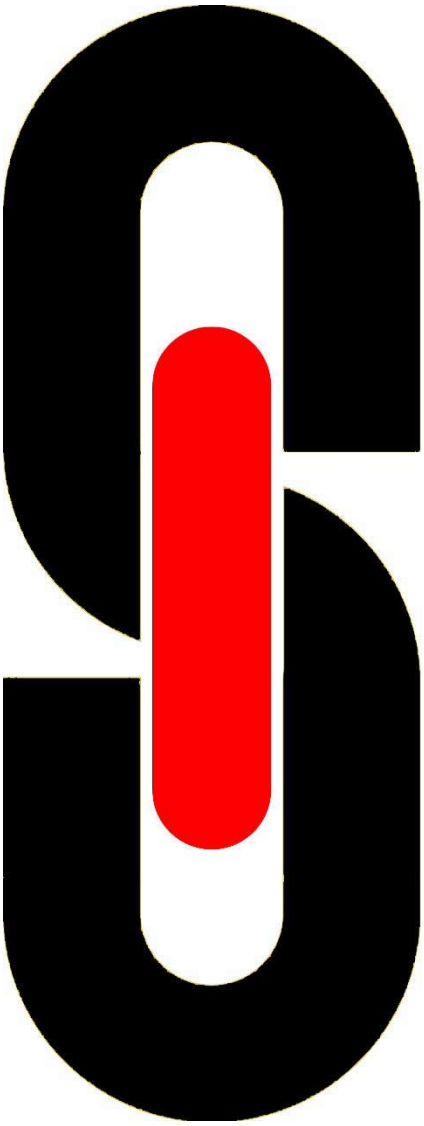

INCOREUM GLOBAL

FLATTEN INTERNATIONAL FINANCE

White Paper v. 1.3 (12-15-17)

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1. SYNOPSIS

1.1 The Vision

The global financial sector is ripe for disruption. Financial products and their markets have in many ways remained unchanged for half a millennium—generating and maintaining associated trillion-dollar middle-man industries whose sole existence is to service the exchange of financial assets between sellers and purchasers.

Incoreum Global is a revolutionary concept that brings a global blockchain-based platform to worldwide financial issuance and exchange markets for all financial instruments and assets. Our platform is the international on-chain solution for the most fundamental features of the worldwide financial instrument system: issuing, tracking, trading, and managing bonds, equities, notes, and other equity-like and debt-like offerings.

Our platform assists with all of these functions, including creating and holding the assets on the blockchain itself, avoiding concerns with the practicality of tying real-world, tangible assets (such as stock certificates, bonding documents, promissory notes, or physical property) to the blockchain space. The Incoreum Global platform, while easy to use, allows for the execution of these functions and others in a much faster, more widespread, more cost effective, and more secure manner than ever before.

This concept is somewhat abstract for many people. We believe the best way to illustrate it is through a simple example.

1.2 Susan Buys a Stock

Susan has seen Tesla pop up frequently in her news feed, and is noticing more of the automaker's cars on the road. She likes what they are producing and wants to buy some stock. From initial research she learns that a share of Tesla costs a little more than $305.00 USD.

She decides to dip her toe in the water by buying a single share and then see how she feels about it next week. She knows there are electronic stockbroker platforms and also physical brokerages where individuals can personally assist her. Susan's brother-in-law is a stockbroker and is happy to help her.

After talking with her brother-in-law, Susan understands that her first step is to set up a brokerage account, either in person or online. Her brother-in-law is located in a different town than Susan, and the weekend is coming up. The time and requirements to setup the account vary by jurisdiction, but in the United States the total process is likely to take 4-5 days, as she has to fill out between 50 to 100 pages of forms, send original signatures in the mail or in person, verify her bank account, transfer funds from her bank account to her brokerage account, and then finally place her order for her share of Tesla stock. Other parts of the world would have faster or slower setup timelines, depending on local industry practice and regulatory requirements.

Susan happens to be in the U.S. She really wants to buy the stock so she braves the process and paperwork, and eventually provides her required "wet-ink" signature and original documentation through the mail, which arrives at the brokerage a few days later. She is now ready and anxious to purchase her Tesla stock.

She asks her brother-in-law to place the order and he lets her know that it will cost $11.50 USD to process her order[1] and that her settlement date will be another two or three business days after the order is placed. If she uses an online brokerage, the cost will be somewhat less, but will still be significant ($5-$7 USD per trade). Though the trade will be listed in her account quickly in either approach, she won't receive actual title to the stock (or the ability to use it) for several days because of the settlement process,[2] which applies to most stocks, bonds, and other financial assets and marks the official transfer of such assets to the buyer's account and the cash to the seller's account.

Frustrated by another process and delay, Susan asks what settlement is and her brother-in-law explains that it takes a couple of business days to process the exchange of any financial asset. Susan is surprised that buying a stock worth

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1This is an unusually *low* fee. Many brick-and-morter brokers charge much more. For example, for Edward Jones, a major, well-known brokerage, minimum commission on buying or selling stock is $50 USD, plus a $4.95 transaction fee. See https://www.edwardjones.com/images/ETY-1714E-A-MA.pdf. These fees are of course applied to every purchase or sale transaction.

2Excellent graphic illustrating the settlement process used in one country (the U.S.) at the bottom of the page at http://www.dtcc.com/understanding-settlement/index.html. Other jurisdictions have similar settlement complexity, because the underlying concerns about security and trust are the same.

only $305.00 will cost so much and take so much time to process. She has already been doing substantial paperwork, including (in her jurisdiction) a physical signature page. She wonders why the transaction costs are so high, and why on earth it would take two to three business days to close on purchasing a single share of stock. Why is something so simple--purchasing a share of Tesla stock--so complicated?

Unfortunately for Susan, and billions of investors worldwide, investing in the stock market, or any other financial instruments (including bonds, notes, convertible debt, hybrid securities, derivatives, and others) is not as simple as just handing over her $305.00 and owning a share of stock. Because the financial service industry is in many cases still working off of technology concepts that are almost 200 years old and traditional service models that date back to the 1600s, the process is in fact extremely complicated. For example, Susan does not realize that she cannot buy a share of stock directly[3] because there are at least three institutions and a host of intermediate service providers and regulators between her and the person that wants to sell the stock. The reason for this thick web of bureaucracy? A fundamental lack of trust in the offering and purchasing of any financial asset.

To keep with the example of buying a single share of Tesla, one might think that Susan could just find a willing seller--someone who has a stock certificate in their safe, say-- and offers them the going rate of $305.00. The seller hands over the stock certificate, and that is that, transaction completed.

3Susan learns that a few companies offer direct sales of stock, but Tesla, like most companies, does not. Disney, for example, is one that does. If she wanted to buy some Disney stock directly, however, she must open an account with their direct-purchase administrator (who is like a broker), and pay enrollment fees, monthly fees (depending on payment structure), flat fees (depending on payment type), and trading fees, and the clearing house process must still be involved. See, for example, https://www.sapling.com/5208841/buy-disney-stock-direct.

Like most people, Susan holds a variety of stocks, and because most companies don't offer direct sales, even if she can buy a few directly, she'll have to deal with a brokerage anyway on all the rest. Like Disney, each individual direct-sale company requires setting up an additional separate account for that company, and all have substantial fee structures. Each also still has to go through a delayed settlement process with background clearing houses. Rather than go through that process every time, with a different administrator for each transaction, paying such fees every time, and still having to use a broker for everything else, Susan, like almost every investor in the world, decides to stick with the broker for everything.

But even if that type of transaction were possible (which, in today's market, it is not), it would raise a host of other questions. How does Susan know that the share is legitimate? How does she know that the share is not a copy or a fake, and that this seller has not just sold identical copies of his stock certificate on craigslist dozens of times this morning? How does Susan know that she is buying from the actual owner of the share, or that the seller she meets with didn't steal it from his mother, who is the real owner? How does the company find out that Susan is now the owner and not the seller (or the seller's mother)?

For these, and hundreds of other historical, legal, regulatory, and practical reasons, there are currently dozens of carefully prescribed steps between Susan, the seller, and the company. Most have to do with trust: verifying who the buyer is; understanding and confirming the buyer's explicit wishes; verifying who the seller is; understanding and confirming the seller's explicit wishes; and matching a buyer, with verified funds, with a seller with a verified asset that they have the right and intent to sell.

And so, maintaining trust throughout the process requires the following:

- Susan (or any other investor) must contract with an electronic or brick-and-mortar broker to execute her trade.
- The broker works with a broker-dealer who verifies the order, Susan's intent to purchase, and that Susan has enough money in her brokerage account to purchase that stock.
- The broker then sends the purchase order to the clearing house/exchange, which, for stocks in the U.S. is usually either Nasdaq or the New York Stock Exchange.
- The clearing house/exchange verifies the ownership of the seller of the stock and the type of stock being sold (common, preferred, voting, non-voting), to make sure that the right type of stock is owned by the correct person who has the rights to sell that stock.
- The clearing house does their diligence to make sure that the purchase is legal and compliant with all parties' wishes.
- The clearing house then performs an escrow-like function, matching Susan's $305 USD to the seller's stock which is being sold for that amount, either on the trading floor itself or through a digital matching process.
- This process takes, in this case for one share, $11.50 USD and at least two to three business days to fully complete.

- After all this, the transaction is recorded by a secondary or final clearing house, which in North America is usually the Depository Trust Clearing Corporation.
- The final confirmation ripples back to the first clearing house/exchange, then back to the broker-dealer, on to the broker, and then finally to Susan.

If this process sounds complex, inefficient and expensive, please remember we are dealing with one of the simplest and most well-understood financial transactions: the sale of a single share of common stock from one seller to one buyer. Transactions with larger amounts of financial assets, higher monetary values, different types of financial instruments, multiple buyers, and numerous other wrinkles can all increase the complexity and inefficiency. This labyrinth exists in all types of financial asset transactions – stocks, bonds, notes, and many others.

Incoreum Global's blockchain-based platform eliminates the need for that maze.

