

ZENERGY BRANDS, INC.

FORM 10-Q (Quarterly Report)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2017**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: **000-55771**

The Chron Organization, INC.

(Exact Name of Registrant as Specified in its Charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

20-8881686

(I.R.S. Employer
Identification No.)

5851 Legacy Circle, Suite 600, Plano TX 75024
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number including area code: **(972) 900-2870**

N/A

Former name, former address, and former fiscal year, if changed since last report

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 894,049,192 shares outstanding as of August 14, 2017.

THE CHRON ORGANIZATION, INC.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

THE CHRON ORGANIZATION, INC.
BALANCE SHEETS

	June 30, 2017 (unaudited)	December 31, 2016 (audited)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 101,440	\$ 51,710
Other assets	12,600	12,000
Inventory	30,180	-
Prepaid expenses	546	28,750
Total current assets	<u>144,766</u>	<u>92,460</u>
Fixed Assets		
Software	116,806	66,710
Less: Amortization	(2,990)	-
Total fixed assets	<u>113,816</u>	<u>66,710</u>
Total assets	<u>\$ 258,582</u>	<u>\$ 159,170</u>
LIABILITIES & SHAREHOLDERS' DEFICIT		
Liabilities		
Current Liabilities		
Accounts payable	\$ 229,563	\$ 111,207
Accrued interest	53,408	20,382
Accrued payroll	299,236	212,000
Other current liabilities	-	15,005
Subscription liabilities	318,750	75,000
Related party convertible promissory note, net	193,000	188,342
Notes Payable	35,742	-
Convertible promissory note, net	441,918	-
Total current liabilities	<u>1,571,617</u>	<u>621,936</u>
Long-term Liabilities		
Convertible promissory note, net	11,870	233,836
Total long-term liabilities	<u>11,870</u>	<u>233,836</u>
Total Liabilities	1,583,487	855,772
Minority interest in subsidiary		
	-	-
Mezzanine Equity		
Beneficial conversion feature	670,902	413,231
Warrants	100,869	80,892
Total Mezzanine equity	<u>771,771</u>	<u>494,123</u>
Shareholders' deficit		
Class A Common stock par value \$.001, 1,450,000,000 shares authorized, 894,049,192, and 853,262,525 issued and outstanding, respectively	894,049	853,262
Class B Common stock par value \$.001, 10,000,000 shares authorized, 10,000,000 issued and outstanding	10,000	10,000
Preferred stock series A par value \$.001, 2,000,000 shares authorized, 500,000 and 0, respectively issued and outstanding	500	-
Preferred stock par value \$.001, 38,000,000 shares authorized, none issued	-	-
Additional paid-in capital	659,617	274,903
Accumulated deficit	<u>(3,660,842)</u>	<u>(2,328,890)</u>
Net Income		
Total shareholders' deficit	<u>(2,096,676)</u>	<u>(1,190,725)</u>
TOTAL LIABILITIES & SHAREHOLDERS' DEFICIT	<u>\$ 258,582</u>	<u>\$ 159,170</u>

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

THE CHRON ORGANIZATION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Six Months Ended	
	<u>June 30 2017</u> (unaudited)	<u>June 30 2016</u> (unaudited)	<u>June 30 2017</u> (unaudited)	<u>June 30 2016</u> (unaudited)
Revenue	\$ 5,294	\$ -	\$ 10,126	\$ -
Cost of goods sold	<u>14,629</u>	<u>-</u>	<u>22,120</u>	<u>-</u>
Gross profit (loss)	(9,335)	-	(11,994)	-
Operating expenses				
Selling, general and administrative expenses	670,387	380,767	1,149,355	518,683
Total Operating Expense	<u>670,387</u>	<u>380,767</u>	<u>1,149,355</u>	<u>518,683</u>
Operating loss	(679,722)	(380,767)	(1,161,349)	(518,683)
Other expense				
Amortization expense	(2,048)	-	(2,990)	-
Interest expense	<u>(104,505)</u>	<u>(28,516)</u>	<u>(167,613)</u>	<u>(60,385)</u>
Loss from other expense	(106,553)	(409,283)	(1,331,952)	(579,068)
Net loss	<u>\$ (786,275)</u>	<u>\$ (409,283)</u>	<u>\$ (1,331,952)</u>	<u>\$ (579,068)</u>
Weighted average shares outstanding - basic	<u>694,608,274</u>	<u>639,185,060</u>	<u>863,537,525</u>	<u>592,757,483</u>
Weighted average shares outstanding - diluted	<u>820,099,940</u>	<u>725,351,727</u>	<u>999,062,525</u>	<u>678,924,149</u>

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

THE CHRON ORGANIZATION, INC.
CONSOLIDATED STATEMENTS OF CHANGE IN SHAREHOLDERS' DEFICIT

	<u>Class A Common Stock</u>		<u>Class B Common Stock</u>		<u>Series A Preferred Stock</u>		<u>Accumulated Deficit</u>	<u>Additional Paid-in Capital</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
December 31, 2015 (audited)	540,552,127	\$ 540,552	-	\$ -	-	\$ -	\$ (557,152)	\$ (309,121)	\$ (325,721)
Net Loss	-	-	-	-	-	-	(1,771,738)	-	(1,771,738)
Common stock issued for service	2,368,300	2,368	-	-	-	-	-	40,132	42,500
Conversion of notes payable	27,588,888	27,589	-	-	-	-	-	149,411	177,000
Stock issued	<u>282,753,210</u>	<u>282,753</u>	<u>10,000,000</u>	<u>10,000</u>	-	-	-	<u>394,481</u>	<u>687,234</u>
December 31, 2016 (audited)	853,262,525	\$ 853,262	10,000,000	\$ 10,000	-	\$ -	\$ (2,328,890)	\$ 274,903	\$ (1,190,725)
Net Loss	-	-	-	-	-	-	(1,331,952)	-	(1,331,952)
Stock issued	37,786,667	37,787	-	-	500,000	500	-	297,714	336,001
Compensation paid in stock	<u>3,000,000</u>	<u>3,000</u>	-	-	-	-	-	<u>87,000</u>	<u>90,000</u>
June 30, 2017 (unaudited)	<u>894,049,192</u>	<u>\$ 894,049</u>	<u>10,000,000</u>	<u>\$ 10,000</u>	<u>500,000</u>	<u>\$ 500</u>	<u>\$ (3,660,842)</u>	<u>\$ 659,617</u>	<u>\$ (2,096,676)</u>

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

**THE CHRON ORGANIZATION INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	June 30, 2017 (unaudited)	June 30, 2016 (unaudited)
OPERATING ACTIVITIES		
Net Loss	\$ (1,331,952)	\$ (179,152)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization of debt discount	100,101	171,100
Amortization of software	2,990	-
Changes in operating assets and liabilities		
Accounts receivable and other current assets	(600)	-
Prepaid expenses	28,204	(40,750)
Inventory	(30,180)	-
Accounts payable and other current liabilities	103,351	126,212
Accrued interest	33,026	13,085
Accrued payroll	87,236	212,000
Compensation paid in stock	90,000	42,500
Net cash (used) provided in operating activities	<u>(917,824)</u>	<u>344,995</u>
INVESTING ACTIVITIES		
Software	(50,096)	(66,710)
Net cash used in investing activities	<u>(50,096)</u>	<u>(66,710)</u>
FINANCING ACTIVITIES		
Proceeds from issuance of preferred stock	125,000	-
Proceeds from issuance of common stock	210,900	687,234
Proceeds from issuance of stock subscriptions	223,750	75,000
Proceeds from issuance of stock in subsidiary	20,000	-
Proceeds from notes payable	40,000	-
Proceeds from convertible promissory notes	398,000	500,000
Proceeds from related party convertible promissory notes and warrants	-	62,000
Net cash provided by financing activities	<u>1,017,650</u>	<u>1,324,234</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	\$ 51,710	\$ -
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 101,440</u>	<u>\$ 1,602,519</u>
Supplemental disclosure of non cash transactions		
Conversion of notes payable to common stock	<u>\$ -</u>	<u>\$ 122,500</u>
Cash paid for interest expense	<u>\$ 34,486</u>	<u>\$ 1,179</u>

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

THE CHRON ORGANIZATION, INC.
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2017

1. Organization – Nature of Operations

The Chron Organization, Inc. (the “Company” or “CHRO”) was incorporated under the laws of the State of Nevada on July 28, 1999. On March 24, 2016 FINRA (Financial Industry Regulatory Authority, Inc.) approved the name and CUSIP change from USA Restaurant Funding, Inc. to The Chron Organization, Inc. (OTCQB : CHRO). The Company amended its Articles of Incorporation to change its name to “The Chron Organization, Inc.”, to reflect the change in direction of the Company’s business to smart home technologies and the next generation in energy utility services .

While the FINRA-registered name prior to March 24, 2016 and other registrations may imply and continue to imply an association with the restaurant industry, the Company has no plans or intentions to develop any business within that industry. Further, the entirety of the management team formally associated with the restaurant industry have resigned and new management has been brought in to transition the Company into a different industry entirely.

During the twelve months ended December 31, 2016 the Company formed a wholly owned subsidiary, Zen Technologies, Inc. The Company intends to provide home automation and energy conservation services to home owners through Zen Technologies, Inc. The services will include but are not limited to security, monitoring, and automation control that will enable the customer base to run a safe and efficient home. In addition to these services the Company will also provide electricity needs to its customer base through its retail electricity provider subsidiary.

During the six months ended June 30, 2017, the Company formed a wholly owned subsidiary, Zen Energy, Inc. The Company intends to provide and sell retail and commercial electricity to consumers. See further information in Note 13. *Subsequent Events*.

2. Summary of Significant Accounting Policies

Principals of Consolidation – The accompanying consolidated financial statements include the accounts of The Chron Organization, Inc. and its wholly owned subsidiaries Zen Technologies, Inc. and Zen Energy, Inc.. All significant intercompany transactions and balances have been eliminated.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting periods. Key estimates in the accompanying financial statements include, among others, revenue recognition, allowances for doubtful accounts, valuation of long-lived assets, and deferred income tax asset valuation allowances.

The financial statements are presented on the basis of the Company’s ability to continue as a going concern. See further information in Note 3. *Going Concern* .

Cash and Cash Equivalents – The Company considers all highly-liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

Prepaid Expenses – As of June 30, 2017 and December 31, 2016 prepaid expenses totaled \$13,146 and \$40,750, respectively. The balance of prepaid expenses consists of business insurance and rent related expenses.

Fair Value of Financial Instruments - The Company calculates the fair value of its assets and liabilities which qualify as financial instruments and includes this information in the notes to consolidated financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of accounts receivable, prepaid and other current assets, and accounts payable and accrued expenses approximate the carrying amounts due to the relatively short maturity of these instruments. The carrying value of short- and long-term debt also approximates fair value since these instruments bear market rates of interest. None of these instruments are held for trading purposes.

Basic and Diluted Net Loss per Common Stock – Basic net loss per common share is computed by dividing net loss by the weighted-average number of common shares outstanding during the period. Diluted net loss per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents. In periods when losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents because their inclusion would be anti-dilutive. The dilutive shares outstanding at June 30, 2017 and December 31, 2016 are as follows:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Related party convertible promissory notes	64,333,333	64,333,333
Related Party Warrants	32,166,667	32,166,667
Convertible promissory notes	36,553,333	25,000,000
Warrants	12,805,000	10,000,000
Diluted shares outstanding	<u>145,858,334</u>	<u>131,500,000</u>

Income Taxes – The Company estimates its current tax position together with its future tax consequences attributable to temporary differences resulting from differing treatment of items, such as depreciation and other reserves for tax and accounting purposes. These temporary differences result in deferred tax assets and liabilities. Management must then assess the likelihood that its deferred tax assets will be recovered from future taxable income, prior year carryback, or future reversals of existing taxable temporary differences. To the extent management believes that recovery is unlikely, management establishes a valuation allowance against these deferred tax assets. Significant judgment is required in determining the Company’s provision for income taxes, its deferred tax assets and liabilities, and any valuation allowance recorded against its deferred tax assets. At June 30, 2017 and December 31, 2016, the Company has recorded a full valuation allowance against its net deferred tax assets due to the uncertainty these assets will be used in the future.

Revenue Recognition - The Company recognizes sales, which include shipping fees where applicable, net of estimated returns, at the time the customer takes possession of merchandise or receives services. When the Company collects payments from customers prior to the transfer of ownership of merchandise or the performance of services, the amounts received are generally recorded as deferred sales. They are included in other current liabilities on the consolidated balance sheets, until the sale or service is completed. The Company reserves for estimated sales returns based on historical trends in merchandise returns, net of the estimated net realizable value of merchandise inventories to be returned and any estimated disposition costs. Amounts collected from members, which under common trade practices are referred to as sales taxes, are recorded on a net basis.

Software Development Costs – The Company capitalizes certain expenditures to the development of its software application. Capitalization begins when technological feasibility is established. Capitalized costs are amortized using the straight-line method over the estimated useful life of the developed product.

