

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM C-AR**

**UNDER THE SECURITIES ACT OF 1933**

(Mark one.)

- ☐ Form C: Offering Statement
- ☐ Form C-U: Progress Update
- ☐ Form C/A: Amendment to Offering Statement
- ☐ Check box if Amendment is material and investors must reconfirm within five business days.
- ☒ Form C-AR: Annual Report
- ☐ Form C-AR/A: Amendment to Annual Report
- ☐ Form C-TR: Termination of Reporting

***Name of issuer***

Polymath Labs, Inc.

***Legal status of issuer***

***Form***

Corporation

***Jurisdiction of Incorporation***

Delaware

***Date of organization***

June 5, 2014

***Physical address of issuer***

1412 Broadway, Floor 21, Suite 21A22, New York, NY 10018

***Website of issuer***

www.paragonone.com

***Current number of employees***

8

	<b>Most recent fiscal year-end (December 31, 2018)</b>	<b>Prior fiscal year-end (December 31, 2017)</b>
<b>Total Assets</b>	\$317,661.00	\$1,132,361.00
<b>Cash &amp; Cash Equivalents</b>	\$294,451.00	\$1,109,138.00
<b>Accounts Receivable</b>	\$1,500.00	\$0.00
<b>Short-term Debt</b>	\$2,827,888.00	\$2,709,309.00
<b>Long-term Debt</b>	\$0.00	\$0.00
<b>Revenues/Sales</b>	\$315,741.00	\$380,848.00
<b>Cost of Sales</b>	\$53,191.00	\$40,121.000
<b>Taxes Paid</b>	\$218.71	\$329.08
<b>Net Income</b>	-\$933,279.00	-\$732,904.00

April 30, 2019

FORM C-AR

Polymath Labs, Inc.



This Form C-AR (including the cover page and all exhibits attached hereto, the “**Form C-AR**”) is being furnished by Polymath Labs, Inc., a Delaware corporation (the “**Company**,” as well as references to “**we**,” “**us**,” or “**our**”) for the sole purpose of providing certain information about the Company as required by the U.S. Securities and Exchange Commission (the “**SEC**”).

No federal or state securities commission or regulatory authority has passed upon the accuracy or adequacy of this document. The SEC does not pass upon the accuracy or completeness of any disclosure document or literature. The Company is filing this Form C-AR pursuant to Regulation Crowdfunding (§ 227.100 et seq.) (“Regulation CF”) which requires that it must file a report with the SEC annually and post the report on its website at [www.paragonone.com](http://www.paragonone.com) no later than 120 days after the end of each fiscal year covered by the report. The Company may terminate its reporting obligations in the future in accordance with Rule 202(b) of Regulation CF (§ 227.202(b)) by (1) being required to file reports under Section 13(a) or Section 15(d) of the Exchange Act of 1934, as amended, (2) filing at least one annual report pursuant to Regulation CF and having fewer than 300 holders of record, (3) filing annual reports for three years pursuant to Regulation CF and having assets equal to or less than \$10,000,000, (4) the repurchase of all the securities sold pursuant to Regulation CF by the Company or another party, or (5) the liquidation or dissolution of the Company.

The date of this Form C-AR is April 30, 2019.

THIS FORM C-AR DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR SELL SECURITIES.

### ***Forward Looking Statement Disclosure***

*This Form C-AR and any documents incorporated by reference herein or therein contain forward-looking statements and are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this Form C-AR are forward-looking statements. Forward-looking statements give the Company's current reasonable expectations and projections relating to its financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.*

*The forward-looking statements contained in this Form C-AR and any documents incorporated by reference herein or therein are based on reasonable assumptions the Company has made in light of its industry experience, perceptions of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. As you read and consider this Form C-AR, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties (many of which are beyond the Company's control) and assumptions. Although the Company believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual operating and financial performance and cause its performance to differ materially from the performance anticipated in the forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of these assumptions prove incorrect or change, the Company's actual operating and financial performance may vary in material respects from the performance projected in these forward-looking statements.*

*Any forward-looking statement made by the Company in this Form C-AR or any documents incorporated by reference herein or therein speaks only as of the date of this Form C-AR. Factors or events that could cause the Company's actual operating and financial performance to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.*

## Table of Contents

<b><i>SUMMARY</i></b> .....	<b>6</b>
<b>The Business</b> .....	<b>6</b>
<b><i>RISK FACTORS</i></b> .....	<b>6</b>
<b>Risks Related to the Company’s Business and Industry</b> .....	<b>6</b>
<b><i>BUSINESS</i></b> .....	<b>14</b>
<b>Description of the Business</b> .....	<b>14</b>
<b>Business Plan</b> .....	<b>14</b>
<b>History of the Business</b> .....	<b>14</b>
<b>The Company’s Products and/or Services</b> .....	<b>14</b>
<b>Competition</b> .....	<b>15</b>
<b>Supply Chain and Customer Base</b> .....	<b>15</b>
<b>Intellectual Property</b> .....	<b>15</b>
<b>Governmental/Regulatory Approval and Compliance</b> .....	<b>15</b>
<b>Litigation</b> .....	<b>16</b>
<b>Other</b> .....	<b>16</b>
<b><i>DIRECTORS, OFFICERS AND EMPLOYEES</i></b> .....	<b>16</b>
<b>Directors and Officers</b> .....	<b>16</b>
<b>Employees</b> .....	<b>17</b>
<b><i>CAPITALIZATION AND OWNERSHIP</i></b> .....	<b>17</b>
<b>Capitalization</b> .....	<b>17</b>
<b>Ownership</b> .....	<b>20</b>
<b><i>FINANCIAL INFORMATION</i></b> .....	<b>20</b>
<b>Recent Tax Return Information</b> .....	<b>20</b>
<b>Operations</b> .....	<b>20</b>
<b>Liquidity and Capital Resources</b> .....	<b>20</b>
<b>Capital Expenditures and Other Obligations</b> .....	<b>20</b>
<b>Trends, Uncertainties, Material Changes and Other Information</b> .....	<b>20</b>
<b>Restrictions on Transfer for Securities Issued Pursuant to Regulation CF</b> .....	<b>20</b>
<b>Other Material Terms</b> .....	<b>21</b>
<b><i>TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST</i></b> .....	<b>21</b>
<b>Related Person Transactions</b> .....	<b>21</b>
<b>Bad Actor Disclosure</b> .....	<b>21</b>
<b><i>EXHIBIT A</i></b> .....	<b>24</b>

