

# WHITE PAPER

## Verifundr Platform

Centralized and Decentralized Verification for a Trade Community  
Using Spera<sup>SM</sup>, a Dollar Backed Coin on Ethereum Blockchain

**CONFIDENTIAL**

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Information Provided by: **APT Systems, Inc.**  
(and RCPS Management Inc., a wholly owned subsidiary)

# INTRODUCTION

This White Paper provides background information to be considered by Offerees receiving the documents from **APT Systems Inc.** (the “Company”) of an offering for US\$3,000,000 of Series (S) **Spera<sup>SM</sup>** Convertible Preferred Stock (“SSCPS”) with a minimum purchase amount of US\$100,000 and offering closing date on or before June 15, 2018. The use of proceeds of the SSCPS Offering will be to build and launch the company’s platforms that can accept a unique new digital or cryptocurrency to be known as Spera<sup>SM</sup>. This Offering is not being registered with the United States Securities and Exchange Commission (“SEC”) or any state or foreign government securities regulator, and is being made to accredited investors pursuant to Regulation D of the Securities Act of 1933 (the “Act”) and to non-U.S. resident investors pursuant to Regulation S of the Act. The Offering is being made pursuant to acceptance by the Company of a fully executed subscription agreement tendered to the Company by an Offeree of the SSCPS Offering.

A platform using Smart Contracts, the **Verifundr<sup>SM</sup>** escrow and payments platform will provide certainty and cost savings and importantly, verifies participants accessing all platforms and wallets. It permits Members to transfer dollars, to be held in escrow in order to bind contracts and later, pay others from the credited funds, anywhere in the United States.

Spera<sup>SM</sup> is envisioned to be a widely used fiat-to-digital cryptocurrency that is supported and monitored by Members of the Verifundr platform to bring trust, safety and instant payments to parties entering into transactions. Plans are to release Spera<sup>SM</sup> and Verifundr platforms before fall of 2018. The planned addition of other private platforms will allow for additional capabilities for members to trade, acquire cryptoassets and hedge.

Spera<sup>SM</sup> is pegged to the United States dollar to give this virtual coin intrinsic value. This also permits the Coin Issuer to stand behind its ability to redeem a Spera<sup>SM</sup> for one US dollar at any time; as funds collected from Spera<sup>SM</sup> issuances are held in trust by omnibus custodial account(s) holding fiat dollars, to facilitate the ongoing interchange of Spera<sup>SM</sup> coins freely.

Coin Name	Spera <sup>SM</sup> (Digital Dollar)
Abbreviated Symbol	SRA <sup>SM</sup>
Coin Issuer	Spera Holdings Ltd (to be a Delaware Corp)
Auditors	MaloneBailey LLC
Legal Advisor	William (Bill) Uchimoto, Esquire
Executive Team	Glenda Dowie, CEO, Jim Gagnon, CTO, Carl Hussey, CFO
Blockchain Advisors	MLG Blockchain, Difitek, Elliot Shohet
Coin Type	Ethereum Blockchain based
Wallet	ERC-20 and future upgrades
Initial Issuance	100,000,000 SRA <sup>SM</sup>
Max Supply	Coin issuance is to remain open
Coin Price	\$1 USD plus applicable transfer fees
Coin Timing	August 25, 2018 anticipated (3 <sup>rd</sup> quarter APT)
Regulated Custodian[s]	TBA

 **Trust and Safety**  **Low Volatility**  **Reduced Costs**  **Quality User Experience**

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## 1.0 ABSTRACT

The global financial system continues to undergo disruptive changes resulting in our emerging mobile “less-cash” society. Verifundr technologies and platform offer unique solutions for verification, escrow, and fund distribution to assist the public in navigating this new environment. As cash continues flooding into cryptocurrencies, governments must begin encouraging financial portals to maintain a trustworthy and identifiable membership so that cryptoasset trading becomes fully compliant with all Anti-Money Laundering (AML) rules and notions of “Know Your Customer” (KYC). All market participants must follow clear and transparent paths that validate partaking parties as well as the source and nature of funds expended.

Markets watch as many non-traditional industries are now becoming mainstream and legal for the first time. As government and legacy banking systems struggle to adjust to these new enterprises and emerging legislation, billions of dollars are stranded in physical cash and appear to be unbankable. It also appears that there is little economic trust among parties including government regulators, merchants, consumers and the public in general. We are looking to solve these problems by providing escrow services with Smart Contracts, using advanced custodial and internet security practices to serve a whole new financial ecosystem of “Members.”

