Step by Step Process

1. Sign Up; Advisor provides registration link for purchaser.

2. Contribution: Purchaser wires desired amount to our designated escrow attorneys.

3. Documents: Once the wire has been received, purchaser will receive an email with the documents package. Purchaser acquires LLC interests in Volcanic Safeguard Holdings by signing the Agreements. [1] At this time, Volcanic Safeguard Holdings acquires all LLC interests of a preexisting LLC that owns existing volcanic ash minerals.

4. Vote: Members of Volcanic Safeguard Holdings vote to receive their pro rata portion of the LLC's minerals **or** to have them donated to a designated charity.

5. Tax Return - K1s; The volcanic ash minerals are disposed of per the members' vote and a K1 is distributed to each member. The individual is terminated as a member of the LLC. A tax opinion letter is available from an experienced, independent tax lawyer, if desired.

6. Commercialization; The commercialization of the volcanic minerals continues under the direction of our predesignated commercialization partner [2], either in concert with the charity and/or with the individual directly, according to their vote.

[1] Note this is a bulk purchase venture, not a security as it is not an investment with an expectation of profits from the efforts of others, Rather, it is an opportunity to acquire assets in bulk at substantially more favorable terms than available directly.

[2] The principal of commercialization partner has experience in business development sales and marketing and formerly led a company that was on the Inc 500.

Volcanic Mineral Fertilizer Commercialization and Leveraged Deduction Transaction

Summary

A taxpayer can generate a tax deduction against ordinary income equal to 4 times the cash outlay with the transaction described herein.

On a million dollars of income, a taxpayer therefore saves up to $250,000 in tax as this proforma for a California taxpayer shows:

	No Transaction	With Transaction
Income	$1,000,000.00	$1,000,000.00
Tax Deduction		$300,000.00
Taxable Income	$1,000,000.00	$700.000.00
Tax (50.3% rate)	$503,000.00	$352,100.00
After Tax Net Income	$497,000.00	$647,900.00
Cash Outlay		$75,000.00
Net Benefit on $1,000,000		$75,900.00

This transaction is based on longstanding rules related to charitable giving and long term holding rules. It is not a "listed transaction" under current IRS pronouncements.

This level of benefit is available as the cash outlay goes to purchase existing food and fertilizer supplement minerals (primarily Volcanic Mineral Fertilizer, with other trace minerals and referred to generally herein as "Volcanic Mineral Fertilizer"), under exclusive, discounted terms and the product being donated to a charity at full appraised value. (The ability to book a deduction at the appraised value versus the actual outlay is due to the taxpayer's ability to tack on the long term holding period of the existing LLC members). In addition, a charitable deduction over basis does not limit the deduction in this instance. [2]

Due to the exclusive, discounted terms that the taxpayer will receive by participating in the bulk acquisition of the minerals, the taxpayer is able to obtain a leveraged deduction that substantially mitigates his current year tax burden while providing a substantial benefit to a qualified, third party charity.

Process

The taxpayers contribute cash to a series LLC which they control 100%. This series is of an LLC subsequently which has a long term holding period of the Volcanic Mineral Fertilizer. Per standard partnership rules this long term character of the asset continues its nature within the partnership.

Timing	Purchase deadline: November 2022. There is a limited amount of available Volcanic Mineral Fertilizer. Indications of Interest are accepted as of June 1 with order fulfilled on a first come first serve basis.
Deduction Limits and Minimum Outlay	100% charitable tax deduction against ordinary income up to 30% of Adjusted Gross Income. The amount of the deduction is based on the appraised value appraised by an independent licensed appraiser. Five year carry forward on excess contributions made in the current year. There is a minimum cash outlay of $50,000 ($200,000 deduction).
Legal Summary	Charitable deductions are generally available at the lower of the actual cost or the fair market value of the item being donated. However, on donations with a long term holding period, the amount deductible is the fair market value of the item. In this case, the taxpayer has a long term holding period by virtue of basic 'tacking' rules that apply when the taxpayers' LLC acquires the Volcanic Mineral Fertilizer LLC as described above. Because the Volcanic Mineral Fertilizer LLC's members have a long term holding period in the Volcanic Mineral Fertilizer and the taxpayers' LLC acquires all the interests in the Volcanic Mineral Fertilizer LLC, this holding period 'tacks' onto all members and the fair market value of the Volcanic Mineral Fertilizer is the amount claimed if donated to charity.
Tax Opinion	A tax opinion is available from an experienced tax attorney, if desired, for each individual participant for an average fee of $5000 per opinion.[3]
Charitable Purpose	The charity is an existing charity with tax exempt status under Section 501(c)(3) of the Tax Code. It intends to utilize the donations to further its charitable purposes by increasing its endowment to do so. Sales may be made of the raw product or via further product refinements in accordance of commercialization efforts as described below.
Commercialization Efforts	The LLC has signed a business development agreement with a firm to help commercialize the Volcanic Mineral Fertilizer. The business development firm has experience in marketing and product development and its principals have been featured in the Inc. 500 list of fastest growing companies. This agreement will continue to apply to any Volcanic Mineral Fertilizer donated to the charity. For any Volcanic Mineral Fertilizer distributed to an LLC member, the member has the option to retain their services, if desired.
Not a Security	Taxpayer's membership in the series LLC is for the purpose of acquiring the Volcanic Mineral Fertilizer as part of a bulk purchase on discounted, exclusive terms, not available on smaller standalone purchases. As indicated above, the LLC documents allow members to vote for individual distributions of the Volcanic Mineral Fertilizer to the member or for a donation to the charity. The LLC interests do not therefore represent a security as the participation does not represent a passive

