MONETRAN WHITE PAPER

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Executive Summary

The original cryptocurrency, Bitcoin, was designed to be a trustless, peer-to-peer electronic cash system. Unfortunately, some unforeseen problems arose from Bitcoin's use and popularity. Among these problems are speed, economy, stability, and scalability, which were all compromised with the expanded use of the coin. In addition, virtually all other cryptocurrencies suffer from at least one, and usually more than one, of these deficiencies.

Only a cryptocurrency which is stable and can provide the necessary speed, scalability, and cost effectiveness elements will prove suitable for use as an everyday medium of exchange for transfers of value and barter.

The primary objective of the Monetran project has been to develop a stable token which can be used in everyday barter and commerce, including for micropayments of $1 or less. The token has been designed not only to maintain its value, but to steadily increase in value over time. It is backed by short-term U.S. Government financial instruments and is redeemable for a portion of the account that reflects the number of tokens in circulation.

In short, this token – called Moneda – delivers all of the features a cryptocurrency needs in order to be considered as the favored medium of exchange for barter and other internet transactions and, therefore, it should be a prime candidate for mass adoption.

Built on the incredibly fast Stellar network, Moneda enjoys all the advantages that platform has to offer, including low cost transactions plus swift and secure transfers.

Immediate plans call for the establishment of a funds transfer network with a primary emphasis on domestic payments, which are at this point in time a market worth in excess of $3 trillion and growing.

A web application has been developed for this venture which we expect to deliver a seamless user experience in addition to speedy and economical transfers and transactions.

Moneda: An Asset-backed Cryptocurrency Designed for Mass Adoption

Introduction

Since Bitcoin was made available in 2009, there has been a growing shift away from traditional, fiat currencies and financial systems towards payments systems based on cryptography, which offer the ability to store and transfer funds in a trustless and secure manner.

In order to function effectively, a cryptocurrency must be easily transferable, economical, stable, and offer swift, secure transactions. Unfortunately, the increased latency, exorbitant fees, and lack of both stability and scalability Bitcoin suffers from have created questions as to whether it will ever be able to serve as an everyday medium of exchange.

In some respects, Bitcoin has been a failure because it cannot be used to satisfy the needs of those who hold it. In essence, it is largely useless in commerce and has become little more than a vehicle for speculation. This is not only true for Bitcoin, but also for most of the cryptocurrencies in circulation today, especially those which require mining to achieve transactional consensus.

In this paper we introduce Moneda, a cryptocurrency which, unlike Bitcoin or virtually any other cryptocurrency, is 100% backed by tangible assets. Moneda has been designed to overcome the problems with cryptocurrencies which have become evident with the wide spread use of Bitcoin and Ethereum, among others. In addition, Moneda has been designed to provide the incentive for both users and merchants to accept it by instilling a tangible asset value to the medium.

Built on the Stellar network, transactions using Moneda are processed in seconds at a mere fraction of the cost most blockchain currencies must charge per transaction.

Because of the advantages offered by the Moneda token, we believe that it is a cryptocurrency suitable for everyday use and a model for mass adoption.

Problems with Existing Cryptocurrencies

Popular cryptocurrencies which rely on blockchain technology, most notably Bitcoin, have proven unsuitable for use in everyday commerce for a number of reasons. Primarily, Bitcoin's transaction costs and lack of scalability precludes micropayments, which range in value from $5 USD to $1 USD or less. In addition, increased use of Bitcoin has caused its system to become slow and inefficient due to the ever-increasing amount of data which must be confirmed for each transaction. The confirmation of such data is also a wasteful and expensive proposition due to the great amounts of energy needed to verify, or mine, these transactions. Finally, stability is a major concern for almost all cryptocurrencies, including Bitcoin, whose market price can, and has, swung by 10% or more in a single day.

Merchants are reluctant to accept such coins and tokens because unlike most major fiat currencies, which for the most part are considered stable, cryptocurrencies that are created for use on typical blockchains can, and often do, have wild swings in price, rendering them useless for barter and other internet commerce.

Because of the slow, expensive, unscalable, unstable nature of cryptocurrencies which are the natural result of proof-of-work blockchain technology, none of those cryptocurrencies can serve as an everyday medium of exchange on the internet.

The Solutions

For a coin or token to be considered as a viable medium of exchange for everyday use, it should have certain qualities:

First, it must be stable. No medium of exchange that has significant swings in value can possibly be used for ordinary barter and other commerce on the Internet.