Our platform functions as a one-stop, secure, and efficient brokerage, clearing house, and exchange for both purchaser and seller and an iron-clad ownership record for companies. Transactions on the platform take minutes instead of days. And every transaction is recorded, immutable, and auditable from the moment it is effected. This is just one use of Incoreum's revolutionary platform. For a fuller discussion of what Incoreum offers, including creation, issuance, trading, corporate governance, and management of financial assets, see Section 3, "The Incoreum Revolution."

Returning to Susan, Incoreum allows a company, such as Tesla, to issue tokenized shares directly on its platform. These tokens represent actual shares—and ownership—in the company. (Tesla could also issue bonds, notes, convertible debt, and many other types of financial instruments) If Susan wants to buy a share of any company that has tokenized shares issued on Incoreum, her ownership of the stock is and will always be crystal clear. Because of the digital record captured on the underlying blockchain, such a tokenized stock has a verifiable history of its ownership beginning from the creation of every share. Likewise, due to the nature of digital funds and crypto currencies, any trader can know that their sale will be instantaneous and verifiable. There will never be a question about who did what with respect to buying, selling, trading, paying for, or managing an asset. With those immutable and instantaneous characteristics, Incoreum erases the deficits of trust between a buyer and seller. In turn, that

trustless environment largely eliminates the need for multiple incumbent trillion-dollar industries performing middle-man verification and recording functions.

Example User Interface: Overview

(Financial values can be shown in fiat or in crypto currencies. This example shows USD fiat values for an overview of the user's portfolio of public stock equities.)

Example User Interface: Buying

(The user is looking at purchasing an asset. She has chosen to look at private debt instruments (as opposed to purchasing other types of assets), and is looking at one promissory note that is for sale. Since this is a private debt instrument, before she would be able to see it or buy it, she would have had to get through a firewall designed to comply with securities laws prohibiting public sale of such a security.)

1.3 The Team Behind the Vision

Incoreum Global's team has an extensive background in and knowledge of the international capital markets, finance, regulation, and legal structuring, facilitating one of the fundamental promises of blockchain: the marriage of technology and law in the financial arena. Our platform joins cutting-edge technology with international laws and regulations, finance, and transaction management. We flatten the finance industry by decreasing dependence on or wholly bypassing intermediary industries that exist in finance, while removing uncertainty, increasing security, and creating new capital pools and opportunities for issuers, purchasers, and managers of various financial

instruments. This democratization of the financial system offers substantial value increases for its users on every level.

Our team's members have many years of experience in numerous different projects in the financial, legal, and startup arenas, including multinational financings, equity, and debt offerings by major international companies and sovereign nations on every continent. Our team has already engaged in substantial review of questions relating to law, regulation, and global markets, and our technical work is in pre-alpha development. Through our team's work experiences at some of the top technology institutions on the globe, and our educational backgrounds at some of the world's top law and business schools, we are uniquely positioned to engage in the world's capital markets at numerous levels and create value on a global scale through the application of cutting-edge technology solutions to the financial needs and regulatory requirements of any given jurisdiction.

By providing users direct access to markets traditionally dominated by banks, lawyers, and financiers, and by directly linking issuers and sellers with purchasers, using a secure blockchain and crypto-asset foundation, transactional velocity is increased and numerous corporate functions, such as payment, recording, issuance, voting, repayment, buybacks, and security can become an integral, automated characteristic of the instruments themselves and their use. Not only does such automation democratize and streamline the financial process—and cut costs dramatically—but it effectively eliminates many of the disputes and uncertainties related to these issues that currently cloud the space.

Our team of capital markets and regulatory specialists carefully address regulatory requirements and legal positioning related to our services in each jurisdiction, and our platform includes the opportunity for creation of new types of derivatives and services, placing Incoreum Global and its tokens at the center of a new ecosystem in global finance. Incoreum Global's tokenized financial markets platform ushers the financial system into the 21st century, in the process providing billions of people their first opportunity for direct access to financial markets.

CORE TEAM

Benjamin Beasley
Chief Executive Officer

Benjamin Beasley received his doctor of laws (juris doctor) degree from Harvard Law School and advises in the areas of business, finance, securities, and regulation. He previously worked in the London offices of the highly ranked international firm White & Case, advising multinational companies and sovereign nations on major international securities, finance, and structuring transactions ranging in value from $1 billion to $40 billion USD. He there helped a number of developing and first-world nations with financial offerings in major markets. He has also assisted dozens of local and international startup companies, as well as technology accelerators, with early-stage formation, structuring, financing and other legal issues. He has lived and worked in Paraguay, Italy, California, London, and Cambridge, and has traveled extensively through some 20 countries. Ben has been following the crypto and blockchain industries since 2013. He is a director and researcher at Uinta Blockchain Research, a not-for-profit research institute and accelerator for the blockchain industry and member of the Ethereum Enterprise Alliance.

Eric Vogeler
Chief Operating Officer

Eric Vogeler is an experienced attorney and researcher and has been studying and investing in cryptographic assets and currencies since their infancy, including purchases in early-stage bitcoin and ethereum, among other promising blockchain projects. Eric has professional and volunteer experience in Brazil and Central America, which helped him recognize the revolutionary aspects of blockchain technology early on, especially democratization of financial markets, immutability of voting and transaction information, and smart contracts applications in all aspects of industry. He has substantial research experience in case law, securities, international regulatory issues, and on-the-ground applications of blockchain and Web 3.0 industries, as well as investment expertise, which has convinced him of the disruptive potential of the crypto space. Eric is a director and researcher at Uinta Blockchain Research, a not-for-profit research institute and accelerator for the blockchain industry and member of the Ethereum Enterprise Alliance.

Jonathan Feinauer
Chief Technology Officer

Jonathan has spent the past twenty-two years directing initiatives and projects in technology and capital markets for a number of major companies. He led the technology development of a securities auction platform at Zions Bank that

facilitated over $4 billion USD in fixed income funding through thousands of auctions. Jonathan specializes in platform development at all levels, as well as the product management, software engineering and IT functions necessary to support those platforms. He is focused on creating and bringing new products, technologies, and services to market through initial, alpha, beta, testing, and rollout milestones. Jonathan is particularly focused on application of analysis to review, enhance, and continually add value to these platforms throughout their lifecycles. He holds a Bachelor's of Science in Economics from the University of Utah and is currently pursuing a Masters of Statistics in Econometrics.

Jacob Jones
Director of Finance

Jacob Jones received his Master of Business Administration from Harvard Business School in 2011 and has a professional background as a Global Portfolio Manager at 3M, investing in numerous tech-related projects in the finance arena. Jacob earned a B.S. in Chemical Engineering and has spearheaded projects in engineering and finance in jurisdictions throughout North and Central America.

Paul Anderson
Director of Strategy

Paul Anderson received his juris doctor degree from Harvard Law School. He previously was general counsel and director of finance for a private company that sold for $250 million USD, and also worked for the international law firm of Baker Botts in complex financing and corporate transactions. Paul spent two years working in Brazil and is fluent in Portuguese. He received his Master's degree from the University of Southern California, is a licensed CPA and, prior to law school, worked as a senior accountant for the Big Four firm of Deloitte Touche.

Joe Martin
Director of Analytics

Joe is currently the Head of Social Analytics at Adobe. Joe holds an executive degree in Entrepreneurship and Innovation from Stanford University, and a BS in Finance and MBA in Strategy and Marketing from the University of Utah. He has more than a decade of experience in consumer data analysis, corporate strategy, and digital marketing. His analyses have been featured in the New York Times, Wall Street Journal, CNBC, Associated Press, and Forbes.

Matthew Wright
Director of International Compliance

Matt has worked at some of the world's most respected law firms—including Linklaters and Sullivan & Cromwell—and also clerked for the Honorable Donald F. Parsons at the Delaware Court of Chancery, the premiere corporate trial court in the United States. A securities and corporate finance lawyer, Matt has nearly a decade of experience advising companies in the Asia-Pacific region as well as the United States. Matt has focused his legal work on corporate transactions, including debt and equity capital markets, leveraged finance, project finance, debt restructuring, and M&A. Matt's career has taken him to Delaware, Hong Kong, Sydney, and Utah, where he now resides. Matt graduated *magna cum laude* from BYU Law.

Tim Vogeler
Director of U.S. Compliance

Tim graduated with honors from Columbia Law School and now works in the New York office of Cleary Gottlieb. His practice focuses on large-scale complex commercial litigation, particularly in the areas of antitrust and intellectual property, as well as government regulatory enforcement. Tim previously worked as a foreign law clerk at Kim & Chang, Korea's largest law firm, and attended Korea University where he studied Korean political economy and international affairs.

Benjamin Geslison
Director of Legal Affairs

Benjamin Geslison graduated with honors from Harvard Law School and previously worked as a consultant at Accenture, one of the world's largest management and strategy consulting companies, assisting Silicon Valley companies. He has been involved with startups in the financial and investment arena in a variety of levels. In his legal practice, he has represented litigants in securities and tax and assisted in cases at every level of the judiciary system, including the Supreme Court of the United States.

John Boyle
Director of Economics

John Boyle has over ten years of experience working with local and national governments as well as the legal and regulatory framework surrounding the implementation of international treaties. He also has extensive experience lobbying legislative bodies and administrative officials as well as managing stakeholder relationships. John is the Director of Government Affairs for BP (Exploration) Alaska, and has substantial experience working with for-profit entities, non-profit organizations, and indigenous peoples on numerous issues. John received a B.S. degree in finance and a J.D. from Brigham Young University

Luke Behrmann
Director of Product Management

Luke has spent more than ten years in software and platform development in both the public and private sectors. He leads software product development and has created analytics, prioritization, beta products, and relationship development at all corporate management levels. He has been responsible for product platforms that support millions in annual revenues, as well as ongoing review and updating of products and platforms. He is from Cape Town, South Africa, is fluent in Afrikaans and Spanish, and holds a Master of Business Administration from the University of Utah.

Jeremy Watson
Director of Business Development

Jeremy Watson is a serial entrepreneur and has over fifteen years of experience in developing new business infrastructures and models. He has started seven

companies in several industries, and has startup experience in nine additional new companies He has served as a vice president and director of two major companies and trained over 10,000 sales professionals. He has worked in the finance field for the past six years, assisting individuals and companies in over fifteen states direct and place some $20 million USD in a variety of financial products and structures. He currently consults with and counsels individuals and companies worth over $300 million. Jeremy spent several years living in Venezuela and is fluent in Spanish.

