



Arbitrade

“A Cryptocurrency Exchange
and Point of Sale System”

W H I T E P A P E R

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All the participants with awareness should determine whether an investment is suitable for their situation, circumstances, and financial resources.

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INTRODUCTION

INTRODUCTION

Since March 2015, the Arbitrade development team has been creating the backbone structure to the Arbitrade platform. As of December 2017, the world will get its first glimpse of the fully operational platform that is sure to set the industry standards at a higher level. The information in this document is used as a reference that displays the details of the Company, and the real-world problems it solves and improves on a mass scale.

Industry Trends

With Bitcoin leading the way, the past couple of years have seen the growth of digital currency and the recognition and acceptance of the idea of digital currency by the public. Simultaneously, an influx of capital and the genius of crypto developers have produced competing coins in the crypto space, such as Ethereum, Litecoin, and Ripple.

Abundant application scenarios and technology innovations based on Blockchain has resulted in quickly growing trading volume from competing coins, and a substantial increase in market value. An increasing number of investors are focusing their attention on the great potential of the digital currency market.

A variety of digital currency trading platforms began to appear and provided a diversified set of services for investors in digital currency including, but not limited to, place orders, order matching, and real-time quotes. The intent is to improve the transaction process through optimization, decreasing of investment thresholds, and expansion of investment options.

Subsequently, exchanges have been promoting the development of new digital currencies, and the market liquidity of digital currency has seen an upsurge.

INTRODUCTION TO ARBITRADE

What is Arbitrade?

Arbitrade is an all-in-one cryptocurrency service co-op. When the founders set out to start Arbitrade, they envisioned a platform that makes understanding and using cryptocurrencies easy. We can successfully say that the dream has become reality, as we roll out this 3-year development project and start to welcome the world.

What is a Blockchain?

Essentially, Blockchain Technology is an online means by which a person can transfer an exclusive fragment of digital assets to another person using a method that ensures safety and security of the transaction; thus, allowing every individual on the planet to see that the transfer has occurred, and no one is able to dispute the transfer.

A Blockchain is a continuously growing sequence of records referred to as blocks. These blocks are linked and secured using cryptographic technology. Each block in a Blockchain inherits:

1. A Hash Pointer: Permanently linking it to the previous block.
2. A Time Stamp: The Time Stamp keeps track of the creation time of a block.
3. Transaction Data: All data related to the transaction.

By design, Blockchains are highly secure and serve as an example of a distributed computing system with high Byzantine fault tolerance, resulting in the achievement of a decentralized consensus. As defined by Wikipedia, Byzantine fault tolerance is the characteristic of a system that tolerates the class of failures known as the Byzantine Generals' Problem, which is a generalized version of the Two Generals' Problem – for which there is an insolvability proof. The phrases' interactive consistency or source congruency have been used to refer to Byzantine fault tolerance, particularly among the members of some early implementation teams. It is also referred to as error avalanche, Byzantine agreement problem, Byzantine generals, problem and Byzantine failure. Byzantine failures are considered the most general and most difficult class of failures among the failure modes.

As such, Blockchains are well suited for the management of records such as recording of events, medical records, identity management, transaction processing, and documentation of origin.

Arbitrade Core Product Suite:

The Arbitrade Decentralized Blockchain based platform has seven core products:



Arbitrade

Public Decentralized Cryptocurrency Trading Platform and coin.



Arbitrade Pro

Investment bank level cryptocurrency arbitrage trading platform.



Arbipay

Arbitrade's very own proprietary payment gateway for business and individuals.



Arbicard

A major cryptocurrency prepaid debit card.



Cryptosync Gift Cards

The world's only cryptocurrency gift card redemption program.



Dynocrypt for Encrypted Data Transfer and Storage

A decentralized way to transfer protected information through the internet and stored on Arbitrade's Blockchain for future reference.



Dynocrypt for KYC

A decentralized way to share confirmed "Know Your Customer" details through Arbitrade's Blockchain protocol.

THE ARBITRADE DIFFERENCE

Why Arbitrade vs. the Competition

Arbitrade believes it has developed the highest-standing protocol in delivering Blockchain technology in comparison to its competitors in the cryptocurrency sector. What sets Arbitrade apart is its Point-of-Sale/payment gateway, ArbiPay. This powerful tool allows anyone to convert their cryptocurrency holdings into a fungible asset in a faster and more secure platform. Our proprietary software, “Dynocrypt,” safeguards all data that transfers between users. It stores encrypted data, which can later be utilized on the Blockchain for future reference. Arbitrade’s new breed of patent-pending technology will provide more front and back-end functionality to accomplish multiple tasks through a single-source solution.

The ArbiPay software provides the quickest and most efficient means of transferring encrypted data via peer-to-peer money transfer markets and protects the users. The need for third party wire transfer services, merchant services, digital payment gateways and more now will be rendered less useful.

One of the main features of Arbitrade is that it closes the gap between cryptocurrencies and other forms of currency. As such, we have developed the ‘Cryptosync’ gift-card program, which will provide an even greater opportunity to bring Cryptocurrencies to the global market. This value-added service facilitates the ability to buy Cryptocurrencies locally without limitations.

One goal of the program is to provide an ease-of-use feature to make purchasing cryptocurrencies easier than ever before. Having access to these gifts cards will depend on availability but users are no longer required to wait long periods of time before receiving their cryptocurrencies; and are able to start trading as soon as the card is activated. Moreover, the cardholder can easily convert out of their digital assets with the help of a currency conversion engine module, which converts Blockchain assets to market-value fiat currencies with a near-perfect exchange rate.

With Arbitrade’s transaction-free mobile app, users will be able to transfer money in over eight major cryptocurrencies to any of the over 100 currencies around the world.

Why Arbitrade vs. the Competition

By setting a higher benchmark than all other prepaid-debit programs in the sector, Arbitrade's proprietary features will allow users to load any of the 300+ cryptocurrencies supported by the exchange to the card, which then can be used at a retail or ATM level. Users will be able to access, control and utilize their Arbitrade. They will be able to trade exchange accounts through the 'Arbitrade' wallet, which will be available on the iOS App Store, Google Play Store, as well as the desktop/web version.

By providing enhanced features sophisticated investors expect, 'Arbitrade Exchange' will set the highest standards for compliance than any other exchange on the planet; the system will be the New York Stock Exchange of the cryptocurrency sector. The coming arbitrage brokerage and investment firm trading desk will add another element yet to be seen in the cryptocurrency space.

To further protect market participants, and to manage volatility, Arbitrade will be working with various gold mining companies to build a wrapped insurance package to be backed by legitimate gold bullion. Arbitrade expects to set the standard in the industry for its many uses.

Combining all Arbitrade has to offer through an exceptionally enhanced web-based buying experience, excessive charges and expenses typically associated with interbank conversion rate fluctuations will be eliminated. The result is the ability to spend your cryptocurrency in real-time, and at true market value through the elimination of middleman brokers.

In short, the Arbitrade platform not only resolves many real-world problems in the cryptocurrency sector, but also improves on traditional services while lowering costs for its users.

What is a Decentralized Exchange?

These public ledger platforms generally have the following features:

Internet-based:

They rely on the Internet as the physical network for sending and receiving currency. That is different from most payment platforms, such as Visa, which typically rely on private secure communication networks.

Public Ledger Protocol:

They have a protocol for sending, receiving and recording value. At this stage in their development, the protocol is based on a public ledger that uses cryptographic methods to secure the values that are sent and received, and provides a public record of transactions. The operation of the public ledger is decentralized. Individuals verify and record transactions. The valid public ledger is roughly speaking based on a consensus among these individuals. This public ledger is sometimes called the Blockchain and is widely recognized as the key disruptive innovation.

Container for Value:

There is container that is used to carry value on the public ledger. The container is used to send and receive value. The container is usually called a "coin" which suggests that it is intended to be a currency. It need not be. In principle it could contain a traditional currency such as a Yuan or a financial derivative.

Incentivized Labor Force:

There is an incentive scheme for eliciting effort and the contribution of resources from people to conduct various record-keeping and verification activities for the public

ledger. At this stage in their development, the public-ledgers for digital currencies are intensive in labor and computer processing time. The incentive scheme provides a reward to people for providing labor, computing power, and other resources.

Open Source Licensing Model:

There is a licensing model for enabling people to make changes to the software for the platform. Typically, public ledger currency platforms use one of the standard open source licenses so that people can use the software underlying the public ledger, and make changes to it.

