

**Offering Document**  
**Pursuant to Alberta Securities Commission Rule 45-517**  
**Prospectus Exemption for Start-up Businesses**

**Crescendo Royalty Corporation**

**Dated: January 31, 2018**

**OFFERING DOCUMENT of CRESCENDO ROYALTY  
CORPORATION**

**DATED January 31, 2018**

**Minimum of 10,000 Class A Common Shares**

**Maximum of 250,000 Class A Common  
Shares**

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**Subscription Price: \$1.00 per Class A Common Share**

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The information provided in this offering document is supplemented by the disclosure contained in the attached Exhibits and Schedules (collectively, the "**Offering Document**"). Purchasers should read the entire Offering Document to understand the full details of the offering and the information relating to the securities offered by this Offering Document.

**Securities offered by this Offering Document are being offered under an exemption from the prospectus and registration requirements under applicable securities laws. Purchasers will not receive all information required to be included in a prospectus and may not have all of the rights available to a purchaser under a prospectus.**

To subscribe for securities under this Offering Document, purchasers must provide the issuer with the following documents, which will have been provided to you with this Offering Document:

- (a) a completed, signed and dated risk acknowledgement;
- (b) a completed, signed and dated subscription agreement;
- (c) a signed copy of the Consent to Receive Electronic Documents form.

The issuer may, in its sole discretion, choose to reject any subscription received and is under no obligation to accept a subscription for its securities.

**This Offering Document constitutes an offering of the Class A Common Shares only to purchasers resident in Alberta. Residents of other jurisdictions are not permitted to purchase any securities being offered by this Offering Document.**

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## FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Document regarding the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "could", "expects", "plans", "intends", "believes", "estimates", or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects, or anticipates will or may occur in the future are forward-looking statements.

Forward-looking statements are based on estimates and assumptions made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, including those relating to the Company's business strategy, the ability of the Company to achieve business objectives, the ability to successfully hire and retain staff, the successful completion of the Offering, the Company's ability to pay dividends, the development and implementation of a marketing plan, the Company's expected financial performance and other matters. However, there can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, statements with respect to the use of proceeds of the offering, the business to be conducted by the Company, the Company's business objectives, treatment under governmental and regulatory regimes and tax laws, financial and business prospects and financial outlook. Some, but not all of these possible factors are discussed in greater detail in the "Risk Factors" section of this Offering Document. These factors, many of which are beyond the control of the Company, are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. Readers are cautioned that the foregoing list of factors is not exhaustive.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements contained in this Offering Document are made as of the date of this Offering Document, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

**The forecasts and predictions of an early-stage business are difficult to objectively analyze or confirm. Forward-looking statements represent the opinion of the issuer only and may not prove to be reasonable.**

The forward-looking statements contained in this Offering Document are expressly qualified by this cautionary statement.

# OFFERING DOCUMENT of CRESCENDO ROYALTY CORPORATION

DATED JANUARY 31, 2018

**Minimum of 10,000 Class A Common Shares**

**Maximum of 250,000 Class A Common  
Shares**

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**Subscription Price: \$1.00 per Class A Common Share**

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## ITEM 1: RISKS OF INVESTING

No securities regulatory authority or regulator has assessed, reviewed or approved the merits of these securities or reviewed this Offering Document. Any representation to the contrary is an offence. This is a risky investment. See "Risk Factors".

## ITEM 2: THE ISSUER

Issuer: CRESCENDO ROYALTY CORPORATION (the "**Company**" or "**CRESCENDO**")

Head Office: #840,700 – 4<sup>th</sup> Avenue  
S.W, Calgary, Alberta T2P  
3J4 (403) 479-1692  
[Crescendoroyalty.com](http://Crescendoroyalty.com)

Company Contact: Reece Torode  
Co-President  
#840, 700 – 4<sup>th</sup> Ave SW,  
Calgary, AB T2P 3J4  
(403) 479-1692  
[info@crescendoroyalty.com.co](mailto:info@crescendoroyalty.com.co)

## ITEM 3: BUSINESS OVERVIEW

CRESCENDO ROYALTY CORPORATION was incorporated on October 23, 2017 under the *Business Corporations Act* (Alberta). Crescendo has entered into a Purchase Agreement whereby a 50% interest in sales, streaming and all royalties (excluding synchronization) attributed to 29 Release titles were assigned to Crescendo. **CRESCENDO is not listed or traded on any exchange or marketplace.**

CRESCENDO is raising funds in order to acquire additional music royalty interests whereby acquisitions will only be made if they satisfy the following investment criteria:

- 1) For each of the 3 most recent years, the yearly royalty revenue must exceed 10% return based on the purchase price.
- 2) The royalty must be payable for a minimum of 70 years.

Mr. Torode and Mr. Gramatzki are both Co-President of Crescendo and are responsible for identifying, evaluating, negotiating and purchasing royalties along with overseeing operations. Mr. Torode and Mr. Gramatzki are currently both members of the Board of Directors of Crescendo.

