



White Paper

October 2017

Table of Contents

| | |
|------------------------------|----|
| Table of Contents | 1 |
| Executive Summary | 2 |
| The Market | 2 |
| The Products | 2 |
| The Token | 3 |
| The Team | 3 |
| Market Analysis | 4 |
| Diversified Ethereum holders | 4 |
| The Rise of Institutions | 5 |
| The Role of Regulators | 6 |
| Competitive Overview | 7 |
| The Long Opportunity | 7 |
| The Coming Crash | 8 |
| Product | 8 |
| Token Mechanics | 10 |
| Token Applications | 11 |
| Centralized and Trusted | 11 |
| Token Issuance | 12 |
| Road map | 12 |
| Foreign language versions | 12 |
| Pricing | 12 |
| Post-ICO funds management | 12 |
| Events | 13 |
| Revenue | 13 |
| Team | 14 |
| Advisors | 15 |
| Partners | 15 |
| Risks | 15 |
| Conclusion | 16 |
| IMPORTANT NOTICE | 18 |

Executive Summary

Today, there are hundreds of cryptocurrency tokens. Soon, there will be thousands. Token Report is the first to get qualitative and quantitative data about every new token and associated initial coin offerings (ICOs). Those with access to our product will be exclusive members of a network of the first- and best-informed investors in the emerging crypto asset class.

The Market

Individual investors are driving the phenomenal rise of cryptocurrencies and ICO events and they can't keep up. They spend too long gathering data from unreliable sources. A missed opportunity, poor investment or misunderstood asset can be costly. For example, how many of Gnosis' largest investors understood how deeply they could be diluted?¹

Our blockchain-level analysis of the Ethereum network shows approximately 40,000 diversified holders of cryptocurrency today.² We estimate that in the next five years, that number can grow at least as fast as online trading did from 1995 to 1999, when the number of online trading accounts reached a compound annual growth rate of 136 percent.³ This means more than 700,000 by 2020: a growing audience of investors and innovators hungry for reliable data.

The Products

We have built the world's largest database of verified information on ICOs and a network that is capable of covering every tokenization that emerges. Our data team has read through hundreds of white papers. We probe the weak points in hyped offerings and find the hidden strengths in those that are overlooked. We are turning noise into a clear signal for investors.

Token Tracker: Token Tracker is the world's most comprehensive free ICO listing. CoinDesk lists 178 tokens;⁴ our database has more than 400. We are the only firm with native Chinese ICO forum tracking.

Token Clarity: Token Clarity is a secure, message-based information network linked to our in-depth analysis of the crypto asset class. Be first to know about new ICOs. Query the world's largest ICO database. Get real-time investor alerts on changes to terms, team and token. Memberships in Token Clarity are limited and tiered, providing the earliest access to the most in-depth information at the Gold-Level and Platinum-Level tiers of membership. Investors interested ahead of our ICO can request access to the private beta by emailing: info@tokenreport.com.

¹ Herbert, Zach and David Vorick. "Want to deflate the token bubble? Fix the market cap indicator." Sia blog, May 2, 2017.

² Token Report analysis of Ethereum blockchain data, measuring the number of addresses that have transacted in three or more ERC-20-compatible tokens as of July, 2017.

³ Wu, Jennifer, Michael Siegel and Joshua Manion. "Online Trading: An Internet Revolution." Research note, Sloan School of Management at MIT, June, 1999.

⁴ Retrieved from coindesk.com/download-coindesk-ico-data/, Aug. 31, 2017

The Token

The fundamental problem in financial research is this: The more people use the information, the less useful it becomes. In cryptocurrency, information is money. And like any financial instrument, its holders can be diluted as information spreads. Token Report has developed a token mechanics to solve this problem.

Holders of Token Report's currency, minted in our upcoming ICO, will gain exclusive, fee-based access to Token Report's secure network. We estimate our token issuance will accommodate a total of 21,000 users, and that's it. No more tokens will be minted. A select few institutional users may be allowed access without directly holding tokens, but Token Report will mirror the equivalent of token holding and burning by these parties.

Larger holders benefit from discounted fees and access higher product tiers with real-time analyses and investor updates that reach their eyes before anyone else's. Token Report's token mechanics are a membership model for the individual investors at the core of the crypto asset class.

Outside the few exceptions described above, institutions will pay in our token for application programming interface (API) access to Token Report's data feeds. Tokens are burned with each API transaction.

The Team

Token Report's founder is Galen Moore, a veteran financial journalist. Seline Jung, a financial journalist and e-commerce entrepreneur, is Token Report's lead researcher. Andrew Cernera, a full-stack engineer and a crypto investor since 2013, is Token Report's senior developer. Peter Vessenes, an early blockchain innovator and co-founder of the Bitcoin Foundation, is Token Report's lead investor.

This is version 2 of the white paper. Version 1 is available [here](#).

Market Analysis

In the late 1990s, widespread internet adoption spurred the rise of a new kind of investor: the online trader. In 2017, we are witnessing the rise of another new kind of investor. This time, change includes a new asset class and a new paradigm for funding and catalyzing projects.