Jason Kim
Director of Design

Jason Kim has more than 15 years of professional design experience, working for Disney, Sony Animation, Nick Jr., and others, in the fields of film, robotics, television, and video games. He has acted as lead concept artist and senior designer on numerous projects. Jason speaks English, French, and Korean.

Hammad Javed
Developer

Hammad Javed is a full-stack developer familiar with Java, C++, C#, C, Python, JavaScript, and other languages and programs. He received his bachelor's degree from Brigham Young University. He has implemented mobile applications and engineered a variety of features across multiple platforms. He assists with all areas of coding and development for Incoreum's applications.

Lucas Christensen
Developer

Lucas Christensen studied computer science at Weber State University. He is a full stack developer whose skills cover a wide variety of modern technologies including languages and frameworks for the development and design of various web and mobile applications in a number of industries. His interest and involvement with blockchain based technologies dates back to 2012, and he was an early Bitcoin miner.

ADVISORS

Bryan Murdock
Advisory Board - Technology

Bryan Murdock is an engineer and product manager with fifteen years of experience developing software for a number of applications, and has worked for companies ranging from major multinationals to startups, including Hewlett-Packard, Fusion-io, Sandisk, and Secturion, among others. He has coded in languages from Perl, Bash, C, C++, Python, and SystemVerilog, taking on problems in robotics (printers and UAVs), data storage, TCP/IP networking, cybersecurity, and FPGA and ASIC verification. Bryan advises on detailed technical aspects of the Incoreum platform in all areas, including both the blockchain and interface levels, as well as coding and design strategy and management. He is also fluent in Croatian, having spent several years living in Croatia.

Spencer Montgomery
Advisory Board - Technology

Spencer is a Global Black Belt SSP in Blockchain & App Innovation at Microsoft and is their lead evangelist for the Bay Area. He is the Co-Founder of Cryptobuzz.co, a website geared to help onboard those new to crypto, and was an early investor in crypto assets. He has a bachelor's degree in electrical engineering and business management. Spencer advises Incoreum based on his background in crypto and blockchain development, together with his investment expertise and background in electrical engineering.

Carl Youngblood
Advisory Board - Technology

Carl Youngblood is the founder of Blockchain Consulting LLC and an organizer of the Blockchain Utah meetup group. He has been studying blockchain technology and cryptocurrencies since 2010 and has been actively involved in the Bitcoin, Ethereum and other related communities since the early days. Most recently, Carl has been developing smart contracts and helping startups launch successful initial coin offerings (ICOs). Carl has a masters in computer science from the University of Washington and has been working as a professional full-stack software engineer for over twenty years.

Blake Tierney
Advisory Board - Europe

Blake is the Director and Head of Legal at Qualtrics, a top-10 cloud company (*Forbes*, 2017). He has been instrumental in global scaling there, having overseen all legal and compliance matters as the company has grown to fifteen locations and more than 1,500 employees worldwide. Before joining Qualtrics, Blake worked in Seattle as in-house counsel for AWS, the cloud-computing division of Amazon.com, and in California and London as an associate for the global law firm Latham & Watkins, where he specialized in capital markets and securities offerings. Blake has a B.S. in Computer Science & Engineering from UCLA and a J.D., *summa cum laude*, from BYU.

Special thanks to Professor Howell Jackson at Harvard, Professor Charles Whitehead at Cornell, and Dean Gordon Smith at BYU for their reviews of early drafts of the white paper. Additional thanks to the specific individuals at hedge funds in London and Silicon Valley who have provided review and input.

2. THE CHANGING FINANCIAL SYSTEM

2.1 The Opportunity

Finance on a global scale

The global financial sector is estimated at a value of $13 trillion USD per year, comprising 16.9% of the global economy.[4] The issuance and exchange of stocks, bonds and other debt, and equity-like instruments is a central mechanism of this sector, and is a core driver of the modern economy on local, regional, national, and global levels.

Historically, individuals and companies have always traded financial instruments representing value. One of the first organized, modern exchanges was formed in London as the Royal Exchange in 1571, and acted as a center of commerce for the City.[5] Since that time, exchanges of various kinds for different financial instruments have continued at the center of commerce, and have gained increasing importance given the needs of finance for companies and individuals, as well as demands for specific approaches to security, settlement of transactions, payment, verification, and liquidity, all of which have typically required a real-world, centralized exchange location.

Equities are normally centered on an exchange, while instruments like bonds are traded over the counter but typically as part of major financial centers. Other debt, debt-like, and equity-like instruments are traded in various ways, but all have similar requirements for security, clean settlement, verification, and liquidity. The value of enterprises related to exchange of financial instruments is staggering. For example, with respect to equities alone, the top sixty stock exchanges in the world have listed companies with a total value of $69 trillion USD.[6] The bond market is estimated to be over $100 trillion USD.[7] In sum, these are some of the largest markets in the world.

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4 *See* http://www.investopedia.com/ask/answers/030515/what-percentage-global-economy-comprised-financial-services-sector.asp

5 Walter Thornbury, "The Royal Exchange," in *Old and New London: Volume 1* (London, 1878), pp. 494-513. At *British History Online* http://www.british-history.ac.uk/old-new-london/vol1/pp494-513.

6 http://money.visualcapitalist.com/all-of-the-worlds-stock-exchanges-by-size/

7 https://www.fool.com/knowledge-center/5-bond-market-facts-you-need-to-know.aspx

However, access to the global financial sector is highly limited, both in scope and method. Many individuals in developed nations have some kind of indirect access to such markets, but this access is almost exclusively provided by intermediaries such as brokers, custodians, and banks, all of which operate at very high cost and naturally limit their users to the narrow swath of individuals already wealthy enough to participate in the system.[8] In developing countries, individuals often do not have access to financial services at all, least of all investing and trading opportunities. In all nations, many individuals reside in areas, or are at a financial level, where they do not receive or cannot afford access to financial instruments due to cost and uncertainty.[9]

Furthermore, settlement and security of financial instrument transactions remains slow and cumbersome. The year is 2017, but due to the structure of trading financial instruments, final settlement of a trade can still take days and is subject to many of the same concerns regarding verification and payment that existed five hundred years ago.[10]

2.2 Market and Competition

The Innovator's Dilemma

The value creation opportunities inherent in applying blockchain technology to financial instruments seem obvious. Why has no incumbent player done more than stick a toe in the water? The innovator's dilemma and disruptive innovation concepts offer one compelling explanation.[11] In brief, the innovator's dilemma concept explains that incumbents have a large customer set and expectations of yearly sales and revenue levels. A disruptive innovation is an innovation that creates a new market and a new value network, which grows and eventually may disrupt an already existing market.

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8 *See*, e.g., Kathryn Judge, "Intermediary Influence," 82 University Of Chicago Law Review 573 (2015).

9 *See, e.g.*, World Bank, *Global Financial Development Report 2015/2016*, chapters 2 and 3.

10 *See* research at the Bank for International Settlements, for example, discussions on settlement risk at http://www.bis.org/publ/qtrpdf/r_qt0809x.htm.

11 *See* Clayton Christensen, "The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail," Harvard Business Review Press, 1997, and "The Innovator's Solution: Creating and Sustaining Successful Growth," Harvard Business Review Press, 2003.

The standard process is as follows. Disruptive, new entry products enter, but initially appear niche and irrelevant to the existing customer set. Also, such products appear at first to offer minimal value to the current customer.

Accordingly, the next generation product is not initially built for the incumbent's customer set, and the incumbent does not focus on the innovation. Incumbents may also be dissuaded by the risk that if they focus on such innovations, they may cannibalize their existing business and harm their existing success. However, such products nonetheless meet specific needs and do create a customer base. Though starting small, rounds of iteration repeatedly innovate and rapidly create drastically improved value in the product. By the time the innovation becomes interesting to the incumbent's customers, the incumbent cannot catch up to the innovator.[12]

The financial industry, one of the biggest industries in the world, is certainly not ignorant of the blockchain concept.[13] But its players have billions of dollars invested in their existing model for their existing customers, and they also have billions (or, as an industry, trillions) in revenue to protect. Accordingly, it isn't reasonable for them to focus too many of their resources on disruptive applications of blockchain technology, which could cannibalize their existing revenue streams and business operations and is still in its infancy.

Indeed, although the value of the technology is clear enough for financial market participants to not ignore it completely, and certain incumbent firms are tiptoeing into the periphery of the space,[14] they cannot make a wholesale entry into the technology and its many applications without disrupting their business, which, from their perspective, appears to be functioning well (i.e., profitably). Accordingly, we believe that a nimble, rapidly moving firm able to innovate and

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12 *See, e.g.*, http://www.businessinsider.com/blockbuster-ceo-passed-up-chance-to-buy-netflix-for-50-million-2015-7. Reed Hastings, founder of Netflix (an online video rental startup company), in the year

2000 approached the CEO of Blockbuster (the world's reigning top video rental business), John Antioco, and asked for $50 million for a sale of Netflix. Blockbuster turned down the offer with the belief that

Netflix was a "very small niche business." Blockbuster declared bankruptcy in 2010. As of October 2017, Netflix is valued at $84 billion USD.

13 *See, e.g.*, Blockchain projects developed or being developed in the banking sector by J.P Morgan Chase, IBM, and others.

14 For example, see "Nasdaq says to develop blockchain services in Estonia", Reuters, November 2015.

But in the *two years* since this announcement, there has been little more than occasional announcements that they are going to test new ideas.

iterate extremely quickly can move into the space and disrupt significant portions of the industry, as well as create new markets and value networks, before any incumbent can properly respond.