Member services include a verified community participating in Smart Contracts for escrow and payment options utilizing US Dollars, Speras<sup>SM</sup> (a stable coin), and an external third party’s cash-for-credit system (Credits). Verifundr, with third party assistance, may help unbankable businesses obtain Credits for cash. It becomes the bridge between traditional fintech and the old cash economy by employing Blockchain innovation underpinning cryptoassets as well as delivering on new platforms and systems with less volatile digital money.

Once Members have cash deposits externally vetted, they will receive verified digital monetary credits (Credits) and may convert them into Speras<sup>SM</sup>, or once converted to Speras<sup>SM</sup> back to dollars for use in escrow accounts. Accordingly, Speras<sup>SM</sup> and Credits are fully backed by US dollars on a one to one dollar basis. Verifundr will be responsible for verifying its Member ecosystem, as well as their source of funds to assure its regulatory compliance with AML and KYC requirements; and to foster acceptance of Verifundr ratings by traditional banks and government agencies.

Through this cutting edge platform, Verifundr will enable verified escrowed transactions and distribution of funds, accept legitimate deposits from both the unbanked and banked, and provide Members with access to Speras<sup>SM</sup> (SRA<sup>SM</sup>), a stable digital coin. Speras<sup>SM</sup> will be backed by an omnibus custodial account holding fiat dollars to underpin the guaranteed “Back to Dollar” conversion. As a virtual currency, Spera<sup>SM</sup> transfers will be supported on a Blockchain network and virtual wallet with no need for outside bricks and mortar cashiers or forex exchanges. Through Verifundr wallets, Members can transfer currencies digitally to other Members. In time, Speras<sup>SM</sup> will be transferable to public cryptocurrency exchanges to facilitate a purchase of other cryptocurrencies, such as Bitcoin or Ether. Note that only US dollars transfers will be accepted for Spera<sup>SM</sup> coin purchases.

SPR<sup>SM</sup> coins are envisioned to become a widely used U.S. dollar backed digital currency to bring trust, safety, and payments to Members entering into a commercial sales transaction. Audits and open-proof of dollar reserves will underlie a Spera<sup>SM</sup> assurance of the one Spera<sup>SM</sup> to one dollar conversion guarantee.

## **WHAT IS THE VERIFUNDR<sup>SM</sup> VERIFICATION SERVICE?**

It is the authentication of a financial agreement or monetary transaction, in which a third party validates all processes and milestones to facilitate two exchanging parties. This will include verifying the identity of participants and sources of funding. It makes transactions safer, because agreements are recorded on the Blockchain through digital Smart Contracts and compliant through traditional banking channels. The payment for goods or services is released only when all the parameters are verified. Verification services are useful in every exchange-of-goods transaction and add a much-needed layer of transparency and trust to unbanked and cryptoasset driven industries.

This added service can help financial institutions and other industry players to enter the Blockchain universe consistent with laws and regulations imposed by both state and federal government authorities. Verifundr accepts dollars, Spera digital currency and Credits, and will operate in accord with well-established principles of integrity and transparency expected in the regulated financial marketplace.

## **SPERA<sup>SM</sup> CRYPTOCURRENCY BENEFITS**

The Coin Issuer will stand ready at all times to issue Speras<sup>SM</sup> to any Verifundr vetted Member or registered public exchange at a US\$1 cost per each Spera<sup>SM</sup> coin. The Coin Issuer will assure Speras<sup>SM</sup> will maintain the US\$1 peg. This model is different than the traditional stable or tethered coin concept as the Coin Issuer stands ready at all times, to stand by and honor this swap rate quickly and efficiently. The dollar peg will be supported and secured by an omnibus custodial account that holds fiat dollars deposited to purchase the issued Speras.

We have been in discussions with various regulated custodians to hold the dollar deposits with a focus on custodians that have the highest credit ratings, safety and soundness procedures for safekeeping funds while generating to us an interest return on the dollar deposits. These returns can be passed on to our investors who are backing the coining interchange, Spera<sup>SM</sup> and Verifundr platform projects. Moreover, like other cryptocurrencies, Speras are envisioned to be interchangeable on other third party public cryptocurrency exchanges as regulators permit.

Continued...