**About this Form C-AR**

You should rely only on the information contained in this Form C-AR. We have not authorized anyone to provide you with information different from that contained in this Form C-AR. You should assume that the information contained in this Form C-AR is accurate only as of the date of this Form C-AR, regardless of the time of delivery of this Form C-AR. Our business, financial condition, results of operations, and prospects may have changed since that date.

Statements contained herein as to the content of any agreements or other documents are summaries and, therefore, are necessarily selective and incomplete and are qualified in their entirety by the actual agreements or other documents.

**SUMMARY**

The following summary is qualified in its entirety by more detailed information that may appear elsewhere in this Form C-AR.

Polymath Labs, Inc. (the “**Company**”) is a Delaware Corporation, formed on June 5, 2014. The Company is currently also conducting business under the name of Paragon One.

The Company is located at 1412 Broadway, Floor 21, Suite 21A22, New York, NY 10018.

The Company’s website is [www.ParagonOne.com](http://www.ParagonOne.com).

**The Business**

Paragon One is a Career-Center-as-a-Service that guides students around the world toward their best career path with its Career-Mapper coaching platform and project-based work simulations. Paragon One’s mission is to enable and motivate college students and recent graduates to find their career path through mentorship from industry advisors, career coaching, and personalized content. Paragon One identified that students and graduates are not getting the support they need and are struggling to find best fit jobs. The solution that Paragon One brings to these students is that of a career mapper, offering goal-setting and using online platform including skill analysis, advisor matching, and job sourcing.

**RISK FACTORS****Risks Related to the Company’s Business and Industry*****The development and commercialization of our education technology products is highly competitive.***

We face competition with respect to any products that we may seek to develop or commercialize in the future. Our competitors include major education, HR, and technology companies worldwide. Many of our competitors have significantly greater financial, technical and human resources than we have and superior expertise in research and development and marketing approved products and thus may be better equipped than us to develop and commercialize products. These competitors also compete with us in recruiting and retaining qualified personnel and acquiring technologies. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Accordingly, our competitors may commercialize products more rapidly or effectively than we are able to, which would adversely affect our competitive position, the likelihood that our products will achieve initial market acceptance and our ability to generate meaningful additional revenues from our products.

***We plan to implement new lines of business, such as a B2B software offering, or offer new products and services within existing lines of business.***

There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business or new products or services may not be achieved and price and profitability targets may not prove feasible. We may not be successful in introducing new products and services in response to industry trends with universities and university partners or developments in technology, or those new products may not achieve market acceptance. As a result, we could lose business, be forced to price products and services on less advantageous terms to retain or attract clients or be subject to cost increases. As a result, our business, financial condition or results of operations may be adversely affected.

***In general, demand for our products and services is highly correlated with general economic conditions.***

A substantial portion of our revenue is derived from discretionary education spending by individuals and families, which typically falls during times of economic instability. Declines in economic conditions in the U.S. or in other countries in which we operate may adversely impact our consolidated financial results. Because such declines in demand are difficult to predict, we or the industry may have increased excess capacity as a result. An increase in excess capacity may result in declines in prices for our products and services.

***The use of individually identifiable data by our business, our business associates and third parties is regulated at the state, federal and international levels.***

Costs associated with information security – such as investment in technology, the costs of compliance with consumer protection laws and costs resulting from consumer fraud – could cause our business and results of operations to suffer materially. Additionally, the success of our online operations depends upon the secure transmission of confidential information over public networks, including the use of cashless payments. The intentional or negligent actions of employees, business associates or third parties may undermine our security measures. As a result, unauthorized parties may obtain access to our data systems and misappropriate confidential data. There can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography or other developments will prevent the compromise of our customer transaction processing capabilities and personal data. If any such compromise of our security or the security of information residing with our business associates or third parties were to occur, it could have a material adverse effect on our reputation, operating results and financial condition. Any compromise of our data security may materially increase the costs we incur to protect against such breaches and could subject us to additional legal risk.

***Through our operations, we collect and store certain personal information that our customers provide to purchase products or services, enroll in promotional programs, register on our website, or otherwise communicate and interact with us.***

We may share information about such persons with vendors that assist with certain aspects of our business. Security could be compromised and confidential customer or business information misappropriated. Loss of customer or business information could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, payment card associations and other persons, any of which could have an adverse effect on our business, financial condition and results of operations. In addition, compliance with tougher privacy and information security laws and standards may result in significant expense due to increased investment in technology and the development of new operational processes.

***Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.***

We collect and store potentially sensitive data, including intellectual property, our proprietary business information and that of our customers, advisors, and personally identifiable information of our customers and employees, on our networks. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, disrupt our operations and the services we provide to customers and damage our reputation, which could adversely affect our revenues and competitive position.