Second, it must be scalable. Any medium of exchange that cannot be used to settle micropayments will ever be universally accepted as payment.

Third, it must be economical. Tokens that cannot perform without charging significant fees will neither be desirable for use by customers nor accepted by merchants.

Fourth, the design of the medium of exchange and the platform that enables it must provide a method of swift, secure transfer.

Fifth, it must have tangible value.

Sixth, it must maintain, and preferably increase, its value over time.

Seventh, it should be redeemable for something of value. Any entity that issues a medium of exchange should honor it by making it redeemable for an alternate item of value.

Eighth, it should serve as a true store of value.

Moneda, a new, innovative token issued by Monetran for use on the lightning-fast Stellar network, can claim all of the qualities needed to be considered for use as an everyday medium of exchange.

First, Moneda is stable. Because it is backed by an asset account consisting of a portfolio of U.S. Government financial instruments, the redemption price is expected to be at or close to the market price on the exchange. Fittingly, there are no significant swings in price, making it desirable to all who use it or accept it as payment.

Second, Moneda is scalable to the extent it can easily enable micropayments. Anyone who wishes to make a payment of even less than a dollar can do so with a fraction of a penny fee to the user and only a few cents transaction charge to the merchant.

Third, the use of Moneda is extremely economical. Moneda has been built on the Stellar network and the fee charged by Stellar to make a transaction is a tiny fraction of a cent. Monetran's fee for an international transaction will be only 1%. For example, an international transfer of $200 with another carrier would cost a total of approximately $14 in most cases, but Monetran's fees will be 80% less. Affordability is one of the great benefits of building on the Stellar network and having access to its many advantages.

Fourth, in addition to great savings enabled by Stellar, transactions on that network are processed at remarkable speed. A remittance, for example, can provide a P2P international exchange in a few seconds.

Fifth, Moneda are backed by a portfolio of tangible assets, primarily interest-bearing instruments such as municipal bonds, U.S. Treasuries, I bonds and the like. The objective will be capital preservation with a rate of return that will attempt to mitigate monetary inflation.

Sixth, Moneda enjoys a steady influx of interest and / or dividends earned on the portfolio in the investment account.

Seventh, Moneda are redeemable. The price for redemption is a simple formula, the principal in the asset account divided by the number of tokens in circulation. This accomplishes two things: one, it promotes a stable price by giving token holders a choice of either the redemption price or the price quoted on the exchange, and two, it provides extra liquidity in the event of a thinly traded market. Not since the days of the gold standard – nearly a half century ago – has a medium of exchange been backed by, and been redeemable for, a valuable asset.

Eighth, the stability of the value of Moneda functions perfectly as a store of value. This is only possible when a cryptocurrency has a stable value to begin with, and the price of Moneda has actually increased from the investments used to back it. Because of Monetran's unique paradigm, the token is expected to normally mitigate the effects of inflation because the investments are designed to be safe and to gradually appreciate.

Bitcoin and other blockchain cryptocurrencies which employ mining as a method of reaching consensus on transactions can never become currencies suitable for everyday use in commerce. Barring a breakthrough in technology, they will continue to get evermore slower and costlier. Eventually, people will look for faster, cheaper, more flexible alternatives of transferring funds. When they do, we believe they should look toward Moneda as a solution.

Redemption of Tokens

Holders of Moneda tokens have the option of having them redeemed directly from Monetran.

Making Moneda redeemable accomplishes a couple of important things.

First, it provides liquidity. Moneda holders never have to worry if there will be a buyer for their tokens.

Second, it promotes stability of token price. Because Moneda tokens can be redeemed at a certain price which is determined by the principal in the asset account, those who buy and sell on the Sdex exchange will have a built-in reference of what the approximate market price should be. Because token holders will have the option of redeeming their tokens with Monetran, there should be no significant difference in price between the open market and the redemption price, although tokens traded on the open market could be slightly higher due to the possibility that future increases may be factored in.

Tokens redeemed through Monetran incur a small redemption fee, according to the size of the redemption. Large redemptions incur a smaller fee and redemptions of less than 200 tokens will incur a somewhat higher fee.

As the principal in the asset account increases, so will the redemption price for Moneda tokens. As the redemption price rises, the market price should follow suit.

