Transaction Structure Memorandum

DIVINE LIGHT CHATEAUX · THE HOUSE STANDARD

OFFICIAL · AS PUBLISHED SEPTEMBER 2026 · FOR THE ACQUIRER'S DEAL, RISK & LEGAL TEAMS

Owned outright. Proven before you’re asked. Resolved on arrival.

ABOUT THIS DOCUMENT — READ, NOT SIGNED

This memorandum explains how every château acquisition is structured, so your counsel can confirm, before anything is signed, that the deal arrives resolved. It is not itself an instrument to sign. The document that transfers ownership — the one your counsel reviews and signs — is the **Membership Interest Purchase Agreement**, which travels with this memorandum. This explains; that conveys. Every term of art used here is defined in plain words in the Plain words panel toward the back — nothing on this page needs a translator.

WHAT WE DO. We build infrastructure software measured to a field, prove it against that field, and convey it whole — the company and everything inside it — to a single owner, outright.

HOW WE DO IT. Front-loaded into closing: the whole price at the close, nothing held back and nothing insured; the proof verified in the buyer's own hands before the table; and the core promises — title, authority, ownership — standing uncapped.

01 The structure, in one line

This acquisition is a **membership interest purchase, front-loaded into closing**. The buyer acquires one hundred percent of the company in a single transfer. The full price is paid in cash at the close. Every representation is a condition to closing and is brought down to the closing date. The core promises stand **uncapped**. There is no escrow, no holdback, and no representations-and-warranties insurance. Protection sits at the front of the deal, not after it.

02 How the market normally protects a buyer — and why it is a double-edged sword

In an ordinary acquisition the buyer takes on an operating company — history, employees, contracts, unknowns — and the seller's promises are about a past and future no one can test at the table. To guard against surprises that surface later, the market reaches for three instruments:

- **Holdback** — the buyer keeps back part of the price for a period.
- **Escrow** — part of the price is parked with a third party, typically for twelve to twenty-four months.
- **Representations-and-warranties insurance** — a carrier is paid a premium to cover losses if the promises later prove false.

The double edge is that these "protections" often protect the buyer least where it matters. **The buyer cannot see inside them.** A source-code escrow sits sealed and unseen — and when it is finally opened, industry data is unforgiving: roughly four in five deposits are missing essential build materials, and about nine in ten need the vendor's help before they can even be validated, discovered only at the worst moment. And **they are increasingly out of step with the law** — a matter section 07 takes up directly.

03 The one question that sorts the routes

Ask each route a single question: *would they actually show it to you, before you pay?*

`Escrow`	**No — and it is built not to.** The deposit sits sealed with a third party, released only on a trigger; and if opened, the odds say it is incomplete. An entire paid verification industry exists only because the deposit is normally unseen.
`Licensing`	**No — by definition.** You receive the running product, never the source. Keeping you from seeing it is the model.
`Insurance`	**Nothing to show.** A policy is a promise to pay after a failure; it exists precisely because no one verified.
`The house`	**Yes.** The proof runs in the buyer's own hands, before the gate, catching tampering the instant it happens. Willingness to be seen is itself the proof.

The only route that can afford to show you everything before you pay is the one built on proof. The others hide because being seen would cost them the deal.

04 Why none of it is needed here

- **The vessel is clean.** The company holds one asset and has never held anything else — no employees, no payroll, no contracts, no operating history, no liabilities. There is nothing behind the asset to surface, and so nothing to indemnify against.
- **The proof is verified before the table.** The property arrives with its proof, and the buyer confirms it in their own hands before signing — set out in section 06.

> *Remove the two reasons a buyer holds money back, and there is nothing to hold back.*

05 The precedent — how a Fortune-50 acquirer bought a clean portfolio

The structure is not untested. In 2012, Intel Corporation acquired a WiFi and LTE patent portfolio from Aware, Inc. for approximately US $75,000,000. Read from the executed agreement: full price wired at closing in one payment; no escrow, no holdback, no insurance; closed within sixty days of the effective date; every representation a condition to closing and brought down to the closing date; the core promises on title and authority standing outside any cap; and the buyer assuming no liabilities. The house tailors that same structure to a whole-entity conveyance — and, because the vessel is clean and the property proven before signing, removes even the residual risk that deal still carried.