Beneficial Conversion Feature - The Company accounts for convertible notes payable in accordance with the guidelines established by the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 470-20, Debt with Conversion and Other Options, Emerging Issues Task Force (“EITF”) 98-5, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios, and EITF 00-27, Application of Issue No 98-5 To Certain Convertible Instruments. The Beneficial Conversion Feature (“BCF”) of a convertible note is normally characterized as the convertible portion or feature of certain notes payable that provide a rate of conversion that is below market value or in-the-money when issued. The Company records a BCF related to the issuance of a convertible note when issued and records the estimated fair value of any warrants issued with those convertible notes. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

The BCF of a convertible note is measured by allocating a portion of the note's proceeds to the warrants, if applicable, and as a discount on the carrying amount of the convertible note equal to the intrinsic value of the conversion feature, both of which are credited to mezzanine equity. The value of the proceeds received from a convertible note is then allocated between the conversion features and warrants and the debt on an allocated fair value basis. The allocated fair value is recorded in the financial statements as a debt discount (premium) from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.

Classification - The Company had classified the beneficial conversion feature of the convertible note mezzanine equity on the consolidated balance sheets as the stock was contingently redeemable. Upon the occurrence of certain change in control events that are outside the Company's control, including liquidation, sale or transfer of the Company, holders of the convertible preferred stock could cause redemption for cash. Pursuant to ASC 480-10-S99-3A, the SEC finds that a BCF should be separated from a convertible instrument and recorded in additional paid-in capital. However, Company's filing with the SEC should present BCF as mezzanine equity in order to distinguish them from permanent equity. The balance sheet reflects the redeemable equity instruments as mezzanine equity separate from permanent equity.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). This update is intended to define management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern within one year of the date of issuance of the entity's financial statements and to provide related footnote disclosures in certain circumstances. This guidance is effective for fiscal years ending after December 15, 2016 and for interim periods thereafter. The Company adopted ASU 2014-15 as of the required effective date of December 31, 2016. The Company performed a working capital analysis as of December 31, 2016 to determine whether or not this disclosure was appropriate and included the additional disclosure in Note 3 – Going Concern.

When evaluating the Company's ability to meet its obligations, Management considered the current financial condition, including liquidity sources at the date that the financial statements were issued, the Company's conditional and unconditional obligations due or anticipated within one year after the date that the financial statements were issued, funds necessary to maintain the Company's operations considering its current financial condition, and other conditions and events, when considered in conjunction with the items pervious mentioned, that may adversely affect its ability to meet its obligations. The Company has concluded that there is substantial doubt about its ability to continue as a going concern for the periods ended June 30, 2017 and the year ended December 31, 2016 as discussed in Note 3 – Going Concern.

3. Going Concern

Based on an analysis by the Company under ASU 2014-15, the Company has concluded that there is substantial doubt about its ability to continue as a going concern within one year of the date of these financial statements. Consequently, the Company's financial statements for the six months ended June 30, 2017 and twelve months ended December 31, 2016 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company reported a net loss of \$1,331,952 and \$579,068 for the six months ended June 30, 2017 and 2016, respectively, and an accumulated deficit of \$3,660,842 for the six months ended June 30, 2017, and \$2,328,890 for the twelve months ended December 31, 2016. At June 30, 2017 and December 31, 2016, the Company had a working capital deficit of \$1,426,851 and \$529,476, respectively, and negative cash flow from continuing operating activity of \$917,824 and \$1,205,814, respectively, for the six months ended June 30, 2017, and twelve months ended December 31, 2016.

The Company's ability to continue as a going concern may be dependent on the success of management's plan. The financial statements do not include any adjustments relating to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

During the 2017 fiscal year, the Company intends to continue its efforts to raise funds to support its efforts through the sale of equity and/or debt securities. During the six months ended June 30, 2017, the Company has raised \$1,1017,650 from sales of its common stock, preferred stock, and notes payable.

To the extent the Company's operations are not sufficient to fund the Company's capital requirements, the Company may attempt to enter into a revolving loan agreement with financial institutions or attempt to raise capital through the sale of additional capital stock or through the issuance of debt. At the present time, the Company does not have a revolving loan agreement with any financial institution.

4. Notes Payable

On March 29, 2017, the Company entered into a promissory note agreement (the "March 2017 Promissory Note") with a third-party in the amount of \$40,000. The promissory note carries an interest rate of 10% per annum and has a maturity date of May 15, 2017. As additional consideration for entering into the Note, the Company issue to the third-party note holder a warrant for the purchase of 1,000,000 shares of common stock in the Company, exercisable at two cents (\$0.02) per share for a period of one year from the date of issue (the "Warrant").

The Company determined the fair value of the warrant which resulted in a debt discount of \$5,576 which was recorded as a reduction in carrying value of the March 2017 Promissory Note. During the six months ended June 30, 2017 a charge to debt discount in the amount of \$1,418 was expensed through interest expense. The debt discount balance at June 30, 2017 was \$4,258.

5. Related Party Convertible Promissory Note

As of June 30, 2017, and December 31, 2016, the Company had an outstanding related party convertible promissory note of \$193,000, with a maximum availability of \$200,000 (the "Related Party Convertible Promissory Notes"). See Note 8. *Related Party Transactions*.

On November 20, 2015, the Company issued a Convertible Promissory Note to a related party (the "Related Party Convertible Promissory Note"). The Related Party Convertible Promissory Note accrues interest at a rate of 2% per annum. The principal balance under the Related Party Convertible Promissory Note at March 31, 2017 and December 31, 2016 was \$193,000, and accrued interest was \$4,895 and \$3,358, respectively, and is due on September 30, 2018.

The Holder of the Related Party Convertible Promissory Note has the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The Related Party Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The November 2015 Related Party Convertible Promissory Note is convertible at a \$0.003 per share conversion price.

The Related Party Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$155,650 which was recorded as a reduction in carrying value of the Related Party Convertible Promissory Note and offset in mezzanine equity. During the six months ended June 30, 2017 and the twelve months ended December 31, 2016 a charge to debt discount in the amount of \$1,986 and \$143,011, respectively and was expensed as interest expense. At June 30, 2017 and December 31, 2016, the debt discount was \$0 and \$1,986, respectively.

In connection with the Related Party Convertible Promissory Note, the Holder was issued a total of 32,166,667 warrants exercisable at \$0.05 expiring in November 2020 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$37,366 which was recorded as a reduction in carrying value of the Related Party Convertible Promissory Note and offset in mezzanine equity. During the six months ended June 30, 2017 and twelve months ended December 31, 2016 a charge to debt discount in the amount of \$2,672 and \$4,695 and was expensed through interest expense, respectively. The balance at June 30, 2017 and December 31, 2016 was \$0 and \$2,672, respectively.

Related Party Convertible Promissory Note Summary

The fair value of the embedded beneficial conversion features and the fair value of the warrants underlying the Related Party Convertible Promissory Notes were calculated pursuant to the Black-Scholes Model. The following table summarizes the carrying value of the Convertible Promissory Notes as of June 30, 2017 and December 31, 2016:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Related Party 2015 Convertible Promissory Note	\$ 193,000	\$ 193,000
Less: debt discount	-	(1,986)
Warrants	-	(2,672)
Total net carrying value	<u>\$ 193,000</u>	<u>\$ 188,342</u>

6. Convertible Promissory Notes

On September 6, 2016, the Company issued a Convertible Promissory Note totaling \$300,000 to a third-party (the "September 2016 Convertible Promissory Note"). The September 2016 Convertible Promissory Note matures on September 5, 2018, and accrues interest at a rate of 10% per annum. As of June 30, 2017, and December 31, 2016, the outstanding principal was \$300,000. The accrued interest balance at June 30, 2017 and December 31, 2016 was \$29,589 and \$14,795, respectively.

The Holder of the Convertible Promissory Note has the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The September 2016 Convertible Promissory Note is convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as seventy percent (70%) of the volume weighted average price over the prior ten (10) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.02.

The September 2016 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$158,688 which was recorded as a reduction in carrying value of the September 2016 Convertible Promissory Note and offset in mezzanine equity. A charge to debt discount in the amount of \$31,187 and \$25,621 was expensed through interest expense during the six months ended June 30, 2017 and twelve months ended December 31, 2016, respectively. At June 30, 2017 and December 31, 2016, the debt discount was \$101,879 and \$133,067, respectively.

In connection with the September 2016 Convertible Promissory Note, the Holder was issued 6,000,000 warrants exercisable at \$0.05 expiring in September 2018 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$30,117, recorded as a reduction to the carrying value of the September 2016 Convertible Promissory Note and offset in mezzanine equity. The balance of the fair value of the warrants at June 30, 2017 and December 31, 2016 was \$19,335 and \$25,254, respectively.

On November 25, 2016, the Company issued two Convertible Promissory Notes totaling \$200,000 to third-parties (the "November 2016 Convertible Promissory Notes"). The November 2016 Convertible Promissory Notes mature on November 24, 2017, and accrues interest at a rate of 10% per annum. As of June 30, 2017, and December 31, 2016, the outstanding principal was \$200,000. The accrued interest balance at June 30, 2017 and December 31, 2016 was and \$11,505 and \$1,644, respectively.

The Holder of the November 2016 Convertible Promissory Notes have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The November 2016 Convertible Promissory Notes can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The November 2016 Convertible Promissory Notes are convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as seventy percent (70%) of the volume weighted average price over the prior ten (10) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.02.

The November 2016 Convertible Promissory Notes contained a beneficial conversion feature which resulted in a debt discount of \$99,123 which was recorded as a reduction in carrying value of the November 2016 Convertible Promissory Notes and offset in additional mezzanine equity. During the six months ended June 30, 2017 and twelve months ended December 31, 2016 a charge to debt discount in the amount of \$22,264 and \$4,130 was expensed through interest expense, respectively. At June 30, 2017 and December 31, 2016, the debt discount was \$72,729 and \$94,993, respectively.

In connection with the November 2016 Convertible Promissory Notes, the Holders were issued 4,000,000 warrants exercisable at \$0.05 expiring in November 2019 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$13,409, recorded as a reduction to the carrying value of the November 2016 Convertible Promissory Note and offset in mezzanine equity. The balance of the fair value of the warrants at June 30, 2017 and December 31, 2016 was \$9,839 and \$12,850, respectively.

On March 17, 2017, the Company issued a Convertible Promissory Notes totaling \$82,500 to a third-party (the "March 2017 Convertible Promissory Note"). The March 2017 Convertible Promissory Note matures on March 17, 2018, and accrues interest at a rate of 12% per annum. As of June 30, 2017, the outstanding principal was \$82,500. The accrued interest balance at June 30, 2017 was \$2,794. In addition, the Company recorded an original issued discount in the amount of \$7,500 as interest expense.

The Holder of the March 2017 Convertible Promissory Note have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The March 2017 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The March 2017 Convertible Promissory Note are convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as the lower of \$0.03 or sixty percent (60%) of the lowest closing price over the prior ten (10) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.001.

The March 2017 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$38,308 which was recorded as a reduction in carrying value of the March 2017 Convertible Promissory Note and offset in additional paid in capital. During the six months ended June 30, 2017 a charge to debt discount in the amount of \$10,155 through interest expense. At June 30, 2017, the debt discount was \$28,153.

In connection with the March 2017 Convertible Promissory Note, the Holder was issued 500,000 warrants exercisable at \$0.03 expiring in March 2020 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$2,951 recorded as a reduction to the carrying value of the March 2017 Convertible Promissory Note and offset in additional paid in capital. The balance of the fair value of the warrants at June 30, 2017 was \$2,480.

On April 25, 2017, the Company issued a Convertible Promissory Notes totaling \$82,500 to a third-party (the "April 2017 Convertible Promissory Note"). The April 2017 Convertible Promissory Note matures on April 25, 2018, and accrues interest at a rate of 12% per annum. As of June 30, 2017, the outstanding principal was \$82,500. The accrued interest balance at June 30, 2017 was \$1,627. In addition, the Company recorded an original issued discount in the amount of \$7,500 as interest expense.

The Holder of the April 2017 Convertible Promissory Note have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The April 2017 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The April 2017 Convertible Promissory Note are convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as the lower of \$0.05 or sixty percent (60%) of the lowest closing price over the prior ten (10) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.001.

The April 2017 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$55,632 which was recorded as a reduction in carrying value of the April 2017 Convertible Promissory Note and offset in additional paid in capital. During the six months ended June 30, 2017 a charge to debt discount in the amount of \$9,272 through interest expense. At June 30, 2017, the debt discount was \$46,360.

In connection with the April 2017 Convertible Promissory Note, the Holder was issued 500,000 warrants exercisable at \$0.05 expiring in April 2020 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$632 recorded as a reduction to the carrying value of the April 2017 Convertible Promissory Note and offset in additional paid in capital. The balance of the fair value of the warrants at June 30, 2017 was \$597.