Diversified Ethereum holders

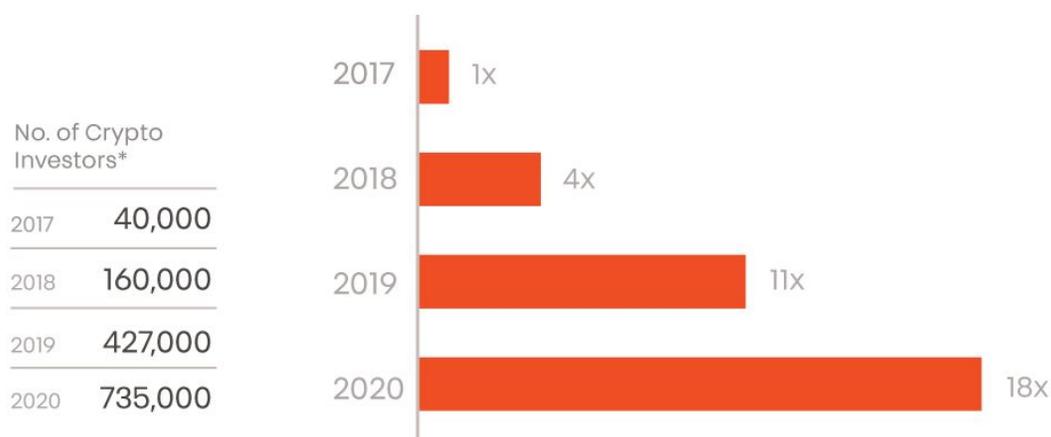
Ethereum's network has become the blockchain of choice for developers of new tokenized projects, a surge that has pushed Ethereum to more than 24,000 nodes worldwide.⁵ As part of our research, Token Report has downloaded and indexed the entire Ethereum blockchain since inception. Querying that data shows that many people have followed the advice of venture investor Fred Wilson: "You need diversification to manage risk, particularly in highly volatile markets."⁶

At the end of the first half of 2017, approximately 500,000 Ethereum addresses had transacted in at least one token. Of these, approximately 40,000 had bought or sold three or more. Many diversified buyers hold multiple addresses. Nonetheless, we have used this number to make a wide-angle estimate of the total addressable market for Token Report in the second half of 2017.

⁵ Ethernodes.org, retrieved July 21, 2017

⁶ Wilson, Fred. "Buyer Beware." AVC, June 14, 2017.

Total Addressable Market



*Ethereum addresses that transacted in at least three or more tokens.

In the first half of 2017, the number of unique Ethereum addresses grew from 942,000 to 3.84 million. It is currently increasing at a rate of about 50,000 per day.⁷ Many observers have compared the rise of blockchain technology and cryptocurrency to the emergence of the internet in the late 1990s.⁸ Internet adoption impacted not only media, but investing. From 1995 to 1996, the number of US persons trading securities online quadrupled. (See chart.) The following year, US online traders grew at a rate of 167 percent. The rate of growth continued to cool each following year, settling to a dull roar at 43 percent growth between 1999 and 2000.¹⁰ If cryptocurrency trading grows at a similar pace, Token Report’s total addressable market of diversified crypto investors will grow to 735,000 by 2020. If current trends persist, each of these diversified investors is likely to have, at minimum, the equivalent of 30,000 USD in crypto assets in play each month.¹¹

The Rise of Institutions

Cryptocurrency represents a new paradigm in investing, because it carries decentralized participation in its DNA: tokens rise or fall on their capacity to motivate and incentivize crowds. Financial services firms that reach the individual investor will win the market. We have already gathered data and information from interviews with over 100 of crypto currency’s early

⁷ etherscan.io/chart/address, retrieved July 21, 2017

⁸ Ito, Joichi, Neha Narula and Robleh Ali. “[The Blockchain Will Do to the Financial System What the Internet Did to Media](#).” *Harvard Business Review*, March 8, 2017.

⁹ “[What if the Bitcoin Bubble Bursts](#).” *The Economist*, June 3, 2017.

¹⁰ Wu, Jennifer, Michael Siegel and Joshua Manion. “Online Trading: An Internet Revolution.” Research note, Sloan School of Management at MIT, June, 1999.

¹¹ Coinmarketcap 90-day average transaction volume on Ethereum, retrieved July 12, 2017.

diversified holders. Their ideas and product feedback have formed our plan from the start. As crypto evolves, it is individuals like these who will continue to be at the leading edge of what is possible in this emerging asset class.

As that population of individuals multiplies in wealth and in number, more institutional investors are likely to participate. Hedge funds and venture capital firms are already participating. The future of individual crypto investing may also include mutual funds, banks, insurance companies, brokerage services and online trading platforms in multiple asset classes. These institutions will need reliable data in the form of an API. In order to serve its customer base of both individual token holders and institutional buyers, Token Report will require its API customers to pay fees in our token, a small portion of which will be burned. These engagements may be structured differently for different institutional customers, but will likely be a fixed fee for a set number of API calls over an agreed-to time period. The number of API calls may be any number, up to unlimited. Institutions that expect the value of the Token Report currency to rise will hedge by purchasing larger amounts in advance. In this way, Token Report will develop institutional products that do not dilute the value of the information on its core, membership-based network.

The Role of Regulators

The lack of transparency in token offerings is a leading regulatory concern, cited by observers.¹² Token Report is uniquely positioned to address this concern, providing data and analysis needed to make informed decisions in the marketplace, and helping the market set standards. A warning shot¹³ from the U.S. Securities and Exchange Commission in July, 2017, left wide areas of those standards unaddressed, including reporting requirements for ICOs and how to regulate the rise of tokenized assets. Meanwhile, in a frothy environment, crypto investors have seemed willing to disregard some projects' total lack of transparency, including changes to terms, mid-sale.¹⁴ By bringing comprehensive, reliable data on crypto assets, Token Report will do two things: 1) help establish transparency expectations in the investor community; 2) supply a reliable source of data for regulators. Both increase confidence and safety in a nascent asset class.