06 The proof the buyer verifies — before the table

You are verifying the proof of what the measured-to-fit infrastructure software did — not the software itself. You check the receipts; you do not run the product.

Nothing here asks to be believed. The property arrives with its proof, and every claim is a command the buyer's own engineer runs, on their own machine, with public libraries. **Nothing of the house sits in the trust path.**

NOTHING ADVANCES ON A PROMISE — THE GAUNTLET, IN ORDER

- **The Phoenix Trials** — **born in the fire.** The first gate, non-negotiable. The property is driven until it breaks or holds; what walks out is proven, real software.
- **Quality Control** — **the last door.** An independent seat that built none of it clears everything before it can advance — run cold, from an empty directory.
- **The Ceiling Trials** — **driven to the limit.** Only once it is real and clean is it asked how far it can go — driven to its ceiling, every forgery refused and none accepted, witnessed by independent institutions across multiple independence classes.

Each property's record is a full set of signed receipts, each dual-signed with a classical and a post-quantum signature and sealed across independent offices. The figures for the property in front of the buyer stand on its own certificates and receipts — confirmed by the buyer, not asserted here.

PROVE IT YOURSELF — THE COMMANDS, AND WHAT THEY RETURN

`sha256sum -c MANIFEST.sha256` Every file bound by digest, not by size.	**every file verified** against its digest
`./quickstart.sh` Fresh unzip to a sealed, verified record.	**sealed record — verified**
`python3 verify_capsule.py` The proving, checked with public libraries.	verdict : **PROVEN** **CAPSULE: AUTHENTIC**
`node verify_capsule.mjs` The same capsule, a second language, no shared code.	**CAPSULE: AUTHENTIC**
`python3 verify_house_seal.py` Who sealed it, and whether it moved since.	**VERIFIED** — unaltered

`standalone_verifier.py · .mjs` A record proved with nothing of ours installed.	**RECORD PROVEN, NOTHING OF OURS INSTALLED**
`engine/<module>.py --selftest` Every module answers for itself.	**ALL PASS** — every module
`seal · kill the service · restart` Durability across a hard stop.	journal replayed the next record continues the same tree

Then break it on purpose.

Take a copy of the sealed record, change a single value, and run the checker again.

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CAPSULE: FAILED — the record was altered
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Change one byte and the digest, both signatures, the chain, and the proof turn red at once.

This is the difference. A policy pays after a promise fails. This lets the buyer confirm, before signing, that failure is caught the instant it occurs — that the record *catches*.

07 Why owning it — not licensing or escrowing it — is what lets the buyer comply

The law is moving in one direction: toward transparency, verifiable completeness, post-quantum readiness, and a machine-readable account of what a product is made of, kept current. The EU Cyber Resilience Act now requires a machine-readable bill of materials built from what actually ships, secure-by-design engineering, and security updates for a product's whole life. The federal post-quantum mandates require organizations to inventory their cryptography and migrate it on a fixed clock.

A licence you do not control, or a sealed escrow box you cannot see, satisfies none of it — you cannot generate a current bill of materials from source you do not hold, inventory cryptography you cannot read, or ship lifetime updates for a product you do not own. The house conveys the opposite: the source in hand, verifiable and complete, post-quantum at the seal, with the software and cryptographic bills of materials and the Declaration of Conformity conveyed inside. The buyer inherits the ability to comply, not a debt to it.

> *Compliance you do not control is not compliance. It is someone else's roadmap with your regulator's deadline on it.*

The dated schedule of these obligations — each date named to its own authority, as-published and re-checked — is maintained in the house's **Mandate Timeline**, which travels alongside this memorandum.