***The Company's success depends on the experience and skills of its executive officers and key employees.***

In particular, the Company is dependent on Byron Hsu who is President (June 5, 2015 - Present) and Chief Technology Officer (June 5, 2015 - Present) of the Company, and Matthew Wilkerson who is Chief Executive Officer (June 5, 2014 - Present). The Company has employment agreements with Byron Hsu and Matthew Wilkerson although there can be no assurance that either will continue to be employed by the Company for a particular period of time. The loss of Byron Hsu or Matthew Wilkerson could harm the Company's business, financial condition, cash flow and results of operations.

***We are subject to various U.S. taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes. We could be subject to various foreign tax laws in the future.***

Significant judgment is required in determining our provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable: (i) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our income tax provisions, expense amounts for non-income based taxes and accruals and (ii) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

***We are not subject to Sarbanes-Oxley regulations and lack the financial controls and safeguards required of public companies.***

We do not have the internal infrastructure necessary, and are not required, to complete an attestation about our financial controls that would be required under Section 404 of the Sarbanes-Oxley Act of 2002. There can be no assurance that there are no significant deficiencies or material weaknesses in the quality of our financial controls. We expect to incur additional expenses and diversion of management's time if and when it becomes necessary to perform the system and process evaluation, testing and remediation required in order to comply with the management certification and auditor attestation requirements.

***Changes in employment laws or regulation could harm our performance.***

Various federal and state labor laws govern our relationship with our employees and affect operating costs. These laws include minimum wage requirements, overtime pay, healthcare reform and the implementation of the Patient Protection and Affordable Care Act, unemployment tax rates, workers' compensation rates, citizenship requirements, union membership and sales taxes. A number of factors could adversely affect our operating results, including additional government-imposed increases in minimum wages, overtime pay, paid leaves of absence and mandated health benefits, mandated training for employees, increased tax reporting and tax payment changing regulations from the National Labor Relations Board and increased employee litigation including claims relating to the Fair Labor Standards Act.

***Maintaining, extending and expanding our reputation and brand image are essential to our business success.***

We seek to maintain, extend, and expand our brand image through marketing investments, including advertising and consumer promotions, and product innovation. Increasing attention on marketing could adversely affect our brand image. It could also lead to stricter regulations and greater scrutiny of marketing



practices. Existing or increased legal or regulatory restrictions on our advertising, consumer promotions and marketing, or our response to those restrictions, could limit our efforts to maintain, extend and expand our brands. Moreover, adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine our customers' confidence and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or not material to our operations.

In addition, our success in maintaining, extending, and expanding our brand image depends on our ability to adapt to a rapidly changing media environment. We increasingly rely on social media and online dissemination of advertising campaigns. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative posts or comments about us, our brands or our products on social or digital media, whether or not valid, could seriously damage our brands and reputation. If we do not establish, maintain, extend and expand our brand image, then our product sales, financial condition and results of operations could be adversely affected.

***We must correctly predict, identify, and interpret changes in consumer preferences and demand, offer new products to meet those changes, and respond to competitive innovation.***

Consumer preferences our products change continually. Our success depends on our ability to predict, identify, and interpret the tastes and habits of consumers (such as students, recent graduates, and families), and to offer products that appeal to consumer preferences. If we do not offer products that appeal to consumers, our sales and market share will decrease. We must distinguish between short-term fads, mid-term trends, and long-term changes in consumer preferences. If we do not accurately predict which shifts in consumer preferences will be long-term, or if we fail to introduce new and improved products to satisfy those preferences, our sales could decline. In addition, because of our varied and global customer base, we must offer an array of products that satisfy the broad spectrum of consumer preferences. If we fail to expand our product offerings successfully across product categories, or if we do not rapidly develop products in faster growing and more profitable categories, demand for our products could decrease, which could materially and adversely affect our product sales, financial condition, and results of operations.

In addition, achieving growth depends on our successful development, introduction, and marketing of innovative new products and line extensions. Successful innovation depends on our ability to correctly anticipate customer and consumer acceptance, to obtain, protect and maintain necessary intellectual property rights, and to avoid infringing the intellectual property rights of others and failure to do so could compromise our competitive position and adversely impact our business.

***Failure to scale our supply of coaches and advisors could adversely impact our results of operations.***

Inability to source and recruit coaches and advisors to match with customers could prevent us from servicing customers in a timely fashion and could have an adverse effect on our reputation and business. We also could be adversely affected if consumers in our principal markets lose confidence in the ability of our coaches and advisors to provide quality guidance and coaching.

***Changes in government regulation around immigration could adversely impact our business.***

The majority of our early customers have been international students from overseas who study in the United States. Regulation related to how these students can study and work in the United States could adversely impact our business. The current presidential administration has proposed possible changes to the visa status of students who wish to obtain Optional Practical Training. The passed legislation could impact the number of students who wish to study in the United States and create downward pressure on revenue or require us to find new market segments more quickly.

***New technologies may make our products and services obsolete or unneeded.***

New and emerging technological advances, such as virtual reality or mobile computing devices that allow consumers to obtain information and view content may adversely impact or eliminate the demand for our

products and services. The increasing availability of content on such devices, the improved video quality of the content on such devices and faster wireless delivery speeds may make individuals less likely to purchase our services. Our success can depend on new product development. The entertainment and communications industry is ever-changing as new technologies are introduced. Advances in technology, such as new video formats, downloading or alternative methods of product delivery and distribution channels, such as the Internet, or certain changes in consumer behavior driven by these or other technologies and methods of delivery, could have a negative effect on our business. These changes could lower cost barriers for our competitors desiring to enter into or expand their presence in, the interactive services business. Increased competition may adversely affect our business and results of operations.