**The functional demand for Spera<sup>SM</sup> is envisioned to be limitless based on the growth of the membership base and Speras' application to any and all industries as a stable digital payment means. Speras' application as a trusted source of funds for settling all payments required at the start of a supply chain that end in a consumer purchase of a product or a business transaction. Spera total issuance will be increased based on public demand. Therefore, there will be no immediate hard cap announced on the total issued SRA<sup>SM</sup> coins (with a technical ceiling over five trillion).**

**Intended to be sold in rounds of 100 million coins, pre-minted Spera<sup>SM</sup> issuance will be based on an as-needed policy determined by marketplace forces, in turn driven by the extent and needs of actual commercial transactions and participants within the system and managed within the tytrade platform.**

## **2.0 VERIFUNDR PLATFORM**

- Envisioned to provide a full ID check for know your customer (KYC) and anti-money laundering (AML) compliance inside of the United States and for 75 other countries.
- Will be a decentralized verification platform to the extent necessary for facilitating transactions between multiple parties, with Credits issued for cash deposits when necessary and permitted. Escrow accounts to support use of Speras<sup>SM</sup>, developed and based upon Ethereum Blockchain.
- Low fees are to be charged for ensuring that a transaction is compliant and verified; and that Speras<sup>SM</sup> fully backed by dollars in escrow accounts are transferred and arrive in the account of a seller of services or goods.
- Will ensure that community Members and sources of funds are verified and compliant with U.S. and international laws, and regulations on an ongoing basis.
- Will host and support a cryptocurrency that is engineered to not experience the widespread price swings of other cryptocurrencies. Speras<sup>SM</sup> will encourage consumers and other transactors to keep Speras<sup>SM</sup> on hand and avoid their need for constantly switching and keeping their trading gains in fiat currencies, in order to speculate later or protect profits from any coin price pullbacks occurring in their wallets.
- Will permit instant and traceable payments between Members and eventually between Members and traditional banks/brokers, to signal completion of agreements and a timely distribution of settlement funds.
- Will provide security and confidence for all Members who are the participating parties on all interconnected platforms and wallets.

# SPERA<sup>SM</sup> – STABLE DIGITAL MONEY

Ethereum ERC-20 standard

Symbol SRA<sup>SM</sup> represents a digital currency that is fully backed at all times by US dollars on a one Spera<sup>SM</sup> equals one dollar basis. Speras<sup>SM</sup> will be integrated into individualized digital wallets and for the eventual use by consumers, merchants, private and public exchanges, and others using the platforms within our trusted ecosystem.

A Spera<sup>SM</sup> will always maintain its one-for-one conversion ratio. This dollar pegged guarantee will be continuously verified through multiple audit methods including Blockchain and proof of reserves. Dollars purchasing SRA<sup>SM</sup> will be deposited in an omnibus custodial account established with one or more regulated and fully disclosed custodians. Through these trusted relationships, and the coining interchange, we will track and safe-keep all dollar deposits backing the issuance of Speras<sup>SM</sup>. The accounts in custodian banks will generate interest based upon the deposited dollars, now estimated to be between 20 and 100 basis points. Interest will be credited to the Coin Issuer for use in whole or part to pass on to investors who backed the Spera<sup>SM</sup> project. Returns will also be used to keep fees low for all participants on the private coining interchange called Tyr Trade.