ownership with the intent to make profits. Rather it is a holding entity that provides the vehicle whereby the member can directly acquire the Volcanic Mineral Fertilizer.

Step by step Process

1. *Joining the LLC.* An individual joins the LLC with cash contributions by wiring to our closing attorney 25% of the amount of the Volcanic Mineral Fertilizer they wish to acquire in exchange for membership interests evidenced by an executed LLC membership agreement.

2. *Acquisition of the Volcanic Mineral Fertilizer.* With the cash contributions, the LLC acquires all the interests of a pre-existing LLC which has a long term holding of Volcanic Mineral Fertilizer.

3. Year End Vote. Individual LLC members vote at year end to i. receive delivery of the amount of Volcanic Mineral Fertilizer purchased in bulk (i.e. 4x their outlay) or ii. to have it donated to charity.

4. *K1 Reporting and Unwind.* LLC makes distributions or contributions per the member's vote. A K1 is distributed to individuals. (In the event of a charitable contribution, the LLC files a Form 8283, including appraisal, with the IRS. These distributions/contributions of Volcanic Mineral Fertilizer trigger an automatic withdrawal from the LLC, per the terms of the Operating Agreement (as the purpose of joining the LLC has been accomplished, i.e. acquire the Volcanic Mineral Fertilizer at bulk, discounted terms).

The individual now has the bulk Volcanic Mineral Fertilizer purchased or a charitable contribution, based on their year end vote along with K1 documentation of the LLC's activity.

Endnotes

1. Full deductibility is limited to 30% of AGI for non cash contributions. Tax savings based on income is illustrated at per million for simplicity.

2. Revenue Ruling 96-11 addresses the basis issue for a charitable contribution of property from a partnership. The Revenue Ruling relates that charitable contributions are allowed at FMV and that value is passed through to the partners to include on the partner's return, and not included in computing the partnership income. It further concludes that since the resulting permanent decrease in the partnership's basis is an expenditure of the partnership not deductible in computing the partnership's taxable income, it is not properly chargeable to capital accounts. Revenue Ruling 96-11 was clarified in the 2017 Tax Act, but the change did not alter the Revenue Ruling as it relates to this transaction.

3. A brief summary of the major points of the opinion, issued on a 'more likely than not basis, includes the following:

i) *Deduction is at Fair Market Value with a One Year Holding Period.* An asset held for more than one year is considered a long-term capital asset. The gift of a long-term capital asset qualifies for a charitable tax deduction at fair market value. The deduction for a gift of a long-term capital asset is limited to 30% of a donor's adjusted gross income (AGI). See IRC Sec. 170(b)(1)(B)(i). Any remaining deduction may be carried forward for an additional five years.

ii) *Holding Period of Asset Tacks onto Partnership*. The holding period of the assets contributed by the partner 'tacks onto' the partnership; thereby the holding period continues within the partnership. See IRC Sec. 723 provides that a partnership's basis in contributed property is generally the contributing partner's adjusted tax basis in the property. Moreover, the acquisition of a partnership of another partnership preserves the holding period of the acquired partnership. See also the Tax Adviser, March 31, 2014.

iii) A *Qualified Charity.* The charity receiving the charitable contribution is a qualified IRC 501(c)(3); therefore contributions to it are eligible for a charitable tax deduction.