A more detailed description of the issuer's business is provided below.

#### ITEM 4: MANAGEMENT

##### 4.1 Officers and Directors

Name, Residence and Office Held	Principal Occupation for Past Five Years	Education, and Experience	Number and Type of Securities Owned	Date Securities Acquired and Price Paid	Percentage of the Issuer's Securities Held as of the Date of this Offering Document
Alexander von Gramatzki 31160 Grand Arches Drive, T3Z 0A7, Rocky View, Alberta  <i>Co-President</i>	Chief Executive Officer of Global Advisory Services Inc. December 2012 to Present  Member of the Board of Directors and Chief Financial Officer of 390899 Alberta Ltd, formerly Little Dipper Holdings Ltd. Aug 2014 – Present  Real Estate Professional with Sotheby's International Realty Canada Nov 2016 – Present	Simon Fraser University, Deans Honour Roll  University of Pennsylvania, The Wharton School – Alumni (Wharton Fellows Master Class, General Management Program and Aresty Scholar)	50,000 Class A Common Shares	October 23, 2017; \$50  November 30, 2017; \$45,000 <sup>(1)</sup>	50%
Reece Torode  <i>Co-President</i>	Director of Torode Realty Advisors 2008 - Present  Chief Executive Officer of 1455745 Alberta Ltd – Formerly Vic Park Holdings	Transacted \$150M worth of Real Estate Since 2008.  Raised over \$40 million in Equity since 2009	50,000 Class A Common Shares	October 23, 2017; \$50	50%

Notes:

(1) Global Advisory Services Inc. ("GASI") is a company controlled by Alexander von Gramatzki. GASI holds 45,000 shares and Alexander von Gramatzki holds 5,000 shares.

##### 4.2 Prior events related to Officers and Directors

As at the date hereof, neither the issuer, nor any director or officer of the issuer has ever:

- (a) pled or been found guilty of:
  - i. a summary conviction or indictable offence under the *Criminal Code* of Canada;
  - ii. a quasi-criminal offence in any jurisdiction of Canada or a foreign jurisdiction;
  - iii. a misdemeanour or felony under the criminal legislation of the United States of America, or any state or territory therein; or
  - iv. an offence under the criminal legislation of any other foreign jurisdiction;

- (b) been the subject of an order (cease trade or otherwise), judgment, decree, sanction or administrative penalty imposed by a government agency, administrative agency, self-regulatory organization, civil court or administrative court of Canada or a foreign jurisdiction in the last ten years related to any involvement in any type of business, securities, insurance or banking activity;
- (c) been the subject of a bankruptcy or insolvency proceeding; or
- (d) been a director or executive officer of an issuer that is or has been subject to a proceeding described in paragraphs (a), (b) or (c) above.

## **ITEM 5: START-UP BUSINESS DISTRIBUTION**

### **5.1 Dealers**

There are currently no dealers being used to conduct this or any other distribution of the securities of Crescendo.

### **5.2 Jurisdictions where funds may be raised**

Crescendo intends to raise funds from this offering only in the Province of Alberta.

### **5.3 Minimum amount and deadline**

Closing of this offering is subject to Crescendo meeting the minimum offering amount. If the minimum offering amount is not raised within 90 days of the date of this offering document, all funds will be returned to the subscriber and no securities will be issued under this offering.

The minimum offering amount that must be raised in this offering is \$10,000. The offering is expected to close on or about April 30, 2018, or such other time as determined by Crescendo, but in any event no later than 90 days from the date this Offering Document.

### **5.4 Type of securities offered**

The securities offered are Class A Common Shares (the "**Common Shares**") of Crescendo Royalty Corporation.

### **5.5 Securities Rights**

The Common Shares provide the following rights:

- (a) full voting rights, are described below;
- (b) the right to fully participate in dividends; and
- (c) the right to participate in the distribution of the remaining assets of Crescendo on windup or dissolution.

Assuming the Maximum Amount of the Offering is raised, and based upon Crescendo's forecast, Crescendo expects to be profitable within the first year of operations. Crescendo will determine if and the actual timing, and amount of dividends, if any, that may be paid from time to time based upon, among other things, the level of cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and other considerations. There can be no assurance that Crescendo will ever pay dividends as expected or at all. See "Forward-Looking Statements".

**Subscribers are asked to agree to accept dividend payments, if any, electronically (e-mail money transfer or direct-deposit).**



## 5.6 Restrictions

Crescendo is not a "reporting issuer" in any jurisdiction, and the Common Shares are subject to an indefinite "hold period" under applicable securities laws. The Purchaser should be aware of the characteristics of the Common Shares, the risks relating to an investment therein and of the fact that it will not be able to resell the Common Shares except in accordance with limited exemptions under applicable securities legislation and regulatory policy until the expiration of the applicable hold period and compliance with the other requirements of applicable law. **The certificates representing the Common Shares will bear a legend indicating that the resale of such securities is restricted.**

Crescendo will endeavor to assist purchasers who wish to sell their Common Shares in the future where practical and permitted under applicable laws.

