



*The first decentralized digital currency to be backed by real assets, with existing strategic relationships in place, with quantifiable downside protection, and an equitable revenue share structure. This is the future.*

Jeff Mahony, Steve Durbin

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## Executive Summary

### The Problem

Cryptocurrencies have been gaining widespread investor awareness and are poised to become one of the most disruptive new technologies in the history of financial services. We fully believe that these currencies will, over time, become *ubiquitous* and that they will serve as the backbone for a wide range of financial transactions that will empower the underserved of the world and reduce the chasm of inequality within our local communities and our society at large. However, most cryptocurrencies have flaws that have prevented them from making the leap from speculative investment to real world mode of commerce. While there are several issues that need to be addressed, we believe the three primary challenges are: (i) very high price volatility; (ii) latency of transaction times; and (iii) lack of strategic relationships and support. Each of these could preclude any currency from being successful. Unfortunately, nearly all cryptocurrencies are plagued by not just one of these challenges, but all three.

### The Solution

UbiquiCoin has been designed to address those three critical flaws, and then has gone even further to lay the foundation for a complete ecosystem that is capable of not only dramatically reducing the friction costs associated with investment and commerce, but one capable of providing significant, uncapped, recurring income for all those participating (the “**UbiquiCoin Ecosystem**”).

We have addressed the volatility issue through a unique two-coin structure: one coin is stable in value and backed by a diversified pool of low risk assets (Transaction Coins). The other, which is being offered in the ICO, operates in a free market environment with the ability to appreciate in value, while having downside protection provided by a financial guarantee (Progressive Coins). We believe this two-coin approach solves the concerns of consumers and merchants who are reluctant to use a highly volatile coin for commerce by providing them with our Transaction Coin, which has a stable and predictable value. We have also addressed the interests of coin investors by providing them with a Progressive Coin that has the ability to appreciate and trades freely. Progressive Coins share in 20% of all revenue generated in the UbiquiCoin ecosystem, thus providing a critical mechanism to drive the value of the coins higher over time.

We have also addressed the latency of transaction times, which can range from several minutes to several hours, through blockchains that are based on our proprietary Proof of Majority consensus mechanism. This will be the industry’s most decentralized network, with the highest level of security, and sub-second transaction times. This is critical to making the coins a viable and practical mode for purchasing goods and services, transferring money, or conducting any other sort of financial transaction.

We also bring an extensive network of existing strategic partnerships that know and trust our management team, have worked with us for many years in the past, and have already performed a thorough diligence review of the majority of our underlying technology, processes, and people.

In short, we have solved the price volatility conundrum with our two-coin approach, we have the best and fastest decentralized consensus mechanism, and we are the only offering that has existing strategic partnerships to help accelerate adoption rates.

*We are dedicated to creating a democratically decentralized ecosystem, backed by a diversified pool of low risk assets, that is unhindered by the political state of any specific nation, that addresses the flaws of traditional banking systems, and that helps mitigate the growing inequalities in our society.*

## The Strategy

Our strategy will be based on the following key tenets:

- Develop a truly decentralized ecosystem that has liquidity in the real-world, that has real assets backing it, that allows for growth without massive volatility, that has quantifiable downside protection, and that can offer a very clear value proposition to our entire society.
- Offer debit card capabilities limited only by the value of an individual's Transaction Coin holdings instead of some arbitrary ceiling.
- Provide access to proven investment vehicles to every participant, regardless of where they land on the socioeconomic scale.
- Ensure that each and every Progressive Coin holder shares in the revenue generated by the entire ecosystem, not just those generated by their individual behavior.
- Reduce the friction costs and exchange rates at every point in the ecosystem.
- Offer near real-time processing of transactions by leveraging a truly decentralized Proof of Majority consensus mechanism.
- Offer worldwide bank-to-bank money movements at reduced costs and without the need for scale to create the cost reductions.

*These are the requisites for the UbiquiCoin ecosystem. This is the solution our society has been waiting for. Then, we made sure it is backed by a guarantee that scales with the size of the ICO in order to assure Progressive Coin holders that even if the ecosystem were to stumble, each coin holder would retain significant value.*

## The Offering

UbiquiCoin will accept Pre-ICO investment for its Progressive Coins (symbol: BIQP) from select investors until the day before the launch of the public ICO. These investors will have the right to purchase at a negotiated price with the Company with the standard Pre-ICO price ranging from \$1.00 to \$1.25 per Token. The Company reserves the right to increase or decrease the price per Token for Pre-ICO investors. These investors are SAFT Series-1 investors.

UbiquiCoin's public ICO is scheduled to launch on [\_\_\_\_\_] and will remain open until [\_\_\_\_\_]. UbiquiCoin reserves the right to postpone the launch date and/or closing date of the public ICO by up to 90 days. These investors are SAFT Series-2 investors. The price per coin for SAFT Series-2 investors will increase based on the amount raised in the ICO (excluding Pre-ICO investors). Specifically, there are hurdles that will trigger price increases, which are described in detail on page 21 of this Memorandum. For example, the first \$5 million of investment raised in the ICO will pay \$1.00 per coin. The next group of investors will pay \$1.25 per coin until a total of \$25 million has been raised. Then, the price of the coin will increase to \$1.50 until a total of \$50 million has been raised. These \$0.25 price increases per \$25 million raised continue until a total of \$100 million has been raised. After that point, the price per coin increases \$0.50 per coin per \$15 million raised until \$225 million has been raised. At that point, the price per coin will stay flat at \$5.00. Note that the price increases are only based on the size of the raise from Series-2 investors and the hurdles are not impacted by the amount raised by Series S-1 investors.

There is a cap of 400 million coins offered in the ICO, including all Pre-ICO sales.