¹² Engler, Henry. "[Initial coin offerings' present dangers to investors, new challenge for U.S. regulators.](#)" Reuters, June 14, 2017.

¹³ U.S. Securities and Exchange Commission. "[SEC Issues Investigative Report Concluding DAO Tokens, a Digital Asset, Were Securities.](#)" Press release, July 25, 2017.

¹⁴ Wong, Joon Ian. "[Ethereum unleashed the 'initial coin offering' craze, but it can't handle its insane success.](#)" Quartz, June 15, 2017.

Competitive Overview

Crypto Information Sources



| | | |
|---|---|--|
| <p>ICO Listing (Paid)</p> <p>ICOTimeline ICO BAZAAR</p> <p>ICO Listings (Unpaid)</p> <p>Token Report Token Tracker</p> <p>Token Investor</p> <p>Coinschedule</p> <p>ICO COUNTDOWN</p> <p>ICO Crypto</p> <p>www.ico-list.com Initial Coin Offering</p> <p>ICO TRACKER</p> <p>ICOindex.com</p> <p>TokenMarket</p> <p>ICO ALERT</p> | <p>News Sites</p> <p>allcoinsnews <i>Bitcoin, Altcoin & Blockchain News</i></p> <p>BITCOIN MAGAZINE</p> <p>COIN IDOL.COM</p> <p>COIN JOURNAL</p> <p>forklog</p> <p>cryptocoins™ news</p> <p>Newbium</p> <p>NEWSBTC <i>BITCOIN NEWS SERVICE</i></p> <p>COIN FOX</p> <p>Hacked</p> <p>CROWDFUND INSIDER</p> <p>CRYPTOSMILE <i>DIGITAL CURRENCY NEWS</i></p> <p>BlockchainTV</p> <p>THE COINTELEGRAPH <i>Future of money</i></p> <p>CoinReport <i>Global Digital Currency News</i></p> <p>coindesk</p> <p>blockchain technews</p> <p>Coinspeaker <i>The Speaker in The World of Virtual Currency</i></p> <p>THE MERKLE <i>DIGITAL CURRENCY NEWS</i></p> <p>CRYPTOSMILE <i>DIGITAL CURRENCY NEWS</i></p> | <p>Market Data & Research</p> <p>Blockfolio</p> <p>CryptoCoin Charts</p> <p>CoinMarketCap</p> <p>CoinGecko</p> <p>BRAVE NEW COIN. <i>Digital Currency Insights</i></p> <p>SMITH + CROWN</p> <p>TradeBlock</p> <p>Coindexter</p> <p>CRYPTO COMPARE</p> <p>cyber Fund</p> <p>santiment</p> <p>enigma</p> <p>TOKEN FILINGS</p> <p>Hacked</p> <p>KEPLER</p> |
| | <p>Multimedia</p> <p>THE BITCOIN PODCAST NETWORK</p> <p>LTB NETWORK</p> <p>BLOCKCHAIN INNOVATION</p> <p>UNCHAINED</p> <p>COM.TEVIEW</p> <p>epicenter.tv</p> | <p>Forums</p> <p>Bitcointalk</p> <p>CoinFund</p> <p>CRYPTOCURRENCY TALK</p> |
| | <p>Token Report</p> | <p>Educational</p> <p>Blockgeeks</p> <p>BLOCKMATIC S</p> |

Today, no service provides a reliable source of facts that affect the value of new token offerings and existing crypto assets. Many existing providers of ICO listings and analysis are pay-to-play; others are more marketing than substance. We believe those models are short-sighted and do not support the investment of time and expertise required to provide reliable research. For example: CoinDesk, which recently launched a free service tracking ICOs, has just 178 tokenizations in its database.¹⁵ Token Report has over 400.

The Long Opportunity

Not everything will be tokenized, but many things will. Some observers predict that machines, handling more and more of our finances, will demand this asset structure in order to transact via smart contract across national borders.¹⁶ We predict institutional investors and individual buyers will trade in tokens that act as tracking stocks of assets that are difficult to buy due to political boundary and wealth disparity.

¹⁵ Retrieved from coindesk.com/download-coindesk-ico-data/, Aug. 31, 2017

¹⁶ Ravikant, Naval. "The Fifth Protocol." Startupboy, April 1, 2014.

In the existing iteration of the Internet, venture-backed companies have captured value in towering silos, for a small group of investors picked from a tight group of insiders. The notion of a powerful “Electronic Herd,” outlined by Thomas Friedman in 1999,¹⁷ now looks naïve. Monopoly control over information and society;¹⁸ growing concentration of wealth;¹⁹ the coming tokenization of information and global finance has the potential to correct some of its problems and create a new structure for assets of any kind.

The Coming Crash

The run-up in novel cryptocurrencies that began in 2017 has already been through two corrections. There will be more and bigger bubbles to come and they will go through corrections and crashes that will likely be more severe. On top of the technological and speculative systemic risk factors present in past bubbles,²⁰ participants in the current crypto asset run-up may add: the legal risk of operating in an as-yet unregulated market; the social risk of applying novel concepts like cryptoeconomics and decentralization; and the heightened cybersecurity risk inherent on any network where information is, literally, money.