Platform Governance System:

There is a governance system for determining key operating principles for the platform, for adopting changes to the protocol and other features of the software, and for driving the evolution of the platform. Public ledger currency platforms typically use some variant of open source governance, since they rely on a distributed network of "volunteers" to provide labor. The resulting governance systems run the same gamut that we have observed for open source -with a for-profit company managing the project, as is the case with Android; a benevolent dictator as is the case with Linux and many other successful large open source projects; or a consensus-driven management as is the case with many smaller open source projects.

ARBITRADE BOARD OF DIRECTORS

Outside (Non-Management) Board Members



Leonard Schutzman
Non-Executive Chairman

Len Schutzman joined Arbitrade as Senior Advisor and Non-Executive Chairman of the Board in July 2017. He retired from PepsiCo in 2011, after serving as part of the company's leadership team for more than thirty years. He served as Senior Vice President & Treasurer of PepsiCo, where he directed global financing, tax strategies and Mergers & Acquisitions. Len also held positions as Chief Financial Officer of Pepsi Cola International, Frito Lay, and Taco Bell.

Mr. Schutzman earned a BA degree in Accounting from Queens College, an MBA from the University of Rochester, and is a CPA.



Dr. Timothy J. McGarvey
Director

Dr. McGarvey currently runs his own physical and electronic training operation in London. On the electronic side, he built a cutting-edge electronic trading platform for futures (with a focus on commodities) which he calls Agora and he co-develops AI-mediated event-driven, price-based, and fundamentals-based trading signals. On the physical trading side, he sets up trades involving crude oil, jet fuel, LPG, ULSD, and marine fuels primarily and has strategic partners in the USA, Europe, the Middle East, and Asia and is engaged by Koch Industries in this regard. Previously, he managed the nuclear operations of a nuclear submarine, was a natural gas and electricity trader at EGL-UK and worked at Lehman Brothers with a mortgage portfolio. Dr. McGarvey earned a BS degree in Engineering at the US Naval Academy, a PhD in Physics at the California Institute of Technology, and a Masters in Human Psychology and Philosophy of Mind at the University of Toronto.



John F. MacNeil
Director

Mr. MacNeil is currently Managing Director at ACI Projects, LLC, where he consults and partners on cross-border business development in technology and renewable energy industries. He has held senior positions as Portfolio Manager & Senior Analyst at Schroder Investment Management North America Inc., Equity Strategist at Salomon Smith Barney Inc., and Investment Strategist at Paine Webber Inc.

Mr. MacNeil earned a BS degree in Computer Science and Engineering from the University of Connecticut and an MBA from the Columbia School of Business.



Daniel F. Sweet Director

Daniel Sweet has more than a decade of experience as Chief Compliance Officer and Series 24 Principal responsible for overseeing trading ADR's and currencies for major Wall Street firms. During that period, he has held positions as Managing Director & Principal – Head Equity Trader at BGC Partners, and Series 24 Principal at both Direct Access Partners and Walter J. Dowd. He currently serves as an Executive Consultant in the Finance arena. Mr. Sweet earned a BS degree in finance from the California State University.



Charles H. Woodworth Director

Charles Woodworth has spent his entire 45 year career in the Financial Services sector, as builder of successful enterprises over a broad spectrum of the industry. Beginning in 1972, Charles built successful businesses for major firms including a Life TPA (The Fulenwider Organization, Denver, CO), two national scale branch offices (Smith Barney and Harris Upham, New York), a general securities subsidiary (Lincoln Trust Securities, Lincoln Trust Co., Denver, CO), CEO of Trust Company of America, Boulder, CO, two top producing specialty sales teams (Kidder Peabody & Co. and Montgomery Securities, and as an investor in and key advisor to two private equity / merchant banking boutiques, SCG Madison Company, LLC. and WhitePaper Capital Partners, LLC.

Charles is a graduate of Dartmouth College and attended The National Law Center at George Washington University and The University of Colorado Business School.

CRYPTOCURRENCY MARKET ANALYSIS



CRYPTOCURRENCY MARKET ANALYSIS

By spending less time consuming financial services, there is a shift in customer demands to make the customer's lives easier with less effort. This is being done by making the move to conducting transactions online such as with cryptocurrencies.

Cryptocurrencies, or digital currencies, can be used across the world by anyone for various purchases. They are known as a "medium-of-exchange" where cryptography technology secures each transaction; and, in turn, potentially curbs inflation of any given currency by controlling and limiting the creation of additional units.

Cryptocurrency is the revenue stream of the future in the digital financial world.

In order to access a specific Cryptocurrency, codified addresses are established by using public and private keys, and then those addresses are stored as a Blockchain in the end user's on-line wallet. They tend to be politically neutral as they are not bound by the rules or regulations of any specific government, exchange rates, interest rates, or country-to-country transaction fees. As a result, international transactions are quicker and less expensive compared to other forms of payment.

Cryptocurrency is more secure than conventional financial instruments because cryptocurrency virtually eliminates the chances of identity theft and other problems that the fiat based electronic payments infrastructure is currently plague with.

Cryptocurrency Market: Drivers and Challenges

Another benefit of Cryptocurrency is to provide proper security, authentication, and ease of use. This will allow cryptocurrency holders to transfer the amount they wish without having to provide additional information or identification.

With mobile users transacting at an increased frequency and volume, the changing consumer landscape has led the demand for quick and easy transactions with lower transaction fees, thus creating market growth. Another driver of market growth is the increased use of mobile-based wallets.

Despite the fact cryptocurrencies have existed since 2009, a large percentage of the population is completely unaware of the benefits of digital currency. The absence of widespread adoption, along with capacity limits which are currently being addressed by micro-payment channels, are hampering the growth of the market. It is estimated that only a fractional percentage of people in world even know about cryptocurrencies and, of those, most are only aware of Bitcoin.

Cryptocurrency Market: Segmentation

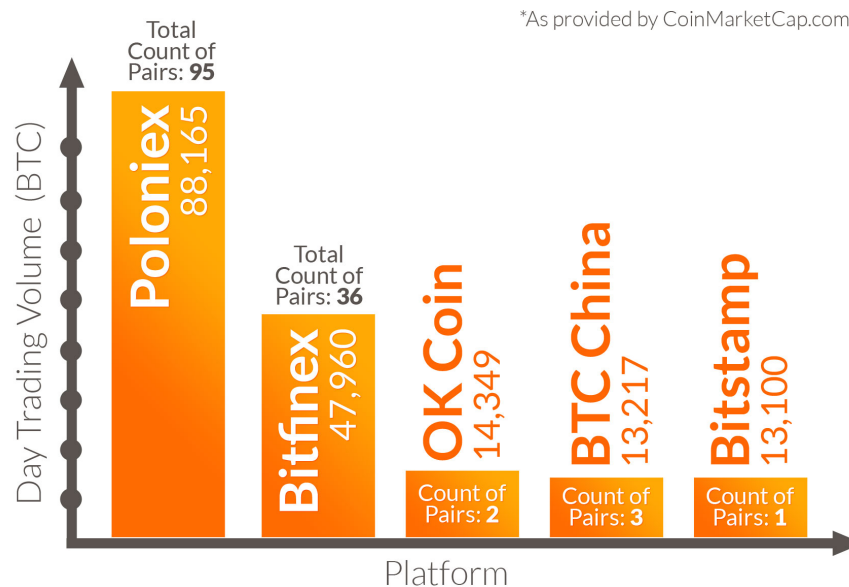
The Cryptocurrency market can be segmented based on end-user. Banking, Financial Services and Insurance (BFSI), retail, media and entertainment, gaming, healthcare, travel and tourism, transportation and logistics, and education. The market can also be segmented based on region: North America, Latin America, Western Europe, Middle East & Africa (MEA), Asia Pacific excluding Japan (APEJ) and Japan.

Cryptocurrency Market: Regional Outlook

North American and European markets are in the advanced stages of adopting cryptocurrency. Adoption in the Asia Pacific and MEA markets is in the earlier stages. In places such as India and much of Africa, the popularity and the usage of various cryptocurrencies is increasing gradually.

Key Market Exchanges

Some of the leading players of Cryptocurrency exchanges are: Coinbase, Poloniex, LocalBitcoins, Cex.io, Kraken, Bittrex, Bitfinex, Yobit, Bitstamp, Bitsquare, GDAX, Livecoin, etc. Leading Trade Exchanges as of September 2017*:



However, there are a lot of new players entering the market as it holds huge business opportunities.