## 5.7 Amount, Price, Minimum and Maximums

	Total Amount (\$)	Total number of Shares issuable
Minimum offering amount	\$10,000	10,000
Maximum offering amount	\$250,000	250,000
Price per Share	\$1.00	

## 5.8 Minimum purchase

Investors are required to purchase a minimum 100 Common Shares, and Common Shares must be purchased in increments of 100 Common Shares, up to a **maximum of 1,500 Common Shares per purchaser.**

## ITEM 6: ISSUER'S BUSINESS

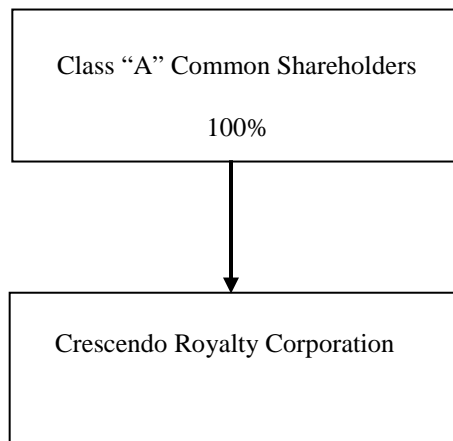
### 6.1 Description of the Company's business

On November 30, 2017, Crescendo entered into a Purchase Agreement with Kyle Lucas whereby a 50% interest in sales, streaming and all royalties (excluding synchronization) attributed to 29 Release titles were assigned to Crescendo. A copy of this agreement is attached as Appendix "A".

Crescendo plans to grow the business by acquiring music royalties that the Company is able to source. The management of the company will utilize the investment criteria established in this Offering document to determine if a music royalty should be purchased.

Crescendo is a Calgary based corporations that is currently collecting royalty revenue on a monthly basis. Upon completion of this offering, the company will use its best efforts to purchase additional music royalties.

Legal Structure (see Item 6.2)



Royalty revenue received by the Crescendo will remain with the Company and will be utilized to grow the business by acquiring additional royalties. Crescendo will be overseen by Reece Torode and Alexander von Gramatzki who have been involved with Crescendo since incorporation of the Company.

The goal of Crescendo is to build a business that generates surplus cash and utilize the cash for growth until the board of directors determine a suitable time to make a distribution to shareholders via dividends or share buybacks. Crescendo expects to grow the business by acquisition.

*Developments to date*

On November 30, 2017, Crescendo entered into a Purchase Agreement with Kyle Lucas whereby a 50% interest in sales, streaming and all royalties (excluding synchronization) attributed to 29 Release titles were assigned to Crescendo.

Crescendo has received its first royalty payment on January 22, 2018 of \$443.16.

Crescendo believes this business offers a number of notable benefits. These benefits include:

- 1) Earning royalty revenue for over 70 years
- 2) Advances in technology especially in artificial intelligence allow the majority of previously uncaptured royalty revenue to be captured.
- 3) Overall growth in streaming music popularity of services such as Spotify
- 4) On January 27, 2018 the U.S copyright authorities decided to increase the royalty payments music streaming companies like Spotify and Apple must make to songwriters and music publishers over the next 5 years.
  - a. The National Music Publisher Association said, the ruling will require companies to give 15.1% of their revenue to songwriters and music publishers from the previous rate of 10.5%.
- 5) Crescendo has reduced set-up and start-up costs as a result of the involvement of the management team. The management team is involved in other ventures which allow for items such as computers, internet, phones and certain accounting services to be utilized at a discount if not free in many circumstances.

*Short term obligations*

Crescendo has no material short term obligations. Obligations include monthly banking fees and the domain name for the website.

## *Operating Costs*

Financial success will be substantially determined by the level of royalty revenue. There are a significant number of risk factors related to the business and are set out in Item 10. Crescendos financial forecast is provided in Appendix "B". Crescendo will have certain fixed costs such as the domain name for the website, and fees associated to annual returns and filing requirements. The fixed costs may increase as the company grows and operating costs could include, insurance, property and business taxes, permits, regulatory maintenance costs, telephone and internet, utility expenses, employee costs, other regulatory compliance costs and other costs. Crescendo has limited operating history, and as a result has limited data on which to base a forecast for related or similar businesses of a similar size and concept. In the absence of this information, Crescendo has based its forecast using the available data and annualizing the information.

Notwithstanding the analysis and work to create a forecast, **the forecasts and predictions of an early-stage business are difficult to objectively analyze or confirm. Forward-looking statements represent the opinion of the issuer only and may not prove to be reasonable.**

### **6.2** *Legal structure*

Crescendo Royalty Corporation is a corporation incorporated in the Province of Alberta under the *Business Corporations Act (Alberta)* on October 23, 2017.

