provided for under Section 2.01, or such other date in which the Lender elects to converts the amount owed in equity of the Borrower.

"Use" means ownership, use, development, construction, maintenance, management, operation or occupancy.

"United States" and "U.S." each means the United States of America.

"Year" means any 12-month period, year 1 commencing on the first day of the first month following the month in which the Closing Date occurs and ending on the last day of the 12th month thereafter. The number of a Year hereunder shall mean and be a reference to the successive 12-month periods after Year 1.

SECTION 1.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 5.02 hereof.

SECTION 1.03. Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, unless otherwise stated the word "from" means "from and including" and the word "to" or "until" each means "to but excluding".

## ARTICLE II
## AMOUNT AND TERMS OF THE LOANS

SECTION 2.01. Revolving Credit. (a) The Lender agrees on the terms and conditions hereinafter set forth, to make loans (the "Revolving Credit Loans" or "Loans") to the Borrower from time to time during the period from the date of this Agreement up to but not including the Termination Date in an aggregate amount not to exceed at any time outstanding One Hundred Thousand Dollars ($100,000), (the "Commitment"). Each Revolving Credit Loan which shall not utilize the Commitment in full shall be in an amount not less than One Hundred Dollars ($100).

On the Termination Date the Commitment will expire and any outstanding amounts shall be repaid in full by the Borrower, unless the Lender agrees, in its sole discretion, to extend the Loan Commitment, as reduced, pursuant to Section 2.01 (b) hereof, or elect to convert into equity of the Borrower as defined within this Agreement. Within the limits of the Commitment, as reduced from time to time, the Borrower may borrow and re-borrow under this Section 2.01.

(b) The Termination Date may be extended for an additional one year period in the Lender's sole discretion; such extension shall be effected by the Borrower's requesting an extension in writing at least thirty (30) days prior to the Termination Date of and by the Lender's written acceptance of such extension ten (10) days prior to the Termination Date. In the absence of a written response to any such request, the Commitment shall be deemed terminated on the then effective Termination Date.

SECTION 2.02. Notice and Manner of Borrowing. The Borrower shall give the Lender at least ten (10) Business Days' written or telegraphic notice (effective upon receipt) of any Revolving Credit Loans under this Agreement, specifying the date and amount thereof. Not later than 2:00 P.M. (New York time) on the date of such Revolving Credit Loan and upon fulfillment of the applicable conditions set forth in Article III, the Lender will make such Revolving Credit Loan available to the Borrower in immediately available funds by crediting the amount thereof to the Borrower's account with the Lender.

SECTION 2.03. Interest/Conversion/Fee. The Borrower shall accrue no interest to the Lender on the outstanding and unpaid principal amount of the Convertible Revolving Credit Loans made under this Agreement. As an incentive to enter into this Convertible Revolving Credit Agreement, the Borrower shall receive a fifteen percent (15%) discount to the then current market rate upon conversion of this Agreement into equity of the Borrower. In the event the Borrower makes payment of the total outstanding balance of this Convertible Revolving Credit Agreement, the Borrower shall pay a five percent (5%) fee of the total outstanding balance due. Notwithstanding any provision of this Agreement or any Loan Document to the contrary, the interest payable with respect to any Loan shall in no event exceed the maximum amount of interest permitted from time to time by applicable law.

SECTION 2.04. Commitment Fee. THERE WILL BE NO COMMITMENT FEES.

SECTION 2.05. Note. All Revolving Credit Loans made by the Lender under this Agreement shall be evidenced by, and repaid and/or converted into equity in accordance with, a single promissory note of the Borrower in substantially the form of Exhibit A duly completed, in the principal amount of One Hundred Thousand Dollars ($100,000), dated the date of this Agreement, payable to the Lender, and maturing as to principal on the Termination Date (the "Revolving Credit Note"). The Lender is hereby authorized by the Borrower to endorse on the schedule attached to the Note the amount of each Revolving Credit Loan and of each payment of principal received by the Lender on account of the Revolving Credit Loans, which endorsement shall, in the absence of manifest error, be conclusive as to the outstanding balance of the Revolving Credit Loans made by the Lender; provided, however, that the failure to make such notation with respect to any Revolving Credit Loan or payment shall not limit or otherwise affect the obligations of the Borrower under this Agreement or the Revolving Credit Note.

SECTION 2.06. Method of Payment. In the event the Borrower elects to make payment under this Agreement it shall be paid under the Note not later than 2:00 P.M. (New York City time) on the date when due in lawful money of the United States to the Lender at the Lender's home in immediately available funds.

The Borrower hereby authorizes the Lender, if and to the extent payment is not made when due under this Agreement or the Lender has not elected to Convert into equity, under the Note, to charge from time to time against any account of the Borrower with the Lender any amount so due. Whenever any payment to be made under this Agreement or under the Note shall be stated to be due on a Saturday, Sunday, or a public holiday, or the equivalent for banks generally under the laws of the State of New York, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of the payment of interest and the payment fee, as the case may be.

All payments to the Lender hereunder shall be made by wire transfer to the Lender's account, as specified by the Lender to the Borrower, in lawful money of the United States of America and in immediately available funds.

SECTION 2.07. Use of Proceeds. This proceed of the Loans shall be used for product development and general working capital. The Borrower may also utilize the proceeds of the Loans to finance any fees owed to the Lender under separate agreements.

SECTION 2.08. Taxes and Other Charges. (a) All principal, interest, and other amounts payable by Borrower to the Lender with respect to the Loan shall be paid in full, free and clear of any deductions or withholdings imposed by Laws. If Borrower is prohibited by any Laws from making such payment free and clear of deductions or withholdings, the Borrower shall pay all additional amounts necessary so that the actual amount received by the Lender after such deductions or withholdings (and after any deductions or withholdings or payment of additional taxes or charges due as a consequence of the payment of such additional amount) equals the amount that would have been received by the Lender if such deductions or withholdings were not required; (b) The Borrower shall pay directly to the appropriate taxing authority any and all present and future taxes, levies, stamp and other fees imposed by applicable Laws on or with regard to any aspect of the Loans and/or any other transactions contemplated by this Agreement, except taxes imposed on the overall net income or gross receipts of the Lender. Borrower agrees to indemnify and hold harmless from all loss, cost, liability, or expense, incurred by the Lender (including reasonable attorneys' fees and costs) by reason of the delay or failure by Borrower to pay any such taxes or charges promptly after demand; and Borrower shall reimburse the Lender upon demand for any such taxes paid by it in connection therewith if the Borrower does not pay such taxes directly (together with any interest, penalties and expenses related thereto) (and the Lender shall not be required to obtain a final determination of the legal validity of such taxes).

## ARTICLE III
## CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to the Initial Loan. The obligation of the Lender to make the initial Loan is subject to the conditions precedent that:

(a) The Lender shall be satisfied with the corporate and legal structure and capitalization of the Borrower, including the terms and conditions of the charter, bylaws and each class of membership units of the Borrower.

(b) Before giving effect to the transactions contemplated by this Agreement, there shall have occurred no material adverse change in the business, condition (financial or otherwise), operations, performance, properties or prospects of the Borrower since inception.

(c) The Borrower shall have paid all accrued expenses of the Lender required to be paid hereunder and under any of the Loan Documents (including those fees and expenses set forth in Section 7.04 hereof).

(d) The Lender shall have received on or before the day of the initial Loan the following, each dated the date of the initial Loan, in form and substance satisfactory to the Lender.

(i) The Note duly executed by the Borrower, to the order of the Lender listing all previous amounts loaned under verbal agreement;

(ii) A copy of the financial statements of the Borrower for its past fiscal year, if applicable, certified in a manner satisfactory to the Lender and all related footnotes, notes, management letters and other statements and disclosures prepared or made in connection therewith.

(iii) A certificate of the Secretary or an Assistant Secretary of the Borrower that attached thereto are true and correct copies of (i) the resolutions of the Board of Directors of the Borrower approving each Loan Document and the transaction contemplated thereby. (ii) the certificate or articles of incorporation and bylaws of the Borrower, as amended through the date of the initial Loan and (iii) the names and true signatures of the officers of the Borrower authorized to sign each Loan Document to which it is or is to be a party and the other documents to be delivered by it hereunder of each, the Lender may conclusively rely on such certificate of the Borrower until the Lender shall receive a further certification of the Secretary of Assistant Secretary of the Borrower canceling or amending the prior certificate of the Borrower and submitting the names and signatures of the officers named in such further certificate.

(iv) Certified copies of (i) certificate of good standing and qualification, tax clearances and comparable documents with respect to the Borrower and (ii) all documents evidencing other necessary corporate action and governmental approvals with respect to each Loan Document and the transactions contemplated thereby.

(e) On the date of the initial Loan, and of each subsequent Loan, the following statements shall be true:

(i) The representations and warranties contained in Section 4.01 of this Agreement and the representations and warranties contained in each Loan Document are correct on and as of the date of the Loan, before and after giving effect to the Loan and to the application of the proceeds therefrom, as though made on and as of such date; and

(ii) No event has occurred and is continuing, or would result from the Loan or from the application of the proceeds therefrom, which constitutes an Event of Default (as defined in Section 6.01 hereof) or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

## ARTICLE IV
## REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lender (which representations and warrants will be deemed to be repeated by the Borrower on each day on which any Loan remains outstanding) as follows:

(a) Borrower is a company duly incorporated, validly existing and in good standing under the laws of State of Nevada, is duly qualified as a foreign corporation and is in good standing in each jurisdiction as to which the location of its assets or the nature of its business makes qualification necessary or desirable and has all power, corporate or otherwise, to conduct its business and to own, or hold under lease, its assets, and to execute and deliver, and to perform all of its obligations under each of the Loan Documents.

(b) The execution, delivery and performance by Borrower of each Loan Document to which it is or will be a party are within Borrower's corporate powers, have been duly authorized by all necessary corporate action, do not contravene (i) Borrower's charter or bylaws, (ii) any law, rule, regulation (including, without limitation, Regulation G,U or X of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award binding on or affecting Borrower or any of its properties, (iii) the terms of any license, permit, certificate, authorization, qualification or other right or approval with respect to the business of Borrower, or (iv) any contractual restriction binding on or affecting Borrower or any of its properties, and Borrower is not in violation of or in default under any such law, rule, regulation, order, writ, judgment, injunction, decree, determination, award or restriction or of the terms of any license, permit, certificate, authorization, qualification or other approval.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority, regulatory body or other Person is required for the due execution, delivery and performance by Borrower of any Loan Document to which it is or will be a party.

(d) This Agreement is the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms. Each other Loan Document to which Borrower will be a party will, upon execution and delivery thereof, be the legal, valid and binding obligation of enforceable against Borrower in accordance with its terms.

(e) The Borrower is a startup business. The Borrower shall supply the financial statements to the Lender annually, certified by the chief financial officer of the Borrower, which fairly present the financial condition of the Borrower.

(f) There is no action, suit, or administrative or other proceeding, investigation or review process pending or, to the knowledge of Borrower, threatened in any court or governmental department, commission, board, bureau, arbitrator, agency or instrumentality, domestic or foreign, (i) which relates to any material aspect of the transactions contemplated by any Loan Document (ii) which relates to Borrower or any of the property (whether real or personal) of Borrower and which may adversely affect the legality, validity or enforceability of any Loan Document, or have a material adverse effect on the business, condition (financial or otherwise), operations, prospects, performance or properties of Borrower. To the knowledge of the Borrower, no preliminary or permanent injunction, order or other restraint has been issued by any court or other governmental authority and is in effect that prohibits the making of the Advance.

(g) Borrower has filed, or will file within ninety (90) days of the execution of this Agreement, all tax returns (federal, state and local) required to be filed by it or has paid or caused to be paid all taxes due and payable for the periods covered thereby, including interest and penalties.

(h) All information and reports requested by the Lender and furnished in writing by or on behalf of Borrower or made available to the Lender relating to the condition (financial or otherwise), operations, business, properties, performance or prospects of the Borrower or otherwise in connection with the transactions contemplated

by the Loan Documents are true and correct in all material respects, and no such information, exhibit or report contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading.

(i) Neither the business nor the properties of Borrower or any of its Subsidiaries is affected by any fire, explosion, accident, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) materially and adversely affecting such business or properties or the operations of Borrower.

(j) To the best knowledge of the Borrower, the operations of the Borrower comply in all material respects with all applicable Environmental Laws and have not been used for the storage, treatment, disposal or handling of any Hazardous Substances except in material compliance with all applicable Environmental Laws. To the best knowledge of the Borrower, there are no material liabilities under any applicable Environmental Law associated with or arising from the Real Property or the operations of Borrower, and there are no conditions on, in, under or relating to the Real Property or the operations of Borrower that could give rise to any material liabilities imposed under any applicable Environmental Laws.