## Key Challenges Addressed by UbiquiCoin

| Current Challenges   | UbiquiCoin Solution   |
|--|---|
| High price volatility prevents consumers and merchants from using digital currencies as a mode of commerce.                | <ul style="list-style-type: none"> <li>▪ Our Transactions coins have a <b>stable, predictable value</b> and are fully backed by assets, thus ensuring they can be easily converted to fiat currencies.</li> <li>▪ This gives merchants and consumers complete confidence in the value of their transactions.</li> </ul>   |
| Long transactions times due to increasingly difficult consensus approvals make real world use impractical.                 | <ul style="list-style-type: none"> <li>▪ UbiquiCoin will utilize our proprietary <b>Proof of Majority</b> to verify transaction authenticity.</li> <li>▪ This will allow the currency to scale rapidly, efficiently, and with sub-second transaction times.</li> <li>▪ This will be the industry's most decentralized consensus mechanism and also its most secure.</li> </ul>  |
| Lack of strategic partnerships with traditional financial institutions prevents widespread consumer and merchant adoption. | <ul style="list-style-type: none"> <li>▪ UbiquiCoin has <b>existing strategic relationships</b> both in the U.S. and internationally with tier one financial institutions.</li> <li>▪ This will dramatically increase the ability to use the currency for transactions, transfers, and other financial services.</li> </ul>   |
| Cryptocurrencies have no downside protection.  | <ul style="list-style-type: none"> <li>▪ We are the first and only digital currency to be backed by a <b>\$1.00 per coin financial guarantee</b>.</li> <li>▪ The guarantee is provided, in part, by Schneider Securities, a large, licensed and registered financial institution.</li> <li>▪ This not only provides quantifiable downside protection, it also shows that a highly respected third party has shown enough confidence in our offering and business plan to "vote with their wallet."</li> </ul> |
| Mining has become increasingly difficult for average users to generate a return.   | <ul style="list-style-type: none"> <li>▪ All Progressive Coin holders receive, pro rata, <b>20% of the revenue</b> generated by the entire community regardless of the power of their computers.</li> <li>▪ No mining is required to receive this distribution.</li> </ul>  |
| Management teams are often very young and inexperienced.   | <ul style="list-style-type: none"> <li>▪ UbiquiCoin is led by a group of seasoned financial technology executives and investors with <b>over 25 years of average experience</b>.</li> <li>▪ They have founded, invested, and led several very successful companies throughout their careers.</li> </ul>   |

## Our Two Coin Approach

In order to address two separate (and in many ways opposing) objectives – appreciation in value and usability for real world transactions – we have created two coins, each specifically designed to accomplish one of those goals.

These two coins are called Progressive Coins (BIQP) and Transaction Coins. Transaction Coins, as their name implies, are intended to be primarily transactional in nature (i.e., used to make purchases and transfers). Their stable price gives all people involved in these transactions confidence in the value that is being exchanged, which is paramount to ensuring they are a usable form of commerce.

Unlike Transaction Coins, Progressive Coins (which are being offered in the ICO) have the ability to appreciate because they are limited in number and they receive 20% of revenue generated from the entire UbiquiCoin ecosystem.

The key differences between the two coins are summarized in the table below and are discussed in more detail in the following sections.

| Characteristic             | Transactional Coins (BIQT)   | Progressive Coins (BIQP)  |
|----------------------------|--|---|
| Number of Coins Issued     | <ul style="list-style-type: none"> <li>▪ Unlimited but based on market need</li> </ul>                       | <ul style="list-style-type: none"> <li>▪ Limited</li> </ul>   |
| Potential for Appreciation | <ul style="list-style-type: none"> <li>▪ No. Stable Value.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Yes</li> </ul>   |
| Revenue Share              | <ul style="list-style-type: none"> <li>▪ No</li> </ul>   | <ul style="list-style-type: none"> <li>▪ 20%</li> </ul>   |
| Purpose                    | <ul style="list-style-type: none"> <li>▪ Purchases</li> <li>▪ Transfers</li> <li>▪ Store of Value</li> </ul> | <ul style="list-style-type: none"> <li>▪ Store of Value</li> <li>▪ Potential appreciation</li> <li>▪ Revenue share</li> </ul> |
| Security                   | <ul style="list-style-type: none"> <li>▪ Diversified pool of ultra low risk assets</li> </ul>                | <ul style="list-style-type: none"> <li>▪ 3 Year Financial Guarantee of \$1.00 per coin</li> </ul>                             |

### Transaction Coins

Transaction Coins will be used primarily by consumers to make purchases or transfer money. Consumers can also hold them as a store of value given their stable value. A blockchain will be used to track these coins, but they will not be issued as part of this ICO. Rather, they will be minted as needed by consumers. Cash received when the Transaction Coins are minted will be invested in ultra low risk assets. Importantly, this eliminates the volatility of the coins' price, which is one of the most profound challenges preventing other cryptocurrencies from making the leap from speculative investment to useful means of commerce.

The problem that price volatility creates can best be understood through an example. There are currently no major technological barriers preventing a consumer from making a purchase at ABC Company using XYZ cryptocurrency. However, ABC Company does not want to hold XYZ coins because they are in the business of selling product and not speculating in a volatile commodity. Therefore, they will typically want to convert that coin into a fiat currency as soon as possible. However, that can be a costly process because the value of the coin could decline before the merchant can convert it. Further complicating things is that the markets for cryptocurrency remain relatively illiquid, so exchanges do not occur in real time or with enough volume to fulfill meaningful amounts. Additionally, there is typically a high transaction cost associated with converting the cryptocurrency to a fiat currency. These four challenges (volatility of coin prices, time to execute a trade, insufficient volume, and transaction costs) are the primary reasons that most merchants remain unwilling to transact in cryptocurrencies.