There is a need for organizations, like Token Report, that are working toward the long opportunity and plan to weather the crash and the inevitable, but temporary, decline in revenue that will follow. “The internet is over,” people were saying after the dotcom crash in 1999, Eve.com and Minted co-founder Mariam Naficy remembered. “No no, the internet is huge,” LinkedIn co-founder Reid Hoffman recalls saying in response. “It’s still coming. This is actually precisely the time to bet on a dotcom company.”²¹

Product

Right now, the website coinmarketcap has price and volume data on more than 1,000 traded crypto assets. (See chart.) When we began tracking new tokens, we were adding them at a rate of one to two per business day. Now, we are spotting new token offerings at a rate of four to five per day.

¹⁷ Friedman, Thomas L. *The Lexus and the Olive Tree*. Farrar, Straus & Giroux, 1999.

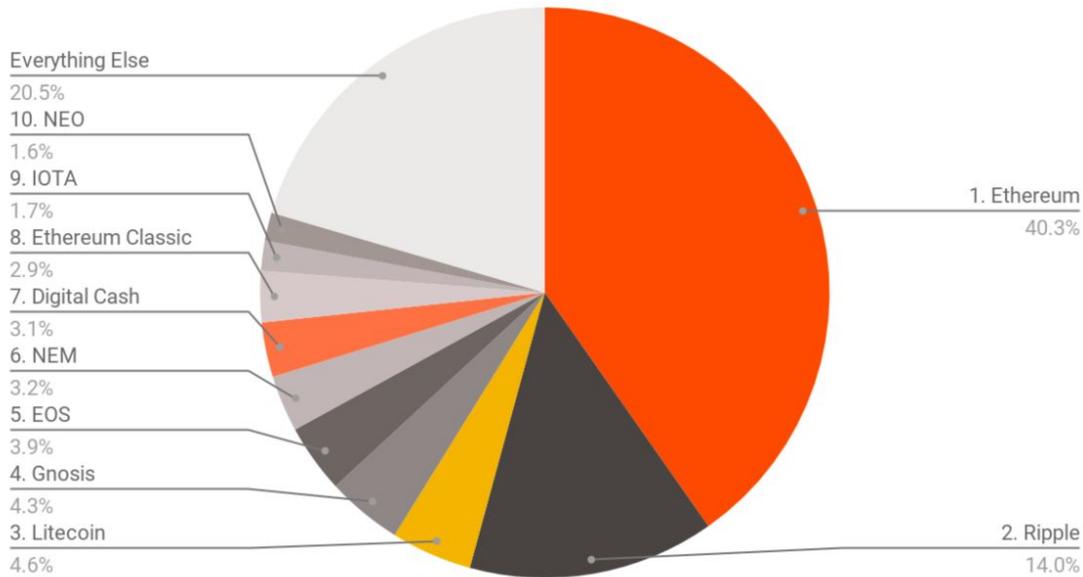
¹⁸ Taplin, Jonathan. “[Is It Time to Break up Google?](#)” *The New York Times*, April 23, 2017.

¹⁹ “[Just 8 Men Own Same Wealth as Half the World.](#)” Press release, Oxfam International, Jan. 16, 2017.

²⁰ Brunnermeier, Marcus K. and Martin Oehmke. “[Bubbles, Financial Crises and Systemic Risk.](#)” *Handbook of the Economics of Finance, Volume 2*. Elsevier, 2013.

²¹ Hoffman, Reid. “[The Money Episode — with Minted's Mariam Naficy.](#)” *Masters of Scale*, circa May 11, 2017.

Total Value in Bitcoin



Price and volume data are fragmented across several exchanges, some of the largest of which have proven less than reliable.²² For many ICO investors, even reliable terms of sale are beyond reach. With Token Clarity, now in private alpha, we literally put data in the palm of the user's hand to swiftly separate the signal from the noise.

Token Clarity researchers are investigating more ICOs than any comparable service on the planet. This allows us to provide our members with a transparent rating and a reliable signal for nearly every ICO, helping find projects that are worth the time it takes to read a white paper, contact the team, or participate in a forum. We are the only company with native Chinese ICO forum tracking.

Members of our network target ICOs for deeper investigation, using Token Clarity's Follow function to initiate coverage on ICOs. Pushing the "Follow" button initiates coverage by a team of researchers, who develop ICO analyses and provide real-time investor alerts on factors that may impact valuation. That means alerts on additions or departures from the management team, changes to the terms of sale, and new versions and updates to the content of the white paper. Gold- and Platinum-tier members will receive this actionable data first. They will also benefit from our research team's analysis of these changes and other dynamic aspects of the ICO, including forum activity on public and private forums, including Slack, Telegram and Discord.

The following are the benefits to Token Clarity users at each of Token Report's tiers of membership. Membership tiers are based on holdings of our token. These terms are subject to change.