## ARTICLE V
## COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as the Note shall remain unpaid, the Borrower will, unless the Lender shall otherwise consent in writing:

(a) Payment of Taxes, Etc. Pay and discharge before the same shall become delinquent, (i) all taxes, assessments and governmental charges or levies imposed upon it or upon its property, and (ii) all lawful claims which, if unpaid, might by law become a Lien upon its property; provided that no such charge or claim need be paid if being contested in good faith by appropriate proceedings promptly instituted and diligently conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefore.

(b) Preservation of Corporate Existence, Etc. Preserve and maintain its corporate existence, rights, (charter and statutory), franchises, licenses, permits, certificates, authorizations and other legal rights and approvals.

(c) Compliance with Laws, Etc. Comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of, and all applicable restrictions imposed by all governmental bodies in respect of the conduct of its business and the ownership of its property.

(d) Visitation Rights. During regular business hours, permit the Lender or any consultant or representatives thereof, upon reasonable notice, from time to time to examine and make copies of and abstracts from the records and books of account of, and to visit the properties of, the Borrower and to discuss the affairs, finances and accounts of the Borrower with any of their respective directors, officers, or agents.

(e) Keeping of Books. Keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower in accordance with generally accepted accounting principles consistently applied.

(f) Maintenance of Properties, Etc. Maintain and preserve all of its properties which are necessary or desirable in the conduct of its business fully-insured and in good working order and condition, ordinary wear and tear excepted.

(g) Environmental Matters. Use its best efforts to comply in all material respects with all applicable Environmental Laws relating to the operations of Borrower and not engage in or otherwise permit, the material violation of any applicable Environmental Law.

(h) Further Assurances. Upon ten (10) days notice from the Lender, take all such further actions and execute all such further documents and instruments as the Lender may at any time determine in its reasonable discretion may be necessary or advisable to further carry out and consummate the transactions contemplated by the Loan Documents including, but not limited to, amendments of this Agreement and any other Loan Documents considered necessary or appropriate by the Lender in connection with any assignment or other transfer by the Lender of its rights hereunder.

SECTION 5.02. Negative Covenants. So long as the Note shall remain unpaid, the Borrower will not, without the written consent of the Lender:

(a) Mergers, Etc. Merge with or into or consolidate with or into, or convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to, or acquire all or substantially all of the assets of, any Person, if any such transaction or series of transactions would result in a Change of Control, or liquidate.

(b) Sale , Etc. of Assets. Sell, lease, transfer or otherwise dispose of any of its assets (whether now owned or hereafter acquired), except (i) sales of Inventory in the ordinary course of business, and (ii) sales of damaged, worn or obsolete Equipment which is replaced with other Equipment of comparable quality and value.

(c) Accounting Changes. Change its fiscal year, or make any other significant change in accounting treatment and reporting practices except as required by GAAP.

(d) Change in Nature of Business. Make any material change in the nature of its business as conducted as of the Closing Date.

(e) Capital Stock. Issue or sell any of its membership units or any rights, warrants or options to acquire any of its membership units the result of which is, or could be upon exercise of such rights, warrants or options, a Change in Control.

(f) Encumbrances. Pledge, hypothecate, or otherwise encumber any of its assets.

SECTION 5.03. Reporting Requirements. So long as any Loans shall remain unpaid, the Borrower will, unless the Lender shall otherwise consent in writing, furnish the Lender:

(a) Default Notice. As soon as possible and in any event within ten (10) Business Days after the occurrence of any Default continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Default and the action that the Borrower has taken or proposes to take with respect thereto.

(b) Quarterly Financial. As soon as available and in any event within 60 days after the end of the each of the first three quarters of each fiscal year of the Borrower, balance sheets of the Borrower as of the end of such quarter and income and cash flows of the Borrower for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, all in reasonable detail and duly certified (subject to year-end audit adjustments) by the chief financial officer of the Borrower as having been prepared in accordance with generally accepted accounting principles and a certificate of the chief financial officer of the Borrower stating (i) that no Default has occurred and is continuing or, if a Default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken or proposes to take with respect thereto.

(c) Annual Financial Statements. As soon as available and in any event within 90 days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower, accompanied by an opinion of chief financial officer, together with a certificate of the chief financial officer of the Borrower stating (i) that no Default has occurred and is continuing or, if a default has occurred and is continuing, a statement as to the nature thereof and the action that the Borrower has taken or proposes to take with respect thereto.

(d) Litigation. Promptly after receipt of notice of the commencement thereof, notice of all actions, suits, investigations, litigation and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, affecting Borrower of the type described in Section 4.01(f).

(e) Environmental Conditions. Promptly after the occurrence thereof, notice of any condition or occurrence on any Real Property of Borrower that results in a material noncompliance by Borrower with any Environmental Law or could (i) form the basis of material liabilities under any Environmental Law against Borrower or any Real Property or (ii) cause any Real Property to be subject to any restrictions on ownership, occupancy, use or transferability under any Environmental Law.

(f) Other Information. Such other information respecting the business, condition (financial or otherwise), operations, performance, properties or prospects of Borrower as the Lender from time to time reasonably request.

## ARTICLE VI
## EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) the Borrower shall fail to pay any principal of, or interest on the Note, or shall fail to make any other payment under any Loan Document, in each case within five (5) days of when the same becomes due and payable; or

(b) any representation or warranty made by the Borrower under or in connection with any Loan Document shall prove to have been incorrect in any material respect when made; or

(c) the Borrower shall fail to perform or observe any term, covenant or agreement contained in Sections 5.01, 5.02, and 5.03, for a period of thirty days following the giving of notice by the Lender to the Borrower; or

(d) Borrower shall fail to perform any other term, covenant or agreement contained in any Loan Document on its part to be performed or observed if such failure shall remain unremedied for thirty days after written notice thereof shall have been given to the Borrower by the Lender; or

(e) Borrower shall fail to pay any principal of, premium or interest on or any other amount payable in respect of any Debt (but excluding Debt outstanding hereunder) of Borrower, as the case may be, when the same becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt; or any other event shall occur or condition shall exist under any agreement or instrument relating to any such Debt and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or to permit the acceleration of, the maturity of such Debt or otherwise to cause, or to permit the holder thereof to cause, such Debt to mature; or any such Debt shall be declared to be due and payable or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or an offer to prepay, redeem, purchase or defease such Debt shall be required to be made, in each case prior to the stated maturity thereof; or

(f) Borrower shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against Borrower or any of their Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property and, in the case of any such proceeding instituted against it (but not instituted by it) that is being diligently contested by it in good faith, either such proceeding shall remain undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against, or the appointment of a receiver, trustee, custodian or other similar official for, it or any substantial part of its property) shall be taken by the applicable court, or the Borrower shall take any corporate action to authorize any of the actions set forth above in this subsection (f); or

(g) any materially adverse judgment or order for the payment of money shall be rendered against Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(h) any Change of Control shall occur; or

(i) a material adverse change in the financial condition or operations of the Borrower shall occur; then, and in any such event, Lender may, by notice to the Borrower, (i) declare its obligation to make any Loan, if any, to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the Note, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Note, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower, provided, however, that in the event of an actual or deemed entry of an order for relief with respect to Borrower under the Federal Bankruptcy Code, (A) the obligation of the Lender to make any Loan, if any, shall automatically be terminated and (B) the Note, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by Borrower.

## ARTICLE VII
## MISCELLANEOUS

SECTION 7.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Note, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same

shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.02. Notices, Etc. All notices, requests, demands and other communications which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given or made: if by hand, immediately upon delivery and receipt acknowledged; if by telex, telecopier, telegram or similar electronic device, immediately upon sending and receipt confirmed, provided it is sent on a Business Day, but if not, then immediately upon the beginning of the first Business Day after being sent; if by Federal Express, Express Mail or any other overnight delivery service, on the first Business Day after dispatch with proof of delivery from the company making such delivery; and if mailed by certified mail, return receipt requested, three (3) Business Days after delivery or the return of the notice to sender marked "unclaimed." All notices, requests and demands are to be given or made to the parties at the following addresses (or to such other address as either party may designate by notice in accordance with the provisions of this paragraph).

SECTION 7.03. No Waiver; Remedies. No failure on the part of the Lender to exercise, and no delay in exercising, any right under any Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies provided in the Loan Documents are cumulative and not exclusive of any remedies provided by Law.

SECTION 7.04. Costs, Expenses, Fees and Taxes.

(a) All payments made by the Borrower in respect of principal of, and interest on, all Loans and all other amounts payable in respect of other Extensions of credit and under the Loan Documents or otherwise will be made without set-off, counterclaim or other defense and will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein and all interest, penalties or similar liabilities with respect thereto (collectively, the "Taxes"). The Borrower shall pay on demand all stamp, documentary and other similar duties and taxes, if any, to which any Loan Document from time to time may be subject or give rise. If the Borrower is required by applicable law to make any deduction or withholding on any payment as described above in respect of Taxes or otherwise, the Borrower shall (i) promptly notify the Lender of such occurrence; (ii) pay to the relevant taxation or other authorities the full amount of the deduction or withholding within the time allowed; (iii) furnish to the Lender within thirty (30) days of such payment, an official receipt from such authorities for all amounts so deducted or withheld; and (iv) pay to the Lender an additional amount so that the Lender receives on the due date of such payment the full amount the Lender would have received had no such deduction or withholding taken place.

Subject to the Lender's compliance with its obligations to deliver certain forms, certificates and documents as set forth in this paragraph, the Borrower will indemnify and hold harmless the Lender, and reimburse the Lender upon its written request, for the amount of any Taxes imposed on or measured by the net income of the Lender pursuant to the laws of the jurisdiction in which the principal office or lending office of the Lender is located or under the laws of any political subdivision or taxing authority of any such jurisdiction. Upon demand by the Borrower, the Lender shall, as soon as practicable, deliver to the Borrower or to such government or taxing authority as the Borrower reasonably directs, any form, certificate or document which the Lender is entitled as a matter of law to deliver that may be requested in order to allow the Borrower to make payments in respect of the Loans and all other amounts payable in respect of the Loan Documents without any deduction or withholding for or on account of any Taxes or with such deduction or withholding at a reduced rate.

(b) The Borrower agrees to pay on demand all of the Lender's costs and expenses, including, without limitation, reasonable attorney's fees, in connection with the preparation of this Agreement and the Loan Documents, collection of any sums due to the Lender and the enforcement, protection or perfection of its rights or interests hereunder and under the Loan Documents.

SECTION 7.05. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lender.

SECTION 7.06. Governing Law. This Agreement and the Note shall be governed by, and construed in accordance with, the laws of the State of Massachusetts.

SECTION 7.07. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER HEREBY IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 7.08. Submission To Jurisdiction; Waivers. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of Massachusetts, and courts of the United States of America for the District of Massachusetts, and appellate courts from any such courts;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service or process of any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in this Agreement or at such other address of which the Lender shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law nor shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any punitive damages.

SECTION 7.09. Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel, or elects to waive counsel review, in the negotiation, execution and delivery of this Agreement, the Note and the other Loan Documents;

(b) the Lender does have a family relationship with the Managing Member of the Borrower, however the relationship between the Lender, on one hand, and the Borrower, on the other hand, in reference to this agreement is solely that of debtor and creditor.

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SECTION 7.10. Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**OBITX, INC.**

_____

Name: Alex Mardikian
Title: Chief Executive Officer

**MCIG, INC.**

_____

Name: Pavel Rosenberg
Title: Chief Executive Officer

**EXHIBIT A**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

**CONVERTIBLE REVOLVING CREDIT NOTE**

$500,000

As of November 1, 2017
Jacksonville, Florida

FOR VALUE RECEIVED, the undersigned, OBITX, Inc., a Delaware company (the "Borrower"), DOES HEREBY PROMISE to pay to the order of MCIG, Inc., (the "Lender"), at its home, in lawful money of the United States and in immediately available funds, the principal amount of Five Hundred Thousand Dollars ($500,000) or the aggregate unpaid principal amount of all Revolving Credit Loans (as defined in the Revolving Credit Agreement hereafter defined) made to the Borrower by the Lender pursuant to the Convertible Revolving Credit Agreement (the "Revolving Credit Loans") hereinafter referred to, whichever is less, on the Termination Date (as defined in the Convertible Revolving Credit Agreement), and to pay interest and fees as (computed on the basis of a year of 360 days from the date of this Convertible Revolving Credit Note) on the unpaid principal amount of this Convertible Revolving Credit Note, in like money, at said office, as defined in the Convertible Revolving Credit Agreement. Any amount of principal hereof which is not paid when due (whether at maturity, by acceleration, or otherwise) shall bear interest thereafter until paid at a rate which shall be ten percent (10%).