### **6.3** *Location of the Company's books and records*

CRESCENDO' articles of incorporation and minute book are located at the offices of Crescendo Royalty Corporation:

840, 700 - 4<sup>th</sup> Ave SW  
Calgary, Alberta T2P 3J4

### **6.4** *Company's current status*

The following statements best describe the Issuer's operations:

- Has never conducted operations
- Is in the development stage
- Is currently conducting operations
- Has shown profit in the last financial year

### **6.5** *Share capital*

As of the date of this offering document, Crescendo has 100,000 Common Shares issued and outstanding. No other securities of Crescendo are currently issued or outstanding.

### **6.6** *Financial Statements*

**Crescendo has not prepared audited financial statements**, as it has not yet completed a full year of business.

## ITEM 7: USE OF FUNDS

### 7.1 Funds previously raised

Crescendo intends to raise a limited amount of funds from close friends, family and business associates, concurrently with this offering on a private placement basis, through the issuance of Common Shares at a price of \$1.00 per Common Share. Crescendo has to date issued 100,000 shares in exchange for \$45,100. The Co-Founder Reece Torode paid a price of \$50 for 50,000 shares. The Co-Founder Alexander von Gramatzki paid \$50 for 5,000 shares. Global Advisory Services Inc. is a company controlled by Mr. Gramatzki and paid \$45,000 for 45,000 shares.

Funds from this distribution:

Description of intended use of funds listed in order of priority	Total Amount (\$)	
	Assuming minimum offering amount	Assuming maximum offering amount
Repayment of debt	\$ -	\$ -
Finance consulting	\$ -	\$ -
Acquisition of Music Royalties	\$ 10,000	\$ 247,000
Additional equipment	\$ -	\$ -
Start-up costs, working capital	\$ -	\$ 2,000
Advertising – Increase traffic	\$ -	\$ 1,000
	\$10,000	\$250,000

If Crescendo is unable to raise the maximum offering amount, it may seek equity and debt financing from other sources for the purposes of growing the business.

## ITEM 8: PREVIOUS START-UP BUSINESS DISTRIBUTIONS

### 8.1 Previous distributions

Neither Crescendo, nor any related or affiliated corporation or any corporation operating under the brand name Crescendo Royalty Corporation has conducted a start-up business distribution in the past five years.

No promoter, founder, director, officer or control person of Crescendo has been a promoter, founder, director, officer or control person of any issuer that has conducted a start-up business distribution in the past five years.

## ITEM 9: COMPENSATION PAID TO DEALER

No commissions, fees or other payments are expected to be paid, by Crescendo or otherwise, to any dealer in connection with this offering of Common Shares.

## ITEM 10: RISK FACTORS

An investment in Crescendo involves a number of risks. In addition to the other information contained in this Offering Document, investors should give careful consideration to the following risk factors and uncertainties, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Offering Document. Any of the matters highlighted in these risk factors

and uncertainties could have a material adverse effect on Crescendo' results of operations, business prospects or financial condition. The risk factors and uncertainties described below are not the only risks and uncertainties Crescendo faces. Additional risks and uncertainties not currently known to Crescendo, its directors and officers or that are currently deemed immaterial also may impair Crescendo' business operations.

### ***The Music Industry and its Competitive Nature***

The music industry is highly competitive. The performance of the Company is directly dependent upon a number of factors that affect the music industry in general, including intense competition with respect to price paid for royalties. If the Company is unable to successfully compete in the music industry, its performance may be adversely affected. The inability of the Company to achieve and maintain royalty revenue could have a material adverse effect on the Company's business, financial condition or results of operation.

In the event we breach the terms of a royalty agreement, we would have no rights to royalties and shareholders could be adversely affected.

In the event one or more record labels breach the terms of a royalty agreement, Crescendo would have limited recourse.

Crescendo expects that in order to maintain and grow the operations, Crescendo will need to promote multiple songs and albums. There can be no assurance that Crescendo will be able to promote enough songs and albums to sustain the business model. There can be no assurance that any song or album purchased by Crescendo will succeed in the market.

Crescendo may allocate time and resources across any song or albums in the discretion of Management.

Crescendo may encounter limitations on the effectiveness of internal controls and a failure of internal controls to prevent error or fraud may harm the business and shareholders.

The Company is also affected by changes in demographic trends, consumer trends and shifts in technological platforms. Factors such as innovation, and the availability of experienced management and employees may adversely affect the Company. Changing consumer preferences and discretionary spending patterns could oblige Customers to stop listening to music. Platforms such as Spotify and Youtube and could result in a reduction of revenue and operating income. Even if Crescendo was able to compete successfully with other companies with similar concepts, it may be forced to make changes in one or more of its concepts in order to respond to changes in consumer patterns. The Company may have different or additional competitors for its intended customers as a result of changes in the industry and may not be able to successfully compete against such competitors.