²² Jung, Seline. "Poloniex Updates Its Terms of Use, Deleting All Mention of 'Currency'" Token Report blog, Aug. 1, 2017.

| Tier | Token ownership | \$ per user | Benefits |
|----------------|-----------------|-------------|---|
| Silver Level | 1,250 | 225 USD/mo | 1 user; Real-time alerts on up to 12 ICOs. |
| Gold Level | 5,000 | 225 USD/mo | Real-time alerts on up to 32 ICOs; Earlier investor alerts. |
| Platinum Level | 20,000 | 225 USD/mo | Custom queries; Real-time alerts on unlimited ICOs; Earliest investor alerts. |

Token Mechanics

Token Report is issuing a token. The total supply at ICO will be 52.5 million units and no more will ever be minted. Wall Street financial research is in decline,²³ in part because it declines in value the more people read it. Distribution of Token Report’s valuable research is therefore limited by the limited supply of our token. It is a membership model designed for the individual investors at the core of the crypto asset class. The value of Token Report’s research will be greatest at the highest concentrations of token ownership, where Token Report will establish tiered thresholds of service for the largest holders.

Individual users must hold a threshold amount of 1,250 tokens minimum at launch, to access Token Report’s network. The monthly fee to access Token Report at this threshold tier is set at 225 USD. We estimate the total issuance will accommodate 21,000 individual users, with allowances for institutions and exchanges, as well as others providing liquidity. Token Report will never mint additional coins.

Most institutions will access the Token Report API through fees paid in the Token Report coin. A portion of the coins paid in each API transaction is burned. Today, this market of institutional crypto investors includes hedge funds and venture capital firms; in the future it may include regulators, mutual funds, banks, insurance companies, brokerage services and online trading platforms in multiple asset classes.

²³ Gordon, Sarah. “[Sellside research would be little missed.](#)” *Financial Times*, Feb. 6, 2017.

Data Token Mechanics



Token Applications

Token Report's simple membership mechanics support several unique applications:

1. Tiers of membership: Token Report's Silver-Level, Gold-Level and Platinum-Level memberships support the value of access to the world's largest database and first source of information on global ICOs, proportional to each member's investment in the asset class.
2. Events and forums: The token establishes a way to allow exclusive access to events and forums, increasing their value to participants and sponsors
3. A marketplace for cybersecurity audits and industry research, connecting token holders who need specialized assurance with qualified researchers capable of providing industry- and technology-specific insight and validation of projects and markets

Centralized and Trusted

Token Report is not decentralized or autonomous. We believe a knowledgeable organization that cultivates users' trust is the optimal entity to gather and evaluate reliable information. A crowdsourced solution, while attractive, cannot match this solution on its own. Projects that aim

to crowdsource analysis and advice often look good on paper, but crowdsourcing real intelligence has proven difficult.²⁴

Please read the section at the end of this white paper entitled “Important Notice” and Token Report’s Private Placement Memorandum. The terms of the token issuance are forward looking statements and are qualified by the disclaimers set forth in this white paper and the Token Report’s Private Placement Memorandum.

Token Issuance

Based on our predictions of future growth in the total addressable market for Token Report (see below) and our goal to capture 5 percent of the market, we estimate a customer base of 21,000 individual token holders by 2020. Adding to that the demands of exchanges and other providers of liquidity, Token Report will issue a total supply of 52.5 million coins in a single token creation event. There will be no further token issuance following the initial token creation event.

Specific terms of distribution will be announced ahead of the public ICO. No more than 30 percent of the token issuance will be held by the company.

Road map

Foreign language versions

Knowledge and adoption of cryptocurrency has run high in several regions of the world where the English language is not widely spoken. These include China, Japan, Korea and Russia. In year one, we are already beginning to gather data on projects launched in those languages. After the ICO, we will launch versions of Token Report in Mandarin and in Russian.

Pricing

As of July 20, the 90-day median daily trading volume on the Ethereum network was nearly USD 600 million. Split across the 500,000 ethereum addresses that have ever bought a token, that indicates an average monthly trading volume per person of USD 30,000. Based on that data, access to Token Report’s paid products is priced at USD 225 per user per month, which is equivalent to 75 basis points on that average monthly trading volume. This price is subject to change.

Post-ICO funds management

After Token Report’s ICO closes, we plan to convert only enough funds into fiat for a two-year runway of operations and any up-front tax liability. The rest we plan to hold as crypto assets.

²⁴ Silverster, Jessica. “[The Rise and Fall of Quirky — the Start-Up That Bet Big on the Genius of Regular Folks.](#)” New York, Sept. 13, 2015.

Events

We plan to bring together buyers and entrepreneurs under the same roof to meet, create opportunities, and gather financial and operating knowledge that will make projects and strategies successful. The calendar will include at least four exclusive events per year:

- 1 large annual event with experts and newsmakers, bringing token investors together, open to all token holders at or above the 1,250 token threshold
- 3 topic-specific events, open to all token holders at or above the 1,250 token threshold

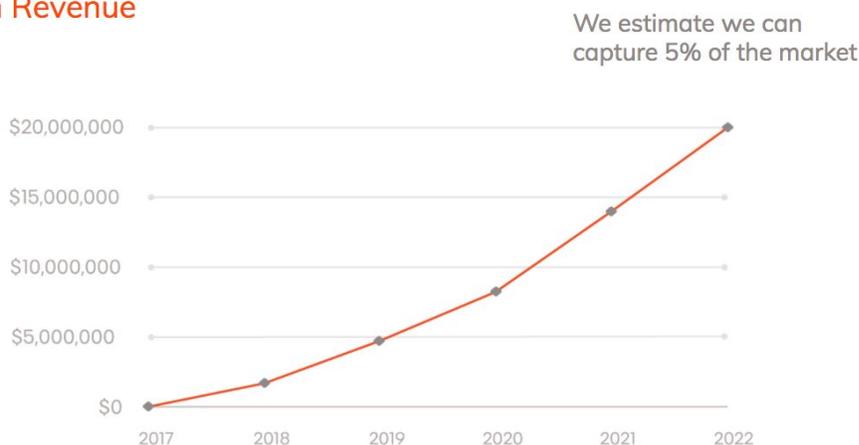
In the future, we plan to develop events that specifically target higher tiers of token ownership.