Economic Aspects

Quite a few internet-based digital currency platforms based on a decentralized public ledger have appeared on the scene since Bitcoin first came online in 2009. A fundamental element of these public ledger platforms is an incentive system that encourages the efforts of a distributed global workforce to authenticate and record transactions on the public ledger and a governance system for the platform.

Rather than having a balance currency in an account with a bank, a user has a sum in cryptocurrency that they hold in an account that is tracked and maintained by a network of individuals with a public ledger of where all the sums reside. Being able to transfer all or a portion of a sum from one user's account to another is a process based on advances in cryptology that uses open-architecture algorithms to convert one string of data into another. In simple terms, one string of characters is entered, and another comes out. Although the formulas by which the output is calculated are totally open source, it is nearly impossible to do the operation in reverse.

The output of a cryptocurrency transaction is based on the combination of a private code associated with an account, which only the account holder knows, along with the full history of all previous transactions in the ledger, which is open to everyone to inspect.

Cryptocurrencies have potential advantages over credit cards for providing liquidity services. A primary example is that the supporting network only needs to verify whether the private code is valid, which is less costly than verifying if a person is indeed the rightful owner of a credit card and will be delivering funds without dispute. With a conventional credit card, the merchant ends up paying a credit card company significant fees for each transaction they process, which takes from their bottom-line. That is why many merchants are embracing cryptocurrency.

Cryptocurrencies such as Bitcoin, Ethereum, Litecoin, Ripple, etc., are deposited into a user's Arbitrade Exchange Account, Arbitrade Exchange then helps to facilitate transactions such as trading cryptocurrencies and payments of all nature along the supply chain. while storing the essential data that customers, businesses, and governments require to become a legitimate form of "currency."

How the Blockchain Can Change the Global Financial Markets

Blockchain technology has been around for a decade now and has found its place in many countries throughout the world. Blockchain is a distributed ledger technology that chronicles crucial data (such as financial transactions) in a way that is organized, protected, transparent, and observable.

Blockchain technology is the future of how transactional interactions will be adapted in a broader sense by its progressive advances towards utilization and feasibility in various sectors and industries.

Here are just a few ways in which Blockchain could change the financial markets of the world:

1. Although Blockchain is frequently associated with cryptocurrencies such as Bitcoin and Ethereum, the idea of distributed ledger can be effortlessly simulated in numerous other industries such as government, insurance, real estate, brokerage, rent and leasing etc. Each transaction has a core asset (i.e. real estate, stocks, or a commodity). By using Blockchain technology, digital blocks can be made that take on information about its ownership in an encrypted system. No one except the authorized parties can alter the information on the block, thus, creating a transaction that is completely safe and reliable. Therefore, large amounts of corporate transactions can profit from the Blockchain. As the technology becomes further established, it can eventually be adopted to the retail environment.
2. Falsified assets are a critical challenge in world central banks and government affairs. Losses due to faulty documentation can be extensive. Presently, for any transaction, a settlement is required to ensure that a transaction is authentic. Various recordkeeping mechanisms such as scattered records and multi-layered approvals, etc., make it complicated and costly to confirm the real ownership of any asset. All of this is made easier by Blockchain since all the information is readily accessible in the public ledger and can be confirmed by anyone at any time.
3. Implementation of the Blockchain can reduce the IT infrastructure requirements as well. It has been reported that a centrally regulated Blockchain will exist that will eliminate the current need for mediators and result in reduced transaction costs and times. Additionally, the resulting ecosystem will be very transparent.

Doing Away with the Centralization Model

Blockchain removes the need for central authorities and the necessity to trust them. It does so by keeping all copies of the ledger synchronized via a consensus algorithm and allowing each user of this system to keep their very own copy of the ledger.

Through Smart Contracts, real-time loan funding and automated servicing becomes possible without the need for an intermediary and corporations can give shareholders a platform to securely cast their votes from literally anywhere in the world.

In real estate, Smart Contracts can be used in property transfers to deter fraud and improve transaction integrity, efficiency and transparency.

Blockchain technology may still be in its early stages of development, however, it has begun to gain increased market interest and the path has been set for a major digital revolution in decentralizing the financial markets of the world.

Worldwide Unbankable Adults

Typically, the entry point into a formal financial system is a bank account. Nevertheless, nearly two billion adults around the world are unbanked. The finance sector now faces the daunting task of guaranteeing financial consideration for nearly 20% of the world. Ten million of these unbanked adults are U.S. family units, with many of them being immigrants and ethnic groups.

Middlemen, such as a central banks, governments, and credit card companies lack the ability to provide real-time, precise traceability of monetary transactions. They also slow down the procedure of money transfer by taking cuts off of each transaction. In order to eliminate the middlemen who are currently suffocating the financial-services supply chain there must be an immediate digitization of financial services.

The World Economic Forum declares “Digitizing payments for agricultural goods could cut the number of unbanked by about 125 million, including up to 16 million in Nigeria.”

The question then becomes, “Is the Blockchain capable of empowering many of the unbankable individuals to transfer/receive and save payments, utilizing a Blockchain powered platform and, in this manner, help customers lower transaction costs, or avoid them altogether?” Bill Gates, from the Gates Foundation, has even addressed this as one of his number one issues to try and solve for the global economy and third world nations.

It is our belief that customers can buy and sell products at a significantly lower cost by utilizing Arbitrade’s platform. Our platform is the solution and answer that the central banks and governments have been seeking for more than a decade.

CURRENT ISSUES WITH CRYPTOCURRENCY EXCHANGES

Asset Security Issues

Risk of cryptocurrency exchange hacks and losses is very real. Since cryptocurrency exchanges first appeared approximately 7-1/2 years ago, nearly a third of all cryptocurrency exchanges has been hacked, resulting in huge losses by traders and, in most cases, these losses are never recovered or reimbursed. For example, in August 2016, hackers stole \$70MM worth of currency by penetrating Bitfinex, and in 2014, Tokyo's Mt. Gox was hacked for nearly 650,000 Bitcoin, valued at close to \$350MM at the time. Just this year, Bithumb, the largest cryptocurrency exchange in South Korea, reportedly had approximately 30,000 of its customers' accounts compromised.

Limited Fiat Currencies Supported

Because economic policies and attitudes towards digital currency is different in various countries, using legal tender as the settlement is strongly affected by policy constraints and not conducive to the long-term stable development of trading platforms.

Limited Language Availability

With cryptocurrency being traded globally, the ability to access a cryptocurrency exchange, in a language that the end user is comfortable with, is a vital part of the user's experience. Being able to obtain customer support in one's own language is a must. Although many of the larger cryptocurrency exchanges support a few of the major languages such as English, Spanish, French, Italian, Chinese, and even Russian and Arabic, few offer support in more than a half dozen languages and others offer only limited language support. This can be both problematic and alienating for people whose language is not supported on the exchange they wish to use.

Lack of History and Longevity

When you chose an institution that handles your hard-earned money, you take a lot of things into consideration. One of those things is how long an organization has been around, and how likely it is to be around for the long-term. The same is true when choosing a cryptocurrency exchange. The challenge when choosing from the list of cryptocurrency exchanges is that all of them are relatively young. BitcoinMarket.com was the first, starting operations in March 2010.

In addition to a lack of history, cryptocurrency exchanges seem to have a lack of longevity as well. Along with the previously mentioned BitcoinMarket.com, there have been over 60 cryptocurrency exchanges that have started up and closed in just that same short period of time.

Lack of Pricing History

The business of opening a trade exchange is growing in popularity because of third party services that offer a carbon copy replicated exchange for a low entrance cost. There are several issues arising from these exchanges, and one of the major issues with all new cryptocurrency exchanges is the lack of data and pricing history.

Arbitrade is working with the longest running coin indexes and exchanges to establish a pricing history for each of our listed coins. That way our platform for sophisticated users will be built on a more robust historical, pricing foundation.

High Trading Fees

Many digital currency trading platforms have a commission, which is always high. The general commission of each transaction is 0.2%. The commission of withdrawal is 0.5%. This not only shrinks the investors' profit, but it also limits the high-frequency trading behavior.

Difficulties in Real-Time Trading

The speed at which a person can trade cryptocurrency on an exchange is often critical in their ability to make profitable trades when the opportunity is there, as well as prevent loss if the market is on a downward trend. The problem is that, when there is large activity in the cryptocurrency market, the volume of transactions taking place often ends up being more than the exchanges can handle.