On May 31, 2017, the Company issued a Convertible Promissory Notes totaling \$46,000 to a third-party for a purchase price of \$40,000 (the "May 2017 Convertible Promissory Note"). The May 2017 Convertible Promissory Note matures on May 31, 2018, and accrues interest at a rate of 5% per annum. As of June 30, 2017, the outstanding principal was \$46,000. The accrued interest balance at June 30, 2017 was \$189.

The Holder of the May 2017 Convertible Promissory Note have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The May 2017 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The May 2017 Convertible Promissory Note are convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as the lower of \$0.05 or sixty percent (60%) of the lowest closing price over the prior twenty (20) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.0005.

The May 2017 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$32,398 which was recorded as a reduction in carrying value of the April 2017 Convertible Promissory Note and offset in additional paid in capital. During the six months ended June 30, 2017 a charge to debt discount in the amount of \$5,400 through interest expense. At June 30, 2017, the debt discount was \$26,998.

In connection with the May 2017 Convertible Promissory Note, the Holder was issued 920,000 warrants exercisable at \$0.05 expiring in April 2022 (the "Warrants"). The Company determined the fair value of the warrants which resulted in a debt discount of \$1,732 recorded as a reduction to the carrying value of the April 2017 Convertible Promissory Note and offset in additional paid in capital. The balance of the fair value of the warrants at June 30, 2017 was \$1,703.

On June 20, 2017, the Company issued a Convertible Promissory Notes totaling \$187,000 to a third-party for a purchase price of \$170,000 (the "June 2017 Convertible Promissory Note"). The June 2017 Convertible Promissory Note matures on June 20, 2018, and accrues interest at a rate of 12% per annum. As of June 30, 2017, the outstanding principal was \$187,000. The accrued interest balance at June 30, 2017 was \$1,627. In addition, the Company recorded an original issued discount in the amount of \$18,700 as interest expense.

The Holder of the June 2017 Convertible Promissory Note have the right to convert all or any part of the outstanding principal and accrued interest to shares of common stock of the Company. The June 2017 Convertible Promissory Note can be converted by the Holder in part from time to time after the issuance date by submitting notice of conversion. The April 2017 Convertible Promissory Note are convertible at the option of the Holder into that number of shares of the Company's common stock determined by dividing such principal amount and accrued interest by the Conversion Rate. The Conversion Rate is defined as the lower of \$0.03 or sixty percent (60%) of the lowest closing price over the prior twenty (20) day trading period from the date of notice of conversion, but in no event shall the Conversion price be less than \$0.001.

The June 2017 Convertible Promissory Note contained a beneficial conversion feature which resulted in a debt discount of \$131,332 which was recorded as a reduction in carrying value of the April 2017 Convertible Promissory Note and offset in additional paid in capital. During the six months ended June 30, 2017 a charge to debt discount in the amount of \$3,598 through interest expense. At June 30, 2017, the debt discount was \$127,734.

In connection with the June 2017 Convertible Promissory Note, the Holder was issued 500,000 warrants exercisable at \$0.03 expiring in June 2020 (the “Warrants”). The Company determined the fair value of the warrants which resulted in a debt discount of \$6,665 recorded as a reduction to the carrying value of the June 2017 Convertible Promissory Note and offset in additional paid in capital. The balance of the fair value of the warrants at June 30, 2017 was \$6,604.

Convertible Promissory Note Summary

The fair value of the embedded beneficial conversion features and the fair value of the warrants underlying the Convertible Promissory Notes were calculated pursuant to the Black-Scholes Model. The following table summarizes the carrying value of the Convertible Promissory Note as of March 31, 2017 and December 31, 2016:

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Convertible Promissory Note	\$ 898,000	\$ 500,000
Less: debt discount	(403,655)	(228,059)
Warrants	(40,557)	(38,105)
Total net carrying value	<u>\$ 453,788</u>	<u>\$ 233,836</u>

7. Income Taxes

No provision for federal income taxes has been recognized for the six months ended June 30, 2017 and twelve months ended December 31, 2016, as the Company has a net operating loss carry forward for income tax purposes available in each period. Additionally, it is uncertain if the Company will have taxable income in the future so a valuation allowance has been established for the full value of net tax assets. The deferred tax asset consists of net operating loss carry forwards and the Company has no deferred tax liabilities.

At June 30, 2017 and December 31, 2016, the Company has net operating loss carry forwards of \$1,236,016 and \$713,387, respectively for federal income tax purposes. This net operating loss carry forwards may be carried forward in varying amounts until 2036 and may be limited in their use due to significant changes in the Company’s ownership.

	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Net operating loss carryforwards	\$ 1,236,016	\$ 713,387
Less: valuation allowance	(1,236,016)	(713,387)
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The Company has valued its net deferred tax asset at zero with a valuation allowance due to the substantial doubt taxable income will be generated in the future to utilize the deferred tax asset.

8. Related Party Transactions

During the twelve months ended December 31, 2016, the Company issued the Chairman of the Board a convertible promissory note, (the “Related Party Convertible Promissory Note”) in an amount up to \$200,000 along with 32,166,667 warrants. The note accrues interest at 2% per annum. The issuance of the financial instruments was made in the ordinary course of business, and were given fair market treatment. The Related Party Convertible Promissory Note matures on September 30, 2017. See Note 5. *Related Party Convertible Promissory Note*.

Additionally, the Company merged with a company controlled by related parties. See following Note 9. *Merger*.

9. Merger

On July 1, 2016, the Company exchanged 165,000,000 shares of the Company's unregistered shares of common stock for 100% of the outstanding common stock of Chron Energy, Inc. ("CEI"), a Nevada corporation to related parties (consisting of the company's Chief Compliance Officer and an LLC managed by the Company's President). CEI possessed intellectual property and strategic relationships (the "Assets") that are integral to the Company's entrance into the home automation and retail electric provider markets. Generally, the total acquisition consideration price would be allocated to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the total of estimated fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed would then be recognized as goodwill. At the date of merger, CEI had no liabilities and the Assets had no carrying value on the books. Since the acquisition was with related parties, no increase in the carrying value of the Assets or goodwill can be realized on the books of the Company.

There was no change of control of the Company as a result of the Merger. See above Note 8 . *Related Party Transitions* .

10. Shareholder Deficit

March 2, 2017, the Company amended Articles Five and Seven of the corporation's Amended and Restated Articles of Incorporation.

Article Five was amended to set the aggregate number of shares which the Corporation shall have the authority to issue at 1,500,000,000 shares, of which 1,450,000,000 shares shall be Class A Common Stock, par value \$.001 per share (the "Class A Common Stock"), 10,000,000 shares shall be Class B Common Stock, par value \$.001 per share (the "Class B Common Stock") and 40,000,000 shares shall be Preferred Stock, par value \$.001 per share (the "Preferred Stock") of which, 2,000,000 shares are designated as "Series A Preferred Stock". The rights, preferences and restrictions for the Series A Preferred Stock are set forth in the new Article Five, Section C which includes the following:

1. DESIGNATION OF SERIES. (a) There shall be a series of the Preferred Stock of the Corporation which shall be designated as the "Series A Preferred Stock," \$.001 par value, and the number of shares constituting such series shall be Two million (2,000,000). Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, however, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than that of the shares then outstanding. The Series A Preferred Stock shall have the rights, preferences, restrictions and other terms relating to such series of preferred stock as set forth in the Certificate of Designation of Preferences, Rights and Limitations of Series A Preferred Stock attached hereto as Exhibit A and incorporated herein by reference.
2. DIVIDENDS. The holders of Series A Preferred Stock shall not be entitled to receive dividends paid on the Common Stock.
3. LIQUIDATION PREFERENCE. The holders of Series A Preferred Stock shall not be entitled to any liquidation preference.
4. VOTING. Except as otherwise expressly set forth herein or as required by law, the holders of the Series A Preferred Stock shall not entitle the holders thereof to vote on any matter submitted for shareholder action, and the consent of the holders thereof shall not be required for the taking of any corporate action.
5. CONVERSION RIGHTS. The holders of the shares of Series A Preferred Stock shall have the right to convert the Series A Preferred Stock into Class A Common Stock at the rate of ten (10) common shares for each preferred share (10-1 conversion rate) (the "Conversion Right"). The holder of the Series A Preferred Stock shall be entitled to exercise the Conversion Right one year from purchase date of the Series A Preferred Stock.
6. REDEMPTION RIGHTS; REDEMPTION. To the extent not prohibited by law, all or a portion of the then-outstanding shares of Series A Preferred Stock may be redeemed by the Corporation for a period of one year from the date of issuance at an amount equal to one hundred thirty percent (130%) of the original issue price.

Article Seven was amended by deleting the existing Article Seven and adding a new Article 7 as follows:

Rights of Holders of Common Stock. The following rights, powers, privileges and restrictions, qualifications, and limitations apply to the Common Stock.

(a) General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and privileges of the holders of the Series A Preferred Stock.

(b) Voting. The holders of the Class A Common Stock are entitled to one vote for each share of Class A Common Stock held at all meetings of stockholders (and written actions in lieu of meetings) and the holders of the Class B Common Stock are entitled to 200 votes for each share of Class B Common Stock held at all meetings of stockholders (and written actions in lieu of meetings). Unless required by law, there shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Series A Preferred Stock that may be authorized by the Board) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote. Further, holders of the Common Stock shall have no right to vote on the designations, preferences, limitations and relative or other rights of the Series A Preferred Stock or any series thereof (collectively, the "Preferences"), or on any amendment, alteration or repeal of the Preferences or the Series A Preferred Stock, at any time, whether before or after the issuance thereof.

Issuances of Class A Common Stock, par value \$0.001:

During the six months ended June 30, 2017, the Company received \$223,750 in share subscriptions from third-parties, \$210,900 in issuance of 37,786,667 of common stock, and issued 3,000,000 shares for compensation.

Issuances of Series A Preferred Stock, par value \$0.001:

During the six months ended March 31, 2017, the Company issued a total of 500,000 shares to third parties for cash considerations totaling \$125,000.

Non-controlling interest in subsidiary:

The Company entered into a securities purchase agreement in February 2017 with a third party. The Company sold one percent (1%) minority interest of Zen Energy, Inc, a wholly owned subsidiary of the Company. The Company sold 1,000 shares of the Zen Energy, Inc. at no par value at a purchase price of twenty dollars (\$20.00) per share, representing one percent 1% of the issued and outstanding shares of common stock of Zen Energy. The proceeds were received during the six months ended June 30, 2017 and are currently classified as subscription liabilities.

11. Contingencies

In the ordinary course of conducting its business, the Company may be subject to loss contingencies including possible disputes and lawsuits. Management believes that any outcome of such contingences will not have a material impact on the Company's financial position or results of future operations.

12. Form 10

On April 21, 2017, the Company filed a Form 10 registration statement with the Securities and Exchange Commission (“SEC”) for the purpose of becoming “fully reporting” to the SEC. Subsequent to the initial filing, the Company filed an additional four amendments. The Form 10 went effective on June 20, 2017 and the SEC notified the Company on July 17, 2017 that they had completed their review of the filing.

13. Subsequent Events

On July 28, 2017, the Company entered into a securities purchase agreement for the sale of a \$200,000 convertible promissory note (“Note 1”). Note 1 has an annual interest rate of ten percent (10%) and is due on April 28, 2018. The Holder has the right, at any time, to convert all or a portion of the note into shares of common stock of the Company at the conversion price. The per shares conversion price is equal to the lesser of \$0.04 or the lowest per share trading price for the 20-day trading period multiplied by sixty-percent (60%); however, the conversion shall not be less than \$0.001.

On July 31, 2017, the Company entered into a securities purchase agreement for the sale of a \$105,000 convertible promissory note (“Note 2”). Note 2 has an original issue discount of \$5,000, an annual interest rate of ten percent (10%) and is due on July 31, 2018. The Holder has the right, at any time, to convert all or a portion of the note into shares of common stock of the Company at the conversion price. The per shares conversion price is equal to the lesser of \$0.03 or the lowest per share trading price for the 20-day trading period multiplied by sixty-percent (60%); however, the conversion shall not be less than \$0.001.

In July 2017, the Board of Directors approved and a written consent of a majority of the shareholders ratified the Company’s 2017 Equity Incentive Plan which provides for stock options, grants and other stock incentives to officers, directors, consultants and employees. The Board has granted options totaling of 8,400,000 incentive stock options to employees of the Company at an exercise price of \$0.02 per share. The options vest 50% at the one-year anniversary of the grant with the balance vesting at the second anniversary of the grant. Additionally, the Company granted 15,000,000 shares of class A common stock to its Chief Compliance Officer at an exercise price at par value \$0.001 per share).

On August 1, 2017 the company entered into three separate securities purchase agreements for the sale of a total of \$125,000 in convertible promissory notes (“Notes 3, 4 and 5”) for \$75,000, \$25,000 and \$25,000 respectively. Notes 3, 4 and 5 have 10 ten percent (10%) original issue discount, annual interest rate of eight percent (8%) and due on July 31, 2018. The Holders have the right, at any time, to convert all or a portion of the note into shares of common stock of the Company at the conversion price. The per shares conversion price is equal the lowest per share trading price for the 20-day trading period multiplied by sixty-percent (60%); however, the conversion shall not be less than \$0.001.