2.3 The Blockchain Economy

Global growth and rapid value creation

Blockchain technology first arose and proliferated collaterally out of bitcoin, but it has recently become apparent to thought leaders worldwide that this technology can be applied in numerous ways to applications across a vast number of industries around the globe, and in ways that affect entire industries and sectors at a time.[15] Many have compared the present stage of blockchain to the early years of the world wide web, the development and expansion of which created some of the most valuable companies in the history of the world. However, the first iterations of the web, including the current incarnation, were and are primarily informational, while blockchain technology addresses actual ownership, accounting, and direct exchange of title, among many other applications, and does so in a way that is more secure than at any time in the past.[16]

Accordingly, the growth of blockchain technology has the potential to be *more* disruptive to established industries than even the web. While this new space is still highly fluid (and financially volatile), it is clear that the next wave of innovation will generate new, world-leading companies and technology that not only revolutionize existing markets and industries but will likely create their own markets and value.[17] The prospect of a secure, trustless distributed ledger is especially applicable, and revolutionary, in the finance industry.

In 2016, the market cap for blockchain-based tokens and crypto currency fluctuated around $12 billion USD. By the end of 2017, the tokenized economy had increased to over $500 billion USD,[18] not including the hundreds of major

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15 Wall Street Journal, "How Blockchain and ICOs are Changing the Funding Game for Startups," September 24, 2017.

16 Swan, Melanie. *Blockchain: Blueprint for a New Economy*. O'Reilly, 2015.

17 Trautman, Lawrence J., Is Disruptive Blockchain Technology the Future of Financial Services? (May 28, 2016). 69 The Consumer Finance Law Quarterly Report 232 (2016), *available at* SSRN: https://ssrn.com/abstract=2786186

18 Charted at https://coinmarketcap.com.

blockchain-based and web 3.0 projects that are ongoing but are privately performed or otherwise not yet publicly offered or valued. Such a valuation would likely push the current value of this industry into the trillions of dollars – and all this while the industry is in its relative infancy.

2.4 Network Effects and Positive Feedback Loop

Blockchain technology offers cross-jurisdictional networks at a scale only recently imagined: on a scale of billions rather than millions.

Incoreum Global's platform and offerings will be engineered to capitalize on that network effect—to induce systemic network effects and ultimately a positive feedback loop. The value offering in the platform is apparent from the first user on, but as the number of users increases, the value of the system increases as well to a point at which it becomes a critical part of the issuance and trading of financial instruments among certain geographies, demographics, and/or user groups.

As the network grows, it induces additional connections not just among direct users like companies and investors, but also among connected service providers and third-party applications, building out the ecosystem and increasing the network effect and growth rate. This in turn increases the visibility of the platform and ecosystem, bringing on new users.

In addition to the above application of the standard network effect and feedback loop models, Incoreum Global changes the buying and expectation patterns of those exposed to it. Individuals have in recent years become accustomed to instant, efficient delivery of communications and digital goods, with financial instruments remaining a glaring exception to this pattern.

However, as individuals and companies increasingly use Incoreum Global's solutions and become accustomed to instantaneous settlement and closings of transactions, loss of importance of geographical limitations, purchasing of financial instruments in a marketplace disinter mediated from brokers, custodians, and other current gatekeepers, as well as other benefits of blockchain technology described herein, our users correspondingly become less willing to accept the inefficient and slow models of incumbents, leading over time to increased velocity in the feedback loop and opportunities to overtake incumbent firms.

Example User Interface: Management

(The user is looking to manage financial instruments that she has on the platform. She can create a new instrument token; issue shares or other instruments as tokens (in which case she will have to comply with applicable securities laws, especially with respect to public or private issuances), publish information for holders of instruments that she has already issued, hold a vote, issue dividends, or redeem instruments that she has previously issued.)

3. THE INCOREUM REVOLUTION

Below, we highlight the various Incoreum propositions and illustrate its use case together with real-world examples.

3.1 Incoreum Global: Democratizing Global Finance

Towards the world's first disintermediated, tokenized blockchain ecosystem, for the global financial instrument issuance and exchange space

Incoreum Global brings the world's first disintermediated, tokenized, blockchain-based platform to global financial exchange markets. Almost without exception, financial assets are now intangible rather than physical - abstractions memorialized in legal documentation. With the growth of trustless distributed ledger technology and its associated documentation and trading functions, Incoreum Global takes the next leap forward in finance: using blockchain technology and international financial and legal knowledge and networks, our platform allows for the issuance, trading, and management of equities, debt, and other financial instruments in a faster, more widespread, more cost effective, and more secure manner than ever before. This new paradigm is based on a blockchain platform that allows for democratization of the financial markets rather than locking value in old-guard incumbent firms. The platform can reflect both fiat and crypto currencies.

Incoreum tokens, or ICRs, provide access to, and fuel to run, all of Incoreum's services, as well as the opportunity to create additional value-add services on top of and within our ecosystem. As discussed in more detail below, ICRs secure the platform by requiring and incentivizing issuers, sellers, and purchasers of products issued and managed on Incoreum to respect and recognize all transactions, ownership, and voting conducted on the platform.

The User: Maria purchases 1,000 ICR tokens. Each of them grants her a license to use the platform and its services. She uses her tokens to help her track different investments and issues on the platform. With some tokens, she issues and manages debt for her company, and as a result all payments and transactions related to it is permanently recorded on the blockchain. With other tokens, she instantaneously buys equity of various kinds in numerous companies she is interested in, regardless of her physical location at any one time. With different tokens, she tracks the equity owners of

her company which she issued on Incoreum and she conducts company votes and pays distributions to the owners. Having transactions spread across many tokens means they will be redeemed more slowly.

Example User Interface: Buying Equity

(The user here is looking to purchase a financial instrument. She has chosen to look at "Public Stocks" issued on the platform. She is looking to purchase stock from Acme Widget Co.; to finalize the transaction, she will need to input the necessary keys: hers to authorize transfer of Ethereum, and Acme's to authorize this transaction.)

3.2 Basic Value Propositions

Flatten, secure, and expand the global finance industry

There are numerous value-creation attributes of our on-chain platform, including flattening the world's financial markets, securing financial transactions, and expanding the financial industry beyond its current borders.

3.2.1 Flattening Global Finance

Blockchain technology allows individuals and companies to interact directly with the network itself, rather than wading through the cumbersome layers of incumbent intermediary companies. Investors and issuers, whether individual or institutional, can go directly to our platform to purchase, list, and manage financial assets on the blockchain. The platform will be available via personal computer or smartphone, allowing increased access for both developed and developing areas of the world. Smartphones in particular have become the primary access point to the digital space in developing countries,[19] but they have not yet been well integrated into the global finance industry. Incoreum Global changes that.

With direct access for individuals around the globe, the current industries that exist to provide intermediary services (the brokerage industry, the custodian industry, the escrow industry, the investment banking industry, the factoring industry, and the legal services industry, among others) can be partially or wholly removed from the transaction infrastructure as it currently stands. Since each of these industries is itself a multi-billion or -trillion dollar industry, the potential value creation in increased efficiency alone is considerable.

The Investor: Susan desires to buy some shares of stock. Instead of taking days or weeks to get set up with a brokerage, transfer money through the national or international banking system, conference with agents, and wait for the behind the scenes settlement activities of various custodians, depositories, and clearing houses, at the end of which she gets a stock that she can't do anything with for several days due to her status as a non-day trader (all the while paying as much as 10% of her investment for the privilege), she simply logs onto Incoreum through her computer or phone, buys some ICR tokens using fiat or digital currencies, finds some shares she likes, and instantaneously purchases them. The purchase creates a

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19 *See* "Smartphones for the Unbanked: How Mobile Money Will Drive Digital Inclusion in Developing Countries," by John Villasenor, September 16, 2013, *available in PDF at*: https://www.brookings.edu/research/smartphones-for-the-unbanked-how-mobile-money-will-drive-digital-inclusion-in-developing-countries/.

permanent record on the blockchain of what was done and when it happened, and she immediately gets title to the shares and can take actions with them or resell them.

3.2.2 Security

Flattening the industry has an additional benefit in security as well. It is public knowledge that every major provider of financial services has been hacked;[20] for example, the Nasdaq,[21] the New York Stock Exchange,[22] and the United States Securities and Exchange Commission[23] have all had recent hacks reported, sometimes after attempting to cover up those breaches. This creates the potential for panic in financial markets and wide uncertainty as to who really owns what.

An on-chain solution, on the other hand, creates a secure, trustless database capable of confirming ownership and secure trading of financial assets, all with instantaneous settlement and verification.

The Hacker: A hacker has successfully penetrated the Tokyo stock exchange and parts of the London bond markets and has set his eyes on the Incoreum space. He researches the Incoreum system intending to locate and exploit weaknesses, only to realize that all sensitive, financial, and corporate information is recorded and secured on the blockchain. After further learning that his goal of stealing funds or assets is impossible without the public and private keys of any particular platform user or the platform itself, the hacker comes to the conclusion that Incoreum's utilization of cold-storage, hardware solutions, and high-end cryptography, as well as the distributed ledger itself, has made it virtually impossible for him to steal any funds or assets.

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20 And others as well: for example, the massive United States Government Office of Personnel Management, see https://www.wired.com/2016/10/inside-cyberattack-shocked-us-government/, and the Equifax hack, https://www.wired.com/story/equifax-breach-no-excuse/.

21 Bloomberg, "How Russian Hackers Stole the NASDAQ," July 21, 2014.

22 See, e.g., the review at https://cointelegraph.com/news/mcafee-nyse-outage-may-have-been-a-cyber-attack; http://www.newsweek.com/nyse-insists-it-was-not-victim-hack-questions-remain-352619; and many other discussions.

23 New York Times, "S.E.C. Says It Was a Victim of Computer Hacking Last Year," September 20, 2017.

3.2.3 Creation of New Capital Pools and New Industries

A large proportion of the world's population has little or no access to financial services of any type, least of all access to investment opportunities.[24] Access to such services promotes financial growth for individuals and companies and accelerates general economic growth, and, as incomes on the lower end of the economic ladder rise, poverty is reduced, quality of life improves, and opportunity expands.[25] Accordingly, on a macro level, the goal is to promote financial and investment services as broadly as possible for both individual and economy-wide growth. From a more industry-focused perspective, such unserved and underserved areas constitute a huge untapped capital pool. By providing direct access to financial instrument exchanges to any who have a smartphone or internet connection, Incoreum Global creates a new global capital pool and, in places where financial exchanges or services of these types previously did not exist at all, a new industry.