*Unlike other coins, UbiquiCoin's Transaction Coins have real assets backing them, so merchants can immediately convert those coins into a fiat currency with near zero risk of depreciation.*

## Why Consumers Will Use Transaction Coins

### 1. Store of Value

There is wide section of the population (both in the U.S. and abroad) that does not have access to banking services. For example, a 2015 study by the FDIC found the following:

*7.0 percent of households in the United States were unbanked in 2015. This proportion represents approximately 9.0 million households. An additional 19.9 percent of U.S. households (24.5 million) were underbanked, meaning that the household had a checking or savings account but also obtained financial products and services outside of the banking system.<sup>1</sup>*

The number of unbanked and underbanked in the U.S. pales in comparison to the number in the global economy, where there is easily in excess of one billion people who lack access to basic financial services.

There are lots of reasons for an individual to be unbanked or underbanked, but here are just a few:

- People are fed up with the fees. According to a Pew study, one-third of the households that left banks altogether did so because of unexpected or unexplained fees.<sup>2</sup> The problem with fees is not just the amount, but also the lack of transparency typically found in a banking relationship.
- Youth is a major factor. In fact, according to FDIC data, about half of young people between 18 and 24 are unbanked or underbanked.
- Banks, which are rules driven bureaucracies, often decline business with an individual because of previously bounced checks or relatively minor overdrafts.
- Bad customer service. According to data from Pew, about 6 percent of the nation's unbanked population are actually driven to quit their banks because of a bad customer service experience.<sup>8</sup>
- The individual may be involved with a company or industry that the bank does not want to support.

None of the above reasons are issues for UbiquiCoin. Fees are dramatically lower than any bank and are completely transparent, a person's age is not a factor, the ecosystem is run by smart contracts and does not rely on subjective decision making policies, the automation of the entire system eliminates the need for customer service, and it is agnostic to a person's history or their business so long as they meet KYC requirements and are not doing anything illegal.

*Therefore, UbiquiCoin provides the unbanked and underbanked a new and highly desirable means to store their wealth*

### 2. Transactions (i.e., purchases of goods and services)

There will be a variety of ways to use Transaction Coins, all of which have been designed for ease of use and efficiency. First, we can issue coin holders a card that operates similar to a debit card. It will be linked to your UbiquiCoin Wallet and you can use that card wherever credit cards and debit cards are accepted. The merchants will prefer these cards because our transaction fees will be dramatically lower than standard credit cards and they will receive their money faster. We will also provide a digital wallet that will allow users to make purchases using their smart phones at the point of sale, similar to Apple Pay.

<sup>1</sup> <https://www.fdic.gov/householdsurvey/>

<sup>2</sup> <http://www.bankrate.com/banking/6-reasons-to-be-unbanked-or-underbanked/>

The ability to access your money via a digital wallet or debit card-like structure is particularly powerful for the unbanked and underbanked section of the population. These individuals are much more likely to fall victim to the high-rate (i.e., predatory) side of the industry, like payday, account-advance, tax refund-advance and structured, settlement-advance loans, to name a few. They often fall victim to these offerings because they cannot access their money in a timely, efficient manner and end up paying for it through extremely high fees and interest rates.

*In short, we are not looking to change the habits of the way people transact, but rather we want to improve the speed of commerce and significantly lower the friction costs.*

### 3. Money Transfers

Another major use for Transactional Coins will be the transfer of money. As discussed above, transferring money both domestically and internationally remains a slow, costly process.

For example, international funds transfers rely on a series of correspondent banking networks because of the absence of an international payment rail, which introduces multiple layers of fees, counterparty risk, and settlement delays. UbiquiCoin eliminates the costs associated with correspondent banking, while enabling two people located anywhere in the world to transact directly on a real-time basis.

*By dis-intermediating the banking system, UbiquiCoin can provide a near instantaneous transfer regardless of the location of the originating and receiving entities and with lower fees than are currently available.*

### Progressive Coins

Progressive Coins (symbol: BIQP) will be offered in this ICO and will be allocated as described in this Memorandum. The number of these coins in circulation will be capped by smart contracts that will only allow additional coins to enter the market from the reserve if specific requirements are met. Similarly, the reserve cannot be increased unless there is consensus approval. Therefore, the number of Progressive Coins in circulation will be limited, predictable and fully disclosed.

Each month, Progressive coins will receive 20% of revenue from UbiquiCoin in the form of Transaction Coins. Assuming the use of Transaction Coins increases over time (through more coins in circulation and/or higher velocity of money<sup>3</sup>), the revenue of UbiquiCoin will increase and each Progressive coin will receive progressively more revenue.

### Why People Will Hold Progressive Coins

#### 1. Revenue Share

As described above, each Progressive Coin will receive its pro rata share of 20% of UbiquiCoin's revenue. Importantly, the revenue *per* Progressive Coin will increase as the total revenue in the UbiquiCoin ecosystem increases because the number of Progressive Coins is limited. By receiving a pro rata revenue share, users receive a much more equitable return than mining because it eliminates the need to purchase costly computers and does not require significant processing power.

#### 2. Potential Appreciation in Value

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<sup>3</sup> The term velocity of money refers to how fast money passes from one holder to the next. In other words, it is the number of times one unit of money is spent to buy goods and services per unit of time.



Because each Progressive Coin will receive a larger and larger distribution as UbiquiCoin's revenue grows, the value of each Progressive Coin should progressively increase so long as UbiquiCoin's revenue continues to increase. Given the size of the potential market for Transaction Coins, the upside potential is massive.

### 3. Downside Protection via a Financial Guarantee

Unlike other ICOs, the UbiquiCoin ICO provides a large asset backed financial guarantee that provides \$1.00 per coin of downside protection. The guarantee is to ensure that (i) UbiquiCoin will use the funds raised from the ICO to execute its business plan as described in this white paper; (ii) that UbiquiCoin will not be in default to any vendor; and (iii) that UbiquiCoin remains in good financial standing. If UbiquiCoin fails in any of these respects, the financial guarantee will be triggered and the money will be released to Progressive Coin holders.