08 What the buyer receives in place of insurance

Each market instrument answers a risk. The house removes the risk instead of insuring it.

THE MARKET'S PROTECTION	WHAT THE HOUSE DELIVERS INSTEAD
Escrow — price parked for 12–24 months, unseen	**Full price at close.** Nothing parked, because there is nothing to claim against.
Holdback — price withheld against later claims	**Full price at close.** The vessel is clean; there is nothing behind the asset.
R&W insurance — a carrier pays after a promise fails	**Proof the buyer verifies before signing** — that catches tampering the instant it occurs.
Post-closing indemnity chase	**Core promises standing uncapped** — title, authority, ownership — backed directly, no ceiling.

09 The core promises stand uncapped

Title, authority, and clean ownership of the property and its intellectual property are represented as present fact, brought down to the closing date, and stand **uncapped** — no policy behind them, no ceiling on them. The buyer's strongest protections rest on the matters that decide the deal, and here they rest on the record as well as the word.

10 The tax position

Because the company is a single-member limited liability company treated as a disregarded entity for federal income tax, the buyer's purchase of the whole membership interest is treated, for federal income tax, as a purchase of the company's assets directly — a cost basis equal to the price paid, a new holding period, and the acquired intangibles amortized over fifteen years under Section 197 of the Internal Revenue Code. The buyer takes the **convenience of a single whole-entity transfer and the tax position of an asset purchase at once** — a combination the market seldom offers together.

11 Fit

- **Technical fit.** Proven against the incumbent estate — the servers, systems, and security already in place — so it collaborates with what the acquirer runs rather than displacing it.
- **Regulatory fit.** The obligations mandated now are met; the dated obligations ahead are mapped; and the resident developer works with the acquirer's own engineer to keep it current as each one lands.

12 What your counsel signs

To be plain: **this memorandum is not signed.** It explains the structure so your counsel can confirm it before you commit. The single instrument that conveys the company — the one your counsel reviews and signs — is the **Membership Interest Purchase Agreement** that accompanies it. Everything described here is already built into that agreement: front-loaded into closing, the whole price at the close, no escrow, no holdback, no insurance — and the core promises survive and stand uncapped. There is nothing to assemble and nothing to negotiate into place. It arrives resolved.

13 The result

The buyer arrives having already audited the property, into a clean vessel, with the core title standing uncapped, the tax position of an asset purchase, and nothing held back and nothing insured. Well positioned, well informed — and, for everything conveyed, the cleanest acquisition on the table: resolved on arrival, properly prepared.

Plain words — every term, defined

NO JARGON LEFT STANDING — READ IT, AND YOU NEED NO ONE TO TRANSLATE IT

Membership interest — your ownership of the company. All of it, to you.

Membership Interest Purchase Agreement — the one instrument that conveys the company. The company is the château that guards the crown jewel: built for the software alone — no employees, no overhead, no mess. You don't get the vault by itself. You get the entire estate:

- **The Gatehouse** — the proof shown first, and the original receipts, yours to keep. We lead with proof.
- **The Château** — the source, in your hands.
- **The Armoury** — the verifiers that check it, conveyed with it.
- **The Record Room** — the sealed proof of every trial.
- **The Chancery** — the certificates, start to finish.
- **The Registry** — the regulatory papers, Declaration of Conformity, compliance packet.
- **The Deed Room** — the LLC, the PCT filing, the priority position, the Filing Briefs.
- **The Residence** — the resident developer and the Implementation Guide.
- **The Observatory** — the independent witnesses on the record.
- **The crown jewel** — the software itself, yours outright.

Its Articles plant the flag over the software; the day it was born claims the ground. Sign, and the whole estate is yours — the crown jewel and its full inheritance. Everyone else buys a company and digs through the mess to reach the jewel; here it's handed to you whole — the crème de la crème.

Front-loaded into closing — the protection lives at signing, not in promises you chase afterward.