Le Nouveau: Amina would like to purchase financial instruments, such as a stock or bond, but has never been able to because she lives in a country that doesn't have developed equity and debt markets, and those that do exist can't be accessed from her smartphone (her only connection to the digital world). Also, her capital is minimal, and would barely cover transaction fees in most capital markets. Accordingly, she has never been involved in the capital markets. Incoreum Global opens an exchange in her country and she is able to access it from her phone. She buys an ICR token (or a fraction of an ICR token), accesses the exchange from her phone, and is able to purchase her first financial product. Ten million people in her country just like her do the same thing, creating a new pool of capital and financial market for the country.

Les Entrepreneurs: Pierre and Gaspard have a small company and seek capital to grow, but they live in a country with minimal banking services in their area. They know people who are willing to extend a loan, but

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24 For specific details, *see* World Bank policy research report "Finance For All?" Demirgüç-Kunt, Beck, & Honohan, 2008, available at http://siteresources.worldbank.org/INTFINFORALL/Resources/4099583-1194373512632/FFA_book.pdf.

25 *See* http://siteresources.worldbank.org/AFRICAEXT/Resources/Africa_Finance_report.pdf.

those individuals have been burned by making undocumented loans in the past, and the loan is far too small to engage legal services even if any were available. Pierre and Gaspard go to the Incoreum platform, buy some ICR tokens, and use a simple wizard to create a tokenized loan, with terms and payment rights coded directly into the token itself. Their lenders extend the credit and take ownership of the loan tokens.

3.3 Specifics of the Incoreum Global Approach

Rethinking global finance

3.3.1 Instantaneous Transfer and Payment

Incoreum Global's on-chain solution allows the immediate and simultaneous transfer of, and payment for, financial instruments of all types, often via smart contracts. Without the need for custodians or escrow intermediaries, on-chain trades easily and instantaneously transfer title to the asset from the seller to the buyer, with a simultaneous transfer from the buyer to the seller of the consideration paid for the asset – all without regard to the global geographic location of any party to the transaction. As crypto currencies become more widespread, including the seemingly inevitable and rapidly approaching digitization of at least some fiat currencies,[26] the use and value of this capacity is likely to increase dramatically.

The Seller: Daniela owns shares in a national oil company that recently listed with Incoreum. She decides she wants to sell her shares on the Incoreum platform. Daniela fires up her computer, signs up for an account on Incoreum, claims her pro-rata amount of tokenized shares (associated directly with her holdings), and receives confirmation that she has received the oil company's share tokens within a matter of moments. Thereafter, Daniela lists her tokens on

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26 For example, national powers like Brazil, Canada, China, and Russia, have confirmed (or at least not denied the rumors of) their interest in and experimentation with issuing their own fiat currencies on blockchain networks. *See e.g.*, https://www.ethnews.com/central-bank-of-brazil-explores-real-time-gross-settlement-with-ethereum-network (Brazil); https://www.forbes.com/sites/laurashin/2016/06/16/canada-has-been-experimenting-with-a-digital-fiat-currency-called-cad-coin/#4abb37946a4e (Canada); http://www.investopedia.com/news/chinese-government-developing-its-own-cryptocurrency/ (China); http://tass.com/economy/949263 (Russia).

the Incoreum trading platform to be sold at the going rate, and the system automatically lists and sells Daniela's shares, confirming to her that her sale has been executed and her account funded with the locally-used digital currency (or other currency of her and her trader's choice).

From start to finish, Daniela's account creation, confirmation, and trade takes a matter of minutes, and unlike in the current financial system, which requires 2-3 days of back-end settlement before the transaction is truly settled and the shares can be transferred, Daniela's sale proceeds are immediately available and confirmed.

3.3.2 Permanent, Secure Records of Transactions

In the current financial world, transaction-related disputes regarding who owned what at which point in time—and questions of who did what, when—result in billions of dollars of litigation in any given year. Indeed, there are entire specialties in the finance industry and legal profession devoted to resolving these disputes through time-consuming, expensive, and painful litigation or dispute resolution processes. [27]

However, when assets are tokenized, issued, and managed directly on the Incoreum Global platform and blockchain, a permanent, secure, and virtually unhackable record of all transactions is created and the history of the asset—and what actions were taken with and for it—are laid bare. The transparency this creates for all parties to a transaction eliminates a vast number of potential disputes and problems from the outset. Moreover, when asset documentation stored on the blockchain is drafted to require any modifications to the agreement to also be made on the blockchain, then uncertainties about potential amendments to agreements or assets can be resolved by simply looking to the blockchain record.

Take the following examples:

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[27] *See* Thomas O. Main, *ADR: The New Equity*, 74 U. CIN. L. REV. 329, 354–355 (2005) ("The recourse to legal actors and proceedings is costly, emotionally debilitating, and potentially counterproductive. The adversary system can be a hugely inefficient means of uncovering facts; its relentless formalities and ceaseless opportunities for splitting hairs are time consuming and expensive.").

Partnership: Jason, Paulo, and Dat start a corporation together--Corrente Globo. They each start with 1/3 of the equity in the company, but over time sell portions of their equity to other individuals and entities as they onboard new partners, and divest themselves of shares. Corrente Globo becomes a wild success, selling rare metal products to its customers. The demand for a public offering becomes irresistible. Unfortunately, over the course of formation, operations, and preparing the company for public issuance, original founding documents were lost, meeting minutes were inadvertently destroyed, and serious doubts emerge over how much of the company's equity each partner owns. Paulo sues Jason and Dat, insisting that he still owns 33% of the company. The litigation, which now involves huge amounts of money, stalls the public offering and stretches over three years. The litigation diverts the time and attention of all three founders and the company suffers. By the time the litigation is resolved, the Company's prospects have plummeted and the company can no longer go public.

Bond Issuance: Company A issues a $750 million bond in the midst of a major economic expansion. Documents are drafted by top lawyers, and signed and printed. Six months later, a major economic downturn occurs and Company A defaults and declares bankruptcy. Litigation ensues. Four years later, the bankruptcy trustee is able to finally review the assets and discovers that the documents as printed have substantial mistakes. Among these, the addendum included in the document, which contains the key terms of the bond, appears to be from a different transaction. Someone made a mistake when compiling the documents, and so many deals were happening that no one noticed. The bankruptcy trustee may declare the bond unenforceable based on the documentation. The large pension fund that paid $750 million in cash for the bond will spend the next 10 years litigating to try to recover something out of the bankruptcy estate. [28]

3.3.3 Immediate Issuance of Financial Assets

[28] This example, like most herein, is lifted directly from a real-life deal worked by one of the Incoreum team.

With instantaneous payment for and transfer of on-chain financial assets, Incoreum Global allows immediate issuance of financial instruments such as equities, bonds, notes, and other debt-like and equity-like issuances, without delays to final issuance of these instruments so common in the incumbent model.

Instant Issuance: Company Z issues a bond. They tried using only electronic documentation previously, but there were problems in the final PDF document creation process that resulted in several days of delay; moreover, some jurisdictions don't allow electronic issuances. Company Z decides to use paper documents. The printing process alone then takes four days.

With Incoreum, Company Z can create, issue, govern, and track all aspects of the instrument on the platform itself.

3.3.4 Debt

Bonds, notes, and other debt instruments can be issued directly on the blockchain, creating a permanent record of the instrument's terms and provisions. Instead of uncertainties and mistakes due to the corruptible nature of current electronic or paper copies—which over time can create severe uncertainty and disputes between parties—such blockchain-issued instruments and agreements have a single, agreed-upon copy permanently recorded in its final form.

Recessive Legacy: MERS is the largest electronic mortgage registry in the United States, claiming to hold about half of the home mortgages in the country. In theory, MERS helps lenders, holding original loan documents in a "custodial facility" with "stainless steel vaults," and can quickly produce every file. Homeowners in theory can log into the MERS system to identify loan servicers and owners. Quoting the New York Times, "The reality turns out to be a lot messier. Federal bankruptcy courts and state courts have found that MERS and its member banks often confused and misrepresented who owned mortgage notes. In thousands of cases, they apparently "*lost or mistakenly destroyed loan documents*," resulting in millions of dollars and man-hours in litigation.[29]

[29] New York Times, "MERS: The Mortgage Holder You Might Not Know," March 5, 2011.

The Vague Loan: Bank A makes a loan and the borrower signs a promissory note, a loan agreement, a personal statement, and several certificates. But in the process of finalizing PDFs of the signed documents, the secretary mistakenly puts the wrong pages together, or the scanner sends corrupted documents. Nobody catches the mistakes and the draft copies are deleted or lost; further, since the final documents legally constitute the agreement, it is now uncertain what the legal terms of the agreement actually are. The parties litigate because it's impossible to determine what the loan terms are from the documents, and they each have different interpretations, so need a court to decide.

Next time, however, Bank A and the borrower do their documentation on Incoreum, and the agreed-upon documents are permanently reflected on the registry and are unalterable.

Debt payments can also be made directly on the blockchain. Under this regime, questions regarding whether, when, and how payments were made (themselves the source of billions in litigation costs), are rendered moot, avoiding from the instruments' inception any future disputes rooted in this uncertainty. Payment via crypto-asset also avoids the problem of non-negotiable instruments (such as drafts with insufficient funds) offered in "payment." Further, transfer of consideration and the facts surrounding default on payments can all be permanently recorded and audited on the blockchain, again reducing uncertainty, clarifying the facts around any related occurrence, and assisting in assessment of the relative legal positions of the parties.

The Debtor: Joe takes out a loan and the documents are on Incoreum. Per his agreement with the lender, he pays via crypto-asset on the first day of each month. Payments go through within minutes, and the date and time of every payment is immutably shown when it is made. There is never a question about whether a payment was made on time; there is never a question about bouncing a check.

Any such issuance on a blockchain may be public or encrypted depending on the privacy preferences of the parties involved or their local regulations. Issuers and buyers of publicly available bonds, for example, might choose an open, public blockchain, especially if they are intended for future trading. On the other hand,

privately-issued notes and other debt might, at the preference of the parties, only be available for view by those involved.