The Borrower hereby authorizes the Lender to endorse on the Schedule annexed to this Convertible Revolving Credit Note all Revolving Credit Loans made to the Borrower and all payments of principal amounts in respect of such Revolving Credit Loans, which endorsements shall, in the absence of manifest error, be conclusive as to the outstanding principal amount of all Revolving Credit Loans; provided, however, that the failure to make such notation with respect to any Revolving Credit Loan or payment shall not limit or otherwise affect the obligations of the Borrower under the Convertible Revolving Credit Agreement or this Convertible Revolving Credit Note.

This Convertible Revolving Credit Note is referred to in the Convertible Revolving Credit Agreement dated November 1, 2017, between the Borrower and the Lender (the "Convertible Revolving Credit Agreement"). The Convertible Revolving Credit Agreement, among other things, contains provisions for acceleration of the maturity of this Convertible Revolving Credit Note upon the happening of certain stated events and also for prepayments on account of the principal of this Convertible Revolving Credit Note prior to the maturity of the Convertible Revolving Credit Note upon the terms and conditions specified in the Convertible Revolving Credit Agreement.

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All principal and accrued interest (if any) under this Convertible Revolving Credit Note may be converted into equity of the Borrower in accordance with the terms of the Convertible Revolving Credit Agreement.

This Revolving Credit Note shall be governed by the laws of the State of Massachusetts, provided that, as to the maximum rate of interest which may be charged or collected, if the laws applicable to the Lender permit it to charge or collect a higher rate than the laws of the State of Massachusetts then such law applicable to the Lender shall apply to the Lender under this Convertible Revolving Credit Note.

**OBITX, INC.**
Name of Borrower

By: _____
Name: Alex Mardikian
Title: Chief Executive Officer

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**SCHEDULE TO REVOLVING CREDIT NOTE**

| Date | Amount of Loan | Amount of Principal Prepaid | Unpaid Principal Balance of Revolving Credit Note | Name of Person Making Notation |
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**SERVICE CONTRACT AGREEMENT**

**THIS SERVICE CONTRACT AGREEMENT (Agreement)**, made and entered into this 1st day of August, 2017, by and between GigeTech, Inc., (hereinafter referred to as "GigeTech"), a Delaware company, and MCIG, Inc., a Nevada company (hereinafter referred to as "Customer");

**WHEREAS**, GigeTech is a single source solution for internet services, providing product, services, and consulting in assisting companies in social media, marketing, advertising, branding, data storage and collection, and all other services necessary to advance a company's internet presence; and,

**WHEREAS**, the Customer desires to engage GigeTech in helping promote their services and products;

**NOW THERFORE**, in consideration of the mutual promises and obligations hereinafter set forth, the Parties hereto agree as follows:

**1. Scope of Services/Work.**

| |
|---|
| Servers hosting (sites, emails, services) |
| Servers/network security, configuration and maintenance |
| Services performance monitoring and optimizations |
| Customers technical aspects research and estimations |
| Proprietary software's / Systems development and maintenance |
| Tools, plugins and API's development |
| Websites maintenance |
| Websites development |
| Graphics and web design |
| Lead generation and opt-in services |
| Advertisement publishing |
| Ad creation and Advertising |
| Bulk email distribution |
| Dns / SSL handling |

**2. Term.**

The work under this Service Contract Agreement shall be for a minimum of 12 months and shall commence upon the execution of this Agreement. The Term of this Agreement shall automatically renew for an additional 12 month period

unless the Customer provides GigeTech with a Notice of Termination at least ninety (90) days before the termination of the Agreement.

**3. Compensation and Payment.**

**A.** GigeTech shall be compensated by the Customer for services and work performed under this Contract according to the rates and charges set forth in Exhibit "A".
**B.** GigeTech shall submit monthly invoices for services and work completed during the previous month.
**C.** Payment shall be made to GigeTech within 30 days of receipt of the invoice.

**4. Professional Services Warranty.**

**A.** GigeTech warrants that their work and products meet and may, in some cases, exceed the requirements established by international, national, state, and local laws.
**B.** Should any of GigeTech's products fail to meet the requirements, GigeTech shall replace/repair/alter/change the defective service/product at no charge to the Customer. GigeTech guarantees the Solution as long as the customer remains in full operation with GigeTech and operates its business within the guidelines established under GigeTech.
**C.** Limitations. Any services performed by GigeTech shall be performed as described in this Agreement. The liability of GigeTech as to any services provided shall be limited to the correction of any defects in the services or, at GigeTech's option, the re-performance of the services. The foregoing warranty is given in lieu of any other warranties, express or implied, including any implied warranties of merchantability or fitness for any purpose. Notwithstanding anything in this Agreement or applicable law to the contrary, GigeTech shall not be liable to customer for any indirect, consequential or incidental damages under any theory of liability.

**5. Indemnification.**

**A.** Customer shall indemnify, defend, and hold harmless GigeTech, its officials, officers, agents, employees, and volunteers, from any and all claims, demands, damages, lawsuits, liabilities, losses, liens, expenses and costs arising out of the subject matter of this Contract; provided that this provision shall not apply to the extent that damage or injury results from the fault of GigeTech, or its officers, agents, or employees.
**B.** This indemnification shall extend to and include attorneys' fees and the cost of establishing the right of indemnification hereunder in favor of GigeTech. These indemnifications shall survive the termination of this Contract.

**6. Termination and Suspension.**

**A.** GigeTech may terminate this Contract at any time, with or without cause, by giving ninety (90) days' notice to Customer in writing. In the event of termination, all of GigeTech's equipment and materials, shall be returned to GigeTech by the Customer at Customer's expense.

**7. Nondisclosure of Confidential Information**.

Customer shall not, directly or indirectly, disclose any confidential information relating to GigeTech, except to the extent required in the discharge of Customer duties and responsibilities, either during the term of this Agreement or at any time following the termination of this Agreement for any reason. The term "confidential information" as used herein shall mean any information not in the public domain or not known to Customer prior to the execution of this Agreement relating to the names or addresses of customers, clients, processes, formulas, research, materials, selling information, inventions, discoveries, improvements, equipment, methods of production, cost or prices or uses of GigeTech' products or services, and other trade secrets, whether or not contained in any written documents which are communicated to, acquired by, or learned of by Customer as a result of Contractor's engagement by GigeTech. All documents of any kind relating to the business of GigeTech which come into the possession of Customer shall remain the sole property of GigeTech and shall not be copied by Customer except to the extent required in the discharge of its duties and responsibilities to GigeTech. Customer shall return all such documents, and all copies of them, to GigeTech upon the termination of this Agreement for any reason. Since a remedy at law for any breach of the provisions of this Paragraph (7) will be inadequate, in addition to any and all other remedies available to GigeTech, GigeTech shall have the remedy of a restraining order, injunction or other equitable relief to enforce the provisions hereof. All expenses, including attorneys' fees and expenses, arising out of claims under this Paragraph (7), shall be borne by the losing party to the fullest extent permitted by law.

**8. Covenant Not to Compete.**

**A .** Customer acknowledges that Customer will receive training, materials, advice and assistance from GigeTech; that Customer will be in contact with GigeTech employees, officers, agents, clients, suppliers and/or customers; that GigeTech will disclose to Customer trade secrets and confidential information of GigeTech (including without limitation its unique business methods, processes, operating techniques and "know-how", and supplier information) which have been developed by GigeTech through substantial expenditures of time, effort and money, and which are important and unique properties of GigeTech; and that the foregoing are of such value and nature as to make it reasonable and necessary for the protection of GigeTech business interests that Customer not compete with GigeTech in accordance with the terms hereinafter provided.

**B.** During the term of this Agreement and for a period of 12 months following the termination of this Agreement for any reason, unless otherwise agreed in writing by GigeTech, Customer shall not engage in, or assist any business associate, or person to engage in, any business, or become employed by, render any service to, act as an employee, partner, agent, officer or director in or own more than a 5% equity interest in, any other person (including any individual, partnership, corporation or other business organizations), competes with the business of GigeTech; provided, that subject to the limitations provided in Paragraph (B) hereof, nothing contained in this Agreement shall be deemed to prohibit Customer from engaging in other work.

**C.** During the term of this Agreement and for a period of 12 months following the termination of this Agreement for any reason, Customer shall not, directly or indirectly for Customer or on behalf of any person or entity: (i) hire or attempt to hire any employee of GigeTech or take any other action which would encourage any such employee to leave the employment of GigeTech; or (ii) divert, solicit, or attempt to divert or solicit any person or entity who was a customer, or client of GigeTech during the 24 month period immediately preceding termination of this Agreement.

**D .** Customer acknowledges that the foregoing territorial, time and other limitations are reasonable and properly required for the adequate protection of the business affairs of GigeTech, and in the event any such territorial, time or other limitation is found to be unreasonable by a court of competent jurisdiction, Customer agrees and submits to the reduction of said territorial, time or other limitation to such an area, time or other limitation or otherwise as the court may determine to be reasonable. Since a remedy at law for any breach of the provisions of this Paragraph will be inadequate, in addition to any and all other remedies available to GigeTech, GigeTech shall have the remedy of a restraining order, injunction, or other equitable relief to enforce the provisions hereof. All expenses, including attorneys' fees and expenses, arising out of claims under this Paragraph (11) shall be borne by the losing party to the fullest extent permitted by law.

**9. Notices**. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if delivered personally or by email, or mailed to such address of which either party may give notice to the other party as provided herein.

**10. Miscellaneous Provisions.**

**A.** Governing Law and Venue. State of Florida law shall govern the interpretation of this Contract. Clay County, Florida shall be the venue of any mediation, arbitration, or litigation arising out of this Contract.

**B.** Assignment. Customer shall not assign, subcontract, delegate, or transfer any obligation, interest, or claim to or under this Contract or for any of the compensation due hereunder without the prior written consent of GigeTech.

**C.** No Third Party Beneficiaries. This Contract shall be for the sole benefit of the parties hereto, and nothing contained herein shall create a contractual relationship with, or create a cause of action in favor of, a third party against either party hereto.

**D.** This Agreement is the complete and entire Agreement of the parties and all promises, representations, understandings, warranties and agreements with reference to the subject matter hereof, and all inducements to the making of this Agreement relied upon by either party hereto, have been expressed herein.

**E.** Each provision of this Agreement shall be deemed severable and if for any reason any provision of this Agreement is deemed to be invalid or contrary to any existing or future law, such invalidity shall not affect the applicability or validity of any other provision of this agreement.

**F.** This Agreement may be modified or amended only by a written instrument signed by both parties to this Agreement.

**IN WITNESS WHEREOF**, GigeTech and Customer have signed this Agreement on the date and year first above written.

| **GIGETECH** | **CUSTOMER** |
|---|---|
| _____ | _____ |
| Signature | Signature |
| _Alex Mardikian_____ | _Paul Rosenberg_____ |
| Printed Name | Printed Name |
| _CEO_____ | _CEO_____ |
| Title | Title |



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**Exhibit A**

**_____ GIGETECH – Maintenance Program** **$ 2,000.00**
(Initials)

- □ Monthly Requirement
- □ Quarterly Requirement
- □ Semi-Annually Requirement
- □ Annually Requirement

**_____ GIGETECH – Hourly Rate** **$ 150.00**
(Initials)

State of Florida

# CONSULTING AGREEMENT

This Company Counsel Agreement (this "Agreement") is made as of this 1st day of November, 2017 (the "Effective Date"), by and between **OBITX Inc.**, a Delaware corporation (the "Company") and **Alex Mardikian** ("Consultant"), a Florida resident. Company and Consultant may each be referred to in this Agreement as a "Party" and collectively as the "Parties."

**1. Services.** Consultant shall provide to Company the services typical of chief executive officer (CEO), in coherence with the Operating Agreement of the Company.

**2. Compensation.** In consideration for Consultant's performance of the Services, Company shall pay Consultant $7,000 USD per month, which may be converted into common stock of the company at a 20% discount to the lowest price of the preceding five days of trading upon election by Consultant to convert.