The Company's success also depends on numerous factors affecting discretionary consumer spending, including economic conditions, disposable consumer income and consumer confidence. Adverse changes in these factors could reduce customer traffic or impose practical limits on pricing, either of which could reduce revenue and operating income.

### ***Economic Environment***

The business of the Company is dependent upon numerous aspects of a healthy general economic environment, from strong consumer spending to provide sales revenue.

### ***Government Regulation***

The Company is subject to various federal, provincial and local laws affecting its business. Difficulties in obtaining or failures to obtain the required licenses or approvals, or loss thereof, or compliance to changes in government laws and regulations concerning these matters could have a material adverse affect on the Crescendo business, financial condition or results of operations.

### ***The Company's Dependence on Key Personnel***

The success of the Company depends upon the personal efforts senior management. The loss of key personnel could have a material adverse effect on the Company's financial performance.

### ***Cash Distributions***

Although the Company intends to distribute the income earned by the Company in the future less expenses of the Company, there can be no assurance regarding the amounts of income to be generated by the Company. The actual amount distributed in respect of the Common Shares will depend upon numerous factors which are beyond the Company's control.

## **ITEM 11: REPORTING OBLIGATIONS**

Crescendo is not a "reporting issuer" under securities legislation of any jurisdiction. Accordingly, Crescendo is not subject to the continuous disclosure obligations of reporting issuers. Prior to each annual meeting (or annual and special meeting) of shareholders, Crescendo shall provide shareholders unaudited annual financial statements for Crescendo and other reports and information as Crescendo may determine. Included with the financial statements of Crescendo will be a notice of Crescendo disclosing the use of the aggregate gross proceeds raised by Crescendo in accordance with Form 45-106F1 under National Instrument 45-106.

Crescendo will comply with all corporate reporting obligations, and will issue annually its Notice of Shareholders, Form of Proxy, Annual Financial Statements and any interim financial statements. Such information will be disseminated electronically by email to the shareholders.

## **ITEM 12: RESALE RESTRICTIONS**

The Common Shares are being offered pursuant to exemptions from the prospectus requirement under applicable securities legislation in Canada and will be subject to resale restrictions. Certificates evidencing the Common Shares (and any replacement shares issued prior to the expiration of the applicable hold periods) shall bear a legend referring to such restrictions on resale and neither the Corporation nor any transfer agent of the Corporation will register any transfers of such Common Shares not made in compliance with such restrictions on resale, such legend stating:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS THE LATER OF 4 MONTHS AND A DAY AFTER: (i) THE DATE THE CORPORATION BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY; OR (ii) [THE DISTRIBUTION DATE].

THE COMPANY AND THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS OF A UNANIMOUS SHAREHOLDERS AGREEMENT DATED MARCH 1, 2017, AS AMENDED FROM TIME TO TIME, AND ARE NOT TRANSFERABLE EXCEPT IN COMPLIANCE WITH THAT AGREEMENT."

Subscribers may not be able to resell the Common Shares except in accordance with limited exemptions under applicable securities legislation and regulatory policy until the expiry of the applicable hold period, which hold period will not commence to run until the Corporation has become a "reporting issuer" (which it may never become).

Notwithstanding these restrictions, Crescendo will endeavor to assist shareholders who wish to sell their Common Shares in the future by contacting other shareholders from this Offering to let them know that there are interested sellers and help the parties connect with each other where practical and permitted under applicable

laws.

### ITEM 13: INVESTORS' RIGHTS

***Two-day cancellation right*** – if you agree to make an investment, you have a short period in which to change your mind and cancel your agreement. To do so, you must send a notice to Crescendo within 48 hours of the later of (a) your subscription, and (b) an amended Offering Document being delivered to you.

*Right of action in the event of a misrepresentation* – if there is a misrepresentation in the Offering Document, including all amendments to that document, you have a statutory right to sue (a) Crescendo to cancel your agreement or (b) Crescendo, its directors, and each individual who has signed the Offering Document for damages.

This right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on these rights, you must do so within strict time limits. An action to cancel your agreement must be commenced no more than 180 days from the day of the transaction giving rise to the cause of action. An action for damages must be within the lesser of (a) 180 days from the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, and (b) 3 years from the day of the transaction giving rise to the cause of action.

### ITEM 14: DATE AND CERTIFICATE

This offering document does not contain a statement that, in a material respect and at the time and in light of the circumstances in which it is made, is misleading or untrue and it does not fail to state a fact that is required to be stated or that is necessary to make a statement not misleading.

#### *Certification*

This Offering Document is certified as follows: Certified as of: JANUARY 31, 2018

By: Alexander von Gramatzki

Title: Co-President

Signed: (Signed) "Alexander von Gramatzki"

I, Alexander von Gramatzki, acknowledge I am signing this Offering Document electronically and agree that this is the legal equivalent of my handwritten signature.

### ITEM 15: INTEREST OF DIRECTORS OR OFFICERS IN MATERIAL CONTRACTS

As of the date of this Circular, Alexander von Gramatzki and Reece Torode each own 50% of Crescendo Royalty Corporation.