Stability of price is a necessary element for a token to be accepted for everyday use in commerce. It is likely that the better-known cryptocurrencies, such as Bitcoin and Ethereum, will never be stable enough to fill that role. That is because there is no mechanism that either of them can employ to have a stabilizing effect on their respective currencies. Price stability is one of the central tenets of Moneda and a compelling reason to believe that the token can serve as a universal medium of exchange for internet commerce.

The Stellar Network

What It Is and What It Enables

In basic terms, Stellar is an open-source protocol for exchanging money. Servers run a software implementation of the protocol, and use the Internet to connect to and communicate with other Stellar servers, forming a global value exchange network. Each server stores a record of all accounts on the network. These records are stored in a database called the *ledger*. Servers propose changes to the ledger by proposing transactions, which move accounts from one state to another by spending the account's balance or changing a property of the account. A quorum of the servers come to agreement on which set of transactions to apply to the current ledger through a process called *consensus*. The consensus process happens at regular intervals, typically every 2 to 5 seconds. This keeps each server's copy of the ledger in sync and identical.

Stellar's decentralized network consists of peers that can run independently of each other. The power to transmit information is distributed among a network of servers, instead of being driven from one primary source.

This means that the Stellar network does not depend on any single entity. The objective is to have as many independent servers participate in the Stellar network as possible, so that the network will still run successfully even if some servers fail.

Stellar.org operates as a non-stock nonprofit organization. Their mission is to connect people to low-cost financial services to fight poverty and maximize individual potential. Although Stellar is nonprofit, commercial enterprises are invited to build and operate on the network.

Anchors play a crucial role in the Stellar ecosystem. Anchors are entities that people trust to hold their deposits and issue credits into the Stellar network for those deposits. They act as a bridge between different currencies and the Stellar network. All transactions in the Stellar network (except the native currency of Lumens) occur in the form of credit issued by anchors.

The Stellar ledger is able to store offers that people have made to buy or sell currencies. Offers are public commitments to exchange one type of credit for another at a pre-determined rate. The ledger becomes a global marketplace for offers.

All these offers form an orderbook. There is an orderbook for each crypto / issuer pair. So, if someone wants to exchange Moneda / USD or Lumen / BTC they would look at that particular order book in the ledger to see what people are buying and selling it for.

This allows people to not only buy and sell currencies in a foreign exchange-like manner but also to convert currencies seamlessly during transactions.

As a Stellar token, all transfers, conversions, and verification of funds are enabled and take place on the Stellar network. Likewise, the mechanism for verifying transactions, a federated Byzantine Consensus Algorithm known as the Stellar Consensus Protocol, or SCA, ensures a swift and secure transfer of funds.

A detailed explanation of the SCA process can be found here.

The Monetran System

What It Is and How It Works.

The Monetran system consists of our native token, Moneda, and a web application (app) which is integrated with the Stellar network. Although either the token or the app could exist and thrive independently, we believe they work best when used in conjunction with each other.

The app offers access to iOS and Android users - in addition to PCs - through the internet. The app enables anyone to obtain tokens with U.S. currency. This is done by opening an account with Monetran. The purchase can be made by ACH or international or domestic wire. The USD are converted to Moneda tokens and credited to the customer's Monetran account.

Those who already hold Moneda can use them for transfer.

Because of the speed and efficiency of the Stellar network, the entire transfer process only takes a few seconds.

The recipient of the transfer can then redeem the Moneda tokens with Monetran and receive U.S. currency which is deposited directly into the recipient's bank account.

Moneda is also available for use in barter and other internet commerce when Monetran is not a party to the transaction. For example, if a merchant accepts Moneda as payment, any user can buy goods or services from that merchant and make payment in Moneda. A simple plugin, provided by Monetran's crypto gateway, enables the merchant to do this.

The merchant then forwards the tokens to Monetran for redemption. Monetran removes its redemption fee, converts the Moneda into U.S. currency, then deposits the balance of fiat to the merchant's bank account. With Monetran's redemption fees ranging from a 2 MNDA minimum to 0.1% for large redemptions, the merchant is at a great advantage compared to usual credit card charges of 3% or more. Monetran does not charge merchants any other fees including monthly charges or fees for software, providing yet more incentive for merchants to accept Moneda.

Monetran’s crypto payment gateway, mycryptocheckout.com, does not charge any fees.