This often results in transactions taking an exuberantly long period of time to complete, causing frustration and even missed opportunities. There have even been multiple occurrences where exchanges essentially shut down or became inaccessible because of the overload in transactions, and users were unable to access their accounts for extended periods of time.

Lack of Tools for Various Investment Levels of Knowledge

Some trading platforms only support spot trading of digital currencies. Lacking diverse investment tools, these platforms are unable to meet the needs of investment users with different risk preferences.

Loss of Spillage

Spillage on some exchanges is created when a user of a trade exchange clicks a higher offer in order sequence to purchase a quantity of a cryptocurrency. The user then pays the higher price and not the offer price according to the order sequence. This creates "hidden" earnings that most users do not understand. The exchange keeps the difference from the lower prices on the offer and the higher price the buyer paid. This also applies to the bids on an exchange when a user wishes to sell on the bid, and has quantity greater than the first bid in the sequence.

Lack of Accountability and Governance

Currently most trade exchanges are still unregulated by governments and legal authorities, so they are open to rule their domain without threat of legal ramifications for inappropriate actions yet to be seen for most. Those involved in major crimes are starting to have legal ramifications for their actions, but still there are many questionable activities occurring on many of the trade exchanges to date.

In the case of BTC-e, for their involvement in the mass theft and hack of Mt. Gox exchange, they were indicted for laundering all the cryptocurrency stolen from Mt. Gox, and fined \$110 Million by the U.S. Department of Justice. The punishment seems hardly appropriate for the crime of stealing 300,000 Bitcoins from over 700,000 people.

An industry standard must be created sooner than later, as the cryptocurrency space is moving faster than authorities and governments can keep up with.

No or Slow Customer Support

The single largest issue that most of the active trade exchanges have is the lack of support for their users. In addition to the language barriers often faced by users seeking customer support on an exchange, very often users find customer support to be slow or virtually non-existent. Very often customers have trouble even determining where and how to contact customer support, because finding a working link to a support page with a contact form is often hidden or buried somewhere inconspicuous.

Many customers of exchanges have complained about submitting support tickets, only to wait days or longer for any form of reply. Others have complained that when they do receive a response, it is obviously a boilerplate response sent to probably everyone as a delay-tactic.

This problem is not limited to only the smaller exchanges. Even many of the largest exchanges often receive poor reviews from customers due to their lack of good customer support.

With poor support services, there tends to be a loss of interest from the populous. People do not want to wait for their coin to transfer because of exchange limitations that requires an actual person to authorize, or wait to have an issue addressed. Today's society demands instant or near instant gratification. The companies and exchanges that deliver this service will be the dominant leader.

Slow Know Your Customer (KYC) Process

For the implementation of national digital currency regulation, a digital currency trading platform often needs to set up strict and complicated processes of real name authentication, which makes foreign users' participation extremely difficult; they have to use their mobile phone number, passport number, address and a series of data to complete the registration certification.

Legal Issues and Shut Downs without Warning

As seen in the past number of months in places such as China, we have seen exchange platforms shut down due to changes in the legal system. This can cause havoc for the users of that exchange, as all their holdings in that account get taken at the same time and are rarely returned.

Other legal issues can cause the freezing of all digital assets in the exchange and sometimes even confiscation.

Fraudulent Activities by Operators

There have been several questionable activities with exchanges since the inception of Bitcoin. The most recent actions can be seen on exchanges that offer margin trading to short a cryptocurrency, or go long as a hold investment. A few exchanges have been recently called out for not utilizing trading software that replicates a run-in value of a particular cryptocurrency, which shoots up exceptionally high and then suddenly falls below its initial value.

As the run is occurring, users of certain exchanges buy the cryptocurrencies thinking it's going to keep going. The run surpasses the allowable margin and forces the user to deposit more Bitcoin against the margin, or lose everything.

This can also be seen in simple day-to-day trades of alternative coins and tokens to make coins look like they are trading more than they are, to entice investors to jump in and buy to facilitate the exchanges making more money on transaction fees. These are only a few of the several fraudulent activities being witnessed in the industry because of lack of governance. This is not to say that all cryptocurrency exchanges practice immoral activities, but the exchanges which practice proper business will dominate the sector.

Current Limitations of Standard APIs

Typically, trading platforms provide real-time quotes, place orders, order inquiries and a series of APIs for users to use. However, the use of an API relies on the programming. For basic users, the cost of learning is higher and difficult to use.

ARBITRADE IS
THE FUTURE



ARBITRADE IS THE FUTURE OF CRYPTOCURRENCY TRANSACTIONS



According to the existing marketplace pain point, our project team has surveyed and reviewed dozens of trading programs worldwide, including Bitfinex, Poloniex, Bittrex, Liqui.io, OKcoin, Bitstamp and Coinbase.

From an investor's standpoint, we evaluated every platform for many different facets, including user experience, investment tools, API response rate and so on, and then examined the advantages and disadvantages of each platform.

Employing a combination of what was learned from different programs along with the project team's existing business resources, including years of Internet financial development and operational expertise, we identified the business requirements and process flow for Arbitrade. Followed by completing the technology choice and development of core modules. Our intention is to create the world's most robust digital currency trading platform and Point of Sale system.

Arbitrade Features:

- **Decentralized Exchange:**

Through the process of product development and optimization, Arbitrade brings the Blockchain technology into the real economy. We facilitate this by cooperating with companies and institutions in various financial sectors, while communicating with potential users the benefits of a decentralized Blockchain trading platform through marketing and social media.

Arbitrade will launch a “Stage 1, Static Version,” of the trading platform during an Initial Coin Offer (ICO) for Arbitrade. It will complete and launch the Blockchain decentralized version of the platform in the beginning of Q1 2018. By designing Arbitrade to be decentralized and powered by the Blockchain, it makes the platform difficult to target for thieves. Further, it creates a public ledger for all transactions, and is not governed by any one particular country or authority.

- **Mobile and Web Based Protocol**

As of October 2016, there have been more users of cellular devices than web based PCs. That being noted, 48% of the population accessing the internet is still PC based devices, and thus we knew that it was critical we create protocols to access Arbitrade from all devices. Although accessing the platform and making purchases through the platform still requires accessibility of a mobile smart device, some users like the ease-of-use and size of screen when trading in an online environment.

- **Quick and Efficient “Know Your Customer” (KYC) Process**

Arbitrade uses its proprietary software, Dynocrypt™ to allow users to register the required identification, personal details, and facial recognition to activate their accounts. The process is quick and seamless and only requires to be done once.

Our users will be provided with features that will reduce their time burden for the KYC process. Arbitrade allows users to share their KYC profile using the Dynocrypt™ application so that they never have to endure the process again, which can be daunting and time consuming with other cryptocurrency companies. A record of use is stored on the Arbitrade Blockchain and can be referred to at any time. Users can update their KYC profile when necessary.

- **Assets Backed by Insurance and 100% Reserve Guarantee**

Arbitrade seeks to retain the services of Lloyds of London to insure all assets held on account with the company to protect users from hackers (government or otherwise) shutdowns and acts of god. Arbitrade and our insurer assume no responsibility for loss of account holdings due to their own actions.

- **Publicly Traded**

Arbitrade seeks to be publicly traded in Q1 of 2018 as a dually listed entity for both the United States and Canada. This creates more credibility to the general public, and also provides a second layer for people wishing to enter the space without having to directly purchase cryptocurrencies to participate.

- Interest on Deposits

To improve customer satisfaction, Arbitrade uses a mining alternative method in providing users interest against deposits. Arbitrade will commence with 100 mining rigs that harvest the most popular and highest returning cryptocurrencies. Arbitrade will grow its mining facility as more users adopt the Arbitrade platform, and stay ahead of interest payments in this manner.

Users must retain a steady balance on a month-to-month basis in to receive a full interest payment. Interest rates will be set at 4% per annum, and will be calculated against the average dollar value being held in account on a month-to-month end basis. Payments are automatically paid in the currencies being held, and are deposited once per month.

- Operating System Backed by Gold

As another method of securing the value of the system, Arbitrade seeks to partner with at least one major gold producer to provide hard asset values against the platform. Because Arbitrade is decentralized and powered by the Blockchain, the miners that verify transactions must be rewarded for doing so, and this is how coins such as Bitcoin and Ethereum are created as with the Arbitrade coin. By pledging an asset base against the exchange, it will be reflected in the price of each coin and this ultimately creates a higher valuation for the platform itself, which again increases customer confidence and awareness of our brand equity.