On October 23, 2017 Reece Torode subscribed for 50,000 founders shares for which a nominal price of \$0.01 was paid per share for a total of \$50.

On October 24, 2017 Alexander von Gramatzki subscribed for 5,000 shares for which a nominal price of \$0.10 was paid per share for a total of \$50.

On November 30, 2017 Alexander von Gramatzki subscribed for 45,000 shares for which a price of \$1.00 was paid per share for a total of \$45,000.

## APPENDIX "A" PURCHASE AGREEMENT

This purchase agreement is dated 11/30/2017, and is between Kyle Lucas ("**Seller**") whose address is 3520 Dry Creek Rd. Marietta, GA, 30062 and Crescendo Royalty Corporation ("**Purchaser**") whose address is #226 1111 Olympic Way SE, Calgary, Alberta, T2G 0E6

The parties agree as follows:

### 1. Assignment.

**1.1** Effective November 29, 2017 ("**Effective Date**") and in consideration of the Purchase Price in section 2, Seller hereby assigns to Purchaser 50% of Seller's interest in the sales, streaming, and all royalties (excluding synchronization) attributable to the related Works ("**Assigned Royalties**"). "**Works**" are the musical works listed in attachment A.

**1.2** Seller shall direct its royalty distributor, TuneCore ("**Distributor**"), and any other paying entity to pay the Assigned Royalties directly to Purchaser or Purchaser's administrator. Seller shall execute any document required by any paying entity necessary to assign the Assigned Royalties.

**1.3** The term of this assignment is for the full duration of Seller's interest in the copyright of the Works, including any extensions and renewals.

**1.4** This assignment is for the right to receive income only, and is not an assignment of whole or partial ownership or control of the copyright in the Works. This assignment is subject to the terms and conditions of Seller's membership with Seller's Distributor and the Distributor's rules and regulations.

**1.5** The assignment includes the right to receive all income earned from any source with respect to the Assigned Royalties that has not been received by Seller prior to the Effective Date and a 50% share of all existing or potential causes of action including, without limitation, those for infringement, underpayment or non-payment of the Assigned Royalties. The assignment also includes the right to receive the Assigned Royalties from any current or future income source, unless specifically excluded in section 1.1.

**2. Purchase Price.** Purchaser agrees to pay Seller U.S. \$32,000 as the purchase price for the Assigned Royalties (the "**Purchase Price**") to be held in escrow until completion of the



transaction.

### **3. Seller's Obligations and Statements of Fact.**

**3.1** Seller is the sole owner of its interest in the Assigned Royalties and has full authority to enter this agreement and perform its obligations. The Assigned Royalties are free and clear from all encumbrances and to Seller's knowledge the performance of its obligations does not infringe the rights of any third party. No person holds a power of attorney on Seller's behalf affecting the assigned interest.

**3.2** Seller is and shall remain a member in good standing with its Distributor and has not and shall not do anything that would impair Purchaser's right to receive the Assigned Royalties. Promptly after the Effective Date, Seller shall take all actions necessary to enable Purchaser to notify Seller's Distributor or any other paying entity that the Seller's rights have been assigned to Purchaser.

**3.3** No one has or may validly claim a reversionary interest in any of the Assigned Royalties prior to the expiration of the copyrights and no valid adverse claim exists with respect to the Assigned Royalties or any other rights assigned by Seller. Seller is not bound by any action or agreement that would prevent it from performing its obligations and no current or prior employee of Seller has any actual or potential claim against Seller or the Assigned Royalties that would in any way impair the rights being assigned to Purchaser.

**3.4** All material conditions to the assignment have been satisfied including, without limitation, the obtaining of any approval, the giving of any notice, the making of any filing, and the satisfying of any payments or claims of any third party. No third party has a right of first refusal with respect to the Assigned Royalties.

**3.5** All taxes accrued or owing through the date of execution of this agreement related to the Assigned Royalties, including without limitation any sales or transfer taxes resulting from the transaction, if any, have been or will be paid by Seller.

**3.6** Seller acknowledges that an administrator may collect the Assigned Royalties on Purchaser's behalf. If Seller ever intends to re-register, remove, move, re-direct or disassociate any of the Works from Seller's Distributor or any other entity that pays the Assigned Royalties to Purchaser as of the Effective Date, Seller shall send written notification to Purchaser and Purchaser's administrator 60 days prior to any change. Notice shall include the titles of all of the Works that are the subject matter of the change and the particular change to be made. Seller

shall cooperate with Purchaser and Purchaser's administrator and take whatever actions are necessary so that the Assigned Royalties will continue to be paid to Purchaser or Purchaser's administrator uninterruptedly. Any royalties collected by Seller after such a change that should have been paid to Purchaser or Purchaser's administrator per this agreement shall be paid directly to the Purchaser by the Seller no later than 15 days after Seller's receipt. Any delay in payment of royalties to the Purchaser will be subject to payment of interest at a rate of 2% per month.