***We face risks relating to competition for the leisure time and discretionary spending of audiences, which has intensified in part due to advances in technology and changes in consumer expectations and behavior.***

Our business is subject to risks relating to increasing competition for the leisure time and discretionary spending of consumers. We compete with all other sources of entertainment and information delivery. Technological advancements, such as new video formats and Internet streaming and downloading of programming that can be viewed on televisions, computers and mobile devices have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences, including low-cost or free choices, could negatively impact not only consumer demand for our products and services, but also advertisers' willingness to purchase advertising from us. Our failure to effectively anticipate or adapt to new technologies and changes in consumer expectations and behavior could significantly adversely affect our competitive position and its business and results of operations.

***Our success depends on consumer acceptance of our content and we may be adversely affected if our content fails to achieve sufficient consumer acceptance or the costs to create or acquire content increase.***

We create and acquire media and educational content, the success of which depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of these businesses depends on our ability to consistently create, acquire, market and distribute educational and other content that meet the changing preferences of the broad domestic and foreign consumer markets. We have invested and will continue to invest, in our content, including in the production of original content, before learning the extent to which it would earn consumer acceptance.

***Fluctuations in the mix of customer demand for our various types of solution offerings could impact our financial performance and ability to forecast performance.***

Due to fluctuations in customer needs, changes in customer industries, and general economic conditions, customer demand for the range of our offerings varies from time to time and is not predictable. Many of our products demand a high price point which may be out of reach for many consumers. In addition, our gross margins vary by customer and by segment and the mix of services provided to our customers could impact our results of operations as certain of our customers and segments have different gross margin profiles. Generally, the profitability of an account increases over time. As a result, the mix of solutions we provide to our customers varies at any given time, both within a quarter and from quarter-to-quarter. These variations in service mix impact gross margins and the predictability of gross margins for any period. You should not rely on the results of any one quarter as an indication of our future performance.

***Our operating results may fluctuate due to factors that are difficult to forecast and not within our control.***

Our past operating results may not be accurate indicators of future performance, and you should not rely on such results to predict our future performance. Our operating results have fluctuated significantly in the past, and could fluctuate in the future. Factors that may contribute to fluctuations include:

- \* changes in aggregate capital spending, cyclicalities and other economic conditions, or domestic and international demand in the industries we serve;
- \* our ability to effectively manage our working capital;
- \* our ability to satisfy consumer demands in a timely and cost-effective manner;
- \* pricing and availability of labor and materials;
- \* our inability to adjust certain fixed costs and expenses for changes in demand;
- \* shifts in geographic concentration of customers, supplies and labor pools; and
- \* seasonal fluctuations in demand and our revenue.

***If we fail to attract and retain enough sufficiently trained coaches, operations managers, customer service associates and other personnel to support our operations, our business and results of operations will be seriously harmed.***

We rely on coaches, operations managers, and customer service associates, and our success depends to a significant extent on our ability to attract, hire, train and retain qualified talent in these roles. A significant increase in the attrition rate among our personnel could decrease our operating efficiency and productivity. Our failure to attract, train and retain coaches, operations managers, and customer service associates with the qualifications necessary to fulfill the needs of our existing and future clients would seriously harm our business and results of operations.

***Our future ability to sell our products and services to high schools, universities and school partners may depend on the quality of our technical support services, and our failure to offer high-quality technical support services would have a material adverse effect on our sales and results of operations.***

Once our products are deployed within our university or channel partners' operations, end-customers depend on our technical support services to resolve any issues relating to these products. If we do not effectively assist our customers in deploying these products, succeed in helping our customers quickly resolve post-deployment issues, and provide effective ongoing support, our ability to sell additional products and services to existing customers would be adversely affected and our reputation with potential customers could be damaged. As a result, our failure to maintain high-quality support services would have an adverse effect on our business and results of operations.

***We may be adversely affected by cyclicalities, volatility or an extended downturn in the United States or worldwide economy, or in or related to the industries we serve.***

Our revenues are generated primarily from servicing customers seeking to work in fields such as technology, finance, marketing, and consulting. Demand for these professionals tends to be tied to economic and business cycles. Increases in the unemployment rate, specifically in these verticals could cause our revenues to decline. Therefore, our operating results, business and financial condition could be significantly harmed by an extended economic downturn or future downturns, especially in regions or industries where our operations are heavily concentrated. Further, we may face increased pricing pressures during such periods as customers seek to use lower cost or fee services, which may adversely affect our financial condition and results of operations.

***We are subject to rapid technological change and dependence on new product development.***

The education technology industry is characterized by technological developments, frequent new product introductions and enhancements, continually evolving business expectations and swift changes. To compete

effectively in such markets, we must continually improve and enhance its products and services and develop new technologies and services that incorporate technological advances, satisfy increasing customer expectations and compete effectively on the basis of performance and price. Our success will also depend substantially upon our ability to anticipate, and to adapt our products and services to our collaborative partner's preferences. There can be no assurance that technological developments will not render some of our products and services obsolete, or that we will be able to respond with improved or new products, services, and technology that satisfy evolving customers' expectations. Failure to acquire, develop or introduce new products, services, and enhancements in a timely manner could have an adverse effect on our business and results of operations. Also, to the extent one or more of our competitors introduces products and services that better address a customer's needs, our business would be adversely affected.

***Failure to obtain new clients (such as students, parents, universities, high schools or education companies), or renew client contracts on favorable terms could adversely affect results of operations.***

We may face pricing pressure in obtaining and retaining our clients. Our clients may be able to seek price reductions from us when they renew a contract, when a contract is extended, or when the client's business has significant volume changes. They may also reduce services if they decide to move services in-house. On some occasions, this pricing pressure results in lower revenue from a client than we had anticipated based on our previous agreement with that client. This reduction in revenue could result in an adverse effect on our business and results of operations.