## **SPERA<sup>SM</sup> Current Benefits and Future Features**

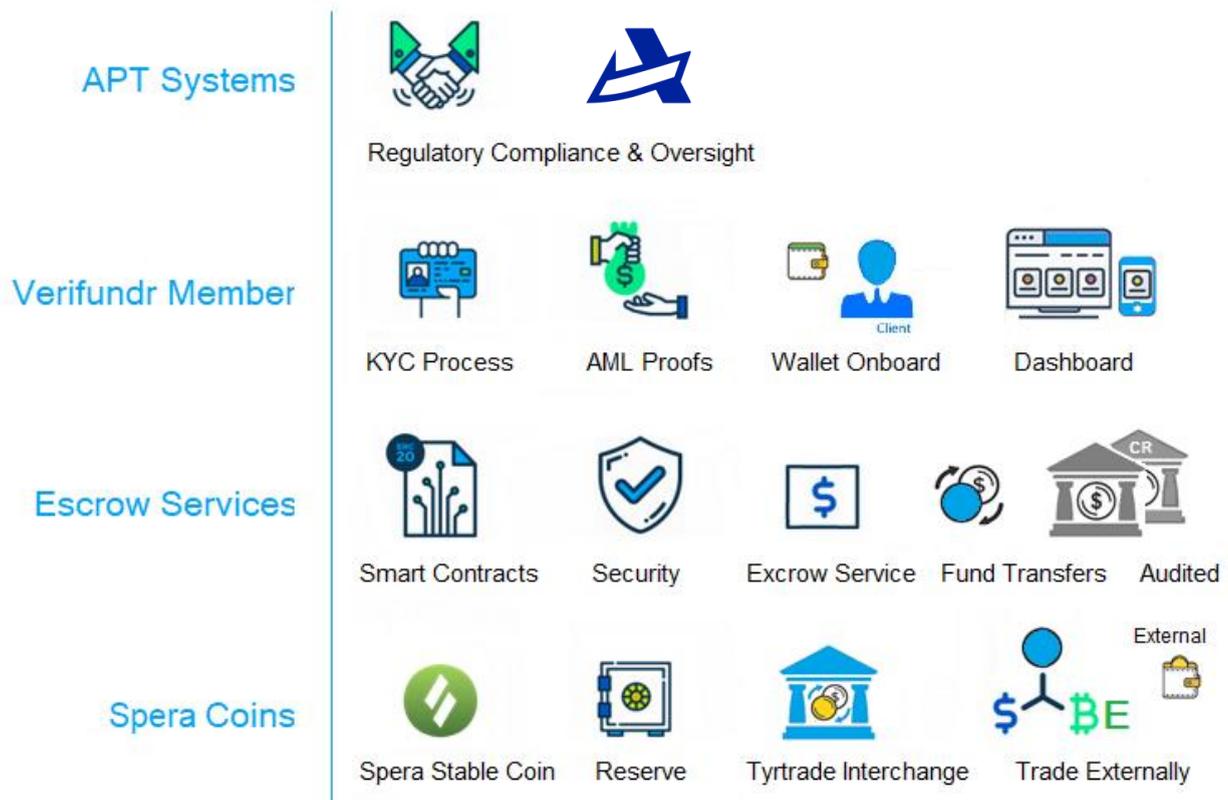
We want to supply a digital virtual currency free of volatility so that people can readily spend it, save it or convert it in-and-out of fiat dollars as needed. Other key benefits of SRA<sup>SM</sup> will include:

- Near-instant value transfer between Members and other parties, such as public exchanges (actual times may vary depending on network congestion).
- Facilitation of escrow accounts and payments between verified parties.
- Accommodate international transactions with escrow services offered globally.
- Minimize cross-border risks by tracing funding sources and status end-to-end.
- USD cash to Credit (with third party assistance) to Speras<sup>SM</sup> back to US dollars.
- Foreign Exchange (FOREX) platforms with Speras<sup>SM</sup> are envisioned.
- Safety protocols to return coins to Members' wallets, when lost or stolen.
- Partial privacy by not exposing all Member information or balances in wallets and without compromising Blockchain ownership records.
- Accepted by public exchanges for purchase of other cryptocurrencies and tokens.
- Accepted by registered brokers for trading equities, futures and commodities.

## PLATFORMS AND PROJECT GOALS

1. Create and verify guarantees between Verifundr Members across industries.
2. Ensure mutually beneficial relationships among all Members on the platform and assist with their needs and related transactions.
3. Create and distribute a robust and verified, stable cryptocurrency.
4. Raise the commercial utility of cryptocurrencies for everyday commercial purchases and sales. Verifundr will create easy-to-use and dependable tools for the public to participate in cryptocurrencies and every day consumer transactions without confusion.
5. Increase community confidence in cryptocurrency commercial stability in the knowledge that Spera<sup>SM</sup> value is backed by a real dollar, not emotion or greed and arbitrary fear nor bias of its users. The verification process will ensure that businesses can safely and legally accept Speras in exchange for its services and products.

## Trusted and Secure Process



## PLATFORM AND PROJECT GOALS (continued)

- Determining scope of verification needs of persons, funds, and the escrow markets.
- Creating a financial base for further research and development according to the roadmap, marketing and promoting.
- Technology development in the Fintech space.
- Smart Contracts development with sharing of innovations and protocols

## SOLUTIONS TO BE PROVIDED BY OUR PLATFORMS

- Eliminate a natural lack of trust among anonymous transacting parties.
- Verify buyers and sellers inside a safe community.
- Increase efficiencies and decrease costs in providing verification services.
- Eliminate potential fraud and money laundering concerns.
- Repatriate currently unbankable cash to a safe financial ecosystem.
- Serve other coin and token issuers and public exchanges through Tyr Trade.
- Coining Interchange for swapping US dollars for Speras<sup>SM</sup>.
- Allow for trading platforms and transferring of funds among Members.