In connection with Notes 3, 4 and 5, the Company issued warrants for 4,250,000, 500,000 and 250,000 respectively for the purchase of shares of common stock (the “Warrants”). The Warrants are exercisable for three years from the issue date and are exercisable either in cash at \$0.035 or cashless using the following formula: $x = (Y(A-B)) / A$; Where X= the number of shares of Common Stock to be issued to the Warrant Holder; Y=the number of shares of Warrant Shares purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being exercised (at the date of such calculation); A=Fair Market Value; and B=Exercise Price (as adjusted to the date of such calculation). The cashless feature shall be removed when the Warrants are registered in an effective Form S-1 registration statement.

Additionally, the Company issued a \$25,000 convertible promissory note in connection with a Financial Advisory Agreement (the “FAA Note). The FAA Note has an annual interest rate of ten percent (10%) and is due on July 31, 2018. The Holder has the right, at any time, to convert all or a portion of the note into shares of common stock of the Company at the conversion price. The per shares conversion price is equal to the lesser of \$0.03 or the lowest per share trading price for the 20-day trading period multiplied by sixty-percent (60%); however, the conversion shall not be less than \$0.001.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. The Securities and Exchange Commission encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This report and other written and oral statements that we make from time to time contain such forward-looking statements that set out anticipated results based on management's plans and assumptions regarding future events or performance. We have tried, wherever possible, to identify such statements by using words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "will" and similar expressions in connection with any discussion of future operating or financial performance. In particular, these include statements relating to future actions, future performance or results of current and anticipated sales efforts, expenses, the outcome of contingencies, such as legal proceedings, and financial results.

We caution that the factors described herein and other factors could cause our actual results of operations and financial condition to differ materially from those expressed in any forward-looking statements we make and that investors should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. New factors emerge from time to time, and it is not possible for us to predict all of such factors. Further, we cannot assess the impact of each such factor on our results of operations or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The following discussion should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this quarterly report on Form 10-Q.

Introduction

The following discussion and analysis was prepared to supplement information contained in the accompanying financial statements and is intended to provide certain details regarding the Company's financial condition as of June 30, 2017, and the results of operations for the three and six months ended June 30, 2017. It should be read in conjunction with the unaudited financial statements and notes thereto contained in this report as well as the audited financial statements included in the Company's Annual Report for the fiscal year ended December 31, 2016 included in the Company's Form 10, filed with the SEC.

Business Overview

Our business model is built around the philosophy that smart home services such as automation and video safety, the Internet of Things (IoT), energy conservation, and overall responsible decision making that supports sustainability are burgeoning trends. Combined, these are creating two megatrends known as the "Internet of Everything" and the "Smart Home". Towards making our claim in this emerging industry, we have built a "Smart Services" platform and have plans to launch a "Retail Energy Platform" that when combined are expected to position us to become a provider of a unique suite of products and services to both residential and commercial customers. Currently, we are engaged in the business of (i) selling retail smart home technology, controls and monitoring services, (ii) commercial energy conservation equipment, LED lighting and lighting controls, and (iii) residential and commercial energy utility services following the completion of our planned acquisition of Enertrade discussed below.

We plan to organically grow our business operations in retail smart home technology, controls and monitoring services and commercial energy conservation equipment, LED lighting and lighting controls through increased marketing and sales. Furthermore, we plan to continue to work towards fulfilment of the conditions precedent to complete our planned acquisition of Enertrade as discussed in this report. We do not know whether we will be able to successfully implement our business strategy or whether our business strategy will ultimately be successful. Our growth strategy is largely dependent on our ability to successfully increase sales in our existing retail smart home technologies business and develop synergies with that business following the completion of our plans to engage in the sale of electric energy to retail customers in Texas by acquiring Enertrade. As is typically the case involving products and service offerings, anticipation of demand and market acceptance are subject to a high level of uncertainty. The success of our products and planned service offerings primarily depends on consumer interest and acceptance. In general, achieving market acceptance for our products and planned energy utility services will require substantial marketing efforts and the expenditure of significant funds, which we may not have available, to create awareness and demand among customers and clients. Furthermore, the completion of the acquisition of Enertrade is dependent on our ability to raise the funds we need to complete the purchase and complete the conditions to closing discussed below. For these reasons and our limited operating history, we cannot currently predict our future revenues or expenses.

Six Months Ended June 30, 2017 Compared to Six Months Ended June 30, 2016

The following comparative analysis on results of operations was based primarily on the comparative financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the consolidated financial statements and the notes to those financial statements that are included elsewhere in this registration statement. The results discussed below are for the six months ended June 30, 2017 and 2016. For comparative purposes, we are comparing the six months ended June 30, 2017, to the six months ended June 30, 2016.

Revenue. Total revenue was \$10,126 for the six months ended June 30, 2017 compared to \$0 for the six months ended June 30, 2016. The increase is primarily a result of the Company's soft launch of its selling retail smart home technology and controls and monitoring services during the second quarter of 2017.

Cost of goods sold and Gross Profit (loss) . Our cost of goods sold for the six months ended June 30, 2017 of \$22,120 compared to \$0 for the three months ended March 31, 2016. The increase is a result of increases in our sales. Our gross profit (loss) for the six months ended June 30, 2017 was (\$11,994) compared to \$0 for the six months ended June 30, 2016. The increases are a result of increases in our sales. We are not able to predict what our cost of goods and expected gross profits will be in remaining periods in fiscal 2017 as we are evaluating our pricing as we ramp up our marketing efforts following the recent soft launch of our product and service offering.

Selling, general and administrative expenses . Total selling, general and administrative expenses were \$1,149,355 and \$518,683 for the six months ended June 30, 2017 and 2016, respectively. The increase is primarily attributable to increases in selling, general and administrative expenses associated with the development of our product and service offering and ramping up our sales efforts, consisting primarily of increases in salary and wages of approximately \$178,350, contractor and consulting expense of 196,000, legal expenses 45,300 advertising and promotions of \$28,495, rent of \$76,000, travel and entertainment of \$34,400, insurance of \$28,400, IT expenses of \$19,600, and \$24,000 of other expenses.

Loss from operations and net loss . Loss from operations and net loss were (\$1,331,952) and (\$579,068) for the six months ended June 30, 2017 and 2016, respectively. The increase is primarily attributable to an increase in operating expenses, other expenses cost of goods sold, partially offset by an increase in revenues. We expect continued loss from operations for the foreseeable future as we ramp up our sales efforts in our existing business.

Three Months Ended June 30, 2017 Compared to Three Months Ended June 30, 2016

The following comparative analysis on results of operations was based primarily on the comparative financial statements, footnotes and related information for the periods identified below and should be read in conjunction with the consolidated financial statements and the notes to those financial statements that are included elsewhere in this registration statement. The results discussed below are for the three months ended June 30, 2017 and 2016. For comparative purposes, we are comparing the three months ended June 30, 2017, to the three months ended June 30, 2016.

Revenue. Total revenue was \$5,294 for the three months ended June 30, 2017 compared to \$0 for the three months ended June 30, 2016. The increase is primarily a result of the Company's soft launch of its selling retail smart home technology and controls and monitoring services during the second quarter of 2017.

Cost of goods sold and Gross Profit (loss) . Our cost of goods sold for the three months ended June 30, 2017 of \$14,629 compared to \$0 for the three months ended June 30, 2016. The increase is a result of increases in our sales. Our gross profit (loss) for the three months ended June 30, 2017 was (\$9,335) compared to \$0 for the three months ended June 30, 2016. The increases are a result of increases in our sales. We are not able to predict what our cost of goods and expected gross profits will be in remaining periods in fiscal 2017 as we are evaluating our pricing as we ramp up our marketing efforts following the recent soft launch of our product and service offering.

Selling, general and administrative expenses . Total selling, general and administrative expenses were \$670,387 and \$380,767 for the three months ended June 30, 2017 and 2016, respectively. The increase is primarily attributable to increases in selling, general and administrative expenses associated with the development of our product and service offering and ramping up our sales efforts, consisting primarily of increases in salary and wages of approximately \$55,100 contractor and consulting expense of \$58,650, rent of \$37,240, insurance of \$13,200, IT expenses of \$1,000, and \$5,300 of other expenses.

Loss from operations and net loss . Loss from operations and net loss were (\$786,275) and (\$409,283) for the three months ended June 30, 2017 and 2016, respectively. The increase is primarily attributable to an increase in operating expenses, other expenses cost of goods sold, partially offset by an increase in revenues. We expect continued loss from operations for the foreseeable future as we ramp up our sales efforts in our existing business.

Liquidity and Capital Resources. Liquidity is the ability of an enterprise to generate adequate amounts of cash to meet its needs for cash requirements. We had a working capital deficit of (\$1,426,851) as of June 30, 2017 compared to a working capital deficit of \$529,476 as of December 31, 2016 primarily as a result of an increase in borrowings, subscription liabilities, accounts payables and accrued payroll. Working capital consisted of total current assets of \$144,766 offset by current liabilities of \$1,571,617 as of June 30, 2017 and total current assets of \$92,460 offset by current liabilities of \$621,936 as of December 31, 2016.

Net cash flow used in operating activities was \$917,824 for the six months ended June 30, 2017 as compared to net cash flows provided in operating activities of \$344,955 for the six months ended June 30, 2016. The increase is primarily a result of the net loss associated with the launch of our current business. Net cash flow used in investing activities was \$50,096 for the six months ended June 30, 2017 as compared to nil for the six months ended June 30, 2016 and \$32,390 for the three months ended June 30, 2017 as compared to \$nil for the three months ended June 30, 2016. During the six months ended June 30, 2017, the \$50,096 was used to develop software.

Our primary source of liquidity has been proceeds from the issuance of debt securities and equity securities. Net cash provided by financing activities was \$1,017,650 for the six months ended June 30, 2017 as compared to \$712,000 for the six months ended June 30, 2016. During the six months ended June 30, 2017, we received \$210,900 from the sale of common stock, \$223,750 from the sale of stock subscriptions, \$125,000 from the sale of preferred stock, \$398,000 from proceeds from convertible promissory notes, \$40,000 from proceeds from notes payable and \$20,000 from proceeds from issuance of stock in our subsidiary. During the six months ended June 30, 2016, we received net proceeds of \$650,000 from the sale of common stock and \$62,000 from the sale of convertible promissory notes.

Cash Requirements

Our management does not believe that our current capital resources will be adequate to continue operating our company and maintaining our business strategy for more than 12 months. Accordingly, we will have to raise additional capital in the near future to meet our working capital requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to scale down or perhaps even cease the operation of our business.

Going Concern.

The accompanying unaudited financial statements for the quarter ended June 30, 2017 and the audited financial statements for the twelve months ended December 31, 2016 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company reports a net loss of \$1,331,952 for the six months ended June 30, 2017, and \$1,771,738 for the year ended December 31, 2016, and an accumulated deficit of \$3,660,842 as of June 30, 2017.

The Company had a working capital deficit of \$1,426,851 and negative cash flow from continuing operating activity of \$917,824 at June 30, 2017. The Company's revenue from operations is not sufficient to meet its working capital needs and will be dependent on funds raised to satisfy its ongoing capital requirements for at least the next 12 months. The Company will require additional financing in order to execute its operating plan and continue as a going concern. The Company cannot predict whether this additional financing will be in the form of equity or debt, or be in another form. The Company may not be able to obtain the necessary additional capital on a timely basis, on acceptable terms, or at all. In any of these events, the Company may be unable to implement its current plans for expansion or respond to competitive pressures, any of these circumstances would have a material adverse effect on its business, prospects, financial condition and results of operations.

Critical Accounting Policies

We have identified the following policies below as critical to its business and results of operations. Our reported results are impacted by the application of the following accounting policies, certain of which require management to make subjective or complex judgments. These judgments involve making estimates about the effect of matters that are inherently uncertain and may significantly impact quarterly or annual results of operations. For all of these policies, management cautions that future events rarely develop exactly as expected, and the best estimates routinely require adjustment. Specific risks associated with these critical accounting policies are described in the following paragraphs.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of sales and expenses during the reporting periods. Key estimates in the accompanying financial statements include, among others, revenue recognition, allowances for doubtful accounts, valuation of long-lived assets, and deferred income tax asset valuation allowances.

The financial statements are presented on the basis of the Company’s ability to continue as a going concern. Other than continued current involvement, some transactions prior to December 31, 2015 have been reclassified as discontinued operations in the financial statements included in this Registration Statement.

Cash and Cash Equivalents – The Company considers all highly-liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash on-hand at June 30, 2017 and December 31, 2016 were \$101,440 and \$51,710, respectively.