### 4. Transfers

Progressive Coins can be exchanged for fiat currencies, other cryptocurrencies, or Transaction Coins. They can be transferred domestically or internationally nearly instantly with very low friction costs.

## Revenue Model

UbiquiCoin's revenue is generated from a small fee charged on transfers and purchases using Transaction Coins. Therefore, as the coins are used more frequently and by more people, the network of Progressive Coin holders is rewarded because they get to share in the growing revenue of the overall coin ecosystem.

### Purchases of Goods and Services

UbiquiCoin will make a small fee each time a Transaction Coin is used to purchase a good or service. This fee will help offset the costs of tracking the transactions, managing the movement of the hard dollars backing the coins, and all other support services related to the coins. Importantly, this fee will be a small fraction of the fee charged by credit card companies or banks for similar transactions.

### Transfers from/to UbiquiCoin

Like other cryptocurrencies, UbiquiCoins can be transferred to/from one person to another and exchanged to/from other digital currencies. We believe that UbiquiCoins will have greater price stability because of the assets backing them and therefore improved liquidity, which should help reduce the friction costs typically found in transfers and converting cryptocurrencies. UbiquiCoin will charge a nominal fee for each of these transactions.

### Transfers Using Fiat Currencies

While we believe that the use of cryptocurrencies will ultimately prove to be the fastest and cheapest way to accomplish any financial transaction, there will always be a need to transfer money via fiat currencies (e.g., US Dollars, Euros, Dirhams, Pound Sterling, etc.), either within a country or internationally. Therefore, UbiquiCoin was designed to be currency agnostic and users are not required to transact in the UbiquiCoin's native currency. As a result, UbiquiCoin can transact in any currency and still circumvent many of the fees and reduce many of the risks involved in interbank funds transfers, particularly in international transactions. UbiquiCoin is able to accomplish this because of two key differentiators:

1. An existing proprietary record keeping platform designed to automatically track an enormous volume of transactions down to nine decimal places.
2. A financial guarantee ensuring the money is good in the transfer (this is separate from the guarantee covering Progressive Coins).

The latter reason is particularly differentiating and particularly important. This guarantee, which is separate and in addition to the guarantee backing Progressive Coins, is needed to ensure that money is “made good” nearly instantly and covers the “float” from when the money is sent to the bank and when it is actually received. In the current financial system, it often takes several days before the receiving bank can verify that the sender has sufficient money to cover the transfer. UbiquiCoin can avoid that delay because the financial guarantee ensures the receiving bank will receive the money even if the sender has insufficient funds. As a result, UbiquiCoin represents a compelling alternative to traditional interbank funds transfer systems, with international transactions being a particularly huge opportunity for UbiquiCoin.

Another key differentiator of UbiquiCoin is the network’s partnerships with banks, payment processors, money transmitters, and other financial services institutions. This approach stands in contrast to other peer-to-peer networks, most of which seek to fully dis-intermediate existing players. UbiquiCoin is built to interface directly with consumers, while allowing existing players in the mix, but while reducing transfer fees and exchange margins. Thus, it provides financial institutions with the flexibility of passing on some of the cost savings to their end customers (consumers and businesses) while managing profit margins for UbiquiCoin holders to participate in associated revenue streams.

### **\$1.00 Per Coin Financial Guarantee**

Unlike every other digital currency offered today, coins offered in UbiquiCoin’s ICO are backed by a financial guarantee that scales with the size of the ICO. Schneider Securities Ltd, a large, licensed and regulated, international financial institution (“**Schneider**”), has agreed to provide a \$50 million guarantee as described in more detail below. Schneider has a diversified pool of assets in excess of 400 million Pounds Sterling that will serve as the basis for that guarantee. Additionally, UbiquiCoin will provide a further guarantee based on the size of the ICO and back it with its own pool of ultra low risk, diversified investments (not just a promise).

We believe this guarantee has two important attributes that make UbiquiCoin fundamentally superior to all other cryptocurrencies.

First, it effectively provides a floor valuation for the coins offered in this ICO because it gives Progressive Coin (BIQP) holders real, quantifiable downside protection of \$1.00 per coin. To illustrate how the guarantee works, if 100 million coins are sold in the ICO, UbiquiCoin will provide a financial guarantee equal to \$100 million. Of that amount, Schneider will provide the first \$50 million and UbiquiCoin will provide the second \$50 million. Given that the ICO pricing starts at \$1.00 and scales up in small increments of \$0.25 or \$0.50 per tranche, this provides investors with substantial, real, quantifiable downside protection. No other coin with as much upside potential has this type of investor protection, which makes BIQP significantly less speculative than any other coin on the market today.

Second, the financial guarantee provides coin holders with third party validation of UbiquiCoin and its business strategy. Cryptocurrencies are a nascent market, and like any developing market segment there will be companies that capture huge market share and are highly successful, but there will also be many more companies that fail from a flawed business plan, lack of capital investment, or nefarious actions by the management team. You don’t have to look hard to already find examples of ICO scams or dubious company strategies. By providing a \$50 million guarantee, Schneider is speaking with its pocketbook, which we believe is the strongest vote of confidence one can receive from a highly respected financial institution.

*Our financial guarantee provides coin holders with the security of real downside protection and provides the confidence of knowing a highly respected third party has vetted the currency and our business plan.*

## Size of the Guarantee

The financial guarantee provides all Progressive Coin holders with downside protection equal to \$1.00 per Progressive Coin. The guarantee scales with the size of the ICO, so if 100 million coins are sold in the ICO, the guarantee is \$100 million. If 200 million coins are sold, the guarantee is \$200 million, and so on.