The Company shall pay an initial stock allocation:

a) Consultant shall receive a warrant to acquire 50,000 shares of the Company's stock at par value ($0.0001 per share). Consultant is limited to the purchase of 50,000 shares per month.

b) Consultant shall receive a warrant to acquire 250,000 shares of the Company's stock at a discounted price of the lesser of the following:

   a. $1 (one dollar) per share; or
   b. The opening price on a federally regulated exchange service

**3. Expenses.** Except as otherwise specified in this Agreement, Company shall reimburse Consultant for all pre-approved, reasonable and necessary costs and expenses incurred in connection with the performance of the Services.

**4. Term and Termination.** Consultant's engagement with Company under this Agreement shall commence on November 1, 2017. Consultant acknowledges and agrees that the engagement with Company is at will, subject to being terminated at the discretion of Company at any time, upon thirty (30) days prior written notice to Consultant. In addition, this Agreement may be terminated by Consultant upon thirty (30) days prior written notice to Company. At the time of termination, Consultant agrees to return all Company property used in performance of the Services, including but not limited to computers, cell phones, keys, reports and other equipment and documents. Consultant shall reimburse Company for any Company property lost or damaged in an amount equal to the market price of such property.

**5. Independent Contractor.** The Parties agree and acknowledge that Consultant is an independent contractor and is not, for any purpose, an employee of Company. Consultant does not have any authority to enter into agreements or contracts on behalf of Company, and shall not

represent that it possesses any such authority. Consultant shall not be entitled to any of Company's benefits, including, but not limited to, coverage under medical, dental, retirement or other plans. Company shall not be obligated to pay worker's compensation insurance, unemployment compensation, social security tax, withholding tax or other taxes or withholdings for or on behalf of the Consultant in connection with the performance of the Services under this Agreement. Nothing contained in this Agreement shall be deemed or construed by the Parties to create the relationship of a partnership, a joint venture or any other fiduciary relationship.

**6. Confidentiality.**

a. Confidential and Proprietary Information. In the course of performing the Services, Consultant will be exposed to confidential and proprietary information of Company. "Confidential Information" shall mean any data or information that is competitively sensitive material and not generally known to the public, including, but not limited to, information relating to development and plans, marketing strategies, finance, operations, systems, proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, trade secrets, customer lists, customer relationships, customer profiles, supplier lists, supplier relationships, supplier profiles, pricing, sales estimates, business plans and internal performance results relating to the past, present or future business activities, technical information, designs, processes, procedures, formulas or improvements, which Company considers confidential and proprietary. Consultant acknowledges and agrees that the Confidential Information is valuable property of Company, developed over a long period of time at substantial expense and that it is worthy of protection.

b. Confidentiality Obligations. Except as otherwise expressly permitted in this Agreement, Consultant shall not disclose or use in any manner, directly or indirectly, any Confidential Information either during the term of this Agreement or at any time thereafter, except as required to perform the Services or with Company's prior written consent.

c. Rights in Confidential Information. All Confidential Information disclosed to Consultant by Company (i) is and shall remain the sole and exclusive property of Company, and
(ii) is disclosed or permitted to be acquired by Consultant solely in reliance on Consultant's agreement to maintain the Confidential Information in confidence and not to use or disclose the Confidential Information to any other person. Except as expressly provided herein, this Agreement does not confer any right, license, ownership or other interest in or title to the Confidential Information to Consultant.

d. Irreparable Harm. Consultant acknowledges that use or disclosure of any Confidential Information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, Company shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Confidential Information. Company shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to, damages, both direct and consequential. In any action brought by Company under this Section, Company shall be entitled to recover its attorney's fees and costs from Consultant.

**7. Ownership of Work Product.** The Parties agree that all work product, information or other materials created and developed by Consultant in connection with the performance of the Services under this Agreement and any resulting intellectual property rights (collectively, the "Work Product") are the sole and exclusive property of Company. The Parties acknowledge that the Work Product shall, to the extent permitted by law, be considered a "work made for hire" within the definition of Section 101 of the Copyright Act of 1976, as amended, (the "Copyright Act") and that Company is deemed to be the author and is the owner of all copyright and all other rights therein. If the work product is not deemed to be a "work made for hire" under the Copyright Act, then Consultant hereby assigns to Company all of Consultant's rights, title and interest in and to the Work Product, including but not limited to all copyrights, publishing rights and rights to use, reproduce and otherwise exploit the Work Product in any and all formats, media, or all channels, whether now known or hereafter created.

**8. Mutual Representations and Warranties.** Both Company and Consultant represent and warrant that each Party has full power, authority and right to execute and deliver this Agreement, has full power and authority to perform its obligations under this Agreement, and has taken all necessary action to authorize the execution and delivery of this Agreement. No other consents are necessary to enter into or perform this Agreement.

**9. Consultant Representation and Warranties.** Consultant represents and warrants that it has all the necessary licenses, permits and registrations, if any, required to perform the Services under this Agreement in accordance with applicable federal, state and local laws, rules and regulations and that it will perform the Services according to Company's guidelines and specifications and with the standard of care prevailing in the industry.

**10. Indemnification.** The Consultant shall indemnify and hold harmless Company from any damages, claims, liabilities, loss and expenses, including reasonable attorney's fees, arising out of any act or omission of Consultant in performing the Services or the breach of any provision of this Agreement by Consultant.

**11. Governing Law.** The terms of this Agreement and the rights of the Parties hereto shall be governed exclusively by the laws of the State of Florida, without regarding its conflicts of law provisions.

**12. Venue and Jurisdiction.** All disputes arising out this Agreement shall be resolved in Duval County. The Middle District of Florida has exclusive jurisdiction for litigation arising in connection with this Agreement. If the Middle District of Florida lacks jurisdiction over the matter, the matter shall be resolved in a state court in Duval County.

**13. Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

**14. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

**15. Assignment.** The interests of Consultant are personal to Consultant and cannot be assigned, transferred or sold without the prior written consent of Company.

**16. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto with respect the subject matter hereof, and supersedes all prior negotiations, understandings and agreements of the Parties.

**17. Amendments.** No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the Parties.

**18. Notices.** Any notice or other communication given or made to either Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice, and shall be deemed given on the date of delivery.

**19. Waiver.** Neither Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by either Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any subsequent or other breach or violation.

**20. Further Assurances.** At the request of one Party, the other Party shall execute and deliver such other documents and take such other actions as may be reasonably necessary to effect the terms of this Agreement.

**21. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

**22. Mutual Non-Disparagement.** Consultant and Company (defined as directors, officers and senior staff members) and their agents and representatives have not and may not make or communicate, directly or indirectly, any negative or disparaging comments or information about each other or any of the current or former officers, directors, managers, supervisors, employees, or representatives of Company or any of its subsidiaries and affiliates concerning the reputation or status of the other party's professional abilities, business, or financial condition. In the event Consultant is asked by a person outside Company or any of its affiliates about her services with the Company, and/or the differences between Consultant and Company or any of its affiliates, the Consultant will not disparage the Company. In the event a member of Company's senior staff is asked by a person outside of Company or any of its affiliates about Consultant's services for Company and/or the differences between Consultant and Company and any of its affiliates, they may not disparage Consultant. This non-disparagement provision, however, may not prohibit Company from providing employment references pertaining to Consultant's former

services with Company which Consultant expressly consents and permits the Company to provide without any recourse by Consultant associated with providing the reference(s).

**23. Non-Circumvention**. The Company or Consultant may not at any time prior to the expiration of three (3) years from the date of this Agreement, without the prior written consent of the other Party, which consent may be withheld in the consenting Party's sole discretion, (a) attempt in any manner to deal directly or indirectly in any manner with any of the Contact Persons or other individuals or companies related to the Business Opportunity including by having any part of or deriving any benefit from the Business Opportunity or any aspect thereof, or (b) by-pass, compete, avoid, circumvent, or attempt to circumvent the other Party relative to Business Opportunity including by utilizing any of the Confidential Information or by otherwise exploiting or deriving any benefit from the Confidential Information.

**24. Assignment**. The Consultant may not assign, delegate, or transfer this Agreement, any rights hereunder, nor any payment due or to become due hereunder. Any such assignment(s) or attempt at any such assignment is void and not binding upon Company. The Consultant acknowledges that this Agreement is one for personal services for the benefit of Company and is not delegable in whole or in part.

**25. Subcontracting**. Company retains the exclusive right to approve all subcontractors of the Consultant, and the Consultant agrees that it will not subcontract any work and services under this Agreement without the prior written approval of Company.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

_____

**Company** Signature
Paul Rosenberg, Director

_____ _____

**Consultant** Signature Alex Mardikian

State of Florida

**CONSULTING AGREEMENT**

This Company Counsel Agreement (this "Agreement") is made as of this 1st day of November, 2017 (the "Effective Date"), by and between **OBITX Inc.**, a Delaware corporation (the "Company") and **Brandy Craig** ("Consultant")**,** an Indiana resident. Company and Consultant may each be referred to in this Agreement as a "Party" and collectively as the "Parties."

**1. Services.** Consultant shall provide to Company the services typical of chief financial officer (CFO), coherent with the Operating Agreement of the Company.
**2. Compensation.** In consideration for Consultant's performance of the Services, Company shall pay Consultant $3,500 USD per month, which may be converted into common stock of the company at a 20% discount to the lowest price of the preceding five days of trading upon election by Consultant to convert.

The Company shall pay an initial stock allocation

a) Consultant shall receive a warrant to acquire 50,000 shares of the Company's stock at par value ($0.0001 per share). Consultant is limited to the purchase of 50,000 shares per month.

b) Consultant shall receive a warrant to acquire 250,000 shares of the Company's stock at a discounted price of the lesser of the following:

    a. $1 (one dollar) per share; or
    b. The opening price on a federally regulated exchange service

**3. Expenses.** Except as otherwise specified in this Agreement, Company shall reimburse Consultant for all pre-approved, reasonable and necessary costs and expenses incurred in connection with the performance of the Services.

**4. Term and Termination.** Consultant's engagement with Company under this Agreement shall commence on November 1, 2017. Consultant acknowledges and agrees that the engagement with Company is at will, subject to being terminated at the discretion of Company at any time, upon thirty (30) days prior written notice to Consultant. In addition, this Agreement may be terminated by Consultant upon thirty (30) days prior written notice to Company. At the time of termination, Consultant agrees to return all Company property used in performance of the Services, including but not limited to computers, cell phones, keys, reports and other equipment and documents. Consultant shall reimburse Company for any Company property lost or damaged in an amount equal to the market price of such property.

**5. Independent Contractor.** The Parties agree and acknowledge that Consultant is an independent contractor and is not, for any purpose, an employee of Company. Consultant does

not have any authority to enter into agreements or contracts on behalf of Company, and shall not represent that it possesses any such authority. Consultant shall not be entitled to any of Company's benefits, including, but not limited to, coverage under medical, dental, retirement or other plans. Company shall not be obligated to pay worker's compensation insurance, unemployment compensation, social security tax, withholding tax or other taxes or withholdings for or on behalf of the Consultant in connection with the performance of the Services under this Agreement. Nothing contained in this Agreement shall be deemed or construed by the Parties to create the relationship of a partnership, a joint venture or any other fiduciary relationship.

**6. Confidentiality.**

a. Confidential and Proprietary Information. In the course of performing the Services, Consultant will be exposed to confidential and proprietary information of Company. "Confidential Information" shall mean any data or information that is competitively sensitive material and not generally known to the public, including, but not limited to, information relating to development and plans, marketing strategies, finance, operations, systems, proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, trade secrets, customer lists, customer relationships, customer profiles, supplier lists, supplier relationships, supplier profiles, pricing, sales estimates, business plans and internal performance results relating to the past, present or future business activities, technical information, designs, processes, procedures, formulas or improvements, which Company considers confidential and proprietary. Consultant acknowledges and agrees that the Confidential Information is valuable property of Company, developed over a long period of time at substantial expense and that it is worthy of protection.

b. Confidentiality Obligations. Except as otherwise expressly permitted in this Agreement, Consultant shall not disclose or use in any manner, directly or indirectly, any Confidential Information either during the term of this Agreement or at any time thereafter, except as required to perform the Services or with Company's prior written consent.

c. Rights in Confidential Information. All Confidential Information disclosed to Consultant by Company (i) is and shall remain the sole and exclusive property of Company, and (ii) is disclosed or permitted to be acquired by Consultant solely in reliance on Consultant's agreement to maintain the Confidential Information in confidence and not to use or disclose the Confidential Information to any other person. Except as expressly provided herein, this Agreement does not confer any right, license, ownership or other interest in or title to the Confidential Information to Consultant.

d. Irreparable Harm. Consultant acknowledges that use or disclosure of any Confidential Information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, Company shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Confidential Information. Company shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to, damages, both direct and consequential

In any action brought by Company under this Section, Company shall be entitled to recover its attorney's fees and costs from Consultant.

