

# The Howey Test: Is **LEARN**token a Security?

LEARNtoken is not an investment contract. **It is an access token defining status within LEARNcollective**

**\*\* All four elements of the 'Howey Test' must be satisfied for a transaction to be deemed an 'investment contract' \*\***

## **Elements of the Howey Test**

1. An investment of money
2. With the expectation of profits
3. In a so-called "common enterprise" roughly meaning: investors and the company rise and fall together
4. From the efforts of a promoter or third party  
some dispute over whether this means "solely" from a promoter, but clear that it entails "significant managerial efforts" of a single promoter

# Element 1: An Investment of Money

- You can receive LEARNtoken for **FREE** by participating in LEARNcollective!
- 20m LEARN was reserved for LEARNcollective student rewards on the 'Path to Web3 Competency'
- 20m LEARN was ear-marked for LEARNcollective event giveaways & gamified web3 engagements.
- 20m LEARN is reserved to fund LEARNdao's future treasury. LEARNdao will utilize a to-be-developed wrapped governance token (govLEARN).

Yes, LEARNtoken is available for purchase on decentralized exchanges. However LEARNcollective only encourages the purchase of LEARN to increase status, providing enhanced access to LEARNcollective.

## Element 2: With the expectation of profits

**ONLY** purchase LEARNtoken to...

1. Increase your status in LEARNcollective
2. Acquire LEARN to be spent in the developing LEARNcollective economy, i.e to purchase LEARNcollective NFTs or admission to exclusive LEARNcollective events.

**LEARNtoken supports tiers of status in LEARNcollective**

1. Purchase LEARNtoken to obtain your desired status
2. Access private sections of LEARNcollective discord
3. Renounce your status by selling LEARNtoken

## Element 3: In a so-called “common enterprise”

Beyond enhanced access to **LEARN** collective via status, **LEARN** token does not entitle holders to legal rights of any kind

LEARN token itself does not represent ownership rights in an entity or a share in any profits.

In the future, the wrapped governance token (govLEARN) may be construed as a share in a ‘common enterprise.’ As such, separate Howey Test will be conducted by Crypto Learn Lab.

\* If DAO governance of a community treasury is deemed to be a ‘common enterprise,’ many leading web3 protocols with governance rights assigned to tokens or NFTs may run afoul of US Security Laws.

## Element 4: From the efforts of a promoter or third party

**Crypto Learn Lab** developed & deployed the LEARNtoken smart contract to be utilized as a tool within LEARNcollective.

At this early stage of development, CLL maintains the private keys for the LEARNtoken origin wallets and manages the oLEARN economy in Discord.

**We assert anyone can and should create utility for LEARNtoken by participating in LEARNcollective.**

Tasked with advancing LEARNtoken utility, **LEARNdao** will further decentralize LEARNtoken and reduce dependency on Crypto Learn Lab.