Because Moneda is available to anyone in the world, we expect that there will be a demand for the token by those who wish to protect their savings from loss due to monetary inflation or negative interest rates.

Central bankers around the world have been involved in a race to the bottom with interest rates actually falling into negative territory in many places around the globe. Combine that with the fact that many countries have seen their respective currencies experience high rates of inflation and you have a scenario wherein it has been nearly impossible for people to save money without it resulting in a loss.

What is needed for these savers is a true store of value – a vehicle which could significantly negate both negative interest rates and high rates of monetary inflation.

Some Venezuelans, during the financial upheaval created by the socialist dictatorship of Nicolas Maduro, turned to Bitcoin in an attempt to preserve their wealth. Unfortunately, despite claims to the contrary, Bitcoin failed as a store of value because of its inherent instability. Those who purchased Bitcoin for nearly $70,000 per coin at its peak saw the value of the cryptocurrency drop by as much as 45%.

Because Moneda is a stable token backed by low risk U.S. Government securities, it is designed to gradually increase in value, enabling it to serve as a true store of value. This gives the holders of Moneda tokens the expectation of preserving the value of their wealth against losses from inflation or negative interest rates.

Monetran will benefit from redemption fees ranging from 0.1% - 1.00%.

“*Billions of dollar’s worth of foreign currency has been pouring into the U.S. in search of safety from negative interest rates now prevalent in Europe,” Don Bielak, Monetran’s CEO said. “In other parts of the world, including the U.S., high inflation is the destroyer of wealth. What we have done at Monetran is to design a cryptocurrency which will mitigate both of these enemies. This is in addition to Moneda’s ability to serve as a medium of exchange for remittances and internet purchases. This makes our token a valuable instrument on a world-wide scale and a model for mass adoption.”*

What Monetran offers these savers is a type of "safe deposit box" for their wealth. But unlike cash stored in a safe deposit box, Moneda stored in a wallet is designed to continue to increase in value. This is something that bank accounts offering negative interest rates, along with the unfavorable terms and expensive fees associated with them, cannot deliver. In addition, those who lose value in savings accounts due to monetary inflation will experience the same benefits when they utilize Moneda as a store of value.

Finally, the Moneda token can be utilized by those who need a short-term "park” for their investment funds, much like Tether (TUSD) is used now. One of the major – and important – differences is that Moneda are priced according to 100% of the reserves of our asset account while Tethers are pegged to USDs based on a fractional reserve. What that means, in essence, is that if every single one of the Moneda in circulation were redeemed at once, Monetran would have the cash equivalents to redeem them all. Tethers are estimated to be only backed by 75% of the amount needed to redeem them all, resulting in a 25% shortfall – or loss – by those holding that cryptocurrency.

(Quotes reprinted from the Boston Herald)

Cryptocurrency's Impact on Debit Card Use

As cryptocurrency gains in popularity, it's starting to impact debit card use.

- According to the PYMNTS Next-Gen Debit Tracker report, 16% of U.S. consumers own or have owned cryptocurrency and 51% are more likely to shop with a merchant that accepts it.
- One of the early crypto-based debit cards is the Crypto.com Visa. Crypto.com reports that spending grew 55% per user in 2020, with online spending up 117%.
- Data presented by Crypto Parrot and reported by the Fintech Times in February 2021 indicate that global keyword searches for "crypto debit card" had surged by 194% over the past 12 months on Google. The interest attained a peak popularity score of 100 in February, while a year before, it was at 34.

Monetran, because of its redeemable stable coin called Moneda, is poised to make inroads with the domestic debit card market. As cryptocurrency adoption by the general public continues, there is expected to be increased interest in coins and tokens which can enable swift, economical payments – including micropayments of less than $1. In the near future, we expect that Monetran will add a crypto debit card which will enable not only internet purchases, but also point-of-sale transactions. This will provide the ability to make purchases which will be far more cost effective than typical credit or debit cards because of the blockchain on which Monetran is built – Stellar. The Stellar system charges a small fraction of cent per transaction, and these savings are passed on to the customer. In addition, the fees that Monetran charges are far below the industry average, with a great deal of those savings being passed on to the merchant.

What this means in the final analysis is that both customer and merchant benefit from using Moneda and the Monetran system, resulting in a true "win-win" for all concerned.

Monetran and the Remittance Market

Because there is evidence of an underserved remittance market, in the future Monetran may embark on a mission to use Moneda and the Monetran system to compete for a section of that business.