**7. Ownership of Work Product.** The Parties agree that all work product, information or other materials created and developed by Consultant in connection with the performance of the Services under this Agreement and any resulting intellectual property rights (collectively, the "Work Product") are the sole and exclusive property of Company. The Parties acknowledge that the Work Product shall, to the extent permitted by law, be considered a "work made for hire" within the definition of Section 101 of the Copyright Act of 1976, as amended, (the "Copyright Act") and that Company is deemed to be the author and is the owner of all copyright and all other rights therein. If the work product is not deemed to be a "work made for hire" under the Copyright Act, then Consultant hereby assigns to Company all of Consultant's rights, title and interest in and to the Work Product, including but not limited to all copyrights, publishing rights and rights to use, reproduce and otherwise exploit the Work Product in any and all formats, media, or all channels, whether now known or hereafter created.

**8. Mutual Representations and Warranties.** Both Company and Consultant represent and warrant that each Party has full power, authority and right to execute and deliver this Agreement, has full power and authority to perform its obligations under this Agreement, and has taken all necessary action to authorize the execution and delivery of this Agreement. No other consents are necessary to enter into or perform this Agreement.

**9. Consultant Representation and Warranties.** Consultant represents and warrants that it has all the necessary licenses, permits and registrations, if any, required to perform the Services under this Agreement in accordance with applicable federal, state and local laws, rules and regulations and that it will perform the Services according to Company's guidelines and specifications and with the standard of care prevailing in the industry.

**10. Indemnification.** The Consultant shall indemnify and hold harmless Company from any damages, claims, liabilities, loss and expenses, including reasonable attorney's fees, arising out of any act or omission of Consultant in performing the Services or the breach of any provision of this Agreement by Consultant.

**11. Governing Law.** The terms of this Agreement and the rights of the Parties hereto shall be governed exclusively by the laws of the State of Florida, without regarding its conflicts of law provisions.

**12. Venue and Jurisdiction.** All disputes arising out this Agreement shall be resolved in Duval County. The Middle District of Florida has exclusive jurisdiction for litigation arising in connection with this Agreement. If the Middle District of Florida lacks jurisdiction over the matter, the matter shall be resolved in a state court in Duval County.

**13. Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

**14. Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

**15. Assignment.** The interests of Consultant are personal to Consultant and cannot be assigned, transferred or sold without the prior written consent of Company.

**16. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto with respect the subject matter hereof, and supersedes all prior negotiations, understandings and agreements of the Parties.

**17. Amendments.** No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the Parties.

**18. Notices.** Any notice or other communication given or made to either Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice, and shall be deemed given on the date of delivery.

**19. Waiver.** Neither Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by either Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any subsequent or other breach or violation.

**20. Further Assurances.** At the request of one Party, the other Party shall execute and deliver such other documents and take such other actions as may be reasonably necessary to effect the terms of this Agreement.

**21. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

**22. Mutual Non-Disparagement.** Consultant and Company (defined as directors, officers and senior staff members) and their agents and representatives have not and may not make or communicate, directly or indirectly, any negative or disparaging comments or information about each other or any of the current or former officers, directors, managers, supervisors, employees, or representatives of Company or any of its subsidiaries and affiliates concerning the reputation or status of the other party's professional abilities, business, or financial condition. In the event Consultant is asked by a person outside Company or any of its affiliates about her services with the Company, and/or the differences between Consultant and Company or any of its affiliates, the Consultant will not disparage the Company. In the event a member of Company's senior staff is asked by a person outside of Company or any of its affiliates about Consultant's services for Company and/or the differences between Consultant and Company and any of its affiliates, they may not disparage Consultant. This non-disparagement provision, however, may not prohibit Company from providing employment references pertaining to Consultant's former

services with Company which Consultant expressly consents and permits the Company to provide without any recourse by Consultant associated with providing the reference(s).

**23. Non-Circumvention**. The Company or Consultant may not at any time prior to the expiration of three (3) years from the date of this Agreement, without the prior written consent of the other Party, which consent may be withheld in the consenting Party's sole discretion, (a) attempt in any manner to deal directly or indirectly in any manner with any of the Contact Persons or other individuals or companies related to the Business Opportunity including by having any part of or deriving any benefit from the Business Opportunity or any aspect thereof, or (b) by-pass, compete, avoid, circumvent, or attempt to circumvent the other Party relative to Business Opportunity including by utilizing any of the Confidential Information or by otherwise exploiting or deriving any benefit from the Confidential Information.

**24. Assignment**. The Consultant may not assign, delegate, or transfer this Agreement, any rights hereunder, nor any payment due or to become due hereunder. Any such assignment(s) or attempt at any such assignment is void and not binding upon Company. The Consultant acknowledges that this Agreement is one for personal services for the benefit of Company and is not delegable in whole or in part.

**25. Subcontracting**. Company retains the exclusive right to approve all subcontractors of the Consultant, and the Consultant agrees that it will not subcontract any work and services under this Agreement without the prior written approval of Company.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

_____

**Company Signature**
Alex Mardikian, CEO, **Company**

_____ _____

**Consultant** Signature Brandy Craig

State of Florida

**CONSULTING AGREEMENT**

This Company Counsel Agreement (this "Agreement") is made as of this 1st day of November, 2017 (the "Effective Date"), by and between **OBITX Inc.**, a Delaware corporation (the "Company") and **Carl G. Hawkins, P.A. – Law Offices of Carl G. Hawkins** ("Consultant")**,** a Florida resident, located at _____. Company and Consultant may each be referred to in this Agreement as a "Party" and collectively as the "Parties."

**1. Services.** Consultant shall provide to Company the services typical of corporate counsel, including but not limited to, _____

**2. Compensation.** In consideration for Consultant's performance of the Services, Company shall pay Consultant $3,500 USD per month, which may be converted into common stock of the company at a 20% discount to the lowest price of the preceding five days of trading upon election by Consultant to convert.

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not have any authority to enter into agreements or contracts on behalf of Company, and shall not represent that it possesses any such authority. Consultant shall not be entitled to any of Company's benefits, including, but not limited to, coverage under medical, dental, retirement or other plans. Company shall not be obligated to pay worker's compensation insurance, unemployment compensation, social security tax, withholding tax or other taxes or withholdings for or on behalf of the Consultant in connection with the performance of the Services under this Agreement. Nothing contained in this Agreement shall be deemed or construed by the Parties to create the relationship of a partnership, a joint venture or any other fiduciary relationship.

**6. Confidentiality.**

a. Confidential and Proprietary Information. In the course of performing the Services, Consultant will be exposed to confidential and proprietary information of Company. "Confidential Information" shall mean any data or information that is competitively sensitive material and not generally known to the public, including, but not limited to, information relating to development and plans, marketing strategies, finance, operations, systems, proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, data, databases, inventions, know-how, trade secrets, customer lists, customer relationships, customer profiles, supplier lists, supplier relationships, supplier profiles, pricing, sales estimates, business plans and internal performance results relating to the past, present or future business activities, technical information, designs, processes, procedures, formulas or improvements, which Company considers confidential and proprietary. Consultant acknowledges and agrees that the Confidential Information is valuable property of Company, developed over a long period of time at substantial expense and that it is worthy of protection.

b. Confidentiality Obligations. Except as otherwise expressly permitted in this Agreement, Consultant shall not disclose or use in any manner, directly or indirectly, any Confidential Information either during the term of this Agreement or at any time thereafter, except as required to perform the Services or with Company's prior written consent.

c. Rights in Confidential Information. All Confidential Information disclosed to Consultant by Company (i) is and shall remain the sole and exclusive property of Company, and (ii) is disclosed or permitted to be acquired by Consultant solely in reliance on Consultant's agreement to maintain the Confidential Information in confidence and not to use or disclose the Confidential Information to any other person. Except as expressly provided herein, this Agreement does not confer any right, license, ownership or other interest in or title to the Confidential Information to Consultant.

d. Irreparable Harm. Consultant acknowledges that use or disclosure of any Confidential Information in a manner inconsistent with this Agreement will give rise to irreparable injury for which damages would not be an adequate remedy. Accordingly, in addition to any other legal remedies which may be available at law or in equity, Company shall be entitled to equitable or injunctive relief against the unauthorized use or disclosure of Confidential Information. Company shall be entitled to pursue any other legally permissible remedy available as a result of such breach, including but not limited to, damages, both direct and consequential

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**8. Mutual Representations and Warranties.** Both Company and Consultant represent and warrant that each Party has full power, authority and right to execute and deliver this Agreement, has full power and authority to perform its obligations under this Agreement, and has taken all necessary action to authorize the execution and delivery of this Agreement. No other consents are necessary to enter into or perform this Agreement.

**9. Consultant Representation and Warranties.** Consultant represents and warrants that it has all the necessary licenses, permits and registrations, if any, required to perform the Services under this Agreement in accordance with applicable federal, state and local laws, rules and regulations and that it will perform the Services according to Company's guidelines and specifications and with the standard of care prevailing in the industry.

**10. Indemnification.** The Consultant shall indemnify and hold harmless Company from any damages, claims, liabilities, loss and expenses, including reasonable attorney's fees, arising out of any act or omission of Consultant in performing the Services or the breach of any provision of this Agreement by Consultant.

**11. Governing Law.** The terms of this Agreement and the rights of the Parties hereto shall be governed exclusively by the laws of the State of Florida, without regarding its conflicts of law provisions.

**12. Venue and Jurisdiction.** All disputes arising out this Agreement shall be resolved in Duval County. The Middle District of Florida has exclusive jurisdiction for litigation arising in connection with this Agreement. If the Middle District of Florida lacks jurisdiction over the matter, the matter shall be resolved in a state court in Duval County.

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**16. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto with respect the subject matter hereof, and supersedes all prior negotiations, understandings and agreements of the Parties.

**17. Amendments.** No supplement, modification or amendment of this Agreement will be binding unless executed in writing by both of the Parties.

**18. Notices.** Any notice or other communication given or made to either Party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the address stated above or to another address as that Party may subsequently designate by notice, and shall be deemed given on the date of delivery.

**19. Waiver.** Neither Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by either Party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any subsequent or other breach or violation.

**20. Further Assurances.** At the request of one Party, the other Party shall execute and deliver such other documents and take such other actions as may be reasonably necessary to effect the terms of this Agreement.

**21. Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

**22. Mutual Non-Disparagement.** Consultant and Company (defined as directors, officers and senior staff members) and their agents and representatives have not and may not make or communicate, directly or indirectly, any negative or disparaging comments or information about each other or any of the current or former officers, directors, managers, supervisors, employees, or representatives of Company or any of its subsidiaries and affiliates concerning the reputation or status of the other party's professional abilities, business, or financial condition. In the event Consultant is asked by a person outside Company or any of its affiliates about her services with the Company, and/or the differences between Consultant and Company or any of its affiliates, the Consultant will not disparage the Company. In the event a member of Company's senior staff is asked by a person outside of Company or any of its affiliates about Consultant's services for Company and/or the differences between Consultant and Company and any of its affiliates, they may not disparage Consultant. This non-disparagement provision, however, may not prohibit Company from providing employment references pertaining to Consultant's former

services with Company which Consultant expressly consents and permits the Company to provide without any recourse by Consultant associated with providing the reference(s).

**23. Non-Circumvention**. The Company or Consultant may not at any time prior to the expiration of three (3) years from the date of this Agreement, without the prior written consent of the other Party, which consent may be withheld in the consenting Party's sole discretion, (a) attempt in any manner to deal directly or indirectly in any manner with any of the Contact Persons or other individuals or companies related to the Business Opportunity including by having any part of or deriving any benefit from the Business Opportunity or any aspect thereof, or (b) by-pass, compete, avoid, circumvent, or attempt to circumvent the other Party relative to Business Opportunity including by utilizing any of the Confidential Information or by otherwise exploiting or deriving any benefit from the Confidential Information.

**24. Assignment**. The Consultant may not assign, delegate, or transfer this Agreement, any rights hereunder, nor any payment due or to become due hereunder. Any such assignment(s) or attempt at any such assignment is void and not binding upon Company. The Consultant acknowledges that this Agreement is one for personal services for the benefit of Company and is not delegable in whole or in part.