- Licensed and Regulated

Arbitrade seeks to acquire all proper licensing for the platform that both the United States and Canada require so that it can (1) Arbitrade can operate legally in the U.S. and Canada and (2) Arbitrade provides another layer of credibility for new users as their exchange platform and payment gateway of choice.

Currently the actively operating and legal trade exchanges in Canada and the United States are operating under currency exchange licenses. This is expected to change by the end of Q1 to a federal exchange operating license in both countries. Arbitrade management will continue to stay ahead of regulation so that our users can operate in a safe environment.

- Fees

The industry standard for trading fees seems to be 0.2%-0.25% for both the seller and the buyer when trading. Some exchanges charge as high as 0.5% per transaction. Arbitrade will stay consistent with industry standards at 0.2% for both buyers and sellers and we carry this fee through the Arbipay platform as well. In essence Arbitrade will have the lowest transaction fees in the entire global financial system which includes cryptocurrencies. What makes Arbitrade stand out when using the Arbipay system is that the cryptocurrency never leaves the exchange during the transaction process so no additional fees are added by having to pass through the blockchain or by having to leave the exchange to be sent to another wallet address. This is the most cost-effective way the industry can move forward with transaction processes.

- Arbitrage Pro Broker Platform

Arbitrade is working with the major global exchanges to link into their platforms through their Application Protocol Interfaces. These exchanges will have to create the requirements we are seeking, which will act as a secondary strategy of income for both parties.

By doing this, Arbitrade looks to provide a commercial application for investment firms and brokerage houses globally to trade cryptocurrencies on behalf of their client books. The term arbitrage is the backbone that our development team started with when creating Arbitrade, which will allow brokers to purchase their desired cryptocurrencies at the lowest quoted price possible, and sell at the highest prices possible for greater earnings at a commercial level.

- Margin Trading and Lending

This is not a new feature to the industry but is essential when desiring to attract sophisticated investors to an exchange platform. Arbitrade integrated this feature into its trading platform at the beginning of Q3 2017.

- 10 Fiat Currencies Supported

To be a global exchange, not only should the company offer a global language conversion but it should also show quotes and trade conversions in the global fiat currencies. Arbitrade will commence business with 10 fiat currencies, and look to have every global currency added by the end of Q1 2018.

- Over 300 Cryptocurrencies Supported

There are over 4,400 active cryptocurrencies in the sector to date, but less than 10% make up the \$147,000,000,000 market cap in the space. Arbitrade will commence trading with over the 300 top trading cryptocurrencies, to provide variety of the most popular currencies and the opportunity to grab a large percentage of the global daily trades amongst these digital assets.



- **Charts and Graphs**

Cryptocurrencies trade like securities. Although trade exchanges are evolving to adopt all the features of a Level 2 stock trading platform, most have not to date. Arbitrade will launch with many features not seen in most trade exchanges, and will advance by adding all the same features seen in the current day market platforms. Arbitrade will commence business with charts and graphs, continuing to build off of these staple building blocks as we move to create the most robust cryptocurrency trading platform to date.

- **Alerts and Mobile Notifications**

One of the key functionalities within the platform, is having the ability to set alerts for price barriers. Arbitrade will be able to set these user alerts to limit what they want to watch on their devices. These alerts can be signaled through mobile text notifications, emails and sounds.

- **Coin News Links**

Like public securities, cryptocurrency trading platforms should provide a dropdown menu, offering additional features and current news within the trading window for users to stay up-to-date on their favorite currencies. Arbitrade has been developing this feature into its trading-desk application and will be available upon launch.

- **Coin Index**

During the ICO period of the platform launch, a descriptive website will go live on the root of the domain for Arbitrade. Upon completion of the ICO, the root landing page will convert to a coin listed index that will show all the listed cryptocurrencies, their current prices, daily high and low and closing prices. Additional features will reveal all details pertaining to each currency including: the exchanges on which it is listed, active trade indicators and all the reviews placed by active members of the exchange.

By the end of Q2, users will be able to use the 5-year historical data of every currency listed on our exchange. Arbitrade's goal is to create a true real-time quotation service with our index. This will provide a staple for traffic to the platform, and open the doors to more potential users of the Arbitrade system.

- **Advertising**

Like coin indexes and other exchanges, Arbitrade will offer banner ad positioning on its index pages and back office pages as a valuable additional source of income and to bolster brand awareness. Prices will vary depending upon positioning and traffic and will be charged on a CPM (Cost per 1000 impression basis).

- **Rating and Review System**

Industry standards are being set by the global supporters of the cryptocurrency sector in the ICO markets with ratings and reviews. This is also seen on forum posts for exchanges and currencies as well as on Reddit. Arbitrade has been developing a rating and review system within the platform that rates each cryptocurrency based on popularity, transfer speeds, uptime and usefulness. Only coin/token holders will be able to rate each currency in the platform.

- **RSS Alerts**

A versatile feature of Arbitrade will be providing its users with RSS Alerts. RSS Alerts will send the most pertinent information a user requires such as email notifications on critical documentation requests, account changes, service and technical issues, news and coin quotes. This is set up through a Google feed, and Arbitrade will provide instructions to implement the process.

- **Coin Legitimacy and Screening Program**

We have witnessed too many cryptocurrencies being released through the ICO process and these companies lose their momentum and fail to deliver on their game plan. Those are the creators that take the money and run; otherwise known as a “Pump and Dump”.

Any coins/tokens wishing to join Arbitrade will go through a strict vetting process. They must adhere to a vigorous set of guidelines so our users can avoid frauds and be protected from loss and grief.

- **Arbistore MultiSig Wallet**

After registering at Arbitrade, an integrated wallet is prepared for the user to start trading or holding their cryptocurrencies. A MultiSig wallet is a technical solution that enables the investor to purchase, sell, and trade the coins/tokens directly from the platform. The Arbitrade wallet performs like most wallets, allowing inbound and outbound currency transfers externally to and from the exchange; but it also allows for many internal functions such as trading, purchases and loading the prepaid debit cards.

Arbitrade’s wallet is configured to hold most if not all cryptocurrencies integrated in the platform. An additional function will be an Artificial Intelligence interface that will tell the Arbitrade engine the number of cryptocurrencies being held within the platform at any given time, so that interest payments can be calculated and paid to the users for their holdings on deposit.

- **Multi-User Accounts**

Often users of a merchant-services account, or even a brokerage account, will assign a manager, who has been provided access to the services on behalf of the owner/business, to oversee operations, trading and activities, and resolve any issues that may arise. No trade exchange or Point of Sale system in the cryptocurrency space offers the ability for users to assign additional members to their account. Arbitrade will have this ability by the end of Q1 in 2018.

- **24/7/365 Global Support:**
Arbitrade intends to expand its support staff to have every language of our users available on a 24/7/365 basis. Arbitrade will commence business with 3 supported languages, and will aggressively expand to all languages throughout 2018. Support can be reached through our Zendesk integration, social media, phone, and email.
- **24/7/365 Social Support:**
Arbitrade will launch a unique strategy to manage support, through social media platforms such as Facebook, Instagram and Twitter using hashtags. When someone makes a post, and uses the hashtag for support, our support staff will instantly see the hashtag and respond to the post within minutes. This is achieved through proprietary software that helps monitor all social media for specific hashtags.
- **24/7/365 Human Monitoring:**
Fraud, hacking and theft typically occur when no one is watching. Part of Arbitrade's support strategy is to have human eyes watching the platform around the clock, to make sure no untypical scenarios transpire at a visual level within the platform.
- **High Level Security Features:**
To earn and maintain consumer confidence, Arbitrade places a great deal of priority on asset protection. We accomplish this through the implementation of banking level firewall security, 2FA (Two-Factor Authentication), MD5 SaltHash (Password Hashing Protection), Cloudflare's DDoS Protection, OAuth2 Login (Login from Social Media Accounts).
To vastly improve security and decrease the temptation for hackers to even attempt compromising the Arbitrade platform, the development team decided to keep less than 1% of the users' balances inside the platform, and hold them in a cold storage offline wallet that our development team specifically created for this purpose. The result is that most of the value is being secured and safeguarded for our users. Access to the holdings takes less than 10 minutes, and, in most cases, is available at a moment's notice if a user wishes to withdraw their holdings.
- **Prepaid Debit Card Program and Reward Tokens:**
Although there are already several different MasterCard and Visa cryptocurrency prepaid debit card programs with which people can spend their crypto assets in a traditional way, Arbitrade plans to increase the user base of our prepaid debit cards through an incentivized points program. Rewards tokens based on the number of dollars will be loaded on a prepaid card with their cryptocurrency holdings. Like all other cryptocurrencies, these point tokens will have a value. and can be spent or traded like all other currencies on the Arbitrade platform.