Revenue

We aim to capture 5 percent of the total addressable market of diversified crypto buyers. If that market grows at the projected rate (outlined in the Market Analysis section), we estimate Token Report can reach the following revenue milestones:

Token Report: Investor Deck

Projected Annual Subscription Revenue



To execute this vision, we are building the following teams:

- Data: The Data team's daily mission is to be first on any information, in any language, related to new cryptocurrency offerings. We are building a crew of:
 - Newshounds who get scoops in online forums, conference hallways and cocktail hours; Our research team has built its expertise reading dozens of white papers, distilling important facts from chatter
 - Developers who can work with Java, Node and Python to make a wider and finer data-gathering net

- Analysts who understand cryptoeconomics, security and technology, as well as financial markets and liquidity
- Foreign language speakers: Our team already includes fluent speakers of Mandarin, Korean and Japanese
- Product: The Product team will build future databases and dashboards that drive and present impactful research on new and existing token projects.
- Sales & Marketing: We expect Token Report to spread rapidly within crypto communities; sales and marketing will listen to early customers and push the boundaries beyond early adopters.
- Events: Our events team will run a robust calendar of events, focused on bringing our community of crypto holders and traders together under one roof at least four times a year.

Team

We are cryptocurrency holders and traders, ourselves, and we are constantly talking to our customers, learning and adding to what we know.

Galen Moore, Founder & CEO: As an editor, manager and executive, Galen has led and launched news sites covering startups, technology and venture capital in four cities. Prior to that, he worked as an editor in biotech, technology and general business-focused publications. He holds a master's degree in technological entrepreneurship, having studied startup accelerators and other systems of support for new ventures. Galen reads white papers with a critical eye and above all understands the difference between fact and propaganda.

Seline Jung, Lead Researcher: A financial journalist, who has written for Forbes Asia, Seline has also run her own e-commerce startup. She speaks fluent Korean and English and manages the systems that allow Token Report to filter the flood of ICO data.

Andy Cernera, Senior Developer: A cryptocurrency investor since 2013, Andy is a full-stack developer who has worked at every layer, building mobile applications in highly regulated industries.

Yi Zu, Researcher: A recent graduate of Boston University's School of Management, Yi brings unfailing attention to accuracy, as well as Mandarin ability to the Token Report team.

Ted Leung, Interim CTO: Ted takes a part-time role advising and executing Token Report's early tech decisions. Previously, he was executive director of Advanced Technology at The Walt Disney Co.

Katie Crain, Interim CMO: Katie takes a part-time role advising and executing Token Report's marketing strategy, drawing on a wealth of experience in financial services and corporate consulting.

Peter Vessenes: Peter is managing director at New Alchemy. In 2012, Peter co-founded the Bitcoin Foundation and led the organization as its chairman. He was also the founder and chief executive of Coinlab, the first venture-backed cryptocurrency startup. He is the lead investor in Token Report.

Please visit tokenreport.com for updates to team.

Advisors

Token Report's advisory board has provided guidance on product and market opportunity, drawing on expertise in financial technology, assurance, venture capital and startup operations.

Iliana Oris Valiente: After leading Deloitte's experimental efforts in blockchain technology, Iliana started ColliderX, a blockchain research technology incubator. Formerly Blockchain Strategy Leader at Deloitte Canada, she's versed in startup, academic and enterprise blockchain initiatives.

Ty Danco: A serial entrepreneur in financial technology, Ty Danco is a prolific angel investor and the former co-director of the Techstars Boston accelerator. He's a crypto investor who has worked on Wall Street and built foreign exchange trading platforms.

Please visit tokenreport.com for updates to our advisory board.

Partners

New Alchemy: A leading boutique consulting group with recognized experts and years of blockchain, cryptocurrency and commerce experience, New Alchemy is making a pre-seed investment to fund Token Report ahead of its ICO. New Alchemy is also advising Token Report on its ICO and has provided customer feedback on alpha versions of its product.

Risks

The terms of Token Report's ICO will be published separately at least one week ahead of the ICO; they will contain a more specific assessment of the risks faced by token holders. However, here is a summary of some (not necessarily all) of the risks involved in buying and holding Token Report's token.

- **Token market crash:** The token market may collapse and Token Report may not be able to weather the downturn in customers and revenue.
- **Regulatory uncertainty:** Token Report is entering an unregulated market. That presents an opportunity to define the investor norms and standards that will move the market forward, but it also presents risk. Regulators will inevitably exert more sway over the token asset class, and their regulatory decisions may impact Token Report's business.
- **Product development:** Token Report has a product in the market at ICO. This sets it apart from projects that are fundraising pre-product, but there remain many future

product development decisions to be made. There is a risk that the wrong decisions will be made and future product features will fail.