**3.7** If Purchaser's administrator is not available or no longer functions as Purchaser's administrator, Seller shall communicate directly with Purchaser with regard to all aspects of this agreement.

**3.8** Seller has not and will not enter into any agreement with respect to the Works or the Assigned Royalties that would conflict with the terms of this agreement. Seller has not settled any claim nor waived any right and will not settle any claim or waive any right concerning any of the Assigned Royalties or the Works that would conflict with the terms of this agreement.

**4. Purchaser's Statement of Fact and Acknowledgment.** Purchaser states that it has the full authority to enter and perform its obligations under this agreement. Purchaser acknowledges that Seller's Distributor or other paying entity may need to approve the assignment and may not prorate royalty payments earned before and after the Effective Date. Therefore, Purchaser may not receive payment from the Distributor or other paying entity until the next accounting statement after the Effective Date, and may need to rely on section 6 for any post-Effective Date payments sent to Seller.

**5. Inspection Period.** Purchaser may, for a period of no more than three business days after the Effective Date, conduct its own inspection related to the information presented in the marketplace listing and the truth and accuracy of Seller's statements of fact. Purchaser shall not withhold approval of the transaction unless it discovers and notifies Seller of a material misrepresentation or deficiency during the inspection period. Seller shall have the opportunity to promptly cure any misrepresentation or deficiency upon notification by Purchaser.

**6. Income After Assignment.** All of the Assigned Royalties paid after the Effective Date, regardless of when earned or when the performances from which such royalties derive occurred, are the sole property of Purchaser. If any such sums are received by or on behalf of Seller after the Effective Date, Seller shall transmit or cause the recipient to transmit the Assigned Royalties immediately upon receipt to Purchaser. All such sums not transmitted within 15 days after receipt shall accrue interest at the rate of 2% per month.

- 7. Indemnity.** Seller shall indemnify Purchaser and Purchaser's administrator against all losses and liabilities, including reasonable attorneys' fees, related to any alleged breach of, or failure by Seller to perform any of Seller's obligations under this agreement. Purchaser or Purchaser's administrator shall notify Seller of any claim presented to Purchaser or Purchaser's administrator by a third party and Seller shall have the right to participate in the defense of any such claim with counsel of Seller's choosing at Seller's sole cost and expense.
- 8. Additional Documents and Power of Attorney.** Seller shall promptly, at Purchaser's request, execute all documents necessary to transfer the Assigned Royalties to Purchaser ("**Transfer Documents**"). If Purchaser requests Seller to execute a Transfer Document, and Seller fails to execute the document within 10 business days after notification, Seller appoints Purchaser, as Seller's true and lawful attorney, to execute all Transfer Documents in Seller's name. Purchaser shall deliver to Seller copies of all Transfer Documents executed by Purchaser in the exercise of the power of attorney. The power of attorney granted to Purchaser is limited and specific to Transfer Documents.
- 9. Fees.** The parties may have separate agreements with Royalty Exchange with respect to all fees payable to Royalty Exchange. The parties acknowledge that any fee charged to the Seller shall be paid to Royalty Exchange out of the Purchase Price, and any fee charged to the Purchaser shall be paid to Royalty Exchange in addition to the Purchase Price.
- 10. Notices.** Any notice required by this agreement shall be in writing and sent to the address in the introductory clause unless the party has given a new address to the other party.
- 11. Entirety and Amendment.** This agreement constitutes the entire understanding of the parties and no amendment will be valid unless it is in writing and signed by both parties.
- 12. Attorneys' Fees.** If any proceeding is brought for the enforcement of this agreement, or because of a dispute in connection with any of its provisions, the prevailing party is entitled to recover reasonable attorneys' fees and other costs incurred in the proceeding, in addition to any other relief to which it may be entitled.
- 13. Binding Upon Successors.** This agreement is binding upon and inures to the benefit of the successors, assigns, heirs, executors and legal representatives of the parties.
- 14. Expenses.** The parties shall pay all of their own costs and expenses (including legal fees) in performing due diligence and in negotiating and performing their obligations under this

agreement.

**15. Confidentiality.** Except as otherwise required by law, the parties shall not, without the other party's written consent, disclose to any third party any confidential information supplied by the other party in connection with this agreement, except that such confidential information may be disclosed to either party's counsel, accountants and other professionals on a need-to-know basis related to this agreement.

**16. Representation By Legal Counsel.** The parties acknowledge that they have had the opportunity to retain legal counsel with respect to this agreement and any choice by either party not to be represented is made independently.

The parties are signing this agreement on the date stated in the introductory clause.