Further, failure to renew client contracts on favorable terms could have an adverse effect on our business. Our contracts with clients generally run for several years and include liquidated damage provisions that provide for early termination fees. Terms are generally renegotiated prior to the end of a contract's term. If we are not successful in achieving a high rate of contract renewals on favorable terms, our business and results of operations could be adversely affected.

***The Company could be negatively impacted if found to have infringed on intellectual property rights.***

Technology companies, including many of the Company's competitors, frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. As the Company grows, the intellectual property rights claims against it will likely increase. The Company intends to vigorously defend infringement actions in court and before the U.S. International Trade Commission. The plaintiffs in these actions frequently seek injunctions and substantial damages. Regardless of the scope or validity of such patents or other intellectual property rights, or the merits of any claims by potential or actual litigants, the Company may have to engage in protracted litigation. If the Company is found to infringe one or more patents or other intellectual property rights, regardless of whether it can develop non-infringing technology, it may be required to pay substantial damages or royalties to a third-party, or it may be subject to a temporary or permanent injunction prohibiting the Company from marketing or selling certain products. In certain cases, the Company may consider the desirability of entering into licensing agreements, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur. These licenses may also significantly increase the Company's operating expenses.

Regardless of the merit of particular claims, litigation may be expensive, time-consuming, disruptive to the Company's operations and distracting to management. In recognition of these considerations, the Company may enter into arrangements to settle litigation. If one or more legal matters were resolved against the Company's consolidated financial statements for that reporting period could be materially adversely affected. Further, such an outcome could result in significant compensatory, punitive or trebled monetary damages, disgorgement of revenue or profits, remedial corporate measures or injunctive relief against the Company that could adversely affect its financial condition and results of operations.

***Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.***

Our agreements with advertisers, advertising agencies, customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, damages caused by us to property or persons, or other liabilities relating to or arising from our products, services or other contractual obligations. The term of these indemnity provisions generally survives termination or expiration of the applicable agreement. Large indemnity payments would harm our business, financial condition and results of operations. In addition, any type of intellectual property lawsuit, whether initiated by us or a third party, would likely be time consuming and expensive to resolve and would divert management's time and attention.

***We rely heavily on our technology and intellectual property, but we may be unable to adequately or cost-effectively protect or enforce our intellectual property rights, thereby weakening our competitive position and increasing operating costs.***

To protect our rights in our services and technology, we rely on a combination of copyright and trademark laws, patents, trade secrets, confidentiality agreements with employees and third parties, and protective contractual provisions. We also rely on laws pertaining to trademarks and domain names to protect the value of our corporate brands and reputation. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our services or technology, obtain and use information, marks, or technology that we regard as proprietary, or otherwise violate or infringe our intellectual property rights. In addition, it is possible that others could independently develop substantially equivalent intellectual property. If we do not effectively protect our intellectual property, or if others independently develop substantially equivalent intellectual property, our competitive position could be weakened.

Effectively policing the unauthorized use of our services and technology is time-consuming and costly, and the steps taken by us may not prevent misappropriation of our technology or other proprietary assets. The efforts we have taken to protect our proprietary rights may not be sufficient or effective, and unauthorized parties may copy aspects of our services, use similar marks or domain names, or obtain and use information, marks, or technology that we regard as proprietary. We may have to litigate to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of others' proprietary rights, which are sometimes not clear or may change. Litigation can be time consuming and expensive, and the outcome can be difficult to predict.

***We rely on agreements with third parties to provide certain services, goods, technology, and intellectual property rights necessary to enable us to implement some of our applications.***

Our ability to implement and provide our applications and services to our clients depends, in part, on services, goods, technology, and intellectual property rights owned or controlled by third parties. These third parties may become unable to or refuse to continue to provide these services, goods, technology, or intellectual property rights on commercially reasonable terms consistent with our business practices, or otherwise discontinue a service important for us to continue to operate our applications. If we fail to replace these services, goods, technologies, or intellectual property rights in a timely manner or on commercially reasonable terms, our operating results and financial condition could be harmed. In addition, we exercise limited control over our third-party vendors, which increases our vulnerability to problems with technology and services those vendors provide. If the services, technology, or intellectual property of third parties were to fail to perform as expected, it could subject us to potential liability, adversely affect our renewal rates, and have an adverse effect on our financial condition and results of operations.

***Our business could be negatively impacted by cybersecurity threats, attacks, and other disruptions.***

Like others in our industry, we may face advanced and persistent attacks on our information infrastructure where we manage and store various proprietary information and sensitive/confidential data relating to our operations. These attacks may include sophisticated malware (viruses, worms, and other malicious software

programs) and phishing emails that attack our products or otherwise exploit any security vulnerabilities. These intrusions sometimes may be zero-day malware that are difficult to identify because they are not included in the signature set of commercially available antivirus scanning programs. Experienced computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of our customers or other third-parties, create system disruptions, or cause shutdowns. Additionally, sophisticated software and applications that we produce or procure from third-parties may contain defects in design or manufacture, including "bugs" and other problems that could unexpectedly interfere with the operation of the information infrastructure. A disruption, infiltration or failure of our information infrastructure systems or any of our data centers as a result of software or hardware malfunctions, computer viruses, cyber-attacks, employee theft or misuse, power disruptions, natural disasters or accidents could cause breaches of data security, loss of critical data and performance delays, which in turn could adversely affect our business.

In addition to the risks listed above, businesses are often subject to risks not foreseen or fully appreciated by the management. It is not possible to foresee all risks that may affect us. Moreover, the Company cannot predict whether the Company will successfully effectuate the Company's current business plan.