According to statistics supplied by the World Bank, the average $200 remittance is subject to approximately 7.1% in fees, or more than $14. The Monetran system, enabled by the Stellar network, would be able to transfer $200 anywhere in the world in a matter of seconds at a cost of approximately 80% less.

With regard to the problem of cost, Monetran / Moneda is obviously the solution.

It should be noted that cross-border remittances and payments which include cryptocurrency have been considerably hampered by the respective governments of Mexico, China, India, and Nigeria – the four largest markets for remittances from the United States.

If and when the aforementioned governments become more amenable to the use of cryptocurrency, Monetran stands ready to implement our cross-border solution to costly remittances.

The Role of Moneda Tokens in Barter

Monetran has designed the Moneda token as a commodity in bartering for goods and services. For example, when a customer buys a token, he pays a spot price as with any commodity, including gold and silver. When the customer, who now possesses Moneda tokens, wishes to obtain something of value, he can use the token to barter for that item. Because Moneda has a spot price represented in USD, the value of the token is known to all and is an agreed to medium of exchange.

This is how a series of barters using the Moneda token would look like.

Company A. is retailer
Company B. is a wholesaler
Company C. is a manufacturer
Company D. is a raw materials provider

Say that a retailer (company A.) wishes to barter for finished products from a wholesaler (company B.) A. pays the spot price for Moneda tokens and now has 100 tokens in his possession. A. barters an agreed amount of Moneda to B. for those products. The exchange is made and now B. has 100 Moneda and A. has his finished products.

Now, B. needs to replenish his stock and needs to barter with a manufacturer (company C.) B. barters an agreed amount of Moneda for that stock. The exchange is made and now C. has 100 Moneda and B. has the stock he needs.

Then, C. needs raw materials that they manufacture into goods. He barters an agreed number of Moneda tokens with a materials provider (company D.) The exchange is made and now D. has 100 Moneda tokens and C. has the materials needed for manufacture.

Company D. can now either continue to barter using the Moneda tokens or can redeem them with Monetran and receive the spot price for the token (any company in our example could have redeemed them, too.) For our purposes, let’s say that D. wants to redeem them.

D. sends them to Monetran for redemption. Monetran accepts the tokens, removes a small redemption fee, converts them to the spot price of Moneda, and deposits the USD into the bank account of company D.

Here are the amazing parts of this scenario:

First, because the spot price of Moneda – a true stable token – changes so infrequently, the agreed to price is easily determinable. There is never a chance of volatility as there is with other mediums of exchange such as Bitcoin, Ethereum, or many others.

Also, this series of exchanges between companies could have literally taken place in *minutes*. Because the banking system was not used at during the bartering process, the blockchain and the medium of exchange – Moneda tokens – combined to enable seamless, swift, economical transactions between all parties.

Just how fast? The transmission of each leg of this scenario can be completed in approximately 5 seconds. That is how much time the Stellar blockchain needs to verify the transaction and make the transfer.

Just how economical? The acquisition of Moneda tokens incurs a fee of 0.10% (one tenth of 1%) fee from Monetran. This is the percentage used no matter how many tokens are purchased.

Just how seamless? The barter scenario above involved a series of transfers of value. Each transfer was a B2B transaction which is both direct and free. There are no middle men involved in the transactions. Also, P2P transfers are direct and free, too.

The barter series illustrates just how quickly companies can make settlement for the items they need. It also illustrates how inexpensive – free in case of B2B – the transfers can be.

Funding the Asset Account

One of the most important facets of the Monetran paradigm is the asset account. Initial funding for the account has come from the proceeds of a Class B unit sale. Further funding was the result of a Class A unit sale. A full 25% of the proceeds from those offerings went directly into “seeding” the asset account. This ensures that Moneda tokens are backed by tangible assets from its inception and will ensure that Moneda has intrinsic value.

Account Management

The asset account has been established with Fidelity Investments, renowned as one of the world's oldest and most trusted providers of financial services. The objective has been to preserve capital and to seek a reasonable rate of return. To date, only deposits in low risk U.S. Government financial instruments have been made. Any and all returns from interest on the deposits have remained in the account in order to enhance the price of the token, enabling it to combat inflation.

System Development

The Monetran System continues to be under development with an estimated completion by the end of the calendar year 2022. A minimal viable product which enables both transfers of tokens and the redemption of Moneda is available now.