By:           *Kyle Lucas*          

Kyle Lucas

By:           *Reece Torode*          

Reece Torode, Co-Founder  
Crescendo Royalty Corporation

## **Attachment A**

### The Works

Release Title	Song Title	UPC	TC SongID
All My Rich Friends Are Sad	All My Rich Friends Are Sad	859719491377	TCACW1795921
Almost Famous, Almost Broke	Vice (feat. Camm Hunter & STS)	859718616726	TCACT1619048
Almost Famous, Almost Broke	Cellar Door	859718616726	TCACT1619042
Almost Famous, Almost Broke	Good Intentions (feat. Jonny Craig)	859718616726	TCACT1619051
Almost Famous, Almost Broke	With You (feat. Julius)	859718616726	TCACT1619052
Almost Famous, Almost Broke	All My Rich Friends Are Sad	859718616726	TCACT1619053
Almost Famous, Almost Broke	Be Remembered (feat. Will Pugh)	859718616726	TCACT1619054
Almost Famous, Almost Broke	Bullshit (Bonus)	859718616726	TCACT1619055
Be Remembered (feat. Will Pugh)	Be Remembered (feat. Will Pugh)	859719273928	TCACW1626201
Bullshit	Bullshit	859719491308	TCACW1795906
Cellar Door	Cellar Door	859719272556	TCACW1625743
Good Intentions (feat. Jonny Craig)	Good Intentions (feat. Jonny Craig)	859718680697	TCACT1619217
Marietta, Georgia: The Album	Veritas (feat. Jonny Craig)	859715234978	TCACH1532689
Marietta, Georgia: The Album	Drake Stole the Original Title of This Song	859715234978	TCACH1532691
Marietta, Georgia: The Album	Higher	859715234978	TCACH1532693
Marietta, Georgia: The Album	M.F.S.	859715234978	TCACH1532694
Marietta, Georgia: The Album	Drinking Games (feat. William Beckett)	859715234978	TCACH1532705
Marietta, Georgia: The Album	Go (feat. Little Lion)	859715234978	TCACH1532707
Marietta, Georgia: The Album	Careful (feat. Jon Kunis)	859715234978	TCACH1532710
Marietta, Georgia: The Album	We Own This (feat. STS)	859715234978	TCACH1532712
Marietta, Georgia: The Album	I Hope You Crash into a Ditch (Just Playing)	859715234978	TCACH1532718
Marietta, Georgia: The Album	Renaissance (feat. Chino XL)	859715234978	TCACH1532722
Marietta, Georgia: The Album	Caught Up (feat. Weather)	859715234978	TCACH1532725
Marietta, Georgia: The Album	Red Wine & Xanax	859715234978	TCACH1532729
Marietta, Georgia: The Album	5 Days	859715234978	TCACH1532731
Marietta, Georgia: The Album	Alone (feat. Marc Goone)	859715234978	TCACH1532733
Veritas (feat. Jonny Craig)	Veritas (feat. Jonny Craig)	859715394542	TCACH1587963
Vice (feat. Camm Hunter & STS)	Vice (feat. Camm Hunter & STS)	859719184811	TCACU1694575
With You (feat. Julius)	With You (feat. Julius)	859719021796	TCACU1640265

# Signature Certificate

Document Ref.: GVERFZ-HIUZQ-GBAU8-2GVYQ

Document signed by:

	<b>Reece Torode</b> Verified E-mail: rtorode@torode.com <small>IP: 184.69.199.222      Date: 30 Nov 2017 16:20:13 UTC</small>	<i>Reece Torode</i> 
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	<b>Kyle Lucas</b> Verified E-mail: kylelucasbeats@gmail.com <small>IP: 107.77.232.38      Date: 01 Dec 2017 18:55:48 UTC</small>	<i>Kyle Lucas</i> 
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Document completed by all parties on: 01 Dec  
2017 18:55:48 UTC

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**APPENDIX "B"**



## FORECAST

### CRESCENDO ROYALTY CORPORATION

#### Forecast Statement of Operations

	12 Months Ended	
	31-Jan-19	
Revenue	\$ 45,666.67	
Cost of Goods Sold	\$ 2,283.33	5%
<b>Gross Margin</b>	<b>\$ 43,383.33</b>	<b>95%</b>
<b>Operating Costs</b>		
Wages & payroll taxes	\$ -	0%
Advertising & promotion	\$ 2,000.00	4%
Annual Tax Returns	\$ 1,000.00	2%
Processing/Wire Fees	\$ 240.00	1%
Employee bonus	\$ -	0%
Executive pay	\$ -	0%
Interest on debt & financing	\$ -	0%
Licensing royalties	\$ -	0%
Other operating costs	\$ 580.00	1%
Rent & occupancy	\$ -	0%
<b>Total Operating Costs</b>	<b>\$ 3,820.00</b>	<b>8%</b>
<b>Operating Profit</b>	<b>\$ 39,563.33</b>	<b>87%</b>
Depreciation	\$ 25,000.00	55%
<b>Earnings before taxes</b>	<b>\$ 14,563.33</b>	<b>32%</b>
Income tax expense	\$ 2,184.50	15%
Net Income	\$ 12,378.83	27%