Exhibit 1

Minutes of the

North Carolina Innovation Council

Wednesday, November 30, 2022

The North Carolina Innovation Council [IC] convened in virtual format via Webex, on November 30, 2022, at 3:00 pm for its regular council meeting.

Chairman Katherine Bosken called the meeting to order and asked for the roll to be called. The following participants were in attendance:

| **Appointed Members** |  | **Government Members** |  |
| --- | --- | --- | --- |
| Lawrence Baxter | X | Commissioner Katherine M.R. Bosken [NCCOB] | X |
| Tariq Bokhari | X | Robert Croom [NCDOI Designee] | X |
| Leonardo Diosdado | X | Bill Toole [NC SOS Designee] | X |
| Stephanie Dunn | X | Phil Woods [NCDOJ Designee] | X |
| Douglas Hague | X |  |  |
| Vijay Srinivasan | X |  |  |
| Agnes Gambill West | X |  |  |

Counsel for the IC, James Bernier, was also present.

Guests Present:

Dr. Elizabeth Stearns, Professor and Director, Public Policy Doctoral Program, UNC Charlotte

Nate Shetty, Public Policy Doctoral Student, UNC Charlotte

Jose Vasconez, Public Policy Doctoral Student, UNC Charlotte

Bre Wilhelm, Public Policy Doctoral Student, UNC Charlotte

Nathan Jones, Taxbit

After determining that a quorum was present, Chair Bosken read the conflict of interest statement, and issued a call for conflicts. Hearing none, Chair Bosken moved on to Agenda item II and asked for comments regarding the October 19, 2022 minutes. No comments were offered.

Councilmember Hague moved to approve the minutes; Vice-Chair Baxter seconded, and the motion carried unanimously.

Directing the group to Agenda item III, Chair Bosken thanked Dr. Stearns and her students for their work on reviewing state regulatory sandboxes and best practices, and for attending today’s meeting to present their findings. Dr. Stearns introduced her doctoral students and handed the presentation over to them [reference PPT, “UNCC\_Innovation Council\_Presentation\_ShettyStearnsVasconezWilhelm\_11.21.22”]. For their review, the students compared 11 state statutes across several variables such as number of waivers issued, physical presence, reciprocity, etc. The vast majority of regulatory sandboxes covered the insurance and financial sectors; there were some outliers that covered legal or property tech or digital currency. They concluded their presentation by discussing key findings and best practices.

The floor was then open for questions about the presentation from council members. Vice-Chair Baxter asked why some of the states were not approving waivers. Nate Shetty responded that the exact factors were not clear, e.g. lack of participation in the sandbox or the states didn’t grant the waivers.

Councilmember Hague asked if there was a recommendation regarding the physical presence requirement. Nate Shetty responded that context was important in making this recommendation, specifically why does the sandbox exist. For North Carolina, the sandbox was created to increase growth and GDP. In this context, physical presence would make sense to be a requirement.

There were no other questions from the council in regards to the UNC Charlotte presentation. Chair Bosken asked Dr. Stearns if the IC had permission to share the presentation. Chair Bosken will follow up by email to Dr. Stearns [councilmembers to be cc’d] regarding the share permissions. Chair Bosken thanked Dr. Stearns and the students for their work.

Chair Bosken suggested switching agenda items IV and V to allow for the shorter presentation [Taxbit] to go first.

Nathan Jones with Taxbit was invited to present an overview of Taxbit services to the Innovation Council. Taxbit is a tax and accounting platform specializing in digital assets. With changes in federal reporting guidelines for digital assets taking effect in 2024 [for the 2023 tax year], Taxbit offers accounting and reporting solutions to consumers, enterprises and government entities. Mr. Jones presented a high-level view of centralized and decentralized finance, current reporting gaps and upcoming reporting requirements, and debates and challenges around digital assets and regulation. The presentation prompted discussion and questions around responsible regulatory authority, use cases and personal information included in exchange transfers.

Mr. Jones offered his presentation as a way to inform the Innovation Council on tax and accounting implications and consumer protection as it is building the sandbox. Councilmember Hague commented that given Taxbit’s capabilities, for any blockchain application for waiver the Innovation Council should be able to request an asset or risk metric be included in the required reporting. Councilmember Croom added that this might be something the council would want applicants to include as part of the waiver application. Councilmember Gambill West commented that another reason Taxbit was invited was to inform the state government of the massive gap in tax reporting with crypto. Chair Bosken noted that she had hoped to have a representative from the NC DOR attend today’s meeting but that didn’t work out. She thanked Mr. Jones for the information and informed the Council that Taxbit could be added to the agenda again if so desired.

Chair Bosken then directed the Council to agenda item IV on suggested statutory changes presented by Councilmember Hague. Councilmember Hague began by thanking the rules subcommittee for all the work they’ve put into these changes. Four documents were sent to the committee for review. The subcommittee is continuing to work through technical changes and invites feedback from the full committee during this process.

Councilmember Hague summarized the statute change recommendations developed by the subcommittee and listed in his PowerPoint presentation. Some of the change recommendations involved cleaning up the statutes. Others are more substantive, for example, expanding the innovation definition beyond finance and insurance to allow interest from other agencies. This would be a big expansion and Councilmember Hague invited discussion from the full council.

Some concerns were expressed over broadening the innovation definition. If the bill is broadened too much it might face greater objection and have trouble passing. Support for the change was also expressed. Councilmember Hague suggested creating two versions of the statute, one with an expanded innovation definition and one without. The IC can determine which version to put forward at a later time.

Councilmember Hague briefly summarized other recommended statute changes and responded to questions as they arose. He requested input from the IC regarding a few statute changes. In regards to keeping physical presence a requirement, some discussion ensued supporting both keeping and removing that requirement. Council agreed that there needed to be some nexus to the state, i.e. applicants must consent to the jurisdiction of the state. Subcommittee will table making a decision on physical presence for a later time.

In regards to limiting state agency actions when waivers are in place, suggestion to include “no action letter” [reference language in Utah statute]. Chair Bosken opposes limiting state agency actions and felt strongly that this would scuttle the bill if added. Discussion followed.

Councilmember Hague requested council members review and provide feedback regarding recommended statute changes. The Innovation Council will meet in January to give the working group time to receive feedback and make necessary changes. Chair Bosken asked that the working group determine what sections should be put up for a vote at the next session.

Chair Bosken asked for additional thoughts or comments from the group. Hearing none she asked for a motion to adjourn. Councilmember Woods moved to adjourn; Councilmember Croom seconded and the motion carried unanimously. The next meeting will be scheduled for January, 2023.