3.3.5 Equity

Like debt instruments, equity can be issued, managed, and traded directly on the blockchain, resulting in staggering value creation. As with debt, the currently operating equity systems foster enormous uncertainty, which results inevitably in confusion, time-consuming diligence projects, and all-too-often in litigation. Issues such as the terms of the equity issuance; the time the equity was actually issued; the consideration paid; the exact ownership of equity; transfers of equity; redemptions of equity; changes to equity terms; corporate governance; and exercising of options and other rights, are each major causes of dispute and litigation. And each are resolved by the Incoreum Global platform. When equity is issued, managed, and traded on a permanent, secure ledger, then the exact time and terms of payments, issuances, and actions are all permanently registered on the blockchain.

The Losers: Company A issues equity in its LLC. Its operating agreement reflects the rights and obligations of the equity owners, but the documentation is lost. Different company decisions affect different owners in different ways, so they fight or sue regarding their rights to control the decisions. If the documentation had been on Incoreum, it would be permanently preserved in its original state.

The Confusers: Company B issues privately-held equity and holders are supposed to pay the company for the equity, without which payment, they have no right to the equity. Some do pay. Some don't. Some pay with checks that bounce. Everyone forgets the details, because they are busy building the company. Two years later, the company is worth millions and some equity holders want to squeeze others out. They claim some payments weren't originally made, and so part of the equity issuance is invalid, giving them sole control. The smallest facts about payment details become critical, but there is now little evidence either way. If payment had been made via Incoreum's platform, the facts would have been permanently preserved.

The Latecomers: Kristjan has an option to purchase equity, and he has to exercise the option and make payment by a certain date, or it expires. He tries

to make payment at 11:55 p.m. on the last exercise day. His bank is closed, he can't get a payment through, and he loses his option rights. If the transaction had been on Incoreum, he could have paid on the platform and received his equity.

3.3.6 Equity Voting

Among the bundles of rights that equity holders often have is a voice in the operations of the company. That voice is heard through voting. Traditional voting can be a laborious, expensive, confusing, and contentious process often administered by third-party banking, custodial, or legal service providers. Incoreum Global presents issuers and holders alike the ability to quickly and easily receive notice, transact their vote, and safely, securely, and verifiably record that vote.

Notification of equity holder votes.

Notification of votes to be held among equity holders can be easily issued and the exact specifics of the notification are automatically reflected on the blockchain. This forecloses claims that notification wasn't provided, or that something was provided that was not. Via blockchain, the required notice regarding a vote that will be held is confirmed and held in perpetuity, foreclosing future disputes about what was provided, when it was provided, and to whom it was provided.

Due Process: Company X has seven equity holders and needs to have a vote regarding the management of the company. Its operating documents, as is typical, require a written notification 30 days in advance and containing certain information. The company sends out a notice 30 days in advance, but two of the notices get misplaced by the postal system and don't arrive until the 27th day. For three more, the holder had moved but the company had the wrong address in its system, so the holder never received anything. For another notice, a printer's mistake resulted in a typo in a critical spot of the text. Three equity holders ultimately come to the vote and cast their votes. Result: any vote is subject to dispute and legal fighting based on late notice, lack of notice, and incorrect information.

If this had been done on Incoreum, the notice would have been permanently recorded on the blockchain, and notifications sent to the token holders, resulting in a clear fact scenario and certainty about how notice was sent and timing of receipt.

Costs: Company Y is publicly traded and has 500 million shares, with 20 million individual shareholders. For a shareholder meeting or vote, in addition to the issues in the above example, millions of shareholders means they must print out millions of notices, contact brokers, pay for postage for millions of mailings, and try to fix all of the problems inherent in such a size requirement. Cost: perhaps $1 per mailing to create, print, and mail. If there are 20 million individual shareholders, cost for a single notice is $20 million.

If this were done on Incoreum, notification could be automatic and instant, since every new shareholder could be contacted directly.

Vote casting and recording.

If allowed by the organization documents and local law, the vote itself can happen on the Incoreum Global platform. The blockchain instantaneously shows a perfect record of what was done, who was there, votes that were cast, and outcomes of decisions. This also avoids the problem of proxy fights or other problems where voters are unable to attend a vote due to geographical limitations.

Lost Votes: Company Y is to hold a vote. It holds an in-person meeting and records of who is there and what votes they cast. The secretary loses her job the next day and the records mysteriously disappear, or the computer used for recording breaks, or there is some other inaccuracy in the proceedings, or the company's system is hacked. The vote is lost or voided. If the vote were held on Incoreum, the proceedings would be recorded on the blockchain. Alternatively, results of even a typical vote could be immediately uploaded to Incoreum and become a permanent record.

3.3.7 Other corporate governance

Additional concerns related to corporate governance, such as board composition, reporting, and dissemination of information, can also be dealt with directly on the blockchain, creating an immediate and permanent record not subject to later uncertainty.

3.3.8 Minutes

A meeting can be recorded and logged on the blockchain, allowing the meeting minutes themselves to be published and sent to all equity holders, and thus available to all parties instantaneously and in perpetuity.

Lost Minutes: Company Z holds manager and director meetings and takes minutes, as required by its corporate laws. Its minutes are kept in paper copies, but they are lost due to a fire. It also has electronic backups, but they are lost due to a software update and because nobody is paying attention to the storage of minutes. It now cannot prove what happened at its meetings and it is in violation of corporate law. It gets sued, and because it doesn't have minutes, the plaintiff pierces the corporate veil and the equity holders in the company become personally liable. Had the minutes been on Incoreum, they would have remained a permanently archived part of the blockchain.

3.3.9 Finding Owners

Many companies, both large and small, have no way of knowing who exactly owns their equity or where all owners are. If ownership information is reflected on the blockchain, then not only are votes easier and more reliable, but dividends and other payments to equity holders can be made directly. Ownership information can be recorded at varying levels of specificity, from completely anonymous token addresses to full customer identification, depending on the desires of and requirements imposed on the equity issuer

Lost Owners: Company A is privately held, with 20 equity holders, and wants to make management changes, some of which require a unanimous vote. Some of the equity holders are fairly small and they have moved and are no longer in contact with the company. Without unanimious approval, which is physically impossible to obtain, any

action taken by Company A is subject to the possibility of years-long legal fights claiming that such action was improper and must be rescinded.

3.3.10 Payments

If dividend and other payments are made on the blockchain, then exact amounts and times of payment can be shown, avoiding any future questions or disputes regarding those issues. Further, any such payment can be executed, confirmed, and audited within seconds, reducing (if not eliminating altogether) the need for custodial, escrow, and banking intermediaries.

3.3.11 Equity Buybacks

Equity buybacks can be handled on the blockchain as well. When a company knows exactly where and by whom their equity is held, it can make buyback offers directly to equity holders.

3.3.12 Network Security

As noted above, one key benefit to blockchain technology is security. An on-chain approach creates a trustless, secure system providing verification of ownership (with the level of detail and anonymity tailored to the issuer's desire and the requirements of local jurisdictions), secure trading of financial assets, and instantaneous settlement and confirmation. Blockchain solutions are highly secure and can even be unhackable primarily because of decentralization; i.e., running the platform and verifying the blockchain on thousands or millions of systems. As discussed below, the Incoreum Global and the ICR system will, at least initially, be run on Ethereum, bringing in the security of the Ethereum network itself.

3.4 The Ecosystem

Creating adjacent value

3.4.1 Derivatives

A derivative is a contract between parties that is based on an agreed-upon underlying financial asset. Numerous different kinds of derivatives exist, and they have various applications and functions, whether for hedging, speculation,

circumventing exchange rates, anticipating futures, creating options, or engaging in swaps.

Incoreum Global's platform allows the creation of derivatives. By sitting at the center of this ecosystem, it enables an engaged, adjunct community. Further, with a new approach to financial instruments, new derivatives can be created to enlarge and enrich the market and market opportunities – all connected to the Incoreum Global platform.

The Option: Company A issues stock on the Incoreum platform. They then tie some ICR tokens to their shares and grant specific option rights to those tokens.

The Short: Company B issues publicly-tradable bonds on Incoreum, each tied to asset-specific tokens generated on the Incoreum platform and underlying blockchain. Company X believes the trading value of the bonds will drop, and so they execute a short-sale contract with Company Y whereby they borrow the tokens for some bonds, sell them, and then in the future are obligated to return tokens related to the same bonds.

The Hedge: Company C owns substantial tokens providing equity in Company D, and wants to hedge its risk against potential negative price movements in Company D. Company C believes that Company E is negatively correlated with Company D, and so it buys tokens that have option rights to purchase equity tokens in Company E.

3.4.2 Additional Service Opportunities

Flattening the field of financing instruments removes much of the need for many of the current intermediary industries, but it also creates new opportunities for new companies and products to operate in the new ecosystem. More-efficient analysts, mutual funds, options, hedge funds, and other services can operate on top of the Incoreum Global platform and within the ecosystem, all utilizing the Incoreum ecosystem and issuing, managing, and trading their products and services via the platform and its facilitative token, ICR.

4. THE INCOREUM GLOBAL TOKEN (ICR) AND INSTRUMENT TOKENIZATION

The Incoreum Global Token, ICR, is a critical and fundamental part of the Incoreum Global platform and ecosystem, and much of the use and ecosystem are based on its utility. In brief, ICR is required for entrance to the platform and access to all of its services, and acts as the fuel for the entire ecosystem and a license to use its services. Somewhat like how ether fuels and secures the Ethereum network, ICR is required to access and operate within the Incoreum Global platform and ecosystem for the international financial system. And like ERC20 tokens, which are issued, traded, and operating on the Ethereum network, financial instruments issued and managed on Incoreum will be tokenized on the ICR network.

The Incoreum Global platform also develops and includes services for analysis, use, and application of new technology that we may sell to certain aspects of the current industry, or in certain geographies, in exchange for ICR.