- **ICO Listings**

The hottest piece in the cryptocurrency sector currently is the Initial Coin Offerings (ICO) of new and unique coins. Arbitrade looks to capitalize on this trend once the regulatory bodies support the release and participation of ICOs in the countries in which Arbitrade looks to operate. Currently we operate in the United States and Canada. Neither country is in support of ICOs.

- **Help Desk and Training Center:**

We provide our customers with more than a cryptocurrency trading platform; we provide a complete functional and technical Help Desk, as well as an extensive Training Center.

Our Training Center contains training videos and documents translated into 10 languages, including Chinese and English, so that investors can navigate and operate the platform correctly and prevent loss of funds resulting from mistakes. This is accomplished through a series of language-specific training videos, and training manuals that cover every button, link, and action required for users to understand the entire system and how to operate it.

- **Deposit:**

- **Gift Card Redemption Program:**

Arbitrade has created the ability to bring cryptocurrencies mainstream through its Cryptosync gift card redemption program. Mass adoption of cryptocurrencies is hampered by the lack of transactional immediacy. It requires a high level of customer confidence to purchase the cryptocurrency. However, current platforms can be untrustworthy since they require the purchaser to send their hard-earned money to a person or service and then the purchaser has to wait up to five business days to settle the transaction. Consumers don't want to go through such a process. They want a more reliable and timely process.

By streamlining the process via the gift card redemption process, Arbitrade will give all consumers access to the comfort of instant gratification, thus expanding the potential marketplace for cryptocurrencies.

Use Case Scenario: A person can walk into a pharmacy, grocery store, gas station or other outlet and purchase a Cryptosync gift card for varying dollar amounts. The purchaser scratches off the back of the card to reveal a long serial code. They then will open the Arbitrade mobile app or website and login. Once inside, they will go to "My Account" and click redeem. A dropdown box then asks the purchaser to enter the serial code into the box and click redeem. The purchaser then receives an Arbitrade redemption token. The consumer can now trade, with zero transactional fees, any cryptocurrency within the exchange.

- **Standardized Wallet Deposit:**

In the traditional sense of the term, a standardized wallet deposit is simply when a user transfers their cryptocurrency into the exchange using the wallet address. Arbitrade will have this feature like all other trade exchanges that exist to date.

- **Withdrawal**

- **Arbicard Prepaid Debit Card Program**

- Like most other prepaid cryptocurrency debit cards powered by Visa and MasterCard, the Arbicard works similarly, including the typical standard fees. The difference between the Arbicard and our competitors is that the card can be preloaded with any of the cryptocurrencies within our exchange; ultimately making the exit strategy from crypto to cash seamless for our users.

- **Standardized Wallet Withdrawal:**

- Again, in the traditional sense of the term, a standardized wallet withdrawal is simply when a user transfers their cryptocurrency out of the exchange using the wallet withdrawal feature. Arbitrade will have this feature like all other trade exchanges that exist to date.

- **Payment Gateway/Point of Sale System**

- **Issues with Today's Commerce Systems for Business:**

- Online commerce today has come to depend on systems and processes that are awkward and outdated in many ways. While the traditional exchange system works reasonably well for most transactions, the rate at which people adopt online currencies and trading is slowed due to processes that can be challenging to understand. There are multiple shortcomings that can be eradicated with prompt innovation and attention to detail.

- Presently, e-commerce participants must adhere to an expensive and lengthy payment process. There are 16 steps that are required to settle a transaction via any online exchange, and the possibility of up to fifteen different fees that must be acknowledged at payment gateways. These transaction fees can range from 1.5-6%, with chargeback fees of \$10-\$50 USD.

- It is also incredibly complicated for merchants to accept mobile payments on their websites or Point-of-Sale terminals, as existing payment gateways rarely offer any simple solutions. Despite the variety of different payment gateways and processing companies that are presently available, the following prevalent issues still exist for merchants:

- Expensive and overly complex transaction settlements with up to sixteen steps to accept and fully settle transactions.
 - There are up to fifteen different types of fees including a transaction fee of between 1.5-6%, as well as a chargeback fee of \$10-\$50 USD.
 - Cross-border transaction fees are outrageously high.
 - Transaction times range from two days to several weeks to receive money, and e-commerce payment processors often end up holding merchants' money for a week due to the increased probability of chargebacks over the course of the first week after purchase. Several parties are involved in moving the money from one exchange (or one country) to another, so it often takes up the majority of three days to settle a given transaction. International payments can take up to a week or more. Payment gateways also tend to hold your money for up to a week.

All of this can evidently cause cash flow problems for smaller merchants. Flat fees can include the following: terminal fees to buy a necessary terminal for merchants, PCI fees paid to the Payment Card Industry for compliance or noncompliance, annual fees, monthly fees, monthly medium fees, minimum fees, IRS reporting fees, network fees, and many more.

Fraud and Refunds:

Typically, fraud occurs via stolen credit information. In 2015 alone, credit card fraud surpassed a whopping \$21.84 billion – this trend is expected to rise to over \$31.67 billion by 2020. In 2016, the Advanced Payment Report conducted with the help of Wirecard.de proclaimed that 92% of merchants say fraud is their primary concern for online payments. The larger e and m commerce merchants lose 1.4% and 1.7% of revenues respectively to instances of fraud according to a 2015 True Cost of Fraud Study.

Retrieval Request and Chargeback fees are both paid when someone files a claim for a chargeback. Top payment gateways (i.e. PayPal and Stripe) charge merchants a \$15 USD chargeback fee. In addition, the retailer must provide evidence that it followed the transaction according to the corresponding rules. These laborious steps cost an incredible amount of time and money, proving the system to be entirely inefficient. When information is missing, even a legitimate charge can be reversed.

Bank Merchant Mobile Payments:

Today's mobile payment solutions are highly fragmented. The problem stems from a lack of universal availability, poor ease-of-use along with inconsistent updates to meet consumer demand. There are opportunities to leverage these solutions to provide advances for meaningful utilization. Payment processors very rarely promote a simple solution for a merchant to accept mobile payments; Filling the void to this gap is an opportunity in and of itself.

OPPORTUNITIES AND BUSINESS MODEL

Arbitrade has six recurring earnings models with a potential for two more future income models. The Arbitrade platform utilizes all aspects of the traditional banking industry while adapting to the new cyber currency trend, developing at a higher degree of security for user's than the existing platforms.

- **Earnings from Trading Fees**
Arbitrade is like most other exchanges, where it charges 0.2% per transaction of buying or selling cryptocurrencies.
- **Earnings from Point of Sale Transaction Fees**
Arbitrade will collect a 0.2% transaction fee from both the vendor and the customer.
- **Earnings from Debit Card Transaction Fees**
Arbitrade will collect the transaction fees when transferring the cryptocurrency to be loaded on the prepaid debit card, and 25% of the service fee of \$3.95 per transaction.
- **Gift Card Redemption Earnings**
Arbitrade is in a unique position, whereas it will earn a 96% transaction fee on each gift card sold.
- **Earnings from ICO and Coin Listings**
Arbitrade will charge 1 Bitcoin to list an ICO, or an existing cryptocurrency that meets the company's requirements and standards.
- **Earnings from Advertising**
Arbitrade will charge \$0.50 - \$15.00 per CPM, depending upon banner ad location.
Future Potential Earnings from Licensing of the ArbiPay Platform – Arbitrade may look to license their technology of the ArbiPay system to existing exchanges that meet the high standard of security and protection we expect for our users.
- **Future Potential Earnings from Licensing of the Cryptosync Redemption Program**

MARKETING STRATEGY

Public Relations

Arbitrade looks to retain the services of a high-profile PR firm that specializes in cryptocurrency and ICO campaigns. In order to get the attention of the mainstream media, you must work with a firm that has already established relations with influential journalists in the industry. With the high demand these relationships require, it will be a strategic plan to have Arbitrade known as a household name.