Revenue Recognition - The Company recognizes sales, which include shipping fees where applicable, net of estimated returns, at the time the customer takes possession of merchandise or receives services. When the Company collects payments from customers prior to the transfer of ownership of merchandise or the performance of services, the amounts received are generally recorded as deferred sales, included in other current liabilities on the consolidated balance sheets, until the sale or service is completed. The Company reserves for estimated sales returns based on historical trends in merchandise returns, net of the estimated net realizable value of merchandise inventories to be returned and any estimated disposition costs. Amounts collected from members, which under common trade practices are referred to as sales taxes, are recorded on a net basis.

Software Development Costs – The Company capitalizes certain expenditures to the development of its software application. Capitalization begins when technological feasibility is established. Capitalized costs are amortized using the straight-line method over the estimated useful life of the developed product.

Beneficial Conversion Feature - The Company accounts for convertible notes payable in accordance with the guidelines established by the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 470-20, Debt with Conversion and Other Options, Emerging Issues Task Force (“EITF”) 98-5, Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios, and EITF 00-27, Application of Issue No 98-5 To Certain Convertible Instruments. The Beneficial Conversion Feature (“BCF”) of a convertible note is normally characterized as the convertible portion or feature of certain notes payable that provide a rate of conversion that is below market value or in-the-money when issued. The Company records a BCF related to the issuance of a convertible note when issued and records the estimated fair value of any warrants issued with those convertible notes. Beneficial conversion features that are contingent upon the occurrence of a future event are recorded when the contingency is resolved.

The BCF of a convertible note is measured by allocating a portion of the note’s proceeds to the warrants, if applicable, and as a discount on the carrying amount of the convertible note equal to the intrinsic value of the conversion feature, both of which are credited to additional paid-in-capital. The value of the proceeds received from a convertible note is then allocated between the conversion features and warrants and the debt on an allocated fair value basis. The allocated fair value is recorded in the financial statements as a debt discount (premium) from the face amount of the note and such discount is amortized over the expected term of the convertible note (or to the conversion date of the note, if sooner) and is charged to interest expense.

Recent Accounting Pronouncements

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

Off-Balance Sheet Arrangements

As of June 30, 2017, we did not have any 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 are material to investors. The term “off-balance sheet arrangement” generally means any transaction, agreement or other contractual arrangement to which an entity unconsolidated with us is a party, under which we have any obligation arising under a guarantee contract, derivative instrument or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity or market risk support for such assets.

Plan of Operation and Funding

During the next twelve months, we anticipate that our principal sources of liquidity will consist of any, or all, of the following: 1) proceeds from sales of our common stock, 2) revenue generated from our operations, and 3) additional debt borrowings. While we are presently generating revenue and we anticipate our revenue will continue to increase, we are currently operating at a loss.

On a long-term basis, our ability to ultimately achieve and maintain profitability and positive cash flow is dependent upon our ability to successfully continue to develop our products and our ability to generate revenues.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Smaller reporting companies are not required to provide the information required by this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The Company's management conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the 1934 Act) pursuant to Rule 13a-15 under the 1934 Act. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports it files or submits under the 1934 Act is recorded, processed, summarized and reported on a timely basis and that such information is communicated to management and the Company's board of directors to allow timely decisions regarding required disclosure.

Based on this evaluation, it has been concluded that the design and operation of our disclosure controls and procedures are not effective since the following material weaknesses exist:

- Since inception our chief executive officer also functions as our chief financial officer. As a result, our officers may not be able to identify errors and irregularities in the financial statements and reports.
- We were unable to maintain full segregation of duties within our financial operations due to our reliance on limited personnel in the finance function. While this control deficiency did not result in any material adjustments to our financial statements, it could have resulted in a material misstatement that might have been prevented or detected by a segregation of duties.
- Documentation of all proper accounting procedures is not yet complete.

To the extent reasonably possible given our limited resources, as financial resources become available we intend to take measures to cure the aforementioned weaknesses, including, but not limited to, the following:

- Increasing the capacity of our qualified financial personnel to ensure that accounting policies and procedures are consistent across the organization and that we have adequate control over financial statement disclosures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

To the best of the Company's knowledge and belief, no legal proceedings are currently pending or threatened.

Item 1A. Risk Factors.

We are not required to provide this information as we are a Smaller Reporting Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In July 2017, the Board of Directors approved and a written consent of a majority of the shareholders ratified the Company's 2017 Equity Incentive Plan which provides for stock options, grants and other stock incentives to officers, directors, consultants and employees. The Board has granted options totaling of 8,400,000 incentive stock options to employees of the Company at an exercise price of \$0.02 per share. The options vest 50% at the one-year anniversary of the grant with the balance vesting at the second anniversary of the grant. Additionally, the Company granted 15,000,000 shares of its class A common stock to its Chief Compliance Officer at an exercise price at par value \$0.001 per share).

The stock options referenced herein were issued in reliance upon the exemption from securities registration afforded by the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, ("Securities Act").

Item 3. Default Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable to our Company.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit No.	Description
2.1	Agreement and Plan of Merger among The Chron Organization, Inc. and Chron Energy, Inc. dated as of April 1, 2016 (incorporated by reference to Exhibit 2.1 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
3.1	Amended and Restated Articles of Incorporation filed with the Nevada Secretary of State on February 11, 2016 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
3.2	Certificate of Amendment to Amended and Restated Articles of Incorporation filed with the Nevada Secretary of State on March 2, 2017 (incorporated by reference to Exhibit 2.2 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
3.3	Amended and Restated Bylaws effective as of February 1, 2016 (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
4.1	10% Original Issue Discount Convertible Debenture dated March 17, 2017 issued by The Chron Organization, Inc. to Bellridge Capital LLC (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
4.2	Common Stock Purchase Warrant dated March 17, 2017 issued by The Chron Organization, Inc. to Bellridge Capital LLC (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
4.3	Convertible Promissory Note in the principal amount of \$46,000 issued by The Chron Organization, Inc. to Crown Bridge Partners, LLC on May 31, 2017 (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on June 16, 2017).
4.4	Common Stock Purchase Warrant dated May 31, 2017 issued by The Chron Organization, Inc. to Crown Bridge Partners, LLC (incorporated by reference to Exhibit 4.4 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on June 16, 2017).
4.5	Convertible Promissory Note in the principal amount of \$187,000 issued by The Chron Organization, Inc. to Bellridge Capital LP on June 20, 2017 (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on July 7, 2017).
4.6	Common Stock Purchase Warrant dated June 20, 2017 issued by The Chron Organization, Inc. to Bellridge Capital, LP (incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on July 7, 2017).
10.1	Form of Securities Purchase Agreement for Convertible Note and Warrants (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
10.2	Equity Interest Purchase Agreement among Zen Energy, Inc., Luccirelli & Gomez, LLC, TCN Holdings, LLC, Genaro Gomez Castanares and Donnie Goodwin dated as of January 20, 2017 (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
10.3	Securities Purchase Agreement among The Chron Organization, Inc. and certain investors dated March 17, 2017 (incorporated by reference to Exhibit 10.3 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on May 21, 2017).
10.4	Securities Purchase Agreement among The Chron Organization, Inc. and Crown Bridge Partners, LLC dated as of May 31, 2017 (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on June 16, 2017).
10.5	Securities Purchase Agreement between The Chron Organization, Inc. and Bellridge Capital L.P. dated as of June 20, 2017 (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form 10 (SEC File No. 000-55771) filed with the SEC on July 7, 2017).

10.6*+	Equity Incentive Plan
10.7*+	Incentive Stock Option or Non-Statutory Stock Option
31	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Alex Rodriguez.
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Alex Rodriguez.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE CHRON ORGANIZATION, INC.

Date: August 21, 2017

By: */s/ Alex Rodriguez*

Alex Rodriguez, Chief Executive Officer, (Principal Executive Officer and
Principal Financial and Accounting Officer)

THE CHRON ORGANIZATION, INC.
2017 EQUITY INCENTIVE PLAN
JULY 15, 2017

ARTICLE 1
PURPOSES

1.1. General Purpose. The Chron Organization, Inc., a Nevada corporation (“ **Company** ”) has adopted this 2017 Equity Incentive Plan (“ **Plan** ”) in order to recruit and retain exceptional employees, officers, directors, and consultants and to provide incentives for such individuals to perform at the highest levels for the benefit of the Company.

1.2. Equity Incentives. This Plan allows the Company to provide a variety of equity incentives to eligible participants that will provide economic benefits to such participants based on the increase in the value of the Company’s equity.

ARTICLE 2
DEFINITIONS

2.1. “Affiliate” means any parent corporation or subsidiary corporation of the Company, whether now or hereafter existing, as those terms are defined in Sections 424(e) and (f), respectively, of the Code (as defined below).

2.2. “Board” means the board of directors of the Company.

2.3. “Change of Control” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(a) any Person or Group becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction; provided that notwithstanding the foregoing, a Change of Control shall not be deemed to occur (i) on account of the acquisition of securities of the Company by (A) any institutional investor, any affiliate thereof, or any other Person or Group that acquires the Company’s securities in a transaction or series of related transactions that are primarily a private financing transaction for the Company; (B) an employee benefit plan of the Company, or the trustee or fiduciary thereof; (C) an underwriter temporarily holding securities pursuant to an offering of such securities; or (D) an entity owned, directly or indirectly, by the equity holders of the Company in substantially the same equity percentages as the equity of the Company; or (ii) solely because the level of ownership held by any Person or Group exceeds fifty percent (50%) of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change of Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, such Person or Group becomes the owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities owned by such Person or Group over fifty percent (50%), then a Change of Control shall be deemed to occur; provided that for purposes of this definition, ownership shall be construed to include beneficial ownership (as defined in Rule 16a-1(a)(1) promulgated under the Exchange Act);

(b) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company if, immediately after the consummation of such merger, consolidation or similar transaction, the Stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (a) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity or (b) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity;

(c) the Stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company otherwise occurs; or

(d) there is consummated a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and the Company's Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and the Company's Subsidiaries to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by Stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale, lease, license, or other disposition.

Notwithstanding the foregoing, or any other provision of this Plan, the term Change of Control shall not include a sale of assets, merger, or other transaction effected exclusively for the purpose of changing the domicile of the Company and any definition of Change of Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Equity Incentives subject to such agreement (it being understood, however, that if no definition of Change of Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply).

2.4. "**Code**" means the Internal Revenue Code of 1986, as amended.

2.5. "**Committee**" means a committee of one or more members of the Board appointed by the Board in accordance with Section 3.3.

2.6. "**Common Stock**" means the common stock, par value \$0.001 per share, of the Company.

2.7. "**Company**" means The Chron Organization, Inc., a Nevada corporation.

2.8. "**Consultant**" means any person, including any advisor, (1) engaged by the Company or an Affiliate to render consulting or advisory services and who is compensated for such services or (2) serving as a member of the Board of Directors of an Affiliate and who is compensated for such services. However, the term "Consultant" shall not include Directors who are not compensated by the Company for their services as Directors, and the payment of a director's fee by the Company for services as a Director shall not cause a Director to be considered a "Consultant" for purposes of the Plan.

2.9. "**Continuous Service**" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Officer, Director or Consultant, is not interrupted or terminated as determined by the Board or the Company's chief executive officer; provided that (a) a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Officer, Consultant or Director or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, shall not terminate a Participant's Continuous Service, (b) the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal leave; *provided, however*, that a leave of absence shall be treated as Continuous Service for purposes of vesting in an Equity Incentive only to such extent as may be provided in the Company's leave of absence policy or in the written terms of the Participant's leave of absence.

2.10. “Corporate Transaction” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(a) a Change of Control; or

(b) a merger, consolidation, or similar transaction following which (i) the Company is not the surviving corporation or (ii) the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding such transaction are converted or exchanged by virtue thereof into other property, whether in the form of securities, cash, or otherwise.

2.11. “Director” means a member of the Board.

2.12. “Disability” means the permanent and total disability of a person within the meaning of Section 22(e)(3) of the Code.

2.13. “Employee” means any person employed by the Company or an Affiliate; provided that service as a Director or payment of a director’s fee by the Company for such service or for service as a member of the board of directors of an Affiliate shall not be sufficient to constitute “employment” by the Company or an Affiliate.

2.14. “Equity Incentive” means any right granted under this Plan, including an Option, a Restricted Stock Award and a Stock Appreciation Right.

2.15. “Equity Incentive Agreement” means a written agreement between the Company and a holder of an Equity Incentive evidencing the terms and conditions of a grant of an individual Equity Incentive, which shall be subject to the terms and conditions of this Plan.

2.16. “Exchange Act” means the Securities Exchange Act of 1934, as amended.

2.17. “Fair Market Value” means, as of any date, the fair market value of the Common Stock, determined, where applicable, in accordance with the requirements of the Code, as established in good faith by the Board; *provided, that* , if the Common Stock is traded publicly, the Fair Market Value of a share of Common Stock on any date shall be the arithmetic mean of the high and low prices, as quoted on the National Association of Securities Dealers Automated Quotations (“NASDAQ”), for the date in question, or, if the Common Stock is listed on a national stock exchange, the officially quoted closing price on such exchange on the date in question. If applicable, the Board’s determination of Fair Market Value shall be conclusive for purposes of this Plan.