In short, traders will "burn" (redeem) ICR in order to transact on the platform. Those transactional micropayments will return to the Incoreum platform to be resold to traders looking to use the platform as issuers, purchasers, traders, service providers, or any other number of use cases. In this way, all users will have a literal financial stake in the health, vibrancy, and security of both the network and in their individual trades, which creates additional security for the platform.

4.1 Tokenization of Financial Instruments

Given that financial instruments are, themselves, abstract memorializations of an ownership in or duties of an instrument issuer, tokenization allows issuers and purchasers alike the opportunity to forgo paper certificates, stocks, and notes, and maintain a digital copy of the same. As discussed above, tokenization also offers the issuer the opportunity to code the precise terms and rights of any instrument directly into its own token. In turn, purchasers can know precisely what duties they owe to the issuer and what rights they have by way of the instrument, receive notice and information directly from the issuer, and vote and otherwise interact with the issuer directly, without the need for intermediaries. In short, tokenized instruments issued and managed on the Incoreum Global

platform can become the 21st century's versions of stocks, bonds, certificates, and notes.

The Incoreum platform—developed and refined by jurisdictionally specific experts in law and technology—will guide issuers of any financial asset through the process of generating their own tokens. These tokens can in turn be tied to shares in a company, debt, property, or any other financial asset and can be specifically programmed with the terms and conditions of the underlying asset. In short, Incoreum allows for the rapid, legal generation of truly digital financial assets which can be traded, managed, and regulated directly on the platform. A brief example follows.

Wizard: Acme Co. wants to issue 100,000 shares of equity through the Incoreum platform. Through the Incoreum wizard, they can tokenize those shares and customize their price, terms, and any number of specific attributes. Thereafter, Acme Co. can then deploy those tokenized assets on the Incoreum platform and sell or distribute the tokens to their equity holders, with each token reflecting one share of equity. These tokens can manage votes, issue notices, and pay dividends or distributions.

Later, as the Incoreum ecosystem is built out and their company improves, the tokens correspondingly rise in value. Acme Co. can then issue distributions directly to token holders, conduct a pro-rata stock split, quickly and transparently conduct stock buybacks, and otherwise manage their equity in a way never before possible.

4.2 ICR Uses

In addition to acting as a license for access to the Incoreum system, other uses of the ecosystem, such as direct review of financial instruments, debt payments on the platform, voting of equity, notifications, dividend issuance, buybacks of equity, retiring of debt, access to the network for derivatives and service offerings, debt maintenance and valuation of debt or payment based assets, as well as many other uses, all require ownership of ICR. The ICR token also is a license for its holders to use the system; but unlike time-based licenses for typical software, which expire after a fixed amount of time, such as a year, the ICR token license is based on use. For certain uses, a redemption of a miniscule portion of the user's token may occur. This redemption, though insignificant for any specific transaction, performs a number of critical functions, in that it (1)

pushes maximization of the long-term viability and growth of the Incoreum Global platform; (2) ensures that the tokens issued and managed on Incoreum Global platforms are living artifacts, not merely static stores of value; (3) creates an element of scarcity in ICR and the underlying platform; (4) increases the options for staking and other methods of rewarding efforts to add stability to the network; and (5) as the token increases in use and value, it creates a financial disincentive for bad actors to attempt to hack, modify, or otherwise obfuscate the blockchain itself, effectively making any such hack prohibitively expensive and ultimately more costly than the potential reward.

Sorcerer: Aarav Acharya is looking to buy promissory notes. Aarav already owns ICR tokens. He begins his search on Incoreum because of the ease of valuation: with many notes listed and owned via ICR, he sees every payment from every debtor on the blockchain, establishing a perfect record of payment history. The promissory notes are issued, posted and recorded permanently on the blockchain. When Aarav buys his next note he can review the original terms and conditions of the note as recorded from the beginning on the ICR platform, and simply offer to buy the interest of any ICR token that has ownership interest and right to payment for that note.

Apprentice: Zhang Wei purchases one ICR. He uses it for all of his interests: to buy shares, to receive dividend payments, to take out a loan for his small business, to make loan payments, and he sometimes stakes it in the ICR ecosystem when he isn't using it. His transactions cause a tiny redemption of a part of the token. When he finally exhausts his ICR, Zhang Wei can purchase more ICR directly from Incoreum or on secondary markets that we expect will inevitably spring up.

4.3 Initial and Future Architecture

Initially, Incoreum Global platforms are and will be built and operated on the Ethereum network and blockchain, but as the ecosystem grows in userbase and underlying value, the platform is intended to ultimately migrate to its own blockchain architecture that more specifically and cleanly meets the needs of the users and ecosystem as then represented.

ICR is the token and gas that drives all uses related to the ICR ecosystem, including associated derivatives and services offerings, and is also a payment mechanism for services that Incoreum Global may sell to parts of the current industry. As the independent architecture of Incoreum is ultimately built out, ICR becomes the sole token for the space. In this manner, the utility, adoption, and visibility of ICR increases over time, and helps provide velocity to the ecosystem as a whole. All direct and ancillary uses are done via ICR, rather than dealing with many different currencies and tokenized offerings in the ecosystem, and this single-token optimization provides, on a macro level, substantially increased efficiency, value, and transparency to the network as a whole.

4.4 Usage Model

Unlike many prior blockchain industry offerings, Incoreum Global is designed from the beginning to be able to adapt to the needs of various nations, regulatory regimes, cultures, and approaches to finance. The usage goal of the Incoreum Global team is to create the widest and deepest network of users in the shortest possible time. Accordingly, except for the purchase of ICR, the Incoreum network is intended to be free to use for all or most locations.

Depending on the costs of implementation in any particular sector or location, minor usage fees may be required to ensure viability in some locations. Even in these situations, with the extremely broad potential use of the platform and offerings, this fee is anticipated to be barely a fraction of the costs of the currently-operating system and thus far more efficient, and network effects driving increased usage are likely to ultimately drive these to free as well.

Similar to many web companies with worldwide reach, the global reach of value creation drives increasingly efficient outcomes, lowering costs while simultaneously increasing value. Eventually, when the platform is built out to full maturity, it could also be set free to run itself as a continuous value-generating autonomous platform, covering its costs through its micro-fees from transactions.

5. ROADMAP

5.1 Structuring Implementation

The Incoreum Global vision is extensive, and we believe that it is not only possible but certain that blockchain-based solutions to the stock, bond, debt trading, and derivatives industries will be implemented. We intend to be the ones who do that implementation in the quickest and most extensive way possible, and we believe that our team has the expertise and drive to make that happen.

The best approach to far-reaching goals of this nature is a model that is phased in, both technologically and jurisdictionally, over time. Accordingly, we have performed and continue to engage in far-reaching analysis into legal, regulatory, and market conditions in markets and jurisdictions around the globe, while simultaneously building out our pre-alpha platform software. As noted in our bios in this paper, our team and advisors have deep experience in jurisdictions in all corners of the globe, and the individuals with the most relevant expertise evaluate the areas and jurisdictions with which they are familiar.

The next stage of review will include build-out of local regulatory, legal, and capital markets teams in each jurisdiction, planned to include the firms listed in this white paper and especially those in which we already have relationships, and they will evaluate a number of metrics for each individual jurisdiction: local regulatory restrictions and detail; ease of entry into the specific market; which types of financial instruments appear most needed and easiest to implement in each market; corruption levels and the rule of law; general friendliness by each government and applicable regulators to the blockchain and technology spaces; value and size of market; competition; and any other relevant factors.

Two particularly relevant regulatory areas to focus on are know your customer and anti-money laundering requirements in each jurisdiction; these are often similar across various governments, but they change and will require specific approaches to confirm, depending on the areas that we enter.

When ready to launch, we intend to initially focus on 3 to 5 jurisdictions that our evaluations have indicated are most receptive legally and market-wise to our platform, and initially launch a basic platform allowing issuance and trading of various financial instruments: stocks, bonds, notes, convertible instruments,

and/or other types of instruments, depending on the legal requirements and market needs of any particular jurisdiction. Additional functionality on the platform will be phased in over time, again based on the needs of the specific location as they appear.

Initial jurisdictions for launches are contemplated to include one or more within each of Europe, Asia, Africa, and South America where interest in the blockchain industry is high. Each jurisdiction has different regulatory regimes and market stages, and the purpose of the initial review is to identify which jurisdictions are most receptive and how to phase in our services in different locations.

For some areas, we may focus on one type of financial instrument first, and then expand the platform services and functions over time in that location, again depending on local legal and market needs.

Country 1: For country 1, our legal and market review could suggest the following approach: we might initially launch a basic platform for issuance and tracking of unsecured debt (i.e., promissory notes). The next quarter, we expand it to include secured debt; the next quarter, add functions for issuance and trading of bonds; then six months later, expand utility to include stocks issuances and trading as well. Six months later, we could seek to expand the stock side to include corporate governance functions in our platform (voting, notifications, and management, for example).

Country 2: For country 2, our initial review might show a primary need and desire for stock and other equity needs immediately. In that case, we might initially focus on a stock-oriented platform, seeking to first allow the issuance and trading of stocks. A few months later, we could add in additional equities functionality, such as corporate governance. Issuance and trading of bonds and notes might follow six months after that, and eventually derivatives.

5.2 Notes Regarding Technology Sharing and Timing

Where jurisdictional requirements permit, one product will be released across multiple countries, with a goal of including as many countries as possible in each specific platform. All platforms will share the underlying technological components in order to get as broad-based installation as possible.

Depending on the initial fundraise, the current schedule calls for release of initial beta platforms for these in Q3/Q4 2018, followed by updates and tweaking of the technology. Launch of the basic platform in the 3-5 initial jurisdictions is planned in Q1 2019, followed by continued updating of functionality to the initial jurisdictions and immediate rollout of beta versions for initial platforms for additional jurisdictions worldwide throughout 2019, in amount to be finalized.

Iteration of initial platforms, increased functionality, and continued rollout of versions for additional jurisdictions will continue through 2019 and 2020.