- **Team:** Token Report has assembled the world's leading group providing comprehensive coverage of the global ICO market. In order to fulfill its ambitions many more hires will have to be made. As in any early-stage company, each hire is critical and there is a risk that mistakes will be made in hiring.
- **Token mechanics:** Token Report's token draws value from Token Report services, but it is not tied by smart contract to those services. As a result, Token Report may change pricing or services in ways that affect the value of the token. Other service providers may also affect the value of the token, for example by accepting the token in exchange for their own services.
- **Market timing:** Token Report is entering a market where no competitor yet exists to prove customer demand. While that presents opportunity, it also presents risk that the market does not yet have enough momentum to support a service like Token Report.
- **Cybersecurity:** Because of the blockchain's uncensorable nature, in which information literally is money, crypto assets have proven to be increasingly popular targets for hackers. Token Report users are at risk of data breach and currency theft from those attacks. While Token Report will work to mitigate those risks and address vulnerabilities, we cannot guarantee the safety of funds or information against these risks.

Conclusion

Investopedia defines "initial coin offering" as a fundraising process "used by startups to bypass the rigorous and regulated capital-raising process required by venture capitalists or banks."²⁵ Whatever the rigor of venture capitalists or banks may be worth, most individuals are not able to conduct the kind of analysis and due diligence that an institutional investor typically undertakes. Crypto changes that, as an asset class that by its nature incorporates a large base of individuals, capable of spreading the cost of investigating a growing number of global assets in a lightly regulated asset class. Token Report aims to put reliable information at the individual token holder's fingertips. Token Report's research and its customer base of better-informed investors will establish norms and expectations for transparency and rigor that, in turn, will facilitate sensible regulation of this new asset class.

The market for tokens already feels overcrowded: Many are not worth the time it takes to read their white papers and participate in their forums. Looking back to the first crowdfunding via token sale, in 2013,²⁶ you can see the genesis of a marketplace of ideas, in which an active forum and a thorough white paper energized crypto-holding futurists to contribute their time and their coins. Right now that vision seems far off.

Not everything will be tokenized, but many things will. Hundreds of new coins have already emerged; thousands more are coming, capturing the value in new networks and giving crypto

²⁵ "Initial Coin Offering." Investopedia, retrieved May 30, 2017

²⁶ Loizos, Connie. "How to stage an ICO (and answers to other lingering questions you might have)." TechCrunch, May 24, 2017.

holders and traders new exposure to esoteric assets. A bewildering array of opportunities has already emerged. Without basic transparency, it's hard to imagine this tokenized future world coming to pass. Token Report will provide the information layer that will make that possible, providing transparency and reliability at scale.

IMPORTANT NOTICE

PLEASE CAREFULLY READ THIS SECTION AND THE FOLLOWING SECTIONS ENTITLED “DISCLAIMER OF LIABILITY”, “NO REPRESENTATIONS AND WARRANTIES”, “REPRESENTATIONS AND WARRANTIES BY YOU”, “CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS”, “NO ADVICE”, “RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION”, “NO OFFER OF SECURITIES OR REGISTRATION” AND “RISKS AND UNCERTAINTIES”. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISOR(S).

Token Report’s tokens are not intended to constitute securities in any jurisdiction. This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. For more information, please refer to the Token Report Private Placement Memorandum.

This White Paper does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer by the distributor/vendor of the token to purchase any of the token nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.

Token Report will deploy all proceeds of sale of the token to fund Token Report's cryptocurrency project, businesses and operations.

No person is bound to enter into any contract or binding legal commitment in relation to the sale and purchase of the token and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper.

Any agreement as between the distributor and you as a purchaser, and in relation to any sale and purchase, of the Token Report token (as referred to in this White Paper) is to be governed by only a separate document setting out the terms and conditions (the “T&Cs”) of such agreement. In the event of any inconsistencies between the T&Cs and this White Paper, the former shall prevail.

You are not eligible to purchase any tokens in the Token Report pre-sale (as referred to in this White Paper) unless you qualify as an accredited investor under US standards. Citizens and residents of the People’s Republic of China cannot participate in the pre-sale or Token Report ICO at all.

Accredited investors MUST purchase tokens through a SAFT contract until the network launch. Please contact us directly if you are an interested accredited investor.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules

of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

There are risks and uncertainties associated with Token Report and their respective businesses and operations, the token, and the Token Report ICO (each as referred to in this White Paper). For a full list of the risks and liabilities, refer to the “Token Report Private Placement Memorandum”.

This White Paper, any part thereof or any copy thereof must not be taken or transmitted to any country where distribution or dissemination of this White Paper is prohibited or restricted.

No part of this White Paper is to be reproduced, distributed or disseminated without including this section and the following sections entitled “Disclaimer of Liability”, “No Representations and Warranties”, “Representations and Warranties by You”, “Cautionary Note On Forward-Looking Statements”, “No Advice”, “Restrictions On Distribution and Dissemination”, “No Offer of Securities Or Registration” and “Risks and Uncertainties”.

DISCLAIMER OF LIABILITY

To the maximum extent permitted by the applicable laws, regulations and rules, Token Report and Alchemy Limited, LLC shall not be liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you.

NO REPRESENTATIONS AND WARRANTIES

Token Report does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this White Paper.