2.18. “Group” means any “group” within the meaning of Section 13(d) or 14(d) of the Exchange Act.

2.19. “Incentive Stock Option” means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

2.20. “Nonstatutory Stock Option” means an Option not intended to qualify as an Incentive Stock Option.

2.21. “**Officer**” means any person designated by the Company as an officer.

2.22. “**Option**” means an Incentive Stock Option or a Nonstatutory Stock Option granted pursuant to this Plan.

2.23. “**Option Agreement**” means a written agreement between the Company and an Optionholder evidencing the terms and conditions of an individual Option grant, which shall be subject to the terms and conditions of this Plan.

2.24. “**Optionholder**” means a person to whom an Option is granted pursuant to this Plan or, if applicable, such other person who holds an outstanding Option.

2.25. “**Participant**” means a person to whom an Equity Incentive is granted pursuant to this Plan or, if applicable, such other person who holds an outstanding Equity Incentive.

2.26. “**Person**” means any natural person, corporation, partnership, limited liability company, trust, or other legal entity.

2.27. “**Plan**” means this 2016 Equity Incentive Plan.

2.28. “**Restricted Stock Award**” means an award of shares of Common Stock granted pursuant to the terms and conditions of Section 7.1.

2.29. “**Securities Act**” means the Securities Act of 1933, as amended.

2.30. “**Stock Appreciation Right**” means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 7.2.

2.31. “**Subsidiary**” means, with respect to any Person, (1) any corporation of which more than fifty percent (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, at the time, stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Company, and (2) any partnership in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than fifty percent (50%).

2.32. “**Ten Percent Stockholder**” means a person who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Affiliate.

ARTICLE 3 ADMINISTRATION

3.1. **Administration by Board.** The Board shall administer this Plan unless and until the Board delegates administration to a Committee, as provided in Section 3.3.

3.2. Powers of Board. The Board shall have the power, subject to, and within the limitations of, the express provisions of this Plan:

(a) To determine the persons to whom an Equity Incentive shall be granted and the form, terms and conditions of any such Equity Incentive.

(b) To construe and interpret this Plan and Equity Incentives granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission, or inconsistency in this Plan or in any Equity Incentive Agreement, in a manner and to the extent it shall deem necessary or expedient to make this Plan fully effective.

(c) To effect, at any time and from time to time, with the consent of any adversely affected Optionholder, (1) the reduction of the exercise price of any outstanding Option under this Plan, and/or (2) the cancellation of any outstanding Option under this Plan and the grant in substitution therefor of (i) a new Option under this Plan or another equity plan of the Company covering the same or a different number of shares of Common Stock, (ii) a Restricted Stock Award (including a stock bonus), (iii) a Stock Appreciation Right, (iv) cash, or (v) other valuable consideration (as determined by the Board, in its sole discretion), or (3) any other action that is treated as a repricing under generally accepted accounting principles; provided that the exercise price per share of Common Stock of any Option shall not be less than that specified under this Plan for newly granted Equity Incentives except that the Board may grant an Option with a lower exercise price if such Option is granted as part of a transaction to which Section 424(a) of the Code applies.

(d) To terminate or suspend this Plan as provided in Section 10.8.

(e) To amend this Plan as provided in Section 10.9.

(f) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of this Plan.

3.3. Delegation to Committee. The Board may delegate administration of this Plan to a Committee of one or more members of the Board, and the term "Committee" shall apply to any person or persons to whom such authority has been delegated. If administration of this Plan is delegated to a Committee, the Committee shall have the powers theretofore possessed by the Board in connection with the administration of this Plan, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board shall thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of this Plan, as may be adopted from time to time by the Board. The Board may abolish the Committee at any time and revert to the Board the administration of this Plan.

3.4. Effect of Board's Decision. All determinations, interpretations, and constructions made by the Board in good faith shall not be subject to review by any person and shall be final, binding, and conclusive in all respects.

3.5. Arbitration. Any dispute or claim concerning any Equity Incentive granted (or not granted) pursuant to this Plan or relating to or arising out of this Plan shall be fully, finally and exclusively resolved by binding and confidential arbitration conducted pursuant to the commercial arbitration rules of the Judicial Arbitrator Group in Denver, Colorado. The Company shall pay all arbitration fees. In addition to any other relief, the arbitrator may award to the prevailing party recovery of such party's attorneys' fees and costs. The Company hereby waives and, by accepting an Equity Incentive, each Participant waives their respective rights to have any such dispute or claim tried by a judge or jury.

ARTICLE 4
SHARES SUBJECT TO THIS PLAN

4.1. Share Reserve. Subject to the provisions of Section 9.1, the shares of Common Stock that may be issued pursuant to Equity Incentives shall not exceed in the aggregate five percent (5%) of the authorized shares of Common Stock or 50,000,000 shares of Common Stock, whichever is greater.

4.2. Reversion of Shares to the Share Reserve . If any Option shall for any reason expire or otherwise terminate, in whole or in part, without having been exercised in full, then the shares of Common Stock with respect to which such Option was not exercised shall revert to and again become available for issuance under this Plan. Any shares of Common Stock issued under the terms of a Restricted Stock Award or unvested shares of Common Stock held pursuant to Section 6.12 subsequently repurchased by the Company shall revert to and again become available for issuance under this Plan. Any Stock Appreciation Rights that expire or otherwise terminate, in whole or in part, without having been realized shall revert to and again become available for issuance under this Plan.

4.3. Source of Shares . The shares of Common Stock subject to this Plan may be unissued shares or reacquired shares, bought on the market or otherwise.

ARTICLE 5
ELIGIBILITY

5.1. Eligibility for Specific Equity Incentives . Incentive Stock Options may be granted only to Employees. Equity Incentives other than Incentive Stock Options may be granted to Employees, Officers, Directors, and Consultants.

5.2. Ten Percent Stockholders. A Ten Percent Stockholder shall not be granted an Incentive Stock Option unless the exercise price of such Incentive Stock Option is at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the date of grant and the Option is not exercisable after the expiration of five (5) years from the date of grant.

5.3. Consultants. Except as otherwise may be determined by the Board, a Consultant shall not be eligible for the grant of an Equity Incentive if, at the time of grant, either the offer or the sale of the Company's securities to such Consultant is not exempt under Rule 701 of the Securities Act because of the nature of the services that the Consultant is providing to the Company, because the Consultant is not a natural person, or because of some other provision of Rule 701.

ARTICLE 6
OPTION PROVISIONS

Each Option shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. All Options shall be separately designated Incentive Stock Options or Nonstatutory Stock Options at the time of grant, and if certificates are issued, a separate certificate or certificates shall be issued for shares of Common Stock purchased on exercise of each type of Option. The provisions of separate Options need not be identical, but each Option shall include (through incorporation of provisions hereof by reference in the Option or otherwise) the substance of each of the following provisions:

6.1. Term. No Option granted shall be exercisable after the expiration of ten (10) years from the date such Option was granted.

6.2. Exercise Price. Subject to the provisions of Section 5.2 regarding Ten Percent Stockholders, the exercise price per share of each Option shall be not less than one hundred percent (100%) of the Fair Market Value of the Common Stock subject to the Option on the date the Option is granted. Notwithstanding the foregoing, an Option may be granted with an exercise price per share lower than that set forth in the preceding sentence if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) of the Code.

6.3. Consideration.

(a) The purchase price of Common Stock acquired pursuant to an Option shall be paid, to the extent permitted by applicable statutes and regulations, either (i) in cash or check at the time the Option is exercised or (ii) at the discretion of the Board at the time of the grant of the Option (or subsequently in the case of a Nonstatutory Stock Option) (A) by delivery to the Company of other Common Stock, (B) according to a deferred payment or other similar arrangement with the Optionholder, (C) by a “net exercise” of the Option (as further described below), (D) pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of Common Stock, results in either the receipt of cash (or check) by the Company or the receipt of an irrevocable instruction to pay the aggregate exercise price to the Company from the sales proceeds (E) by delivery of a promissory note with full recourse to the Optionholder and the Optionholder’s assets, or (F) in any other form of legal consideration that may be acceptable to the Board.

(b) Unless otherwise specifically provided in the Option, the purchase price of Common Stock acquired pursuant to an Option that is paid by delivery to the Company of other Common Stock acquired, directly or indirectly from the Company, shall be paid only by shares of the Common Stock of the Company that have been held for more than six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes). At any time that the Company is incorporated in Nevada, payment of the Common Stock’s “par value,” as defined in the Nevada Corporations Code, shall not be made by deferred payment, and must be paid in a form of consideration that is permissible under the Nevada Corporations Code.

(c) In the case of any deferred payment arrangement, interest shall be compounded at least annually and shall be charged at least at the minimum rate of interest necessary to avoid (1) the treatment as interest, under any applicable provisions of the Code, of any amounts other than amounts stated to be interest under the deferred payment arrangement and (2) the treatment of the Option as a variable award for financial accounting purposes.

(d) In the case of a “net exercise” of an Option, the Company will not require a payment of the exercise price of the Option from the Participant but will reduce the number of shares of Common Stock issued upon the exercise by the largest number of whole shares that has a Fair Market Value that does not exceed the aggregate exercise price. With respect to any remaining balance of the aggregate exercise price, the Company shall accept a cash payment from the Participant. The shares of Common Stock so used to pay the exercise price of an Option under a “net exercise” will be considered to have resulted from the exercise of the Option, and accordingly, the Option will not again be exercisable with respect to such shares, the shares actually delivered to the Participant and any shares withheld for purposes of tax withholding.

6.4. Transferability of an Incentive Stock Option. An Incentive Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable only by the Optionholder during the lifetime of the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.5. Transferability of a Nonstatutory Stock Option. If a Nonstatutory Stock Option does not provide for transferability, then except as otherwise may be determined by the Board, such Nonstatutory Stock Option shall not be transferable except by will or by the laws of descent and distribution and shall be exercisable during the lifetime of the Optionholder only by the Optionholder. Notwithstanding the foregoing, the Optionholder may, by delivering written notice to the Company, in a form satisfactory to the Company, designate a third party who, in the event of the death of the Optionholder, shall thereafter be entitled to exercise the Option.

6.6. Incentive Stock Option \$100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options become exercisable during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars (\$100,000), the Options or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of any Equity Incentive Agreement.

6.7. Vesting Generally. The total number of shares of Common Stock subject to an Option may, but need not, vest and therefore become exercisable in periodic installments that may, but need not, be equal. The Option may be subject to such other terms and conditions on the time or times when it may be exercised (which may be based on performance or other criteria) as the Board may deem appropriate. The vesting provisions of individual Options may vary. The provisions of this Section 6.7 are subject to any Option provisions governing the minimum number of shares of Common Stock as to which an Option may be exercised.

6.8. Termination of Continuous Service. In the event that an Optionholder's Continuous Service terminates (other than upon the Optionholder's death or Disability), the Optionholder may exercise such Optionholder's Option (to the extent that such Optionholder was entitled to exercise such Option as of the date of termination) but only within such period of time ending on the earlier of (a) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination of Continuous Service, the Optionholder does not exercise such Optionholder's Option within the time specified in the Option Agreement, the Option shall terminate.

6.9. Extension of Termination Date. An Optionholder's Option Agreement may also provide that if the exercise of the Option following the termination of the Optionholder's Continuous Service (other than upon the Optionholder's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, then the Option shall terminate on the earlier of the expiration of the term of the Option as set forth in Section 6.1.

6.10. Disability of Optionholder. In the event that an Optionholder's Continuous Service terminates as a result of the Optionholder's Disability, the Optionholder may exercise such Optionholder's Option (to the extent that the Optionholder was entitled to exercise such Option as of the date of termination), but only within such period of time ending on the earlier of (a) the date twelve (12) months following such termination (or such longer or shorter period specified in the Option Agreement) or (b) the expiration of the term of the Option as set forth in the Option Agreement. If, after termination, the Optionholder does not exercise his or her Option within the time specified herein, the Option shall terminate.

6.11. Death of Optionholder. In the event that (a) an Optionholder's Continuous Service terminates as a result of the Optionholder's death or (b) the Optionholder dies within the period (if any) specified in the Option Agreement after the termination of the Optionholder's Continuous Service for a reason other than death, then the Option may be exercised (to the extent the Optionholder was entitled to exercise such Option as of the date of death) by the Optionholder's estate, by a person who acquired the right to exercise the Option by bequest or inheritance or by a person designated to exercise the option upon the Optionholder's death pursuant to Section 6.4 or 6.5, but only within the period ending on the earlier of (i) the date twelve (12) months following the date of death (or such longer or shorter period specified in the Option Agreement) or (ii) the expiration of the term of such Option as set forth in the Option Agreement. If, after death, the Option is not exercised within the time specified herein, the Option shall terminate.