5.3 Timeline

- **Phase 1**
    - Late 2016: early founder meetings and review of industry opportunities
    - Early 2017: research into application and regulation of blockchain in highly regulated spaces, securities laws, and taxation of crypto assets
    - Early Summer 2017: meetings and concept discussions with experienced industry players and academics
- **Phase 2**
    - Summer 2017:
        - Team growth
        - Whitepaper finalization and technical work
    - Late Summer 2017: Platform and token building
    - Fall 2017: Community Building
- **Phase 3**
    - 1Q 2018: Platform and Token Building
        - Final jurisdictions for initial launch
        - Final phases of pre-alpha software

- **Phase 4**

    - 2Q 2018: Platform alpha release to specific contributors and analysts
    - 3Q 2018:
        - Vanilla platform beta release for public review
        - Ongoing regulatory analysis and application to software and specific locational requirements
    - 4Q 2018: Beta release in specific launch jurisdictions

- **Phase 5**

    - 1Q 2019: MVP launched in initial jurisdictions
    - 2019:
        - Additional jurisdictions added and teams built out for local chains and platforms.
        - Additional functionality added to initial jurisdiction platforms.

- **Phase 6**

    - Q4 2019: Phased roll-out to additional jurisdictions, and phased increase of functionality across previous jurisdictions.
    - 2020: Mass adoption.

6. REGULATORY ISSUES

Financial instruments are in many cases subject to substantial regulatory regimes, especially where trading is involved. Unlike some proposed and existing approaches in the blockchain space, Incoreum Global takes a pragmatic approach to reconcile the tension between full decentralization and unitary central authority. Recognizing that jurisdictional regulation is inevitable (and not necessarily undesirable) and that some features of decentralization— especially the security and auditability that blockchain provides—represent an immediate value transformation, the Incoreum Platform is and will be further designed to work within and utilize these regimes in a manner that best grows the platform and benefits its users. Our team's background and experience make it uniquely suited to meet these issues.

Local and international law and regulation

The modern nation-state structure has resulted in a system of laws and regulations that are highly focused on geographical jurisdiction; for example, the United States Securities and Exchange Commission generally regulates within the United States but not outside its jurisdiction. Other national regulators, and international regulators covering participating nations, act under their own respective authorities and for their respective geographies. Each area requires a similar technology solution, but within the correct local governance and implementation framework.

Incoreum Global is founded upon a marriage of cutting-edge technology solutions with an international network of deeply experienced attorneys, regulatory analysts, and financial professionals. Incoreum is designed to launch products and platforms in a tiered structure based first on the most initially favorable legal and regulatory regimes for application of the blockchain platform. Our team, which has decades' worth of collective, global experience in the legal, regulatory, and capital markets fields, will analyze and pursue the most promising initial jurisdictions for the platform. For these, we work with our extensive multinational network and local teams to determine where our platform makes the most sense and how to structure and implement it in the most useful way.

Our approach to building our platform is intended to be flexible and adaptive, reacting to the needs of local markets while remaining compliant with their

regulatory regimes. There is no one-size-fits-all approach to the rollout of our platform. To illustrate our strategy, we have provided some examples below:

Country A: We review Country A for regulatory and market conditions. They appear favorable and we build out the review team to look further, including local regulatory and market analysts. We determine that Country A has a strong need for a debt exchange market, and a regulatory environment that will permit our platform to offer that. Accordingly, we tweak our basic platform to Country A's specific regulatory requirements, and then those permitted by Country A's legal system can come on, issue debt, buy debt, and manage debt. Over time, we also build out our platform for Country A to support equity markets and other types of instruments and features supported by Country A's legal system and markets.

Country B: We review Country B for regulatory and market conditions. They appear favorable and we build out the review team to look further, including local regulatory and market analysts. We determine that Country B has a strong initial need for an equity-like market, and it has a regulatory and legal structure that will allow us to offer it and an economic base that will support it. Accordingly, we build up our basic platform to meet Country B's regulatory requirements for an equity exchange platform, and then those permitted by Country B can issue, purchase, and manage equities.

We intend to focus initially on the three to five jurisdictions showing the most promise and determine how our platform is best applied across them. Where local variants permit, our platform will combine across jurisdictions to create a single platform that meets all regulatory requirements of each jurisdiction. Incoreum Global, unlike many recent blockchain-focused companies, is designed and equipped to be modified to comply with (and incorporate in its infrastructure) all regulatory requirements in every jurisdiction it touches, and accordingly provide a critical and required element for any successful ecosystem. Of course, all local issuers and purchasers must comply with their own applicable legal requirements. We suggest that all issuers screen buyers as well, particularly for any proposed public offering.

Incoreum Global leverages its relationships with top legal advisors around the world in order to analyze regulatory requirements, structure offerings and

products, and ensure the legal foundation of all of its offerings, as well as quickly create inroads to relationships with key regulators and other officials.

7. FUNDING

Funding of any early-stage company is necessary for both its short- and long-term viability. Thus far, the founding team of Incoreum Global has personally funded development of the company and platform. ICR will be sold to users for access to the platform and use of its capabilities, as well as to third parties for development of additional value-add services on top of the platform, such as derivatives.

Incoreum Global seeks to be a key player in the blockchain and finance industries, and accordingly desires to build a robust, widespread user base. We are committed to the stability and value of our platform and ICR, and have considered continuing to self-fund, or bringing in some angel or VC investment, as we build it out. At the same time, we have been overwhelmed and greatly humbled by the positive responses and encouragement we have received from the crypto community, and we want to show our appreciation for this early support and feedback, especially to our earliest community members who are helping make the platform successful.

We also desire to have the most diverse purchaser base possible and get ICR into as many hands as we can, including the crypto community, since we believe this will help turbocharge the platform in countries around the world. And of course, we recognize that additional funding would enable a much faster buildout of the platform across the globe. Accordingly, we are strongly considering some kind of early sale of ICR, such as a presale or other offering, allowing the community at large to buy early. We request and are reviewing community input into its members' thoughts on the funding question.

Final decisions regarding a potential sale have not yet been taken, but should be finalized in the immediate future. If we do such a sale, it will likely be in Q4 2017 or Q1 2018. If you are interested in staying informed of ongoing developments, or would like to be considered for inclusion in a potential discounted early offering to our earliest supporters, please contact us with a request to that effect on our website, www.incoreum.com, and engage in our communities on social media across the web (reddit, slack, etc.).

8. VALUES

Incoreum Global's mission is to implement the world's first tokenized, blockchain-based platform for global financial instrument issuance, management, and exchange in a flatter, more direct, and more cost-effective manner than ever before, and in the process to help grow the sector worldwide to positively impact each person on the globe. We desire to empower each person to become better in every way, including via upward mobility, and in doing so expand the economic pie for all.

Accordingly, we adhere to certain values:

Continual improvement: We seek to continually improve our company, service offering, tokens, and value in all respects. We constantly seek to obtain, measure, and improve upon results.

Compliance: We seek to always ensure full compliance with all applicable laws, regulations, and rules. We believe that proper regulation and private enterprise can and should exist side by side, each helping the other to achieve a better world.

Trust: We seek to earn and hold the trust of all ICR token holders, companies, and other entities and individuals with which we deal by acting with the highest standards of honesty and accountability. We believe that trust is necessary in all successful relationships. We desire to help increase rightfully placed trust in this industry, while illuminating areas of concern.

Security and Privacy: We consider security and privacy of our members and users as central to all we do, continually striving for the most secure platform and structure available.

Speed: We seek to move as quickly as possible consistent with careful and effective understanding and review. Rapid iteration is critical to understanding markets, industries, and models.

9. LEGAL DISCLAIMERS

This material is provided by Incoreum Global, LLC ("Incoreum Global" or the "Company") for informational and use-product purposes only, and is not an offer or a solicitation to buy or sell any securities or other financial instruments. The ICR tokens are a use product permitting access to the services to be provided by Incoreum Global, as detailed above. Such services may change over time, and will vary by jurisdiction, to comply with market or regulatory needs as the offering is further built out. Tokens are not intended for speculation, are not equity, and they afford the holder no rights in, or claims to, any of the assets of Incoreum Global, or to in any way share in any profits that the Company may achieve. Interested parties acknowledge receipt of, review of, and agreement with the Company's Consent to Use Electronic Records, Privacy Policy, and Terms and Conditions as found on the Company's web site. This document is subject to change and must be accompanied by such documents, which remain in effect regardless of purchase decisions. This paper describes the current vision of Incoreum Global. While we intend to attempt to realize this vision, please recognize that it is dependent on many local, national, and global factors, and is subject to many risks in an extremely fluid and young industry. It is possible that the platform described herein will never be implemented or adopted, or that only a portion of the vision will be realized, or in a manner different than set forth herein. We do not guarantee, represent, or warrant any of the statements in this paper, as they are based on our current beliefs, expectations and assumptions, any of which may be wrong and any of which could change the focus or plausibility of these plans.

This whitepaper and all of its contents are works-in-progress. As such, Incoreum Global reserves the right to update, modify, or remove any or all of the statements or concepts herein at any time and for any reason, without notice.

We intend to work hard and seek to achieve the vision laid out in this paper, but you cannot rely on it succeeding. Crypto currencies, blockchain technology, and their related applications, uses, markets, and companies are in their infancy and are subject to many challenges, including, among others, legal, technical, financial, regulatory, and competitive.

By reading this paper or participating in any Company offering, you acknowledge that Incoreum Global may never operate as intended and that you are able to absorb the loss of some or all of the money you spend on the offering.

An ICR token is intended solely as a mechanism for accessing information and using the services that may be offered through Incoreum Global and, as such, may have a value of zero now or in the future. ICR tokens are non-refundable and are not for speculative investment. Although we intend to try to build the Company and its services to be of value, no promises of future performance or value are or will be made with respect to ICR tokens, including no promise of inherent value, no promise of continuing payments, and no guarantee that ICR tokens will hold any particular value. ICR tokens are not equity or participation in the Company and hold no rights in the Company, but are sold only as a functional good. All proceeds received by the Company may be spent freely by the Company without any conditions whatsoever. Ownership of ICR tokens, ICR membership as described in this paper, and any dealings with the Company are intended only for those who have the financial and economic wherewithal to bear the risk of any purchase or contribution to the Company and who are experts in dealing with cryptographic and blockchain-based software systems and purchases.