**25. Subcontracting**. Company retains the exclusive right to approve all subcontractors of the Consultant, and the Consultant agrees that it will not subcontract any work and services under this Agreement without the prior written approval of Company.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first written above.

_____

**Company Signature**
Alex Mardikian, CEO, **Company**

_____ _____

**Consultant** Signature Carl G. Hawkins

**OBITX, INC.**
Subscription Agreement

The undersigned subscriber (the "Subscriber") acknowledges having had the opportunity to review the books and records of OBITX, Inc., (the "Company") desires to subscribe for shares of common stock of the Company. The Subscriber hereby subscribes for that number of shares of common stock of the Company ("Shares") and on the terms as indicated below and subject to the provisions of the Certificate of Incorporation and Bylaws of the Company.

**Subscription Information**

Name and Mailing Address of Subscriber:

_____

_____

_____

Facsimile Number: _____

Name and Address for Share Registration (if different):

_____

_____

_____

| Amount of Subscription: | # of Shares | Total Price |
|---|---|---|
| Common Stock ($.0001 per share) | _____ | $_____ |
| **Total Subscription Amount** | | **$_____** |

Name of Beneficial Owners represented by Subscriber (if Subscriber is acting in any sort of nominee or fiduciary capacity):

_____

**Subscriber Representation**

The Subscriber represents and warrants that:

a. The Subscriber's execution, delivery and performance of this Agreement has been duly authorized by Subscriber has all requisite power and authority to enter into this Agreement, and such execution, delivery and performance is not in contravention of or in conflict with any law or regulation of the United States, or any political subdivision thereof, or any agreement or document binding upon the Subscriber. This Agreement, when delivered, will be the valid, binding and legally enforceable obligation of the Subscriber in accordance with its terms.

b. The Subscriber is an "Accredited Investor" as defined in Rule 501(a) of the Securities Act of 1933, as amended (the "Securities Act").

c. The Subscriber has not been formed for the specific purpose of acquiring their portion of the Common Stock and each is acquiring the Common Stock for such Purchaser's own account, not as a nominee or agent and without a view to or for sale in connection with any distribution thereof.

d. The Subscriber understands that (i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or any applicable state securities laws, (ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration and such state laws, (iii) the Shares will bear a legend to such effect and (iv) the Company will make a notation on its transfer books to such effect.

e. The Subscriber understands that the exemption from registration afforded by Rule 144 under the Securities Act depends on the satisfaction of various conditions and that, if applicable, Rule 144 affords the basis of sales of Shares in limited amounts under certain conditions and in unlimited amounts under certain conditions.

f. The Subscriber understands that no public market now exist for any of the securities issued by the Company and that there is no assurance that a public market will ever exist for the securities of the Company.

g. The Subscriber has had a full opportunity to request from the Company and to review and has reviewed all information which it deems relevant in making decision to purchase the Shares.

## OBITX, INC.

### INDIVIDUAL SIGNATURE PAGE

Your signature on this Individual Signature Page evidences the agreement by you to be bound by the Subscription Agreement and Shareholders Agreement.

1. The undersigned hereby represents that (a) the information contained in this Subscription Agreement is complete and accurate and (b) the undersigned will notify Alex Mardikian, Company Secretary (321.802.2474), immediately if any material change in any of this information occurs before the acceptance of the undersigned ‘s subscription and will promptly send the Company written confirmation of such change.

2. The undersigned hereby certifies that he or she has read and understands this Subscription Agreement and Shareholders Agreement.

IN WITNESS WHEREOF, THE Subscriber has executed this Subscription Agreement this ___ day of _____ 2017.

I. Number of Shares _____

Aggregate Subscription Price: $_____

Business Name or Name of Individual: _____

Address: _____

_____

If individual, age: _____

Telephone Number(s): Residence: _____ Business: _____

Federal Tax I.D. or Social Security Number:_____

_____
(Signature)

_____
(Printed or typed name and Title)

_____
(Second signature-required if Shares held in more than one name)

Subscription for Shares
is hereby accepted by the
Company this ____ day of
_____, 2017

**OBITX, INC.**

By: _____

**THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SAID ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO MCIG, INC. THAT SUCH REGISTRATION IS NOT REQUIRED**.

Right to Purchase _____ shares of Common Stock of OBITX, Inc. (subject to adjustment as provided herein)

**COMMON STOCK PURCHASE WARRANT**

**No. ____** Issue Date: _____

OBITX, INC., a corporation organized under the laws of the State of Delaware (the "Company"), hereby certifies that, for value received, _____, a _____ Resident or its assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company at any time after the Issue Date until 5:00 p.m., E.S.T on the fifth anniversary of the Issue Date (the "Expiration Date"), up to _____ fully paid and nonassessable shares of the common stock of the Company (the "Common Stock"), $.0001 par value per share at a per share purchase price of **$1.00.** The fore described purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such shares of Common Stock and the Purchase Price are subject to adjustment as provided herein. The Company may reduce the Purchase Price without the consent of the Holder.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

(a) The term "Company" shall include OBITX, Inc. and any corporation which shall succeed to or assume the obligations of OBITX, Inc. hereunder.

(b) The term "Common Stock" includes (a) the Company's Common Stock, $.0001 par value per share, as authorized on the date of the Stock Purchase Agreement, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.

(c) The term "Other Securities" refers to any stock (other than Common Stock) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Stock, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Stock or Other Securities pursuant to Section 3 or otherwise.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part

in accordance with subsection 1.3, shares of Common Stock of the Company, subject to adjustment pursuant to Section 3.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of stock purchase attached as Exhibit A hereto (the “Stock Purchase Form") duly executed by such Holder and surrender of the original Warrant within five (5) days of exercise, to the Company at its principal office or at the office of its Warrant Agent (as provided hereinafter), accompanied by payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of shares of Common Stock for which this Warrant is then exercisable by the Purchase Price then in effect.

1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by surrender of this Warrant in the manner and at the place provided in subsection 1.2 except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares of Common Stock designated by the Holder in the Stock Purchase Form by (b) the Purchase Price then in effect. On any such partial exercise, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder hereof a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of shares of Common Stock for which such Warrant may still be exercised.

1.4. Fair Market Value. Fair Market Value of a share of Common Stock as of a particular date (the "Determination Date") shall mean the closing or last sale price, respectively, reported for the last business day immediately preceding the Determination Date. If the Determination Date is the date of a liquidation, dissolution or winding up, or any event deemed to be a liquidation, dissolution or winding up pursuant to the Company's charter, then all amounts to be payable per share to holders of the Common Stock pursuant to the charter in the event of such liquidation, dissolution or winding up, plus all other amounts to be payable per share in respect of the Common Stock in liquidation under the charter, assuming for the purposes of this clause (1.4) that all of the shares of Common Stock then issuable upon exercise of all of the Warrants are outstanding at the Determination Date.

1.5. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant. If the Holder shall fail to make any such request, such failure shall not affect the continuing obligation of the Company to afford to such Holder any such rights.

1.6. Trustee for Warrant Holders. In the event that a bank or trust company shall have been appointed as trustee for the Holder of the Warrants pursuant to Subsection 2.2, such bank or trust company shall have all the powers and duties of a warrant agent (as hereinafter described) and shall accept, in its own name for the account of the Company or such successor person as may be entitled thereto, all amounts otherwise payable to the Company or such successor, as the case may be, on exercise of this Warrant pursuant to this Section 1.

1.7 Delivery of Stock Certificates, etc. on Exercise. The Company agrees that the shares of Common Stock purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within five (5) days

2. Adjustment for Reorganization, Consolidation, Merger, etc.

thereafter, the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the Holder hereof at the address stated above, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and nonassessable shares of Common Stock (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full share of Common Stock, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

2.1. Reorganization, Consolidation, Merger, etc. In case at any time or from time to time, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other person or (c) transfer all or substantially all of its properties or assets to any other person under any plan or arrangement contemplating the dissolution of the Company, then, in each such case, as a condition to the consummation of such a transaction, proper and adequate provision shall be made by the Company whereby the Holder of this Warrant, on the exercise hereof as provided in Section 1, at any time after the consummation of such reorganization, consolidation or merger or the effective date of such dissolution, as the case may be, shall receive, in lieu of the Common Stock (or Other Securities) issuable on such exercise prior to such consummation or such effective date, the stock and other securities and property (including cash) to which such Holder would have been entitled upon such consummation or in connection with such dissolution, as the case may be, if such Holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as provided in Section 3.

2.2. Dissolution. In the event of any dissolution of the Company following the transfer of all or substantially all of its properties or assets, the Company, prior to such dissolution, shall at its expense deliver or cause to be delivered the stock and other securities and property (including cash, where applicable) receivable by the Holder of the Warrants after the effective date of such dissolution pursuant to this Section 2 to a bank or trust company (a "Trustee") having its principal office in New York, NY, as trustee for the Holder of the Warrants.

2.3. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 2, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 3. In the event this Warrant does not continue in full force and effect after the consummation of the transaction described in this Section 2, then only in such event will the Company's securities and property (including cash, where applicable) receivable by the Holder of the Warrants be delivered to the Trustee as contemplated by Section 2.2.

2.4 Share Issuance. Until the Expiration Date, if the Company shall issue any Common Stock except for the Excepted Issuances (as defined in Section 10(a) of the Stock Purchase Agreement), prior to the complete exercise of this Warrant for a consideration less than the Purchase Price that would be in effect at the time of such issue, then, and thereafter successively upon each such

issue, the Purchase Price shall be reduced to such other lower issue price. For purposes of this adjustment, the issuance of any security or debt instrument of the Company carrying the right to convert such security or debt instrument into Common Stock or of any warrant, right or option to purchase Common Stock shall result in an adjustment to the Purchase Price upon the issuance of the above-described security, debt instrument, warrant, right, or option and again at any time upon any subsequent issuances of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the Purchase Price in effect upon such issuance. The reduction of the Purchase Price described in this Section 2.4 is in addition to the other rights of the Holder described in the Stock Purchase Agreement.

3. Extraordinary Events Regarding Common Stock. In the event that the Company shall (a) issue additional shares of the Common Stock as a dividend or other distribution on outstanding Common Stock, (b) subdivide its outstanding shares of Common Stock, or (c) combine its outstanding shares of the Common Stock into a smaller number of shares of the Common Stock, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such event and the denominator of which shall be the number of shares of Common Stock outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 3. The number of shares of Common Stock that the Holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1, be entitled to receive shall be adjusted to a number determined by multiplying the number of shares of Common Stock that would otherwise (but for the provisions of this Section 3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

4. Certificate as to Adjustments. In each case of any adjustment or readjustment in the shares of Common Stock (or Other Securities) issuable on the exercise of the Warrants, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional shares of Common Stock (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of shares of Common Stock (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of shares of Common Stock to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant and any Warrant Agent of the Company (appointed pursuant to Section 10 hereof).

5. Reservation of Stock, etc. Issuable on Exercise of Warrant; Financial Statements. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all shares of Common Stock (or Other Securities) from time to time issuable on the exercise of the Warrant. This Warrant entitles the Holder hereof to receive copies of all financial and other information distributed or required to be distributed to the holders of the Company's Common Stock.

6. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant,

with the Transferor's endorsement in the form of Exhibit B attached hereto (the “Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company at its expense, twice, only, but with payment by the Transferor of any applicable transfer taxes, will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant so surrendered by the Transferor. No such transfers shall result in a public distribution of the Warrant.

7 . Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security or bond reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, twice only, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

8 . Registration Rights. The Holder of this Warrant has been granted certain registration rights by the Company. These registration rights are set forth in the Stock Purchase Agreement. The terms of the Stock Purchase Agreement are incorporated herein by this reference.

9 . Maximum Exercise. The Holder shall not be entitled to exercise this Warrant on an exercise date, in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates on an exercise date, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an exercise date, which would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock on such date. For the purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13d-3 thereunder. Subject to the foregoing, the Holder shall not be limited to aggregate exercises which would result in the issuance of more than 4.99%. The restriction described in this paragraph may be revoked upon sixty-one (61) days prior notice from the Holder to the Company. The Holder may allocate which of the equity of the Company deemed beneficially owned by the Subscriber shall be included in the 4.99% amount described above and which shall be allocated to the excess above 4.99%.

10. Warrant Agent. The Company may, by written notice to the Holder of the Warrant, appoint an agent (a “Warrant Agent”) for the purpose of issuing Common Stock (or Other Securities) on the exercise of this Warrant pursuant to Section 1, exchanging this Warrant pursuant to Section 6, and replacing this Warrant pursuant to Section 7, or any of the foregoing, and thereafter any such issuance, exchange or replacement, as the case may be, shall be made at such office by such Warrant Agent.

11. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

12. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand

delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company to the address last noted in its public filings, and (ii) if to the Holder, to the address and telecopier number as provided by the Holder of this Warrant.

1 3 . Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of Nevada. Any dispute relating to this Warrant shall be adjudicated in the State of Nevada. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

OBITX, INC.

By: _____

Name: Alex Mardikian
Title: Chief Executive Officer

**Exhibit A**

FORM OF STOCK PURCHASE

(to be signed only on exercise of Warrant)

TO: OBITX, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant (No.____), hereby irrevocably elects to purchase:

___ _____ shares of the Common Stock covered by such Warrant

___ $_____ in lawful money of the United States

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to _____ whose address is _____ _____.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act and upon consent of counsel.

Dated:_____

_____

(Signature must conform to name of holder as specified on the face of the Warrant)

_____

_____

(Address)

**Exhibit B**

FORM OF TRANSFEROR ENDORSEMENT

(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of shares of Common Stock of OBITX, INC. to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of OBITX, INC. with full power of substitution in the premises.

| Transferees | Percentage Transferred | Number Transferred |
|---|---|---|
| | | |
| | | |
| | | |

Dated: _____, _____

_____
(Signature must conform to name of holder as specified on the face of the warrant)

Signed in the presence of:

_____
(Name)

_____
_____
(address)

ACCEPTED AND AGREED:
[TRANSFEREE]

_____
_____
(address)

_____
(Name)

# Amendment to Consulting Agreement

As of February 09, 2018, the contract entitled "**Consulting Agreement**" between the following parties:

a. OBITX, Inc.; and
b. Alex Mardikian

"Section 2: Compensation" in the original contract will be deleted.

"Section 2: Compensation [Revised]" will be added to the original contract, and will read as follows:

***2. Compensation.*** *In consideration for Consultant's performance of the Services, Company shall pay Consultant $7,000 USD per month, which may be converted into common stock by mutual consent of the Company and consultant at the average price of the preceding five days of trading.*

*The Company shall pay an initial stock allocation:*

*a) Consultant shall receive a warrant to acquire 50,000 shares of the Company's stock at par value ($0.0001 per share).*

*b) Consultant shall receive a five-year warrant to acquire 250,000 shares of the Company's stock at the price of $1.00 per share.*

These changes are the only changes to the original contract. The entire remainder of the original contract remains in full force. This Amendment shall be effective once signed by both parties.

This Amendment shall be signed by the following:

_____ Date: _____
Paul Rosenberg
Chairman of the Board, OBITX, Inc.

_____ Date: _____
Alex Mardikian

# Amendment to Consulting Agreement

As of February 09, 2018, the contract entitled "**Consulting Agreement**" between the following parties:

a. OBITX, Inc.; and
b. Brandy Craig

"Section 2: Compensation" in the original contract will be deleted.

"Section 2: Compensation [Revised]" will be added to the original contract, and will read as follows:

***2. Compensation.*** *In consideration for Consultant's performance of the Services, Company shall pay Consultant $3,500 USD per month, which may be converted into common stock by mutual consent of the Company and consultant at the average price of the preceding five days of trading.*

*The Company shall pay an initial stock allocation:*

*a) Consultant shall receive a warrant to acquire 50,000 shares of the Company's stock at par value ($0.0001 per share).*

*b) Consultant shall receive a five-year warrant to acquire 250,000 shares of the Company's stock at the price of $1.00 per share.*

These changes are the only changes to the original contract. The entire remainder of the original contract remains in full force. This Amendment shall be effective once signed by both parties.

This Amendment shall be signed by the following:

_____ Date: _____
Alex Mardikian
CEO, OBITX, Inc.

_____ Date: _____
Brandy Craig

# SHAREHOLDER AGREEMENT

This Shareholder Agreement (this "Agreement") is made as of this 01 day of November, 2017 (the "Effective Date"), by and among OBITX, Inc., a Florida corporation located at 4720 Salisbury Road, Jacksonville, FL 32256 (the "Company") and APO Holdings, LLC (the "Shareholder").

## ARTICLE I
## PURPOSE

1. **Shares.** The Company wishes to sell shares to Shareholder as outlined in Schedule A of this Agreement. All Shares owned by the Shareholder or acquired in the future by Shareholder shall be subject to this Agreement.

2. **Purpose.** The Shareholder has entered into this agreement with respect to the management and supervision of the Company.

## ARTICLE II
## MANAGEMENT

1. **Board of Directors.** Shareholder shall have the right to sit on the Board or appoint a member to the Board. The Board shall not be obligated to hold annual, regular or special meetings.

2. **Authority of Directors.** The Board may perform acts as specified in the Operating Agreement of the Company.

3. **Purchase Price.** Shareholder shall pay the Company $150,000.00 (USD), at a per share price of $0.10 per share, to purchase the shares outlined in Schedule A of this Agreement.

4. **Expenses.** All expenses in connection with the management and organization of the Company will be paid by the Company.

5. **Books and Records.** The Company shall maintain complete and accurate accounts in proper books of all transactions. The Company shall maintain at its principal office the following: (a) the full name and last known business or residence address of each Shareholder; (b) records detailing all capital accounts, including entries for contributions and distributions, ownership interest, and percentage ownership; (c) a copy of the articles of formation of the Company and any and all amendments;

(d) copies of all federal ,state, and local income tax or returns and reports for the six most recent taxable years; (e) a copy of this Agreement and any amendments; (f) copies of financial statements of the Company for the six most recent fiscal years; (g) the books or records as related to the internal affairs of the Company; and (h) true and full information regarding the status of the business and financial conditions of the Company.

## ARTICLE III
## DISTRIBUTION OF PROFITS AND LOSSES

1. **Profits/Losses.** For accounting and tax purposes, net profits or net losses shall be determined in congruence with the Operating Agreement of the Company. Profits and losses will be distributed in proportion to each Shareholder's percentage or ownership interest in the Company as set forth in the Operating Agreement of the Company.

2. **Distributions.** The Company shall distribute net income in congruence with the Operating Agreement of the Company or, if determined as necessary by the Board, at more frequent intervals.

## ARTICLE IV
## PREEMPTIVE RIGHTS

1 . **Restrictions on Transfer.** No Shares shall be sold, transferred, or pledged other than in accordance with the terms of this Agreement.

2. **Involuntary Transfers.** Upon the occurrence of any of the following events (1) the death of a Shareholder; (2) the total mental or physical disability of a Shareholder; (3) the termination of a Shareholder's employment with the Company; or (4) the bankruptcy or insolvency of a Shareholder, the Company shall redeem or purchase for cancellation all of the Shares owned by the withdrawing Shareholder within sixty (60) days from the date of the event.

3. **Right of First Refusal.** If any Shareholder intends to sell or transfer any Shares, such Shareholder shall first offer to the Company the option to purchase the offered Shares at the price and in accordance to the same terms being offered to the third party. The Company shall have 30 days to exercise this right of first refusal. If the Company elect to purchase less than all of the offered Shares, the offering Shareholder may sell any remaining Shares to the third party.

4. **Certificates.** All certificates representing the Shares now owned or hereafter acquired by each Shareholder shall have the following legend conspicuously printed on its face:

> "The shares represented by this certificate are subject to certain restrictions contained in a Shareholder Agreement among the Company and the Shareholders. A copy of the Shareholder Agreement is on file at the principal office of the Company."

## ARTICLE V
## TERM AND TERMINATION

1. **Term.** This Agreement shall be effective and binding upon the parties as of the Effective Date.

2. **Termination.** This Agreement will terminate in the event one of the following occurs:
(A) death or incapacity of all of the Shareholders;
(B) bankruptcy, receivership or dissolution of the Company; or
(C) a single Shareholder becoming the owner of all of the Shares

## ARTICLE VI
## MISCELLANEOUS

1. **Amendments.** This Agreement may be amended or modified only by a written agreement signed by all of the parties.

2. **Notices.** Any notice or other communication given or made to any party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the Company at the address stated above and to the Shareholders at the address in the Company's records.

3. **No Waiver.** No party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

4. **Assignment.** No party hereto shall have the right to assign its rights or delegate its duties hereunder without the written consent of the other parties, which consent shall not be unreasonably withheld.

5. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

7. **Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

8. **Governing Law.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, not including its conflicts of law provisions.

9. **Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

11. **Entire Agreement.** This Agreement contains the entire understanding between the parties and supersedes and cancels all prior agreements of the parties, whether oral or written, with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

| OBITX, Inc. | | Alex Mardikian, CEO |
|---|---|---|
| **Company** Name | **Representative** Signature | **Representative** Name and Title |

| | Michael Attias, Manager, APO Holdings, LLC |
|---|---|
| **Shareholder** Signature | **Shareholder** Full Name |

**SCHEDULE A**

| Name | Number of shares |
|---|---|
| APO Holdings, LLC | 1,500,000 |

# SHAREHOLDER AGREEMENT

This Shareholder Agreement (this "Agreement") is made as of this 01 day of November, 2017 (the "Effective Date"), by and among OBITX, Inc., a Florida corporation located at 4720 Salisbury Road, Jacksonville, FL 32256 (the "Company") and Paul Rosenberg (the "Shareholder").

## ARTICLE I
## PURPOSE

1. **Shares.** The Company wishes to sell shares to Shareholder as outlined in Schedule A of this Agreement. All Shares owned by the Shareholder or acquired in the future by Shareholder shall be subject to this Agreement.

2. **Purpose.** The Shareholder has entered into this agreement with respect to the management and supervision of the Company.

## ARTICLE II
## MANAGEMENT

1. **Board of Directors.** Shareholder shall have the right to sit on the Board or appoint a member to the Board. The Board shall not be obligated to hold annual, regular or special meetings.

2. **Authority of Directors.** The Board may perform acts as specified in the Operating Agreement of the Company.

3. **Purchase Price.** Shareholder shall pay the Company $150,000.00 (USD), at a per share price of $0.10 per share, to purchase the shares outlined in Schedule A of this Agreement.

4. **Expenses.** All expenses in connection with the management and organization of the Company will be paid by the Company

.5. **Books and Records.** The Company shall maintain complete and accurate accounts in proper books of all transactions. The Company shall maintain at its principal office the following: (a) the full name and last known business or residence address of each Shareholder; (b) records detailing all capital accounts, including entries for contributions and distributions, ownership interest, and percentage ownership; (c) a copy of the articles of formation of the Company and any and all amendments;

(d) copies of all federal ,state, and local income tax or returns and reports for the six most recent taxable years; (e) a copy of this Agreement and any amendments; (f) copies of financial statements of the Company for the six most recent fiscal years; (g) the books or records as related to the internal affairs of the Company; and (h) true and full information regarding the status of the business and financial conditions of the Company.

## ARTICLE III
## DISTRIBUTION OF PROFITS AND LOSSES

1. **Profits/Losses.** For accounting and tax purposes, net profits or net losses shall be determined in congruence with the Operating Agreement of the Company. Profits and losses will be distributed in proportion to each Shareholder's percentage or ownership interest in the Company as set forth in the Operating Agreement of the Company.

2. **Distributions.** The Company shall distribute net income in congruence with the Operating Agreement of the Company or, if determined as necessary by the Board, at more frequent intervals.

## ARTICLE IV
## PREEMPTIVE RIGHTS

1 . **Restrictions on Transfer.** No Shares shall be sold, transferred, or pledged other than in accordance with the terms of this Agreement.

2. **Involuntary Transfers.** Upon the occurrence of any of the following events (1) the death of a Shareholder; (2) the total mental or physical disability of a Shareholder; (3) the termination of a Shareholder's employment with the Company; or (4) the bankruptcy or insolvency of a Shareholder, the Company shall redeem or purchase for cancellation all of the Shares owned by the withdrawing Shareholder within sixty (60) days from the date of the event.

3. **Right of First Refusal.** If any Shareholder intends to sell or transfer any Shares, such Shareholder shall first offer to the Company the option to purchase the offered Shares at the price and in accordance to the same terms being offered to the third party. The Company shall have 30 days to exercise this right of first refusal. If the Company elect to purchase less than all of the offered Shares, the offering Shareholder may sell any remaining Shares to the third party.

4. **Certificates.** All certificates representing the Shares now owned or hereafter acquired by each Shareholder shall have the following legend conspicuously printed on its face:

> "The shares represented by this certificate are subject to certain restrictions contained in a Shareholder Agreement among the Company and the Shareholders. A copy of the Shareholder Agreement is on file at the principal office of the Company."