6.12. Early Exercise. The Option may, but need not, include a provision whereby the Optionholder may elect at any time before the Optionholder's Continuous Service terminates to exercise the Option as to any part or all of the shares of Common Stock subject to the Option prior to the full vesting of the Option. Subject to the "Repurchase Limitation" in Section 10.6, any unvested shares of Common Stock so purchased may be subject to a repurchase option in favor of the Company or to any other restriction the Board determines to be appropriate. Provided that the "Repurchase Limitation" in Section 10.6 is not violated, the Company will not exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless the Board otherwise specifically provides in the Option.

6.13. Right of Repurchase. Subject to the "Repurchase Limitation" in Section 10.6, the Option may, but need not, include a provision whereby the Company may elect to repurchase all or any part of the vested shares of Common Stock acquired by the Optionholder pursuant to the exercise of the Option at a price equal to the lower of the Fair Market Value or the exercise price of such shares. Provided that the "Repurchase Limitation" in Section 10.6 is not violated, the Company will not exercise its repurchase option until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following exercise of the Option unless otherwise specifically provided in the Option.

6.14. Right of First Refusal. The Option may, but need not, include a provision whereby the Company may elect to exercise a right of first refusal following receipt of notice from the Optionholder of the intent to transfer all or any part of the shares of Common Stock received upon the exercise of the Option. Except as expressly provided in this Section or in the Equity Incentive Agreement for the Option, such right of first refusal shall otherwise comply with any applicable provisions of the Bylaws of the Company. The Company will not exercise its right of first refusal until at least six (6) months (or such longer or shorter period of time required to avoid a charge to earnings for financial accounting purposes) have elapsed following the exercise of the Option unless otherwise specifically provided in the Option.

ARTICLE 7 PROVISIONS OF EQUITY INCENTIVES OTHER THAN OPTIONS

7.1. Restricted Stock Awards. Each Restricted Stock Award agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Restricted Stock Award agreements need not be identical; *provided, however*, that each Restricted Stock Award agreement shall include (through incorporation of the provisions hereof, by reference in the agreement or otherwise) the substance of each of the following provisions:

(a) Purchase Price. At the time of the grant of a Restricted Stock Award, the Board will determine the price to be paid by the Participant for each share subject to the Restricted Stock Award. Subject to the provisions of Section 5.2 regarding Ten Percent Stockholders, the price to be paid by the Participant for each share subject to the Restricted Stock Award shall not be less than the par value of the Common Stock on the date such award is made or at the time the purchase is consummated. A Restricted Stock Award may be awarded as a stock bonus (*i.e.* , with no cash purchase price to be paid) to the extent permissible under applicable law.

(b) Consideration. At the time of the grant of a Restricted Stock Award, the Board will determine the consideration permissible for the payment of the purchase price of the Restricted Stock Award. The purchase price of Common Stock acquired pursuant to the Restricted Stock Award shall be paid in one of the following ways: (i) in cash at the time of purchase; (ii) at the discretion of the Board, according to a deferred payment or other similar arrangement with the Participant; (iii) by services rendered or to be rendered to the Company; (iv) by delivery of a promissory note with full recourse to the Participant and the Participant's assets; or (v) in any other form of legal consideration that may be acceptable to the Board; *provided, however*, that at any time that the Company is incorporated in Nevada, payment of the Common Stock's "par value," as defined in the Nevada Corporations Code, shall not be made by deferred payment and must be paid in a form of consideration that is permissible under the Nevada Corporations Code.

(c) Vesting. Subject to the "Repurchase Limitation" in Section 10.6, shares of Common Stock acquired under a Restricted Stock Award may, but need not, be subject to a share repurchase option in favor of the Company in accordance with a vesting schedule to be determined by the Board.

(d) Transferability. Rights to acquire shares of Common Stock granted under a Restricted Stock Award shall be transferable by the Participant only upon such terms and conditions as are set forth in the Restricted Stock Award agreement, as the Board shall determine in its discretion, and so long as Common Stock awarded under the Restricted Stock Award remains subject to the terms of the Restricted Stock Award agreement.

7.2. Stock Appreciation Rights. Each Stock Appreciation Right agreement shall be in such form and shall contain such terms and conditions as the Board shall deem appropriate. The terms and conditions of Stock Appreciation Right agreements may change from time to time, and the terms and conditions of separate Stock Appreciation Right agreements need not be identical, but each Stock Appreciation Right agreement shall include (through incorporation of the provisions hereof by reference in the agreement or otherwise) the substance of each of the following provisions:

(a) Calculation of Appreciation. Each Stock Appreciation Right will be denominated in Common Stock equivalents. The appreciation distribution payable per Common Stock equivalent on the exercise of a Stock Appreciation Right will be not greater than an amount equal to the excess of (i) the aggregate Fair Market Value (on the date of the exercise of the Stock Appreciation Right) of a share of Common Stock over (ii) the Fair Market Value of a share of Common Stock at the time of grant of the Stock Appreciation Right or, in the case of Ten Percent Stockholders, 110% of such Fair Market Value.

(b) Exercise. To exercise any outstanding Stock Appreciation Right, the Participant must provide written notice of exercise to the Company in compliance with the provisions of the Stock Appreciation Rights agreement evidencing such Right.

(c) Payment. The appreciation distribution in respect of a Stock Appreciation Right may be paid in Common Stock, in cash, or any combination of the two, as the Board deems appropriate.

(d) Termination of Continuous Service. If a Participant's Continuous Service terminates for any reason, any unvested Stock Appreciation Rights shall be forfeited and any vested Stock Appreciation Rights shall be automatically redeemed.

ARTICLE 8 COVENANTS OF THE COMPANY

8.1. Availability of Shares. During the terms of the Equity Incentives, the Company shall keep available at all times the number of shares of Common Stock required to satisfy such Equity Incentives.

8.2. Securities Law Compliance. The Company shall seek to obtain from each regulatory commission or agency having jurisdiction over this Plan such authority as may be required to grant Equity Incentives and to issue and sell shares of Common Stock upon exercise of the Equity Incentives; *provided, however*, that this undertaking shall not require the Company to register under the Securities Act this Plan, any Equity Incentive or any Common Stock issued or issuable pursuant to any Equity Incentive. If, after reasonable efforts, the Company is unable to obtain from any such regulatory commission or agency the authority which counsel for the Company deems necessary for the lawful issuance and sale of Common Stock under this Plan, the Company shall be relieved from any liability for failure to issue and sell Common Stock upon exercise of such Equity Incentives unless and until such authority is obtained.

ARTICLE 9 ADJUSTMENTS UPON CHANGES IN STOCK

9.1. Capitalization Adjustments . If any change is made in, or other event occurs with respect to, the Common Stock subject to this Plan or subject to any Equity Incentive without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, dividend, stock split, combination of shares, exchange of shares, change in corporate structure or other transaction not involving the receipt of consideration by the Company (each a “**Capitalization Adjustment**”), this Plan will be appropriately adjusted in the class(es) and maximum number of securities subject to this Plan pursuant to Sections 4.1 and 4.2 and the outstanding Equity Incentives will be appropriately adjusted in the class(es) and number of securities and price per share of Common Stock subject to such outstanding Equity Incentives by the Board. The Board shall make such adjustments, and its determination shall be final, binding, and conclusive. The conversion of any convertible securities of the Company shall not be treated as a transaction “without receipt of consideration” by the Company.

9.2. Dissolution or Liquidation . In the event of a dissolution or liquidation of the Company, all outstanding Options shall terminate immediately prior to the completion of such dissolution or liquidation, and shares of Common Stock subject to the Company’s repurchase option may be repurchased by the Company notwithstanding the fact that the holder of such stock is still in Continuous Service.

9.3. Corporate Transaction . The following provisions will apply to Equity Incentives in the event of a Corporate Transaction unless otherwise provided in the instrument evidencing the Equity Incentive or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Equity Incentive. In the event of a Corporate Transaction, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Equity Incentives, contingent upon the closing or completion of the Corporate Transaction:

(a) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company) to assume or continue the Equity Incentive or to substitute a similar stock award for the Equity Incentive (including, but not limited to, an award to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction);

(b) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to the Equity Incentive to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company);

(c) accelerate the vesting, in whole or in part, of the Equity Incentive (and, if applicable, the time at which the Equity Incentive may be exercised) to a date prior to the effective time of such Corporate Transaction as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Corporate Transaction), with such Equity Incentive terminating if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction; *provided, however*, that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Corporate Transaction, which exercise is contingent upon the effectiveness of such Corporate Transaction;

(d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Equity Incentive;

(e) cancel or arrange for the cancellation of the Equity Incentive, to the extent not vested or not exercised prior to the effective time of the Corporate Transaction, in exchange for such cash consideration, if any, as the Board, in its sole discretion, may consider appropriate; and

(f) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) the value of the property the Participant would have received upon the exercise of the Equity Incentive immediately prior to the effective time of the Corporate Transaction, over (B) any exercise price payable by such holder in connection with such exercise. For clarity, this payment may be \$0 if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of the Company's Common Stock in connection with the Corporate Transaction is delayed as a result of escrows, earn outs, holdbacks, or any other contingencies.

The Board need not take the same action or actions with respect to all Equity Incentives or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of an Equity Incentive.

ARTICLE 10 MISCELLANEOUS

10.1. Acceleration of Exercisability and Vesting. The Board shall have the power to accelerate the time at which an Equity Incentive may first be exercised or the time during which an Equity Incentive or any part thereof will vest in accordance with this Plan, notwithstanding the provisions in the Equity Incentive stating the time at which it may first be exercised or the time during which it will vest.

10.2. Stockholder Rights. No Optionholder shall be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to an Option unless and until such Participant has satisfied all requirements for exercise of the Option pursuant to its terms.

10.3. No Employment or Other Service Rights. Nothing in this Plan or any instrument executed or Equity Incentive granted pursuant hereto shall confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Equity Incentive was granted or shall affect the right of the Company or an Affiliate to terminate (a) the employment of an Employee with or without notice and with or without cause, (b) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (c) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state in which the Company or the Affiliate is incorporated, as the case may be.

10.4. Investment Assurances. The Company may require a Participant, as a condition of exercising or acquiring Common Stock under any Equity Incentive, (a) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Equity Incentive and (b) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Stock subject to the Equity Incentive for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Stock. The foregoing requirements, and any assurances given pursuant to such requirements, shall be inoperative if (i) the issuance of the shares of Common Stock upon the exercise or acquisition of Common Stock under the Equity Incentive has been registered under a then currently effective registration statement under the Securities Act, or (ii) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place legends on stock certificates issued under this Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Stock.

10.5. Withholding Obligations. The terms of an Equity Incentive Agreement must require the Participant to satisfy any federal, state, or local tax withholding obligation (including with respect to the withholding of income tax and of the Participant's liability for employment taxes, including FICA and Medicare taxes) relating to the exercise or acquisition of Common Stock under an Equity Incentive by any of the following means (in addition to the Company's right to withhold from any compensation paid to the Participant by the Company) or by a combination of such means: (a) tendering a cash payment; (b) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise or acquisition of Common Stock under the Equity Incentive; *provided, however*, that no shares of Common Stock shall be withheld with a value exceeding the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid variable accounting); or (3) delivering to the Company owned and unencumbered shares of Common Stock.

10.6. Repurchase Limitation. The terms of any repurchase option shall be specified in the Equity Incentive, and the repurchase price may be either the Fair Market Value of the shares of Common Stock on the date of termination of Continuous Service or the lower of (1) the Fair Market Value of the shares of Common Stock on the date of repurchase or (2) their original purchase price.

(a) Fair Market Value. If the repurchase option gives the Company the right to repurchase the shares of Common Stock upon termination of Continuous Service at not less than the Fair Market Value of the shares of Common Stock to be purchased on the date of termination of Continuous Service, then (i) the right to repurchase shall be exercised for cash or cancellation of purchase money indebtedness for the shares of Common Stock within ninety (90) days of termination of Continuous Service (or in the case of shares of Common Stock issued upon exercise of Equity Incentives after such date of termination, within ninety (90) days after the date of the exercise) or such longer period as may be agreed to by the Company and the Participant (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock") and (ii) the right terminates when the shares of Common Stock become publicly traded.

(b) Original Purchase Price. If the repurchase option gives the Company the right to repurchase the shares of Common Stock upon termination of Continuous Service at the lower of (i) the Fair Market Value of the shares of Common Stock on the date of repurchase or (ii) their original purchase price, then (x) the right to repurchase at the original purchase price shall lapse at the rate of at least twenty percent (20%) of the shares of Common Stock per year over five (5) years from the date the Equity Incentive is granted (without respect to the date the Equity Incentive was exercised or became exercisable) and (y) the right to repurchase shall be exercised for cash or cancellation of purchase money indebtedness for the shares of Common Stock within ninety (90) days of termination of Continuous Service (or in the case of shares of Common Stock issued upon exercise of Options after such date of termination, within ninety (90) days after the date of the exercise) or such longer period as may be agreed to by the Company and the Participant (for example, for purposes of satisfying the requirements of Section 1202(c)(3) of the Code regarding "qualified small business stock").