Press Releases

Arbitrade management feels it is a 'must do' scenario to constantly keep its users and potential users updated with news, as it happens, in relation to the platform and the partners behind it. We believe that it is essential to publish at least one press release update per week, to keep the public updated on these current events and upgrades pertaining to the platform.

Affiliate Program

As a growth strategy and a verbal marketing strategy, Arbitrade and ArbiPay will have an affiliate campaign that is integrated into the system. Current users of the platform can opt-in to be a representative of the platform, and sign up new users for Arbitrade and new vendors for the ArbiPay system. By doing so, they will keep 0.05% of every transaction fee charged through their sign ups in either of the services for the life of the customers or life of the Company, and it is paid in their cryptocurrency of choice that is supported by the system.

This model is similar to that of the launch cellular networks. When they sold franchises to the public to sign up new customers to their cellular network, these businesses received a small percentage of every cellular bill paid from the customers that signed up through that location. Thus, creating an incentivized sales force that will help spread the word about Arbitrade.

Influencer Sponsorships

Influencer sponsorships are a marketing strategy that has started to take off and develop over the past three years. Although celebrity endorsements have been around since the dawn of the radio and print media, it was not until recently that social media influencer endorsements really started to trend as a successful means to market to the masses.

An example would be seeing Floyd Mayweather recently tweeting about branded cryptocurrency ICOs. Arbitrade plans to capitalize on this trend by targeting strategic partners to promote our products.

Social Media

With an estimated 2.46 billion users of social media worldwide, social media and social networks are one of the fastest growing industries in the world. In 2017, businesses and marketers are expected to spend over \$35 billion on advertising. With the ability to target audiences based on demographics such as geography, sex, age, education, and income, it only makes sense to include social media in a successful marketing strategy. Arbitrade will be utilizing this means of advertising daily.

Following are examples and statistics of some of the most popular social media platforms Arbitrade intends to incorporate into its social media marketing strategy:

Facebook

With more than 2 billion monthly active users, and more than half that amount active daily, Facebook is certainly one of the world's largest social networks and marketing resources as well. According to research, 83% of all women and 75% of online men use or have used Facebook. Those statistics are staggering and are strong indicator that no matter who you're trying to reach with your advertising, you're likely to find them on Facebook.

Usage

- Nearly 1.3 billion daily active users with over 1 billion daily active users on mobile devices.
- Members access Facebook 8 times per day, on average.
- Members spend an average of 35 minutes per day accessing Facebook.
- 400 new users signup on Facebook every minute, which is more than one half million per day.

Gender and Age Brackets

- 83% of online women and 75% of online men
- 88% of those 18-29
- 84% of those 30-49
- 72% for those 50-64
- 62% for those 65+

Global Audience

- 85% of Facebook users come from outside the US & Canada with India, Brazil, and Indonesia having some of the largest audiences.

Advertising

- Over 3 million businesses and 93% of social media marketers use Facebook to advertise.
- Facebook earned \$7.68 Billion in advertising in Q1 2017 alone.
- 75-90% of effective advertisements use images.
- Average Cost-Per-Click (CPC) is \$1.72 across all industries.
- Average Click-Through Rate (CTR) is \$0.9 across all industries.



YouTube

YouTube is Google's flagship video service, and second largest search engine in the world. With over 1.5 billion monthly users, over 5 billion videos watched every day, and more than 300 hours of video uploaded to YouTube every day, YouTube is certainly a great opportunity for reaching potential customers.

Usage

- 30+ million visitors per day.
- 1.5 million monthly active users.
- Over 5 billion videos are watched on YouTube every day, with nearly half of those being watched on mobile devices.

Gender and Age Brackets

- 38% of users are female and 62% of users are male
- 11% of those 18-24
- 23% of those 25-34
- 26% of those 35-44
- 16% of those 45-54
- 8% of those 50-64
- 3% of those 65+
- 14% of those Unknown Age

Global Audience

- 80% of YouTube views are from outside the US.

Advertising

- 4 million active advertisers.
- YouTube earned \$9 Billion in advertising in 2016.
- Average Cost-Per-View (CPV) is approximately \$0.20.
- Average Click-Through Rate (CTR) is approximately 0.8%.



Instagram

Usage

- 700 million monthly active users

Gender and Age Brackets

- 38% of online women and 26% of online men
- 59% of those 18-29
- 33% of those 30-49
- 18% of those 50-64
- 8% of those 65+

Advertising

- Over 1 million active advertisers.
- Estimated to earn between 4 and 6 billion USD in revenue in 2017.
- 20% of the mobile ad revenue Facebook earns is through Instagram.
- Cost-per-Thousand (CPM) estimated average is \$6.70.



Twitter

Even though twitter does not have as large a presence of users as many of the other social media platforms, it has been steadily growing in popularity, and has become the lifeblood of social media engagement.

Usage

- 328 million monthly active users

Gender and Age Brackets

- 25% of online women and 24% of online men
- 36% of those 18-29
- 23% of those 30-49
- 21% of those 50-64
- 10% of those 65+

Advertising

- Over 60 million active advertisers.
- Cost-per-Thousand (CPM) estimated average is \$3.50.
- Average Click-Through Rate (CTR) is approximately 2%.



Snapchat

Relatively new on the scene, Snapchat has a core group of primarily millennials, with the majority of users between the ages of 18-24.

Usage

- 170+ million daily active use
- 255+ million monthly active users

Gender and Age Brackets

- 70% of users are women and 30% of users are men
- 23% of those 13-17
- 37% of those 18-24
- 26% of those 25-34
- 12% of those 34-54
- 2% of those 55+

Advertising

- Over 60 million active advertisers.
- Cost-per-Thousand (CPM) estimated average is \$0.48.

REGULATIONS AND REGULATORY ISSUES

Different countries all over the world are presently in the process of determining appropriate rules that will satisfy current cryptocurrency users, whilst ensuring that regulation within governments stays a priority. We will cover North American laws here.

Canada

Unlike the US, Canada's federal and provincial governments and their regulators have been reticent when it comes to the issue of Bitcoin and how it should be governed. Despite the inaction, there are some obvious laws that lawyers abide by when discussing the federal and provincial legislation that might apply to businesses operating in the Bitcoin/Cryptocurrency space in Canada. Presently, aside from CBC's news article that was posted on their website earlier this year, no branch of the Canadian government has issued any official notice or any form of guidance on whether Bitcoin should be taxed.

The federal Proceeds of Crime (money laundering) and the Terrorist Financing Act (the PCTFA) would be the biggest starting point of federal legislation that would impact Bitcoin brokerage, exchange, and online vendors accepting payment in Bitcoins. It would also affect any organization in the business of selling a Bitcoin-related product, such as gift cards. The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is the police force behind laws in Canada regarding currency. Presently, cryptocurrencies in Canada are absolutely operating in a "wild west" environment. This provides an incredibly flexible realm in which cryptocurrency exchanges may flourish. Eventually bitcoin companies (any business operating in the cryptocurrency space) will be regulated in Canada at the federal level.

United States

Law making is slightly more advanced in the US. This past summer, Washington has passed new regulations for cryptocurrency exchanges operating out of the United States. Senate Bill 5031 apply the state's money transmitter laws to exchanges, meaning that they would need to obtain a license from the Washington State Department of Financial Institutions, and must provide a third-party audit of their data systems.

In addition, a two-year effort to unify cryptocurrency business regulations across the U.S. has concluded this past year. The Uniform Law Commission is a non-profit made up of 350 lawyers committed to bringing clarity to areas where state law is creating instability. Several states are beginning to introduce a Uniform Regulation of Virtual Currency Businesses Act in upcoming legislative sessions around the country. This will spell out which virtual currency-related activities are and are not considered to be money transmission, and therefore would require licensing. It will also define foundational concepts such as the "custody" of crypto assets.

There will further be a three-tier licensing structure that offers full exemptions for individuals and small entities, allowing start-ups to have more wiggle room in their beginnings, and granting full licensure for larger virtual currency businesses. There is more to be done throughout the U.S. when it comes to regulation and laws. However, this is a rather progressive start. Although this structure may aid in ensuring that there is less fraud in exchanges in the United States, some believe that adopting such a model with the characteristics of the New York Stock Exchange, regulations would certainly threaten the existence of companies and exchanges in the fintech industry throughout the nation.