Conclusions

One of the primary promises of blockchain technology has been that digital representations of value, known as coins or tokens, could employ cryptology to become useful as trustless mediums of exchange for use in barter and other internet commerce. Unfortunately, after nearly a decade since Bitcoin emerged on the scene as the first cryptocurrency, that promise has yet to be fulfilled. Problems have arisen which has prevented wide acceptance of any cryptocurrency as a medium of exchange in such commerce. Issues of stability, economy, speed, and scalability have plagued those cryptocurrencies that would assume the mantle of a universally accepted form of payment over the internet.

However, a unique new type of cryptocurrency, combined with an innovative new platform for its implementation, has delivered solutions to the problems which have heretofore prevented the widespread acceptance of any cryptocurrency.

In this paper we have introduced Moneda, an asset-backed, redeemable stable token issued by Monetran and created for use on the Stellar network. Moneda has been transfused with tangible value from its inception, with a viable plan to increase its value over time. It is redeemable - something that no medium of exchange has been since the days of the gold standard - for a portion of the principal in an asset account which contains income producing financial instruments.

Built on the ultra-rapid Stellar network, Monetran enables swift, secure, economical transfers and transactions for any amount, large or small, either domestically or internationally.

Because Moneda are backed by tangible assets and redeemable, they have experienced a high degree of stability and have gradually increased in value, making them a perfect store of value.

In short, Moneda have been designed to encompass all of the qualities that any medium of exchange, digital or otherwise, should have to be accepted as a universal form of payment.

With this in mind, we feel that we have adequately delivered proof that Moneda, issued by Monetran for use on the Stellar network, is indeed a medium of exchange worthy of mass adoption and everyday use in barter and other internet transactions.

SEC Compliance

The following is a relevant excerpt reprinted from the U.S. Security and Exchange Commission's official website governing Regulation Crowdfunding:

1. Introduction

Under the Securities Act of 1933, the offer and sale of securities must be registered unless an exemption from registration is available. Title III of the Jumpstart Our Business Startups (JOBS) Act of 2012 added Securities Act Section 4(a)(6) that provides an exemption from registration for certain crowdfunding transactions.[2] In 2015, the Commission adopted Regulation Crowdfunding to implement the requirements of Title III.[3] Under the rules, eligible companies will be allowed to raise capital using Regulation Crowdfunding starting May 16, 2016.

2. Requirements of Regulation Crowdfunding

In order to rely on the Regulation Crowdfunding exemption, certain requirements must be met.

a. Maximum Offering Amount of $5,000,000

A company issuing securities in reliance on Regulation Crowdfunding (an "issuer") is permitted to raise a maximum aggregate amount of $5,000,000 in a 12-month period. In determining the amount that may be sold in a particular offering, an issuer should count:

- the amount it has already sold (including amounts sold by entities controlled by, or under common control with, the issuer, as well as any amounts sold by any predecessor of the issuer) in reliance on Regulation Crowdfunding during the 12-month period preceding the expected date of sale, plus
- the amount the issuer intends to raise in reliance on Regulation Crowdfunding in this offering.

An issuer does not aggregate amounts sold in other exempt (non-crowdfunding) offerings during the preceding 12-month period for purposes of determining the amount that may be sold in a particular Regulation Crowdfunding offering.

b. Investors Subject to Limits

Individual investors are limited in the amounts they are allowed to invest in all Regulation Crowdfunding offerings over the course of a 12-month period:

- If either of an investor's annual income or net worth is less than $107,000, then the investor's investment limit is the greater of:
- $2,200 or
- 5 percent of the lesser of the investor's annual income or net worth.
- If both annual income and net worth are equal to or more than $107,000, then the investor's limit is 10 percent of the lesser of their annual income or net worth.
- During the 12-month period, the aggregate amount of securities sold to an investor through all Regulation Crowdfunding offerings may not exceed $107,000, regardless of the investor's annual income or net worth.