The pricing for Progressive Coins starts at \$1.00 per coin and then scales up based on the total size of the raise. Therefore, if you invest early and buy coins at \$1.00, the guarantee would cover 100% of your purchase price if the guarantee were triggered. If you invested in the second tranche at \$1.25 per coin, the guarantee would provide you with 80% downside protection if the guarantee were triggered, and so on.

*Importantly, the coins have the ability to appreciate based on market demand, so investors have a very unique asymmetric risk-reward opportunity where the downside is protected by a financial guarantee but the upside remains unlimited based on market demand*

## How the Guarantee Works

Schneider and UbiquiCoin will provide financial guarantees that: (i) UbiquiCoin will use the funds raised from the ICO to execute its business plan as described in this white paper; (ii) that UbiquiCoin will not be in default to any vendor; and (iii) that UbiquiCoin remains in good financial standing. If UbiquiCoin fails in any of these respects, the financial guarantees will be triggered. Schneider will be responsible for the first \$50 million of the guarantee and UbiquiCoin will be responsible for the guaranteed amount above that. The guarantee will be distributed pro rata to all holders of BIQP coins.

## About Schneider Securities Ltd

Schneider was founded in Scotland in 1119, re-structured as an amalgamation of family offices in Switzerland in 1991 and re-domiciled to London in 1999. It now operates under the auspices of the Financial Conduct Authority, the International Chamber of Commerce and the European Banking Authority. Schneider has over 450 million Pounds Sterling under management that will be used to back the guarantee for UbiquiCoin. Schneider has a long history of providing financial guarantees to companies and sovereign governments across the globe.

Importantly, Schneider will have no influence over UbiquiCoin, any cryptocurrency offered by UbiquiCoin, its operations, its management, or any of the coin holders. The sole purpose of its relationship with UbiquiCoin is to provide coin holders with downside protection in the coins purchased in the ICO.

## Most Efficient Transaction Authentication

Most digital currencies are based on blockchains because of two inherent strengths: (i) their ability to track the history of all transactions; and (ii) they work via a decentralized ledger in which the computers of coin holders act as the accountants. While this is a dramatic oversimplification of how the technology actually works, it is the latter “strength” that we believe will ultimately become one of the currencies’ greatest weaknesses.

## The Problems with Proof of Work

In order for coin holders to act as the accountants for the blockchain, they are tasked with solving increasingly difficult math problems to verify the authenticity of a transaction. This transaction verification process is called Proof of Work. When the blockchain starts out, Proof of Work is a relatively simple task that could be accomplished by a typical home computer. Over time, the blockchain grows and those math

problems become much more complex. So complex in fact, that only a supercomputer costing hundreds of thousands of dollars will be able to efficiently solve the problems.

The ultimate result is a system that fails because of its success. Transactions end up taking minutes or hours to get approved, which destroys the usability of the currency. We are already seeing this today and it is keeping these currencies from becoming viable forms of commerce. Also, in order to speed up transactions, concentrated mining farms become de facto authorities, thus ultimately moving away from a truly distributed network to one in which a few server farms essentially control the network. Bitcoin, like many others, is going through these growing pains now and we believe it may ultimately succumb to the weight of the processing power needed to approve transactions.

### **UbiquiCoin and Proof of Majority**

UbiquiCoin needs a truly decentralized and truly democratic record and transaction management system in place if it is going to create an ecosystem that actually fulfills the promise of inclusion and the removal of the need for trusted entities. It also needs this system to be ultra-fast to deliver services. Blockchains based on Proof of Work, where arbitrary work is done burning CPU cycles, which require massive energy usage from the network, are the opposite of fast. How can we solve this? And how can we solve its inherent scaling issues too? The answer is our proprietary consensus mechanism: Proof of Majority.

What is Proof of Work consensus if you take away the arbitrary work? It's potentially fast, depending on the hardware handling the consensus and the design of the nodes involved. But it lacks defenses against many attack vectors. It also lacks rewards for miners, since there is no work being done to reward. No reward, then why mine? So, we need miners that are willing to mine for no immediate reward, but rather a share of the total ecosystems revenue. To prevent them from coalescing into large mining pools that destroy decentralization, we also need them to be able to perform work without the need for massive processing resources. Further, we need to insure that they can't collude to skew our decentralized democracy and that they don't have the freedom to arbitrarily choose which transactions they are going to handle, simply because some are more interesting to them, perhaps containing more fees. Proof of Majority addresses all of this and more.

*Proof of Majority is an algorithm that delivers instant transactions and seamless consensus over a decentralized network.*

The mechanics of how Proof of Majority works are detailed in a technical paper that can be found on UbiquiCoin's website, but here are a few characteristics worth highlighting in this Memorandum:

### **True Majority Consensus**

The entire network of miners participates in transaction consensus, where a majority vote is required before a block can be added to the blockchain.

### **Mining without Latency**

All miners are involved in block building, but no arbitrary work is required to "prove" that a miner is correct. Instead, blocks are generated by all miners in milliseconds and forwarded to their node connections for consensus approval.

### **Frictionless Low-Energy Network**

With no arbitrary work to perform, the energy of the network is kept very low, and because there is no coin based transaction or need for senders to allocate fees to incent miners to include transactions, the system is frictionless.

### **Light Weight Nodes**

Nodes are not required to perform iterative hashing. Instead, simple quick hashes are performed and data packets the size of a typical cell phone picture are moved, making it possible for virtually any device to mine.

## **Strategic Partnerships**

UbiquiCoin has terms in place for a joint venture with a U.S. based company (the “**JV Partner**”) that will provide UbiquiCoin certain technical services needed to develop and manage its network. More importantly, the JV Partner has developed numerous strategic partnerships with Tier 1 financial institutions across the globe that it will help bring into the UbiquiCoin Ecosystem, thus dramatically accelerating adoption rates.