Goldman Sachs began telling clients that the cryptocurrency space was "worth watching" earlier in 2017. The investment bank has begun work on its own cryptocurrency trading platform, and has adopted a much more serious look at Bitcoin than its peers on Wall Street. The industry has surpassed \$120 billion dollars, meaning that it would be ridiculous for larger investors on Wall Street to not begin considering the impact cryptocurrency will have on a global scale. Morgan Stanley and a few other larger banks are focusing on Blockchain technology, while publicly stating that digital currencies are much more than just a fad.

"The smartest Wall Street firms have an opportunity to lead the market in offering financial services to the burgeoning cryptocurrency industry," according Matthew Goetz, managing partner and CEO at cryptocurrency investment firm BlockTower Capital and a former vice president at Goldman Sachs. "I think it behooves the smart and more forward-thinking firms to be involved in cryptocurrency," he said. "Given the number of new services and business lines that will stem from it as this important new industry continues to build and institutionalize..." (CNBC, 2017).

UNDERSTANDING THE RISKS

Users of the Arbitrade Exchange platform should carefully read and consider all information to understand and analyze the associated risk factors before choosing to participate in the investment and purchase of the Arbitrade ICO.

The purchase and/or otherwise acquisition of Arbitrade coins carries with it significant risk. Prior to participation, carefully consider the potential risks and, to the extent necessary, consult a lawyer, accountant, and/or tax professional to evaluate the risk entailed. Do not overcommit.

We make no promises or guarantees of possible gains or returns. You can potentially lose all your money if the market price drops to zero. Arbitrade coins (ARBT) are created through the Blockchain protocol associated with our exchange through the verification process referred to as mining. You must access and use them through compliant wallets. It is your responsibility to not lose your coins.

This is an early-stage project in a new finance sector. The market is unpredictable. It is possible that even if the sale threshold is met, there could be enough execution error to cause the project to fail. By holding Arbitrade's coins, the acquirer acknowledges that they understand that while every effort will be made to execute Arbitrade's vision for the Arbitrade Exchange system, it is possible that it will never be realized.

Cryptocurrencies and project financing through cryptocurrencies have been the subject of regulatory scrutiny by various governmental bodies around the world. Arbitrade Exchange and PoS project model may need to change their operations to comply with applicable regulation, and they may become subject to licensing requirements. Arbitrade coins could be impacted by one or more regulatory actions or regulatory enforcement, which could impede or limit the ability to continue to develop the Arbitrade system. This uncertainty significantly adds up to risks connected with the acquisition and use of Arbitrade coins. Arbitrade will make every effort to adopt its practices to accommodate regulatory needs and changes as they occur.

The field of digital cryptography is very new and for this reason there is a risk of unforeseen attacks on several or all parts of the Arbitrade system.

Owing to the market prospective, holding and purchasing Arbitrade coins can be a risky and a speculative investment. By purchasing, holding and using Arbitrade coins, the user, investor or anyone holding the coins clearly recognize and presume the risks which are likely to be:

1. Risk of losing access to Arbitrade coins due to loss of private keys, or any kind of custodial or purchaser errors.
2. The user needs to have a private key, or a combination of private keys, which is necessary to control and dispose of Arbitrade coins stored in some digital wallets.

3. Because of owing to the market risks and unprecedented nature of the cryptocurrency sector, the investments can become zero.
4. The funds raised in the ICO event are exposed to risks of theft.
5. Arbitrade can be significantly and unfavorably affected, if it fails to efficiently administer its procedures, as its business builds up and progresses, which would have a damaging effect on its capability to maintain the Arbitrade platform or even to launch any other future platforms.
6. Risks arising from lack of governance rights or any changes made to put restrictions over the cryptocurrency utilization in Canada, United States, Bermuda, Barbados, and Bahamas could affect the ability of management to advance forward with Arbitrade.
7. Risk of uninsured losses, from taxation, uncertain regulations and enforcement actions, associated with markets for Arbitrade coins, etc.
8. Risks arising from dissolution of the Company, unfavorable fluctuation of other cryptocurrency values, such as Bitcoin and Ethereum, hacking, cyber-attacks and security weaknesses.
9. Risks associated with the Ethereum protocol, because Arbitrade coins and the platform are based on the Ethereum protocol, any malfunction, breakdown or abandonment of the Ethereum protocol may have an adverse effect on the platform and/or Arbitrade coins.
10. General global market and economic conditions may have an adverse impact on Arbitrade's operating performance, results of operations, and cash flows.
11. Investing in Arbitrade's Pre-ICO and ICO can be risky because of the uncertainties in the initial stages.
12. Arbitrade coin holders can lose their investments if the Arbitrade coins fall to zero, by any means of market forces.
13. The risks related to the ICO investments should be carefully analyzed and speculated correctly, so as to avoid any hassles after or during the ICO stages.
14. Arbitrade makes no representations or warranties (whether expressed or implied), and disclaims all liability arising from any information stated in this white paper. Particularly, the "Product Architecture and Development Timeline" as set out in the text of the white paper is subject to change, which means that Arbitrade is not bound by any representations to the future performance and the returns of Arbitrade.

The actual results and the performance of Arbitrade may differ materially from those set out in the "Product Architecture and Development Timeline". This white paper does not represent any investment advice.

15. No regulatory authority has examined or approved of any of the information set out in this white paper. Thus, no 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.

LIMITATION OF LIABILITY

In no event shall Arbitrade, members of Arbitrade staff, contractors, or volunteers be liable for:

- Any lost profits, lost savings or incidental, indirect, special or consequential damages, arising out of your use or inability to use the services or products offered by Arbitrade or the breach of any of these.
- Terms by any third party.
- Any security risk such as hacker attacks, loss of password, loss of private key, or similar.
- Mistakes or errors in code, text, or images involved in the sale.
- Any losses resulting from the volatility in pricing of Arbitrade in any countries and cryptocurrency exchanges.

The Arbitrade website and the Arbitrade coins are provided on an “as is” basis and without any warranties of any kind, either expressed or implied. You assume all responsibility and risk with respect to your use of the website, purchasing of any amount of the Arbitrade coins and their use.

By acquiring Arbitrade’s coins and to the extent permitted by applicable law, the buyer agrees not to hold Arbitrade or any employee or contractor of Arbitrade liable for any losses or damages arising out of or in any way connected to the buyer’s failure to properly secure the private key to the wallet containing its Arbitrade coins: hacker’s attacks, stolen devices, loss of passwords, etc.

If applicable law does not allow all for any part of the above limitation of liability to apply to you, the limitations will apply to you only to the extent permitted by applicable law.

Representations and Warranties

By acquiring Arbitrade coins, whether directly or from another stakeholder, you represent and warrant that you:

- Have a basic level of understanding of the usage and intricacies of cryptographic tokens, such as Ethereum ERC20 tokens, and other Blockchain-based software. You are at least 18 years old; waive your right to participate in a class action lawsuit or a class-wide arbitration against any officer, employee, volunteer, or representative of Arbitrade; are not exchanging or using Arbitrade for any illegal purpose; understand that there is no warranty, guarantee, or liability for defect with regards to Arbitrade coins, express or implied, to the extent permitted by law; further agree to accept that you participate and/or use (in) the Arbitrade system at your own risk; and, are in compliance with your local, state, and national laws.
- If purchasing coins, you must comply with all applicable tax laws, including, but not limited to, the reporting and payment of income tax or similar arising in connection with the appreciation and depreciation of Arbitrade. You bear the sole responsibility to determine such implications and act in accordance with the law that applies to you.
- If you are purchasing Arbitrade coins on behalf of any entity, you are authorized to accept these terms on such entity's behalf, and that such entity will be responsible for any damage arising out of a breach of these terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly).
- To the extent permitted pursuant to applicable law, you shall indemnify, defend, and hold Arbitrade and/or its respective past, present and future employees, officers, directors, contractors, consultants, volunteers, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, and representatives harmless from and against any and all claims, damages, losses, suits, actions, demands, proceedings, expenses, and/or liabilities (including but not limited to reasonable attorneys' fees incurred and/or those necessary to successfully establish the right to indemnification) filed/incurred by any third party against Arbitrade in connection with the Arbitrade system arising out of a breach of any warranty, representation, or obligation hereunder.

Privacy Policy

By purchasing Arbitrade coins, you agree to your personal data, i.e. e-mail address and/or name, being processed by Arbitrade for its business purposes or the purposes of building, promoting, and communicating about the Arbitrade system and the Arbitrade Tokens.

Arbitrade agrees to keep your email address and other personal data private, and not share it with the public, e.g. by including it on any external lists or selling to any third parties.

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