REPRESENTATIONS AND WARRANTIES BY YOU

By accessing and/or accepting possession of any information in this White Paper or such part thereof (as the case may be), you represent and warrant to Token Report as follows:

- (a) you agree and acknowledge that the Token Report tokens do not constitute securities in any form in any jurisdiction;
- (b) you agree and acknowledge that this White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities in any jurisdiction or a solicitation for investment in securities and you are not bound to enter into any contract or binding legal commitment and no cryptocurrency or other form of payment is to be accepted on the basis of this White Paper;

- (c) you agree and acknowledge that no regulatory authority has examined or approved of the information set out in this White Paper, no action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction and the publication, distribution or dissemination of this White Paper to you does not imply that the applicable laws, regulatory requirements or rules have been complied with;
- (d) you agree and acknowledge that this White Paper, the undertaking and/or the completion of the Token Report ICO, or future trading of the Token Report tokens on any cryptocurrency exchange, shall not be construed, interpreted or deemed by you as an indication of the merits of the Token Report, the tokens, and the Token Report ICO
- (e) the distribution or dissemination of this White Paper, any part thereof or any copy thereof, or acceptance of the same by you, is not prohibited or restricted by the applicable laws, regulations or rules in your jurisdiction, and where any restrictions in relation to possession are applicable, you have observed and complied with all such restrictions at your own expense and without liability to Token Report;
- (f) you agree and acknowledge that in the case where you wish to purchase any tokens, the tokens are NOT to be construed, interpreted, classified or treated as:
- (i) any kind of currency other than cryptocurrency;
 - (ii) debentures, stocks or shares issued by any person or entity (whether Token Report), rights, options or derivatives in respect of such debentures, stocks or shares;
 - (iii) units in a collective investment scheme;
 - (iv) units in a business trust;
 - (v) derivatives of units in a business trust; or
 - (vi) any other security or class of securities.
- (g) you are fully aware of and understand that you are NOT eligible to purchase any Token Report tokens if you are NOT an accredited investor under United States standards for the pre-sale. Citizens and residents of the People's Republic of China cannot participate at all in the pre-sale or the Token Report ICO;
- (h) you have a basic degree of understanding of cryptocurrencies, blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology;
- (i) you are fully aware and understand that in the case where you wish to purchase any Token Report tokens, there are risks associated with Token Report and their respective business and operations, the tokens, and the Token Report ICO (each as referred to in the White Paper);
- (j) you agree and acknowledge that Token Report is not liable for any indirect, special, incidental, consequential or other losses of any kind, in tort, contract or otherwise (including but not limited to loss of revenue, income or profits, and loss of use or data), arising out of or in connection with any acceptance of or reliance on this White Paper or any part thereof by you;

and rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss;

(k) all of the above representations and warranties are true, complete, accurate and non-misleading from the time of your access to and/or acceptance of possession this White Paper or such part thereof (as the case may be).

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This White Paper may contain certain forward-looking statements including, but not limited to, statements as to future operating results and plans that involve risks and uncertainties. We use words such as “expects”, “anticipates”, “believes”, “estimates”, the negative of these terms and similar expressions to identify forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Token Report to differ materially from any future results, performance or achievements expressed or implied by those projected in the forward-looking statements for any reason.

NO ADVICE

No information in this White Paper should be considered to be business, legal, financial or tax advice regarding Token Report, the Token Report tokens, and the Token Report ICO (each as referred to in the White Paper). You should consult your own legal, financial, tax or other professional adviser regarding Token Report and their respective businesses and operations, the tokens, and the Token Report ICO (each as referred to in the White Paper). You should be aware that you may be required to bear the financial risk of any purchase of tokens for an indefinite period of time.

RESTRICTIONS ON DISTRIBUTION AND DISSEMINATION

The distribution or dissemination of this White Paper or any part thereof may be prohibited or restricted by the laws, regulatory requirements and rules of any jurisdiction. In the case where any restriction applies, you are to inform yourself about, and to observe, any restrictions which are applicable to your possession of this White Paper or such part thereof (as the case may be) at your own expense and without liability to Token Report. Persons to whom a copy of this White Paper has been distributed or disseminated, provided access to or who otherwise have the White Paper in their possession shall not circulate it to any other persons, reproduce or otherwise distribute this White Paper or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

NO OFFER OF SECURITIES OR REGISTRATION

This White Paper does not constitute a prospectus or offer document of any sort and is not intended to constitute an offer of securities or a solicitation for investment in securities in any jurisdiction. No person is bound to enter into any contract or binding legal commitment and no

cryptocurrency or other form of payment is to be accepted on the basis of this White Paper. Any agreement in relation to any sale and purchase of tokens (as referred to in this White Paper) is to be governed by only the terms and conditions of such agreement and no other document. In the event of any inconsistencies between the Token Report Private Placement Memorandum and this White Paper, the former shall prevail.

No regulatory authority has examined or approved of any of the information set out in this White Paper. No such action has been or will be taken under the laws, regulatory requirements or rules of any jurisdiction. The publication, distribution or dissemination of this White Paper does not imply that the applicable laws, regulatory requirements or rules have been complied with.

RISKS AND UNCERTAINTIES

Prospective purchasers of Token Report's tokens (as referred to in this White Paper) should carefully consider and evaluate all risks and uncertainties associated with Token Report and their respective businesses and operations, the tokens, and the Token Report ICO (each as referred to in the White Paper), all information set out in this White Paper and the Token Report Private Placement Memorandum prior to any purchase of tokens. If any of such risks and uncertainties develops into actual events, the business, financial condition, results of operations and prospects of Token Report could be materially and adversely affected. In such cases, you may lose all or part of the value of the token.