## **BUSINESS**

### **Description of the Business**

The Company sells career coaching to college students and recent graduates via a technology-enabled video chat and content platform that allows coaches and students to easily connect.

### **Business Plan**

The Company's traditional product offering, CareerMapper, offers one-on-one virtual coaching and career mentorship from industry professionals and career coaches. The Company's new product, Work Experience Simulations, offers students live tutoring and instruction to complete real-world projects in various industries. The Company originally distributed its products in a Business-to-Consumer channel, but has recently focused its distribution on Business-to-Business-to-Consumer partnerships.

### **History of the Business**

- Migrated to a B2B2C distribution model at the end of 2018;
- Graduated YCombinator and raised a seed round in 2017;
- Launched online platform in late 2016; and
- Launched test offering with first customers at the end of 2015.

### **The Company's Products and/or Services**

Product / Service	Description	Current Market
CareerMapper	One-on-One Video Coaching Sessions from Career Coaches and Industry Professionals	Largely targeting college students and universities. Particular target with the international student populations studying at U.S. universities.
Work Experience Simulations	Live tutoring and instruction to help high school students complete simulated work projects in various career fields.	Largely high school students in overseas / bilingual high schools who are aiming to attend college in a western market.

## Competition

The market for career services is large and includes vendors and technology offerings that focus on very specific solutions (such as fixing a resume or applying to an online job listing) versus taking a customer all the way to a successful job offer. We segment the market into categories such as (1) career services software, (2) mentor marketplaces, (3) connecting with company insiders, (4) career development content for college students and millennials, (5) recruiting platforms for college students, (6) career consulting for international students, (6) technical training bootcamps, and (7) international pathway programs. We are developing a new category called Career Mapping which takes elements of (1) - (7) and creates a fully guided experience that takes students to a successful job or internship offer. Most players in the space focus on specific point solutions that don't invest in the full lifecycle needed to achieve a successful result, i.e. a job or internship. Our software process and checklist methodology, coupled with crowdsourced feedback from the advisor network, achieves results.

## Supply Chain and Customer Base

Our main product “supply” comes in the form of recruiting coaches and professionals to our coaching and advisor network. Our ability to provide a meaningful coaching experience for students is based on the strength of our coaching and advisor network. We pay coaches and advisors a fixed hourly rate for their time.

Our customers are individual consumers of our live coaching product and digital video content. They are typically undergraduate and graduate school students, and increasingly include recent graduates.

## Intellectual Property

A trademark application is in effect for the use of “Paragon One” in both the U.S. and China.

## Governmental/Regulatory Approval and Compliance

The majority of our customers currently are international students attending higher education institutions in the United States. The current US administration may enact legislation that impacts international students' ability to work in the US for extended periods of time. One proposal has been to restrict the number of years a STEM student may work in the US before getting an H1B work visa from 3 years down to 1 year. Current fears have already led to a pullback in international student enrollments in the US, although this has not been seen to impact Paragon One's business as of yet. We expect to diversify our

customer base over time away from international students specifically seeking employment in the USA by forming partnerships with employers in students' home countries and expanding to domestic US students, as well through university partnerships.

**Litigation**

None

**Other**

The Company's principal address is 1412 Broadway, Floor 21, Suite 21A22, New York, NY 10018

The Company conducts business essentially in the US and also has contract resellers in China.

**DIRECTORS, OFFICERS AND EMPLOYEES**

**Directors and Officers**

The directors or managers of the Company are listed below along with all positions and offices held at the Company and their principal occupation and employment responsibilities for the past three (3) years and their educational background and qualifications.

*Name*

Matthew Wilkerson

*All positions and offices held with the Company and date such position(s) was held with start and ending dates*

CEO, (June 5, 2014 – Present)

*Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates*

Overseeing product strategy, management operations, HR, business development, sales, and fundraising

*Education*

MIT, Bachelor of Science in Computer Science & Engineering, Year 2004

MIT, Bachelor of Science in Management Science, Year 2005

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*Name*

Byron Hsu

*All positions and offices held with the Company and date such position(s) was held with start and ending dates*

President (June 5, 2015 - Present),

Chief Technology Officer (June 5, 2015 - Present)

*Principal occupation and employment responsibilities during at least the last three (3) years with start and ending dates*

Paragon One, (June 5, 2015 - Present). Oversees product management, software development, data management, and technical operations.

*Education*



MIT, Master of Engineering in Electrical Engineering & Computer Science, Year 2006  
MIT, Bachelor of Science in Electrical Engineering & Computer Science MIT, Bachelor of Science in Materials Science, Year 2008

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### ***Indemnification***

Indemnification is authorized by the Company to directors, officers or controlling persons acting in their professional capacity pursuant to Delaware law. Indemnification includes expenses such as attorney's fees and, in certain circumstances, judgments, fines and settlement amounts actually paid or incurred in connection with actual or threatened actions, suits or proceedings involving such person, except in certain circumstances where a person is adjudged to be guilty of gross negligence or willful misconduct, unless a court of competent jurisdiction determines that such indemnification is fair and reasonable under the circumstances.

### **Employees**

The Company currently has 8 employees in New York, USA.