### **About UbiquiCoin’s Joint Venture Partner**

The JV Partner was founded in 1999 to provide an affordable, high quality investment offering to the mass market. The JV Partner currently manages tens of thousands of transactions per day and its 100% proprietary record keeping system provides an excellent base platform for the management of a cryptocurrency on a very large scale that UbiquiCoin will utilize in the development of its platform. The JV Partner is now actively pursuing additional partners in the Middle East, China, Singapore, South Africa, and South America.

### **The Value of Existing Strategic Relationships**

The joint venture approach provides UbiquiCoin with several significant advantages. First, it will provide the Company with access to the decision makers at several Tier 1 institutions because of the existing relationships with the JV Partner and our management team. The importance of existing relationships cannot be underscored enough. Large institutions are notoriously slow moving and the levels of different approvals required can border on excessive. Without any sort of existing relationship the process to form a partnership with such a firm is a mountain that few have the energy, willingness, or patience to climb. However, for UbiquiCoin that mountain has already been climbed, and rather than approaching them as a completely new firm, we are approaching them as current partners with a new offering. While this might seem like only a nuanced difference, the actual process between the two approaches is dramatically different. We are sure that anyone with experience at a large financial institution can attest to this; it can literally mean the difference between a process that is years versus a process that is months.

Second, our JV Partner and management team has already undergone an extremely rigorous diligence review process with these firms that included technological reviews, penetration tests, financial reviews, site visits, and background checks, to name just a few. This process takes significant time, money, and effort. These strategic partners are comfortable with our management team and highly value the work we have done for them in the past. This type of relationship is something that you cannot buy or force; rather, it is earned over time through hard work and strong performance.

This represents a radically different approach from virtually every other ICO, which are trying to build their businesses from the ground up without any former strategic relationships. While we applaud their enthusiasm and belief in their technology, we suspect they will be disappointed with the bureaucracy prevalent in large financial services firms and the time required to accomplish any sort of genuine partnership. We have the experience and relationships to navigate those waters and we believe it will provide us with a significant advantage over other cryptocurrencies.

## Use Cases

### The Market Remains Highly Inefficient

While technology has made most products dramatically cheaper and most industries much more efficient over the past decade, financial services, and in particular the transfer of money, has remained surprisingly slow and expensive. Here are just a few examples to illustrate the point:

- Credit card issuers typically charge 1.0-3.5% to merchants for their services.
- In the banking sector, a recent study found the average fees were \$8 for incoming domestic wires, \$10 for incoming international wires, \$25 for outgoing domestic wires and \$42 for outgoing international wires.<sup>4</sup> Domestic wires take at best a few hours to complete and international wires usually take days.
- Taking your money out of an ATM usually costs two or three dollars if you are not at your own bank. Given that the average ATM withdrawal is \$60<sup>5</sup>, this implies a transaction fee of over 3% just to access your own money.
- Paypal, one of the largest new players in money movement, charges \$0.30 plus 2.9% of the amount you receive for selling goods or services. They also charge you the same fee if you use a credit or debit card for a purchase.<sup>6</sup> Therefore, a single transaction could have total fees of nearly 6%.
- If you are forced to use services like Western Union or Money Gram the fees are even more excessive. For example, Western Union charges \$99.99 to transfer \$1,000 from your credit card to a local agent for pickup. Their cheapest service for transferring \$1,000 is from one bank account to another, which costs \$5 for a \$1,000 transfer, but it takes up to 6 business days to complete!

While the costs for transfers/purchases are high, the long time required for the transaction to settle is perhaps just as big of a problem. For example, if you purchase an item with a credit card, the charge appears on your account as pending, but often does not become an actual charge for several days and only the authorized amount is shown until that time. Furthermore, the merchant does not actually receive the cash from that transaction for several days to a month. Additionally, such transactions are plagued by security holes. The extent of credit fraud has been documented ad nauseum by the media, so we'll avoid another diatribe on it here.

Wire transfers are very similar. Assuming you meet the domestic wire cutoff time, a transfer will typically take several hours to get verified and completed. Because domestic wire transfers can be completed through one payment system, such as the Federal Reserve, they tend to be cheaper and faster than International wires, which cost more and take longer because they involve more parties, such as a U.S. bank, a foreign bank and wire processing systems in both countries. It is incredibly hard to track your money during the transfer process and, because there are so many parties involved, the fees are often not fully disclosed until after the transfer is complete.

In short, the standard methods of moving money are antiquated. Many cryptocurrencies have begun to gain traction from investors, but they have yet to make significant inroads into actual consumer use. UbiquiCoin was developed to dramatically shift how payments and money transfers are completed.

*We can offer instantaneous transfer of wealth at a fraction of the cost of current offerings.*

<sup>4</sup> <https://www.nerdwallet.com/blog/banking/wire-transfers-what-banks-charge/>

<sup>5</sup> <http://www.statisticbrain.com/atm-machine-statistics/>

<sup>6</sup> <https://www.paypal.com/us/selfhelp/article/What-are-the-fees-for-PayPal-accounts-FAQ690>

## Management Team

**Jeffrey Mahony**

CEO  
Co-Founder

Mr. Mahony has more than 28 years experience in Internet Strategy development and large-scale project management for financial trading systems. He founded SaveDaily more than 15 years ago and has led the company in various roles ever since. Prior to joining SaveDaily, he served as founder, president and CEO of the Jeda Group, an Internet strategy firm serving small and middle market financial companies. He has also worked with TRW's Space and Defense Sector to Smart Technologies, a start-up focused on financial modeling using predictive algorithms. Jeff is a graduate of the University of California, Los Angeles with a bachelor's degree in cognitive science.