## ARTICLE V
## TERM AND TERMINATION

1. **Term.** This Agreement shall be effective and binding upon the parties as of the Effective Date.

2. **Termination.** This Agreement will terminate in the event one of the following occurs:
(A) death or incapacity of all of the Shareholders;
(B) bankruptcy, receivership or dissolution of the Company; or
(C) a single Shareholder becoming the owner of all of the Shares

## ARTICLE VI
## MISCELLANEOUS

1. **Amendments.** This Agreement may be amended or modified only by a written agreement signed by all of the parties.

2. **Notices.** Any notice or other communication given or made to any party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the Company at the address stated above and to the Shareholders at the address in the Company's records.

3. **No Waiver.** No party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

4. **Assignment.** No party hereto shall have the right to assign its rights or delegate its duties hereunder without the written consent of the other parties, which consent shall not be unreasonably withheld.

5. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

7. **Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

8. **Governing Law.** The terms of this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, not including its conflicts of law provisions.

9. **Disputes.** Any dispute arising from this Agreement shall be resolved through mediation. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

11. **Entire Agreement.** This Agreement contains the entire understanding between the parties and supersedes and cancels all prior agreements of the parties, whether oral or written, with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

| OBITX, Inc. | | Alex Mardikian, CEO |
|---|---|---|
| **Company** Name | **Representative** Signature | **Representative** Name and Title |

| | Paul Rosenberg |
|---|---|
| **Shareholder** Signature | **Shareholder** Full Name |

**SCHEDULE A**

| Name | Number of shares |
|---|---|
| Paul Rosenberg | 1,500,000 |

# SHAREHOLDER AGREEMENT

This Shareholder Agreement (this "Agreement") is made as of this 01 day of January, 2018 (the "Effective Date"), by and among OBITX, Inc., a Florida corporation located at 4720 Salisbury Road, Jacksonville, FL 32256 (the "Company") and Paul Rosenberg (the "Shareholder").

## ARTICLE I
## PURPOSE

1. **Shares.** The Company wishes to sell shares to Shareholder as outlined in Schedule A of this Agreement. All Shares owned by the Shareholder or acquired in the future by Shareholder shall be subject to this Agreement.

2. **Purpose.** The Shareholder has entered into this agreement with respect to the management and supervision of the Company.

## ARTICLE II
## MANAGEMENT

1. **Board of Directors.** Shareholder shall have the right to sit on the Board or appoint a member to the Board. The Board shall not be obligated to hold annual, regular or special meetings.

2. **Authority of Directors.** The Board may perform acts as specified in the Operating Agreement of the Company.

3. **Purchase Price.** Shareholder shall pay the Company $100,000.00 (USD), at a per share price of $0.10 per share, to purchase the shares outlined in Schedule A of this Agreement.

4. **Expenses.** All expenses in connection with the management and organization of the Company will be paid by the Company.

5. **Books and Records.** The Company shall maintain complete and accurate accounts in proper books of all transactions. The Company shall maintain at its principal office the following: (a) the full name and last known business or residence address of each Shareholder; (b) records detailing all capital accounts, including entries for contributions and distributions, ownership interest, and percentage ownership; (c) a copy of the articles of formation of the Company and any and all amendments;

(d) copies of all federal ,state, and local income tax or returns and reports for the six most recent taxable years; (e) a copy of this Agreement and any amendments; (f) copies of financial statements of the Company for the six most recent fiscal years; (g) the books or records as related to the internal affairs of the Company; and (h) true and full information regarding the status of the business and financial conditions of the Company.

## ARTICLE III
## DISTRIBUTION OF PROFITS AND LOSSES

1. **Profits/Losses.** For accounting and tax purposes, net profits or net losses shall be determined in congruence with the Operating Agreement of the Company. Profits and losses will be distributed in proportion to each Shareholder's percentage or ownership interest in the Company as set forth in the Operating Agreement of the Company.

2. **Distributions.** The Company shall distribute net income in congruence with the Operating Agreement of the Company or, if determined as necessary by the Board, at more frequent intervals.

## ARTICLE IV
## PREEMPTIVE RIGHTS

1 . **Restrictions on Transfer.** No Shares shall be sold, transferred, or pledged other than in accordance with the terms of this Agreement.

2. **Involuntary Transfers.** Upon the occurrence of any of the following events (1) the death of a Shareholder; (2) the total mental or physical disability of a Shareholder; (3) the termination of a Shareholder's employment with the Company; or (4) the bankruptcy or insolvency of a Shareholder, the Company shall redeem or purchase for cancellation all of the Shares owned by the withdrawing Shareholder within sixty (60) days from the date of the event.

3. **Right of First Refusal.** If any Shareholder intends to sell or transfer any Shares, such Shareholder shall first offer to the Company the option to purchase the offered Shares at the price and in accordance to the same terms being offered to the third party. The Company shall have 30 days to exercise this right of first refusal. If the Company elect to purchase less than all of the offered Shares, the offering Shareholder may sell any remaining Shares to the third party.

4. **Certificates.** All certificates representing the Shares now owned or hereafter acquired by each Shareholder shall have the following legend conspicuously printed on its face:

> "The shares represented by this certificate are subject to certain restrictions contained in a Shareholder Agreement among the Company and the Shareholders. A copy of the Shareholder Agreement is on file at the principal office of the Company."

## ARTICLE V
## TERM AND TERMINATION

1. **Term.** This Agreement shall be effective and binding upon the parties as of the Effective Date.

2. **Termination.** This Agreement will terminate in the event one of the following occurs:
(A) death or incapacity of all of the Shareholders;
(B) bankruptcy, receivership or dissolution of the Company; or
(C) a single Shareholder becoming the owner of all of the Shares

## ARTICLE VI
## MISCELLANEOUS

1. **Amendments.** This Agreement may be amended or modified only by a written agreement signed by all of the parties.

2. **Notices.** Any notice or other communication given or made to any party under this Agreement shall be in writing and delivered by hand, sent by overnight courier service or sent by certified or registered mail, return receipt requested, to the Company at the address stated above and to the Shareholders at the address in the Company's records.

3. **No Waiver.** No party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by any party of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

4. **Assignment.** No party hereto shall have the right to assign its rights or delegate its duties hereunder without the written consent of the other parties, which consent shall not be unreasonably withheld.

5. **Severability.** If any provision of this Agreement is held to be invalid, illegal or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal and enforceable as though the invalid, illegal or unenforceable parts had not been included in this Agreement.

6. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, administrators, executors, successors and permitted assigns.

7. **Headings.** The section headings herein are for reference purposes only and shall not otherwise affect the meaning, construction or interpretation of any provision in this Agreement.

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10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together, shall constitute one and the same document.

11. **Entire Agreement.** This Agreement contains the entire understanding between the parties and supersedes and cancels all prior agreements of the parties, whether oral or written, with respect to such subject matter.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

| OBITX, Inc. | | Alex Mardikian, CEO |
|---|---|---|
| **Company** Name | **Representative** Signature | **Representative** Name and Title |

| | Paul Rosenberg |
|---|---|
| **Shareholder** Signature | **Shareholder** Full Name |

**SCHEDULE A**

| Name | Number of shares |
|---|---|
| Paul Rosenberg | 1,000,000 |

**OBITX, INC.**
Subscription Agreement

The undersigned subscriber (the "Subscriber") acknowledges having had the opportunity to review the books and records of OBITX, Inc., (the "Company") desires to subscribe for shares of common stock and Series A Preferred stock of the Company. The Subscriber hereby subscribes for that number of shares of common stock and Series A Preferred stock of the Company ("Shares") and on the terms as indicated below and subject to the provisions of the Certificate of Incorporation and Bylaws of the Company.

**Subscription Information**

Name and Mailing Address of Subscriber:

MCIG, INC.

4720 Salisbury Road

Jacksonville, FL 32256

Facsimile Number: _____

Name and Address for Share Registration (if different):

_____

_____

_____

| Amount of Subscription: | # of Shares | Total Price |
|---|---|---|
| Common Stock ($.0001 par value) | 500,000 | $ 276,650 |
| Series A Preferred Stock | 100,000 | $2,766,635 |
| **Total Subscription Amount** | | **$ 3,043,285** |

Name of Beneficial Owners represented by Subscriber (if Subscriber is acting in any sort of nominee or fiduciary capacity):

MCIG, INC

**Subscriber Representation**

The Subscriber represents and warrants that:

a. The Subscriber's execution, delivery and performance of this Agreement has been duly authorized by Subscriber has all requisite power and authority to enter into this Agreement, and such execution, delivery and performance is not in contravention of or in conflict with any law or regulation of the United States, or any political subdivision thereof, or any agreement or document binding upon the Subscriber. This Agreement, when delivered, will be the valid, binding and legally enforceable obligation of the Subscriber in accordance with its terms.

b. The Subscriber is an "Accredited Investor" as defined in Rule 501(a) of the Securities Act of 1933, as amended (the "Securities Act").

c. The Subscriber has not been formed for the specific purpose of acquiring their portion of the Common Stock and each is acquiring the Common Stock for such Purchaser's own account, not as a nominee or agent and without a view to or for sale in connection with any distribution thereof.

d. The Subscriber understands that (i) the Shares have not been registered under the Securities Act by reason of their issuance in a transaction exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof or any applicable state securities laws, (ii) the Shares must be held indefinitely unless a subsequent disposition thereof is registered under the Securities Act or is exempt from such registration and such state laws, (iii) the Shares will bear a legend to such effect and (iv) the Company will make a notation on its transfer books to such effect.

e. The Subscriber understands that the exemption from registration afforded by Rule 144 under the Securities Act depends on the satisfaction of various conditions and that, if applicable, Rule 144 affords the basis of sales of Shares in limited amounts under certain conditions and in unlimited amounts under certain conditions.

f. The Subscriber understands that no public market now exist for any of the securities issued by the Company and that there is no assurance that a public market will ever exist for the securities of the Company.

g. The Subscriber has had a full opportunity to request from the Company and to review and has reviewed all information which it deems relevant in making decision to purchase the Shares.

# OBITX, INC.

## SIGNATURE PAGE

Your signature on this Individual Signature Page evidences the agreement by you to be bound by the Subscription Agreement and Shareholders Agreement.

1. The undersigned hereby represents that (a) the information contained in this Subscription Agreement is complete and accurate and (b) the undersigned will notify Alex Mardikian, Company Secretary (321.802.2474), immediately if any material change in any of this information occurs before the acceptance of the undersigned 's subscription and will promptly send the Company written confirmation of such change.

2. The undersigned hereby certifies that he or she has read and understands this Subscription Agreement and Shareholders Agreement.

IN WITNESS WHEREOF, THE Subscriber has executed this Subscription Agreement this 1st day of November 2017.

I. Number of Shares 500,000 common shares and 100,000 Series A Preferred shares

Aggregate Subscription Price: $ 3,043,285

Business Name or Name of Individual: MCIG, INC.

Address: 4720 Salisbury Road

Jacksonville, FL 32256

If individual, age: _____

Telephone Number(s): Residence: _____ Business: _____

Federal Tax I.D. or Social Security Number: _____

_____
(Signature)

Paul Rosenberg, CEO
(Printed or typed name and Title)

_____
(Second signature-required if Shares held in more than one name)

Subscription for Shares
is hereby accepted by the
Company this 1st day of
November, 2017

**OBITX, INC.**

By: _____

**Date: February 7, 2018**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

U.S. Securities and Exchange Commission
Washington, DC 20549

Ladies and Gentlemen:

We hereby consent to the incorporation and use in this Registration Statement of OBITX, Inc., on Form S-1 of our audit report, dated February 7, 2018, relating to the accompanying balance sheet as of October 31, 2017, and the related statements of operation, stockholders' equity, and cash flows from inception (March 10, 2017) through October 31, 2017, which appears in such Registration Statement.

We also consent to the reference to our Firm under the title "Interests of Named Experts and Counsel" in the Registration Statement S-1 and this Prospectus.

Sincerely,

/s/ Dov Weinstein & Co. C.P.A (Isr)
Jerusalem, Israel

Jerusalem: 17 Kissufim St. | P.O.B 23216 , Code 9123101 | Tel: +972-77-738-6666 | Fax: +972-2-581-2991
Tel-Aviv: 16 Homa Umigdal St. | P.O.B 51966, Code 67771 | Tel: +972-3-776-3777 | Fax: +972-3-776-3881
www.wcpa.co.il, w@wcpa.co.il | A Member of : TIAG | the International Accounting Group | US number: 1-866-761-3034