The Company has the following employment/labor agreements in place:

<b>Employee</b>	<b>Description</b>	<b>Effective Date</b>
Matthew Wilkerson	Founder SPA	July 17, 2014
Matthew Wilkerson	Technology Assignment Agreement	July 17, 2014
Matthew Wilkerson	Employment Agreement	August 1, 2017
Byron Hsu	Founder SPA	June 5, 2015
Byron Hsu	Technology Assignment Agreement	June 5, 2015
Byron Hsu	Employment Agreement	December 1, 2015
Amanda Bickerstaff	VP of Education	September 9, 2018
Karen Lee	Product Designer	January 14, 2019
Cody Rapp	Operations Manager	August 27, 2018
Devin Whitaker	Senior Marketing Manager	November 5, 2018

## **CAPITALIZATION AND OWNERSHIP**

### **Capitalization**

The Company has issued the following outstanding securities:

<b>Type of security</b>	Common Stock
<b>Amount outstanding</b>	9,384,475
<b>Voting Rights</b>	Shares are voting
<b>Anti-Dilution Rights</b>	
<b>How this security may limit, dilute or qualify the securities issued pursuant to Regulation CF</b>	The Board of Directors may decide at some point in the future to issue additional Common Stock, which may dilute the value of the Crowd SAFE.

<b>Type of security</b>	2015 Stock Plan Options
<b>Amount outstanding</b>	1,466,308
<b>Voting Rights</b>	No voting rights
<b>Anti-Dilution Rights</b>	NA
<b>How this security may limit, dilute or qualify the securities issued pursuant to Regulation CF</b>	If the stock options get exercised prior to the conversion of the Crowd SAFE, then they may dilute the value of the Crowd SAFE.

<b>Type of security</b>	SAFEs
<b>Dollar Amount outstanding</b>	\$2,667,737
<b>Voting Rights</b>	None
<b>Anti-Dilution Rights</b>	None
<b>How this security may limit, dilute or qualify the securities issued pursuant to Regulation CF</b>	If the SAFEs convert prior to the conversion of the Crowd SAFE, then they may dilute the value of the Crowd SAFE.

The Company currently does not have any debt outstanding.

The Company has conducted the following prior Securities offerings in the past three years:

<b>Security Type</b>	<b>Number Sold</b>	<b>Money Raised</b>	<b>Use of Proceeds</b>	<b>Offering Date</b>	<b>Exemption from Registration Used or Public Offering</b>
Units of Crowd SAFE	93,345	\$93,345.00	General working capital	June 4, 2018	Regulation CF
SAFE (Simple Agreement for Future Equity)	1	\$167,000.00	General Expenses	July 24, 2018	Section 4(a)(2)
SAFE (Simple Agreement for Future Equity)	17	\$1,295,737.44	General Expenses	March 22, 2018	Section 4(a)(2)
SAFE (Simple Agreement for Future Equity)	1	\$100,000.00	General Expenses	January 12, 2017	Section 4(a)(2)
SAFE (Simple Agreement for Future Equity)	1	\$100,000.00	General Expenses	December 6, 2016	Section 4(a)(2)
Common Stock	563,351	\$7,154.56	General Expenses	December 6, 2016	Section 4(a)(2)

The price of the securities was determined by the Company and does not necessarily bear any relationship to the assets, book value, or potential earnings of the Company or any other recognized criteria or value.

**Ownership**

A majority of the company is owned by the co-founders, Matthew Wilkerson and Byron Hsu.

Below the beneficial owners of 20% percent or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, are listed along with the amount they own.

<b>Name</b>	<b>Percentage Owned</b>
Matthew Wilkerson	46.08%
Byron Hsu	26.64%

**FINANCIAL INFORMATION**

Please see the financial information listed on the cover page of this Form C-AR and attached hereto in addition to the following information. Financial statements are attached hereto as Exhibit A.

**Recent Tax Return Information**

<b>Total Income</b>	<b>Taxable Income</b>	<b>Total Tax</b>
\$261,034	-\$927,989	\$175

**Operations**

The Company may achieve profitability in the next 12 months if B2B partnership contracts in the pipeline close and convert from pilots to recurring contracts.

**Liquidity and Capital Resources**

The Company will require raising additional capital to fund its cash on hand.

**Capital Expenditures and Other Obligations**

The Company does not intend to make any material capital expenditures in the near future. However, the Company may have opportunities to build additional platforms, for which the Company may raise additional capital, and/or use a combination of cash on hand plus financing.

**Trends, Uncertainties, Material Changes and Other Information**

The financial statements are an important part of this Form C-AR and should be reviewed in their entirety. The financial statements of the Company are attached hereto as Exhibit A.

**Restrictions on Transfer for Securities Issued Pursuant to Regulation CF**

Any securities sold pursuant to Regulation CF may not be transferred by any purchaser of such securities during the one-year holding period beginning when the securities were issued, unless such securities are transferred: (1) to the Company, (2) to an accredited investor, as defined by Rule 501(d) of Regulation D promulgated under the Securities Act, (3) as part of an IPO or (4) to a member of the family of the

purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstances. "Member of the family" as used herein means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse or spousal equivalent, sibling, mother/father/daughter/son/sister/brotherinlaw, and includes adoptive relationships. Remember that although you may legally be able to transfer the securities, you may not be able to find another party willing to purchase them.

In addition to the foregoing restrictions, prior to making any transfer of the securities or any securities into which they are convertible, such transferring purchaser must either make such transfer pursuant to an effective registration statement filed with the SEC or provide the Company with an opinion of counsel stating that a registration statement is not necessary to effect such transfer.

In addition, the purchaser may not transfer the securities or any securities into which they are convertible to any of the Company's competitors, as determined by the Company in good faith.

Furthermore, upon the event of an IPO, the capital stock into which the securities are converted will be subject to a lockup period and may not be sold for up to 180 days following such IPO.

#### **Other Material Terms**

- (1) The Company does not have the right to repurchase the securities.
- (2) The securities do not have a stated return or liquidation preference.
- (3) The Company cannot determine if it currently has enough capital stock authorized to issue upon the conversion of the securities, because the amount of capital stock to be issued is based on the occurrence of future events.