10.7. Effective Date. This Plan shall become effective as determined by the Board, but no Equity Incentive shall be exercised (or, in the case of a stock bonus, shall be granted) unless and until this Plan has been approved by the Stockholders of the Company, which approval shall be within twelve (12) months before or after the date this Plan is adopted by the Board.

10.8. Plan Term. The Board may suspend or terminate this Plan at any time. Unless sooner terminated, this Plan shall terminate on the day before the tenth (10th) anniversary of the date this Plan is adopted by the Board or approved by the Stockholders of the Company, whichever is earlier. No Equity Incentives may be granted under this Plan while this Plan is suspended or after this Plan is terminated. Suspension or termination of this Plan shall not impair rights and obligations under any Equity Incentive granted while this Plan is in effect except with the written consent of the affected Participant.

10.9. Amendment of Plan. The Board at any time, and from time to time, may amend this Plan. However, except as provided in Section 9.1, no amendment shall be effective unless approved by the Stockholders of the Company to the extent Stockholder approval is necessary to satisfy the requirements of Section 422 of the Code. It is expressly contemplated that the Board may amend this Plan in any respect the Board deems necessary or advisable to provide eligible Employees with the maximum benefits provided or to be provided under the provisions of the Code and the regulations promulgated thereunder relating to Incentive Stock Options or to bring this Plan or Incentive Stock Options granted under it into compliance therewith. Rights under any Equity Incentive granted before amendment of the Plan shall not be impaired by any amendment of the Plan unless (i) the Company requests the consent of the Participant and (ii) the Participant consents in writing.

10.10. Amendment of Equity Incentives. The Board at any time, and from time to time, may amend the terms of any one or more Equity Incentives; *provided, however,* that the rights under any Equity Incentive shall not be impaired by any such amendment unless the affected Participant consents in writing. Rights under any Equity Incentive granted before amendment of this Plan shall not be impaired by any amendment of this Plan unless the affected Participant consents in writing.

10.11. Section 409A . Notwithstanding anything in this Plan to the contrary, the Plan and Equity Incentives made under the Plan are intended to be stock rights that do not provide for the deferral of compensation under Section 409A of the Code, and the Plan shall be interpreted to the fullest extent possible and shall be operated so as to comply with the requirements imposed by Section 409A of the Code such that Equity Incentives do not provide for the deferral of compensation. If any Plan provision or Equity Incentive would result in the imposition of any additional tax or interest under Section 409A of the Code, the Company and the Participant intend that the Plan provision or Equity Incentive will be reformed to avoid imposition, to the extent possible, of such additional tax and interest, and no action taken by the Company to so comply with Section 409A of the Code shall be deemed to adversely affect the Participant's rights to an Equity Incentive. The Participant further agrees that the Committee, in the exercise of its sole discretion and without the consent of the Participant, may amend or modify an Equity Incentive in any manner and delay the payment of any amounts payable pursuant to an Equity Incentive to the extent necessary to meet the requirements of Section 409A of the Code as the Committee deems appropriate or desirable.

10.12. Tax Consequences. Each Participant shall be solely responsible for all of the tax consequences to the Participant of any award issued under the Plan, including any consequences arising under Section 409A of the Code. The Company provides no guaranty or assurance concerning the tax consequences to the Participants of any award issued under the Plan.

10.13. Governing Law. The law of the State of Nevada shall govern all questions concerning the construction, validity, and interpretation of this Plan, without regard to such state's conflict of laws rules.

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Approved and Adopted by Board of Directors: June 22, 2017 and Approved by Stockholders: June 22, 2017

I, Alex Rodriguez, President and CEO of The Chron organization hereby attest and certify that the above Plan has been approved and adopted by the Board of Directors and a consent and approval has been ratified by the written majority of the holders of shares of common stock of the Company.

Alex Rodriguez

Dated: June 22, 2017

THE CHRON ORGANIZATION, INC.
2017 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT
(INCENTIVE STOCK OPTION OR NONSTATUTORY STOCK OPTION)

Pursuant to your Stock Option Grant Notice (“**Grant Notice**”) and this Stock Option Agreement, The Chron Organization, Inc. (“**Company**”) has granted you an option under its 2017 Equity Incentive Plan (“**Plan**”) to purchase the number of shares of the Company’s Common Stock indicated in your Grant Notice at the exercise price indicated in your Grant Notice. Defined terms not explicitly defined in this Stock Option Agreement but defined in the Plan shall have the same definitions as in the Plan.

The details of your option are as follows:

1. VESTING. Subject to the limitations contained herein, your option will vest as provided in your Grant Notice, provided that vesting will cease upon the termination of your Continuous Service.

2. NUMBER OF SHARES AND EXERCISE PRICE. The number of shares of Common Stock subject to your option and your exercise price per share referenced in your Grant Notice may be adjusted from time to time for Capitalization Adjustments.

3. EXERCISE PRIOR TO VESTING. If permitted in your Grant Notice (*i.e.* , the “**Exercise Schedule** ” indicates that “**Early Exercise** ” of your option is permitted) and subject to the provisions of your option, you may elect at any time that is both (i) during the period of your Continuous Service and (ii) during the term of your option, to exercise all or part of your option, including the nonvested portion of your option; *provided, however,* that:

(a) a partial exercise of your option shall be deemed to cover first vested shares of Common Stock and then the earliest vesting installment of unvested shares of Common Stock;

(b) any shares of Common Stock so purchased from installments that have not vested as of the date of exercise shall be subject to the purchase option in favor of the Company as described in the Company’s form of Early Exercise Stock Purchase Agreement;

(c) you shall enter into the Company’s form of Early Exercise Stock Purchase Agreement with a vesting schedule that will result in the same vesting as if no early exercise had occurred; and

(d) if your option is an Incentive Stock Option, then, to the extent that the aggregate Fair Market Value (determined at the time of grant) of the shares of Common Stock with respect to which your option plus all other Incentive Stock Options you hold are exercisable for the first time by you during any calendar year (under all plans of the Company and its Affiliates) exceeds one hundred thousand dollars (\$100,000), your option(s) or portions thereof that exceed such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

(e) **METHOD OF PAYMENT.** Payment of the exercise price is due in full upon exercise of all or any part of your option. You may elect to make payment of the exercise price in cash or by check or in any other manner permitted by your Grant Notice.

4. WHOLE SHARES. You may exercise your option only for whole shares of Common Stock.

5. SECURITIES LAW COMPLIANCE. Notwithstanding anything to the contrary contained herein, you may not exercise your option unless the shares of Common Stock issuable upon such exercise are then registered under the Securities Act or, if such shares of Common Stock are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of your option also must comply with other applicable laws and regulations governing your option, and you may not exercise your option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

6. TERM. You may not exercise your option before the commencement or after the expiration of its term. The term of your option commences on the Date of Grant and expires upon the earliest of the following:

- (a) twelve (12) months after the termination of your Continuous Service due to your Disability;
- (b) twelve (12) months after your death if you die either during your Continuous Services;
- (c) the Expiration Date indicated in your Grant Notice; or
- (d) the day before the tenth (10th) anniversary of the Date of Grant.

If your option is an Incentive Stock Option, note that to obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your option and ending on the day three (3) months before the date of your option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or your permanent and total disability, as defined in Section 22(e)(3) of the Code. The Company has provided for extended exercisability of your option under certain circumstances for your benefit but cannot guarantee that your option will necessarily be treated as an Incentive Stock Option if you continue to provide services to the Company or an Affiliate as a Consultant or Director after your employment terminates or if you otherwise exercise your option more than three (3) months after the date your employment with the Company or an Affiliate terminates.

7. EXERCISE.

(a) You may exercise the vested portion of your option (and the unvested portion of your option if your Grant Notice so permits) during its term by delivering a Notice of Exercise (in a form designated by the Company) together with the exercise price to the Secretary of the Company, or to such other person as the Company may designate, during regular business hours, together with such additional documents as the Company may then require.

(b) By exercising your option you agree that, as a condition to any exercise of your option, the Company may require you to enter into an arrangement providing for the payment by you to the Company of any tax withholding obligation of the Company arising by reason of (1) the exercise of your option, (2) the lapse of any substantial risk of forfeiture to which the shares of Common Stock are subject at the time of exercise, or (3) the disposition of shares of Common Stock acquired upon such exercise.

(c) If your option is an Incentive Stock Option, by exercising your option you agree that you will notify the Company in writing within fifteen (15) days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your option that occurs within two (2) years after the date of your option grant or within one (1) year after such shares of Common Stock are transferred upon exercise of your option.

(d) By exercising your option you agree that you shall not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, any shares of Common Stock or other securities of the Company held by you, for a period of time specified by the managing underwriter(s) (not to exceed one hundred eighty (180) days) following the effective date of a registration statement of the Company filed under the Securities Act (“**Lock Up Period**”); *provided, however*, that nothing contained in this section shall prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company and/or the underwriter(s) that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. The underwriters of the Company’s stock are intended third party beneficiaries of this Section 7(d) and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

8. TRANSFERABILITY .

(a) If your option is an Incentive Stock Option, your option is not transferable, except by will or by the laws of descent and distribution, and is exercisable during your life only by you. Notwithstanding the foregoing, by delivering written notice to the Company, in a form satisfactory to the Company, you may designate a third party who, in the event of your death, shall thereafter be entitled to exercise your option.

(b) If your option is a Nonstatutory Stock Option, your option is not transferable, except (i) by will or by the laws of descent and distribution, (ii) with the prior written approval of the Company, by instrument to an inter vivos or testamentary trust, in a form accepted by the Company, in which the option is to be passed to beneficiaries upon the death of the trustor (settlor) and (iii) with the prior written approval of the Company, by gift, in a form accepted by the Company, to a permitted transferee under Rule 701 of the Securities Act.

9. RIGHT OF REPURCHASE. To the extent provided in the Plan, the Company shall have the right to repurchase all or any part of the shares of Common Stock you acquire pursuant to the exercise of your option.

10. OPTION NOT A SERVICE CONTRACT. Your option is not an employment or service contract, and nothing in your option shall be deemed to create in any way whatsoever any obligation on your part to continue in the employ of the Company or an Affiliate, or of the Company or an Affiliate to continue your employment. In addition, nothing in your option shall obligate the Company or an Affiliate, their respective stockholders, Boards of Directors, Officers or Employees to continue any relationship that you might have as a Director or Consultant for the Company or an Affiliate.

11. WITHHOLDING OBLIGATIONS.

(a) At the time you exercise your option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a “**cashless exercise**” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise of your option.

(b) Upon your request and subject to approval by the Company, in its sole discretion, and compliance with any applicable legal conditions or restrictions, the Company may withhold from fully vested shares of Common Stock otherwise issuable to you upon the exercise of your option a number of whole shares of Common Stock having a Fair Market Value, determined by the Company as of the date of exercise, not in excess of the minimum amount of tax required to be withheld by law (or such lower amount as may be necessary to avoid variable award accounting). If the date of determination of any tax withholding obligation is deferred to a date later than the date of exercise of your option, share withholding pursuant to the preceding sentence shall not be permitted unless you make a proper and timely election under Section 83(b) of the Code, covering the aggregate number of shares of Common Stock acquired upon such exercise with respect to which such determination is otherwise deferred, to accelerate the determination of such tax withholding obligation to the date of exercise of your option. Notwithstanding the filing of such election, shares of Common Stock shall be withheld solely from fully vested shares of Common Stock determined as of the date of exercise of your option that are otherwise issuable to you upon such exercise. Any adverse consequences to you arising in connection with such share withholding procedure shall be your sole responsibility.

(c) You may not exercise your option unless the tax withholding obligations of the Company and/or any Affiliate are satisfied. Accordingly, you may not be able to exercise your option when desired even though your option is vested, and the Company shall have no obligation to issue a certificate for such shares of Common Stock or release such shares of Common Stock from any escrow provided for herein unless such obligations are satisfied.

12. NOTICES. Any notices provided for in your option or the Plan shall be given in writing and shall be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company.

13. GOVERNING PLAN DOCUMENT. Your option is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your option, and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of your option and those of the Plan, the provisions of the Plan shall control.

Acknowledged and Agreed:

_____ Dated: _____

Certification of Chief Executive Officer and Chief Financial Officer

I, Alex Rodriguez, certify that;

1. I have reviewed this quarterly report on Form 10-Q of The Chron Organization, Inc. for the quarter ended June 30, 2017;
2. Based on my knowledge, this report, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 21, 2017

/s/ Alex Rodriguez

Alex Rodriguez
Chief Executive and Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. Sec.1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Chron Organization, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities Exchange Commission on the date hereof (the "Report"), Alex Rodriguez, the Chief Executive Officer of the Company, certifies pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the company.

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer and the Chief Financial Officer of the Company with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be disclosed, distributed or used by any person or for any reason other than as specifically required by law.

August 21, 2017

/s/ Alex Rodriguez

Alex Rodriguez
Chief Executive Officer
