

JONATHAN D. LEINWAND, P.A.

18305 BISCAYNE BLVD.
SUITE 200
AVENTURA, FL 33160
TEL: (954) 903-7856
FAX: (954) 252-4265

E-MAIL: JONATHAN@JDLPA.COM

July 30, 2024

OTC Markets Group, Inc.
300 Vesey Street, 12th Floor
New York, NY 10282

Re: Hinto Energy, Inc. (the “*Company*”)

To Whom It May Concern:

We have acted as special counsel to the Company to provide an opinion regarding the Company’s status as an operating company and not a “shell company” as that term is defined in Item 405 under the Securities Exchange Act of 1934 (the “*Exchange Act*”), as amended and how it is used pursuant to OTC Markets’ “Shell” and “Shell Risk” designation¹.

Facts and Assumptions

In connection with rendering this opinion, we have investigated such matters and examined such documents, as we have deemed necessary. In examining the documents, we have assumed the genuineness of signatures (both manual and conformed), the authenticity of documents submitted as originals, the conformity with originals of all documents furnished as copies, and the correctness of the facts set forth in such documents. Nothing came to our attention during the course of our investigation that led us to conclude that any such documents were not genuine or authentic or that the facts set forth therein were not true. Any opinion expressed herein relates only to the Company and should not be relied on by any other person or in connection with any other transaction.

This opinion is expressed solely on the facts and assumptions set forth herein and is specifically limited to the investigation and examinations stated and such other investigation as we deemed necessary. After such investigation we know of no facts which lead us to conclude that any opinion set forth below is not correct.

Pursuant to this engagement, we have examined the following specific documents or have received the following representations:

¹ Shell Risk. The Shell Risk designation indicates that a company displays characteristics common to Shell Companies. This designation is made at OTC Markets’ sole and absolute discretion based on an analysis of the company’s annual financial data and may differ from issuers’ self-reported shell classifications in their own public filings. Our analysis evaluates asset composition, operational expenditures, and income related metrics. No action is required by a company to perform the evaluation other than publishing current annual financial information. In limited circumstances, OTC Markets will consider removal of a company’s shell risk designation upon written request by a company. Please be advised that such requests will only be considered when there has been a material change in financial condition since the most recent fiscal year-end that is reflected in publicly available interim financial statements. Examples include a material increase in asset composition or operating revenues with related financial disclosure as a result of an acquisition or change in control transaction.

- a. Information posted by the Company on OTCMarkets.com; and
- b. Certain records of the Company.

Based on the foregoing, we find that:

- a. The Company is an alternative reporting company that posts reports through OTCIQ and that are available on OTCMarkets.com.
- b. The Company has current public information available as that term is defined in Rule 15c-211; and
- c. The Company has both assets and operations and accordingly, it is not a shell company pursuant to Item 405.
- d. The Company has had a change in control and change in business since June 2023.

Discussion

Shell Status

The definition of a shell company as defined in Rule 405 under the Securities Act of 1933 as well as Release 33-8587, is whether the entity has no or nominal operations and no or nominal assets. Neither the release nor the Act requires that a company meet both requirements of Rule 405 so as not to be considered a shell. The Rule states:

The term **shell** company means a registrant . . . that has:

1. No or nominal operations; **and**
2. Either:
 - i. No or nominal assets;
 - ii. Assets consisting solely of cash and cash equivalents; or
 - iii. Assets consisting of any amount of cash and cash equivalents and nominal other assets.

Thus, in order to be considered a shell, a company must have “no or nominal operations” **and** one of the other qualifications listed in part 2, such as “no or nominal assets.” The Securities and Exchange Commission has made itself clear within footnote 172 of Release No. 33-8869 “indicating that Rule 144 (i)(1)(i) is not intended to capture a ‘startup company,’ or, in other words, a company with limited operating history, in the definition of a reporting or non-reporting shell company” because the Company does not meet the conditions of having “no or nominal operations.”