Spouses are allowed to calculate their net worth and annual income jointly. This chart illustrates a few examples of the investment limits:

Investor Annual Income	**Investor Net Worth**	**Calculation**	**Investment Limit[4]**
$30,000	$105,000	Greater of $2,200 or 5% of $30,000 ($1,500)	$2,200
$150,000	$80,000	Greater of $2,200 or 5% of $80,000 ($4,000)	$4,000
$150,000	$107,000	10% of $107,000 ($10,700)	$10,700
$200,000	$900,000	10% of $200,000 ($20,000)	$20,000
$1,200,000	$2,000,000	10% of $1,200,000 ($120,000), subject to $107,000 cap	$107,000

c. Transactions Conducted Through an Intermediary

Each Regulation Crowdfunding offering must be exclusively conducted through one online platform. The intermediary operating the platform must be a broker-dealer or a funding portal that is registered with the SEC and FINRA.

Issuers may rely on the efforts of the intermediary to determine that the aggregate amount of securities purchased by an investor does not cause the investor to exceed the investment limits, so long as the issuer does not have knowledge that the investor would exceed the investment limits as a result of purchasing securities in the issuer's offering.

d. Eligibility

Certain companies are not eligible to use the Regulation Crowdfunding exemption. These include:

- non-U.S. companies;
- companies that already are Exchange Act reporting companies;
- certain investment companies;
- companies that are disqualified under Regulation Crowdfunding's disqualification rules;
- companies that have failed to comply with the annual reporting requirements under Regulation Crowdfunding during the two years immediately preceding the filing of the offering statement; and
- companies that have no specific business plan or have indicated their business plan is to engage in a merger or acquisition with an unidentified company or companies.

3. Disclosure by Issuers

a. Form C

Any issuer conducting a Regulation Crowdfunding offering must electronically file its offering statement on Form C through the Commission's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and with the intermediary facilitating the crowdfunding offering. A Form C cover page will be generated when the issuer provides information in XML-based fillable text boxes on the EDGAR system. Other required disclosure that is not requested in the XML text boxes must be filed as attachments to Form C. There is not a specific presentation format required for the attachments to Form C; however, the form does include an optional "Question and Answer" format that issuers may use to provide the disclosures that are required but not included in the XML portion.

b. Offering Statement Disclosure

The instructions to Form C indicate the information that an issuer must disclose, including:

- information about officers, directors, and owners of 20 percent or more of the issuer;
- a description of the issuer's business and the use of proceeds from the offering;

- the price to the public of the securities or the method for determining the price,
- the target offering amount and the deadline to reach the target offering amount,
- whether the issuer will accept investments in excess of the target offering amount;
- certain related-party transactions; and
- a discussion of the issuer's financial condition and financial statements.

The financial statements requirements are based on the amount offered and sold in reliance on Regulation Crowdfunding within the preceding 12-month period:

- For issuers offering $107,000 or less: Financial statements of the issuer and certain information from the issuer's federal income tax returns, both certified by the principal executive officer. If, however, financial statements of the issuer are available that have either been reviewed or audited by a public accountant that is independent of the issuer, the issuer must provide those financial statements instead and will not need to include the information reported on the federal income tax returns or the certification of the principal executive officer.
- Issuers offering more than $107,000 but not more than $535,000: Financial statements reviewed by a public accountant that is independent of the issuer. If, however, financial statements of the issuer are available that have been audited by a public accountant that is independent of the issuer, the issuer must provide those financial statements instead and will not need to include the reviewed financial statements.
- Issuers offering more than $535,000:
- For first-time Regulation Crowdfunding issuers: Financial statements reviewed by a public accountant that is independent of the issuer, unless financial statements of the issuer are available that have been audited by an independent auditor.
- For issuers that have previously sold securities in reliance on Regulation Crowdfunding: Financial statements audited by a public accountant that is independent of the issuer.

The complete text of the notice can be found here.

IMPORTANT NOTICE FROM MONETRAN

Monetran LLC, herein known as Monetran, makes no promise to the purchasers of tokens issued by the company, either expressly or implied, of profit sharing, interest, dividends, token appreciation, or any other form of financial gain.

Nothing in this paper constitutes an offer to sell, or a solicitation of an offer to buy, Monetran tokens in any jurisdiction in which it is unlawful to make such an offer or solicitation. It is the responsibility of the purchaser to determine whether the purchase of tokens is a legal act in any jurisdiction to which the purchaser is subject. Certain statements in this post constitute forward-looking statements, including statements regarding the benefits of decentralization, the token economy, and the ability of tokens to increase efficiency and participation in the economy. Our use of the words "believe," "project," "estimate," "intend," "expect," "continue," and similar expressions or the negatives thereof are generally intended to identify forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements. All forward-looking statements in this paper speak only as of the date hereof.

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