**Steve Durbin**

President, CFO and  
Co-Founder

Mr. Durbin is President of Quail Bend, LLC, an investment firm he founded in 2010 that is primarily focused on small cap investing in both public and private markets. Prior to that, Mr. Durbin acted as Senior Managing Director and Head of Investment Banking at The Watley Group, a boutique firm that provides a variety of financial, operating and advisory services for companies in or near Chapter 11. Prior to that, Mr. Durbin worked at Red Mountain Capital Partners, an activist hedge fund, where he was a Principal and responsible for sourcing and managing several investments. Prior to joining Red Mountain, Mr. Durbin worked at Oak Hill Capital Partners, a multi billion dollar private equity firm, where he focused on the business and financial services sectors. Prior to Oak Hill, Mr. Durbin was an investment banker at JP Morgan where he focused on financial sponsor clients. Mr. Durbin graduated from Harvard University with an A.B. in economics.

**Kaku M**

Co-Founder

Kaku M is a man born in two worlds. As a child, he was infatuated with computers and began self-teaching code in BASIC/COBAL at the age of 12. As he grew into adulthood, Kaku discovered a new passion for finance. He studied finance and technology in the US. During his time in the financial sector, he forged relationships with some of the world's most influential bankers and banks and has been known as a thought leader and visionary in social, global, and digital economics.

Kaku's approach to economics has been grass roots, and anti-institution, so naturally, Kaku became an early adopter and proponent of blockchain and cryptocurrencies. However, his unique background allowed him to recognize that the disconnect between cryptocurrencies and the financial world left room for risk, providing an easy excuse for investors to pass on cryptocurrencies. With this, Kaku saw an opportunity: combine the security of blockchain technologies with the stability of major financial institutions. Using his extensive background in both finance and computer science, Kaku, Jeff Mahony and Steve Durbin are now delivering the newest digital currency that is UbiquiCoin.

**John "Corky" Severson**

Executive Director

Mr. Severson has been involved in development of a diverse portfolio of global businesses and investments for more than 45 years, such as the creation of the World Automobile Championship of California to own, promote and operate the return of Formula 1 auto racing to Southern California; a joint venture with The Chairman of Salvatore Ferragamo USA in the development of Castiglion del Bosco, a world-class Club/Resort comprised of a Rosewood managed boutique hotel, spa, a Tom Weiskopf championship golf course, 21 classic villas and a Brunello winery in Tuscany; and serving as Executive Producer for Schneider Sport & Entertainment Ltd. specializing in Financial Guarantees in the Sport and

Entertainment arena. Current projects include the development of a portfolio of Broadway style productions, a high profile auto racing facility and country club as well as international projects with professional soccer and basketball teams. Mr. Severson is an alumnus of L'Ecole Internationale de Geneve and the University of Southern California.

**Diann E. Kozlowski**  
Chief Compliance Officer

Ms. Kozlowski has over 35 years experience working in the legal industry as a paralegal with an emphasis in real property, corporate structure, mergers and acquisitions, and securities. She served as a paralegal with the law firms of Meserve, Mumper & Hughes, and then Newmeyer & Dillion as well as smaller boutique firms and in-house for Granite Investment Group, a real estate syndicator focusing on senior housing. Ms. Kozlowski earned an American Bar Association-approved Paralegal Certificate and Associate of Arts Degree from Fullerton College. She has served on the Board of Directors of the Orange County Paralegal Association and serviced as its 2001 Educational Conference Chair. Other board work includes the National Parkinson Foundation-Orange county chapter and Board of Directors of Dachshund Haven of Garden Grove, Inc., a 501(c)(3) nonprofit corporation, a rescue and sanctuary for Dachshund dogs.

**Ro Sahebi**  
Head of Marketing

Coming from a creative background with 25+ years in the entertainment industry, Ro has spent the last 6 years as a social media professional. He specializes in content creation and growth hacking to build online influence and create viral campaigns. As co-founder of iKwiz Media, Ro and his team built multiple social networks (3 million+ people) using television appearances as a launching pad. By building proprietary software and systems to drive a network of websites, today iKwiz Media collectively generates over 25 million page views per month.

**Additional Team Members**

**Jennifer Mahony**  
*Head of Operations*

**Jackie Green**  
*VP of Operations*

**Steve Lee**  
*Operations*

**Simon Chuong**  
*Head Engineer*

**Amy Hsu**  
*Engineer*

**Catalina Lujan**  
*Engineer*

**Schweta Sharma**  
*Engineer*

**Steve Mandujano**  
*Design / Marketing*

**Ryan Wong**  
*Business Development*

**Alan Burke**  
*Senior Accountant*

**Javier Castro**  
*Customer Relations*

**Maritza Montoya**  
*Customer Relations*



## Use of Funds

The money raised from initial contributors will be used towards the development, growth, operations, capital raising fees, and marketing of UbiquiCoin.

### Development

We will use funds from the ICO to build out the remaining infrastructure required to deliver the UbiquiCoin ecosystem, including more regionally located massive computing data centers, extend debit card reach into all regions of operation, integrate traditional investment offerings from existing financial services deliverables, and integrate existing world-wide transfer mechanisms.

### Marketing

In order to expedite the adoption of UbiquiCoin as a method of international payment, we will need to spend significant money on brand awareness and education of users. Our strong relationship with large financial services firms will certainly help make this process much more efficient, but it will nonetheless require several trips to partner banks across the globe, marketing campaigns aimed at the end users, and other time tested methods of spreading the message (e.g., speaking engagements, trade shows, conferences, etc.)