Additionally, as set forth in Footnote 1, above, OTC Markets looks to a material change in the Company’s assets, revenues and expenditures in determining whether or not a company is at risk of being a shell.

In the Company’s OTC Markets reports, the Company has stated the following:

- A. On June 8th, 2023, the Company executed a Share Exchange agreement with The Kinfolk Group, Inc. (“*Kinfolk*”) pursuant to which the Company acquired all the outstanding shares of Kinfolk in exchange for 20,040,000 newly issued restricted shares of the Company’s common stock (the “*Acquisition*”). The transaction resulted in The Kinfolk Group, Inc. becoming a wholly owned subsidiary of the Company. Kinfolk has a wholly-owned subsidiary, CGT Opportunity V LLC (“*CGT*”). At this time the Company ceased being a shell company.
- B. Since the acquisition, the Company provides secured debt financing to qualified regulated cannabis business operators. In addition, the Company is developing cannabis-based wellness products, both with and without psychoactive properties, to treat authorized ailments and for general health maintenance.
- C. For the quarter ended March 31, 2023, immediately prior to the Acquisition, the Company had no revenues, no expenses, and no liabilities. It had one asset that was subsequently written off.
- D. For the year ended December 31, 2023, following the Acquisition, the Company had assets of \$56,201, liabilities of \$65,999, and expenses of \$94,684
- E. For the quarter ended March 31, 2024, following the Acquisition, the Company had total assets of \$51,898, liabilities of \$79,241 and expenses of \$17,545.

According to Company management, the Company is engaged in substantive operations related to the execution of its business plan and expects to show continued expenditures related to operations and leading to revenue. This indicates that following the Acquisition, the Company had assets and operations where prior to the Acquisition it did not, and therefore is no longer a “shell.”

Conclusion

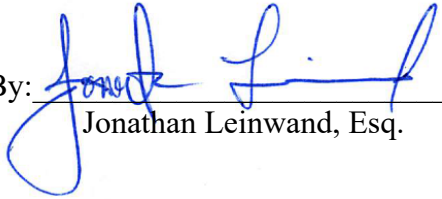
Based on our examination of the above-described documents and relevant law and subject to the limitations expressed herein, we are of the opinion that the Company is not a shell company under Item 405 of the Exchange Act and has shown a material increase in assets, liabilities and expenditures consistent with OTC Markets’ removing the “Shell Risk” designation. This letter does not express any opinion regarding a shareholder of the Company utilizing the exemption from registration provided by Rule 144. The opinions set forth herein are expressed as of the date hereof and remain valid so long as the documents, instruments, records and certificates we have examined and relied upon as noted above, are unchanged and the assumptions we have made, as noted above, are valid. If any facts or documents are determined to be incorrect, misstated or misrepresented, then the opinion or opinions expressed herein may not continue to be valid.

This opinion is given only with respect to the specific matter discussed herein to which this opinion relates as set forth above and may not be relied on by any other person holding securities, whether in the Company or in any other corporation. The Company and OTC Markets and others as authorized may rely on this opinion for the limited purpose described

herein as the date hereof. No other use of this opinion is authorized without the express written consent of the undersigned.

The author of this letter has been admitted to practice in the State of Florida and is a resident of the United States. The opinions expressed herein are in reference to the laws of the United States. The undersigned counsel is permitted to practice before the Securities and Exchange Commission and has not been prohibited from practice before the Commission. Counsel is not currently, nor has in the past five years, been the subject of an investigation, hearing, or proceeding by the SEC, the U.S Commodity Futures Trading Commission (CFTC), the Financial Industry Regulatory Authority (FINRA), or any other federal, state, or foreign regulatory agency. Additionally, during the last five years counsel has not been suspended or barred from practicing in any state or jurisdiction and has not been charged in a civil or criminal case.

Very Truly Yours,
JONATHAN D. LEINWAND, P.A.

By: 
Jonathan Leinwand, Esq.