No escrow — escrow seals the source in a stranger's vault you can't inspect, and most deposits are broken when finally opened. The law now demands a live parts list and inventoried crypto no locked box can give — so escrow can't comply, and we use none.

No licensing — a licence rents you the running product and keeps the source; you never own or control it. The law now demands the opposite — that you hold it outright — so licensing can't comply, and we convey instead.

We hold nothing hostage. You get the source in hand — what the law now demands, and what escrow and licensing were built to deny you.

Representation — a fact the seller swears to and stands behind.

Brought down to closing — every fact must be true again at signing; if one isn't, you walk.

Condition to closing — a box that must be checked before anyone's bound; unchecked, you leave, no penalty.

Survival — whether a promise still bites after closing: it survives, you can sue on it; it dies at the table, you can't.

Core promises stand uncapped — title, authority, ownership survive closing with no ceiling; the seller backs them personally, no limit.

Holdback — price the buyer keeps back in case something breaks later. We keep nothing.

Indemnity — the seller's promise to cover your losses if something's wrong after closing.

Cap — the ceiling on what you can claw back.

Basket — how high losses must stack before you can claim at all.

R&W insurance — you pay an insurer to cover a broken promise; it exists because nobody verified. We hand you proof instead.

Disregarded entity — a one-owner company the IRS sees straight through: buy the company, taxed as if you bought the assets.

SBOM — a live parts list of the software, kept current; the law demands it, and it's already inside.

CBOM — the same for the cryptography, so you can swap it on the regulator's clock.

Post-quantum — cryptography that outlives a quantum computer; the seal's already there, ahead of the deadline.

Conveyed whole / outright — sold complete and for good; yours to run, change, or kill, with no leash and no coming back to us.

Assignment — the handoff itself: ownership crossing from us to you.

Authorities

The law and sources behind this instrument.

THE STRUCTURE PRECEDENT

Wireless Portfolio Patent Purchase Agreement, Aware, Inc. and Intel Corporation — executed agreement filed with the U.S. Securities and Exchange Commission (Exhibit 2.1, filed August 2, 2012).

sec.gov/Archives/edgar/data/1015739/000118811212002357/ex2-1.htm

BUYER'S TAX POSITION

IRS Revenue Ruling 99-6 (a buyer of 100% is treated as purchasing the underlying assets). Treas. Reg. § 301.7701-3 (a single-member LLC is disregarded for income tax unless it elects otherwise). Internal Revenue Code § 197 / Treas. Reg. § 1.197-2 (acquired intangibles amortize over fifteen years).

WHY THE PRIVATE SALE IS EXEMPT

SEC v. W.J. Howey Co., 328 U.S. 293 (1946); Securities Act of 1933, § 4(a)(2).

CLEAN TITLE TO THE INTELLECTUAL PROPERTY

35 U.S.C. § 261 (patents and applications are assignable; recordation with the USPTO gives notice and protects priority); U.S. Copyright Office recordation of transfers.

THE COMPLIANCE DIRECTION

EU Cyber Resilience Act (Regulation (EU) 2024/2847); the U.S. federal post-quantum mandates (Executive Order 14412; OMB M-26-15; NIST IR 8547; CNSA 2.0). The dated schedule for these obligations is maintained, as-published and re-checked, in the house Mandate Timeline — dates are not carried on this page so that they cannot go stale.

THE PROOF THE BUYER VERIFIES

RFC 8032 (Ed25519) · FIPS 204 (ML-DSA, post-quantum) · RFC 9162 (Merkle transparency log) · RFC 8785 (JSON canonicalization) · FIPS 180-4 (SHA-2). Timestamps from qualified trust service providers carry a legal presumption under eIDAS. The figures for any given property are attested on its own certificates and receipts and confirmable with the commands in the package.

This memorandum states the structure of the transaction and the parties' understanding. It is not legal or tax advice to any particular buyer; each party's own counsel and tax advisors confirm the specifics for that party. The structure creates the position described; it does not warrant a particular outcome for any acquirer. Verified as published, September 2026.