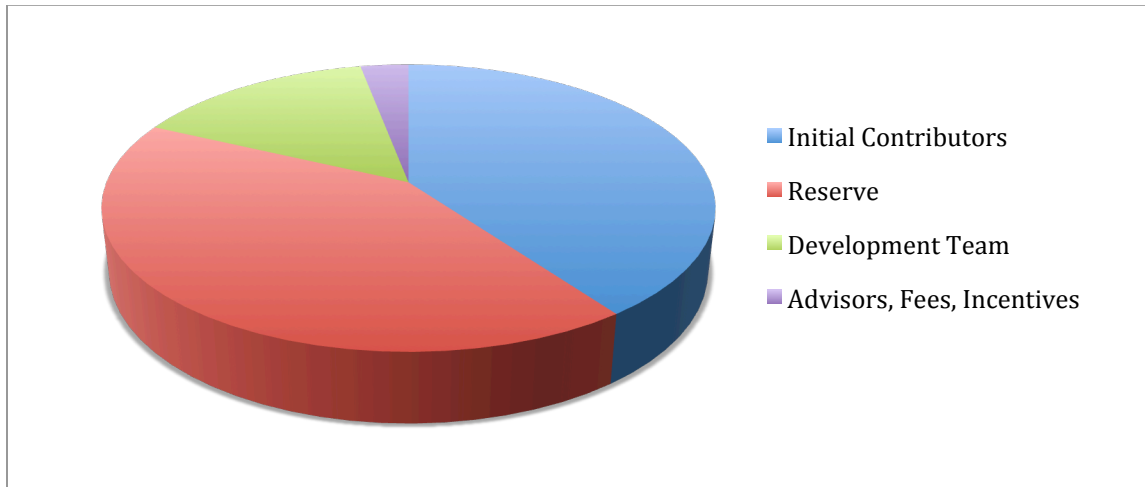
### Regulation Mitigation

Regulatory uncertainty remains one of the key hurdle for digital currencies, including UbiquiCoin. It is unclear how regulation will ultimately shape up and what costs this will add on the protocol or to its users. We want to ensure we are as best prepared as possible for the forthcoming regulation.

### Other Operational Expenses

There are several other significant operational costs that need to be covered by the proceeds of the ICO. First, most of the hard costs of the business in the initial year will need to be paid in US Dollars as the acceptance of cryptocurrencies is not yet widespread. Converting the money raised in the ICO to dollars will expose us to some fx costs, although we can help mitigate those expenses by exchanging the currencies slowly over a longer period of time. Similarly, there will be some costs associated with the ICO to cover market makers, initial marketing, website development, and other common start-up costs.

### Token Distribution



#### **Initial Contributors (40%)**

UbiquiCoin's ICO (including Pre-ICO investors) will be limited to a maximum of 400 million coins. Money raised from initial contributors in the ICO (the "**Initial Token Sale**") will be used towards the development, growth, operations, and marketing of UbiquiCoin.

#### **Reserve (42%)**

We are focused on the very long-term viability of UbiquiCoin and want to ensure that it is not hampered by a lack of foresight at the outset. Therefore, we have allocated 42% to the reserve to fund future growth initiatives or other critical needs to ensure the success of UbiquiCoin. The reserve may be increased only by consensus approval.

#### **Development Team and Founders (15%)**

15% of BIQP created during the initial contribution period will be allocated to core development team, critical employees, and the founders. These BIQP will be locked in a smart contract and will cliff vest after three years.

#### **Advisors, Capital Raising Fees, Initial Marketing (3%)**

3% of BIQP created during the initial contribution period will be allocated to companies and individuals that performed critical roles during the ICO process for either no upfront fee or a highly discounted rate. Examples of these types of services include legal, marketing, and capital raising, to name a few.

### Token Pricing

UbiquiCoin will accept Pre-ICO investment for its Progressive Coins (symbol: BIQP) from select investors until [\_\_\_\_\_]. These investors will have the right to purchase at a negotiated price with the Company with the standard Pre-ICO price ranging from \$1.00 to \$1.25 per Token. The Company reserves the right to increase or decrease the price per Token for Pre-ICO investors. These investors are SAFT Series-1 investors.

UbiquiCoin's ICO is scheduled to launch on [\_\_\_\_\_] and will remain open until [\_\_\_\_\_]. UbiquiCoin reserves the right to postpone the launch date and/or closing date of the public ICO by up to 90 days. These investors are SAFT Series-2 investors. The pricing for the SAFT Series-2 Investors will be based on the table below. Note that the pricing hurdles for these investors is only based on the amount raised by SAFT Series-2 Investors; the amount raised in the Pre-ICO does not impact Series-2 pricing.

There is a cap of 400 million coins offered in the ICO, including both Series-1 and Series-2 investors.

| Tranche    | Tranche Size | Total Raised in Series-2       | Price Per Coin in Tranche |
|------------|--------------|--------------------------------|---------------------------|
| Tranche 1  | \$5 million  | \$0 to \$5.0 million           | \$1.00                    |
| Tranche 2  | \$20 million | \$5.0 million to \$25 million  | \$1.25                    |
| Tranche 3  | \$25 million | \$25 million to \$50 million   | \$1.50                    |
| Tranche 4  | \$25 million | \$50 million to \$75 million   | \$1.75                    |
| Tranche 5  | \$25 million | \$75 million to \$100million   | \$2.00                    |
| Tranche 6  | \$25 million | \$100 million to \$125 million | \$2.50                    |
| Tranche 7  | \$25 million | \$125 million to \$150 million | \$3.00                    |
| Tranche 8  | \$25 million | \$150 million to \$175 million | \$3.50                    |
| Tranche 9  | \$25 million | \$175 million to \$200 million | \$4.00                    |
| Tranche 10 | \$25 million | \$200 million to \$225 million | \$4.50                    |
| Tranche 11 | TBD          | Above \$225 million            | \$5.00                    |