### **TRANSACTIONS WITH RELATED PERSONS AND CONFLICTS OF INTEREST**

#### **Related Person Transactions**

The Company has not conducted any transactions with related persons. The Company has complied with the ongoing reporting requirements of Regulation CF § 227.202 in the past.

#### **Bad Actor Disclosure**

None

The Company has not failed to comply with the ongoing reporting requirements of Regulation CF § 227.202 in the past.

## **SIGNATURE**

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C-AR and has duly caused this Form C-AR to be signed on its behalf by the duly authorized undersigned.

/s/ Matthew Wilkerson

(Signature)

Matthew Wilkerson

(Name)

Chief Executive Officer

(Title)

/s/ Byron Hsu

(Signature)

Byron Hsu

(Name)

President

(Title)

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100 et seq.), this Form C-AR has been signed by the following persons in the capacities and on the dates indicated.

/s/ Byron Hsu

(Signature)

Byron Hsu  
(Name)

Director  
(Title)

/s/ Matthew Wilkerson  
(Signature)

Matthew Wilkerson  
(Name)

Director  
(Title)

**EXHIBIT A**

*Financial Statements*



I, Matthew Wilkerson, the CEO of Polymath Labs, Inc. (the “**Company**”), hereby certify that

(1) the accompanying unaudited financial statements of the Company thereto for the periods ending December 2018 included in this Form C-AR are true and complete in all material respects;

(2) the tax return information of the Company included in this Form C-AR reflects accurately the information reported on the tax return for the Company filed for the fiscal year ended December 2018; and

(3) that the information below reflects accurately the information reported on our federal income tax returns.

IN WITNESS THEREOF, this Principal Executive Officer’s Financial Statement Certification has been executed as of April 30, 2019.

/s/ Matthew Wilkerson)

Name: Matthew Wilkerson

Title: CEO

Date: April 30, 2019

**Polymath Labs, Inc.**  
**Balance Sheets**  
(unaudited)

	As of December, 31	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 294,451	\$ 1,109,138
Accounts receivable	1,500	-
Prepaid expenses and other assets	<u>18,211</u>	<u>18,211</u>
Total Current Assets	314,162	1,127,349
Fixed Assets	<u>3,499</u>	<u>5,012</u>
<b>Total assets</b>	<b><u>317,661</u></b>	<b><u>1,132,361</u></b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current Liabilities		
Accounts payable	83,904	33,009
Credit cards	31,508	38,765
Accrued expenses		21,058
Deferred revenues	44,738	115,740
SAFE Liabilities	<u>2,667,737</u>	<u>2,500,737</u>
Total current liabilities	2,827,888	2,709,309
Commitments and contingencies	<u>-</u>	<u>-</u>
Stockholder's equity		
Common stock, \$.0001 per value; 10,000,000 shares authorized, 9,384,475 issued and outstanding	938	938
Additional paid in capital	41,113	41,113
Accumulated deficit	<u>(2,552,278)</u>	<u>(1,618,999)</u>
Total Equity	<u>(2,510,227)</u>	<u>(1,576,948)</u>
<b>Total liabilities and equity</b>	<b><u>\$ 317,661</u></b>	<b><u>\$ 1,132,361</u></b>

**Polymath Labs, Inc.**  
**Statements of operations**  
**Unaudited**

	Year ended December 31,	
	<u>2018</u>	<u>2017</u>
Bookings	\$ 642,722	\$ 409,493
Revenue		
Subscription sales	369,217	425,863
Sales discounts	<u>(53,475)</u>	<u>(45,015)</u>
Total revenue	315,741	380,848
Cost of sales	<u>53,191</u>	<u>40,121</u>
Gross Profit	262,551	340,727
Operating expenses		
Salaries and wages	433,099	463,849
Depreciation	1,513	1,448
Technology	185,157	252,516
Marketing and retention	159,843	83,606
Professional fees	300,276	158,543
Facilities and rent	37,763	12,044
Travel and entertainment	63,889	84,162
General and administrative	14,290	17,463
Total operating expenses	1,195,830	1,073,631
Net loss from operations and before taxes	(933,279)	(732,904)
Provision for income taxes	-	-
Net loss	\$ <u><u>(933,279)</u></u>	\$ <u><u>(732,904)</u></u>

**Statement of Stockholder's Equity**  
**For the period from January 1, 2015 to December 31, 2018**  
**(Unaudited)**

	Common Stock				Total Stockholder' s Equity
	Shares	Amount	Additional Paid- In Capital	Accumulated Deficit	
<b>Balance January 1, 2016</b>	<b>5,698,625</b>	<b>570</b>	<b>1,041</b>	<b>-279,102</b>	<b>-277,491</b>
Shares issued for services	2,924,750	292	28,832		29,124
Shares sold at \$0.27	751,100	75	7,436		7,511
Net Loss				-606,992	-606,992
<b>Balance, December 31, 2016</b>	<b>9,374,475</b>	<b>937</b>	<b>37,309</b>	<b>-886,094</b>	<b>-847,848</b>
Shares issued for option exercise	10,000	1	99		100
Shareholder contributions			3,705		3,705
Net Loss				-732,905	-732,905
<b>Balance, December 31, 2017</b>	<b>9,384,475</b>	<b>938</b>	<b>41,113</b>	<b>-1,618,999</b>	<b>-1,576,948</b>
Net Loss				-933,279	-933,279
<b>Balance, December 31, 2018</b>	<b>9,384,475</b>	<b>938</b>	<b>41,113</b>	<b>-2,552,278</b>	<b>-2,510,227</b>