## INNOVATIONS

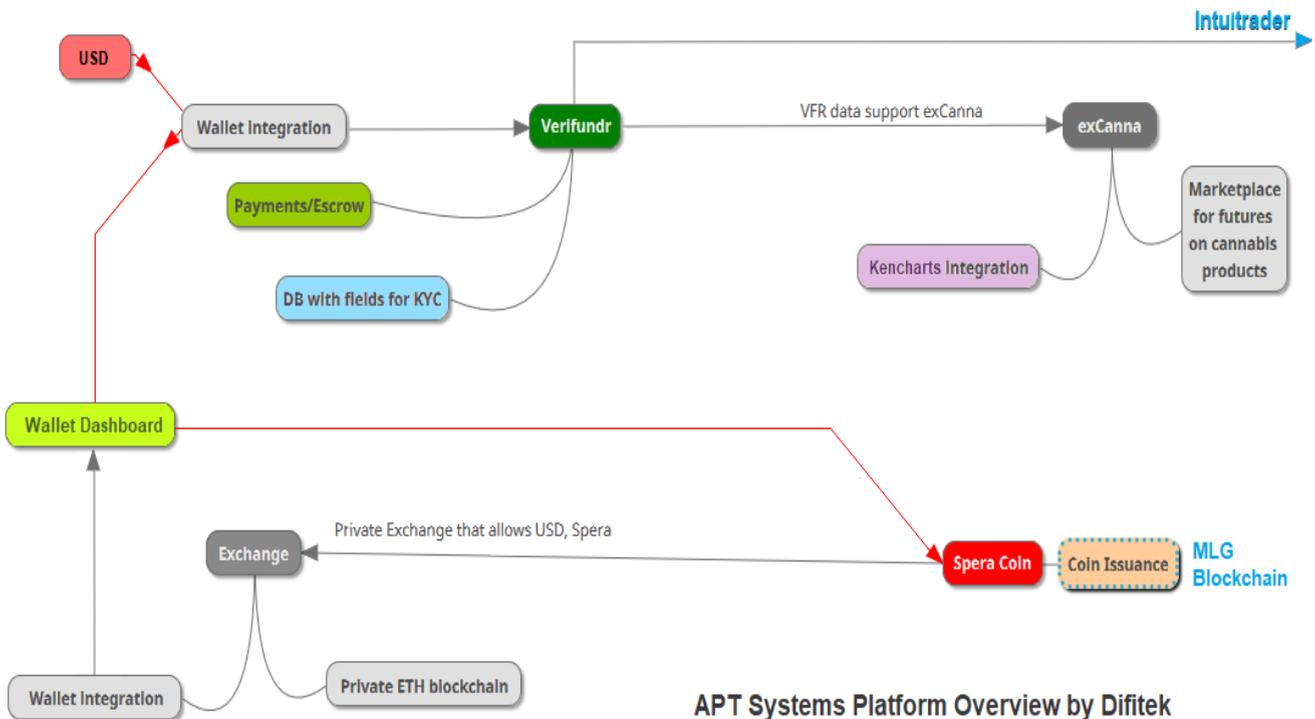
- Create a verified Member community to allow for safe transactions using smart contracts through Verifundr member and financial services.
- Independent, compliant financial system based upon cryptocurrency technology.
- Fully integrated via API with the traditional banking system
- Rating of community Members and contractors.
- API Collaborations.
- Use of unique Speras for membership rewards and community trade.
- AI systems for automatic transaction processing, security and protection.

## POTENTIAL MARKETS

- Safety for physical goods trading. \*
- Speras<sup>SM</sup> to fiat funds and interchange services.
- Speras<sup>SM</sup> converted to buy other cryptocurrencies. \*\*
- Compliant unbankable markets and cash repatriation.
- Freelance and online service contracts.
- Validating Members with permission to third parties like brokers.

\* Using a Smart Contract while trading without human physical interaction

\*\* All of the payments are automated and processed by Smart Contracts



APT Systems Platform Overview by Difitek

## RISK ASSESSMENT

All projects and related business plans hold some risk. We further recognize that our correspondent bank(s) will be the custodians of the trusts and reserve funds. Market participants already are exposed to these traditional banking risks and their online platforms have these same weaknesses.

Below we provide a summary of the weaknesses observed, including those incurred by our centralization and pegging of Speras<sup>SM</sup> to the value of the US dollar:

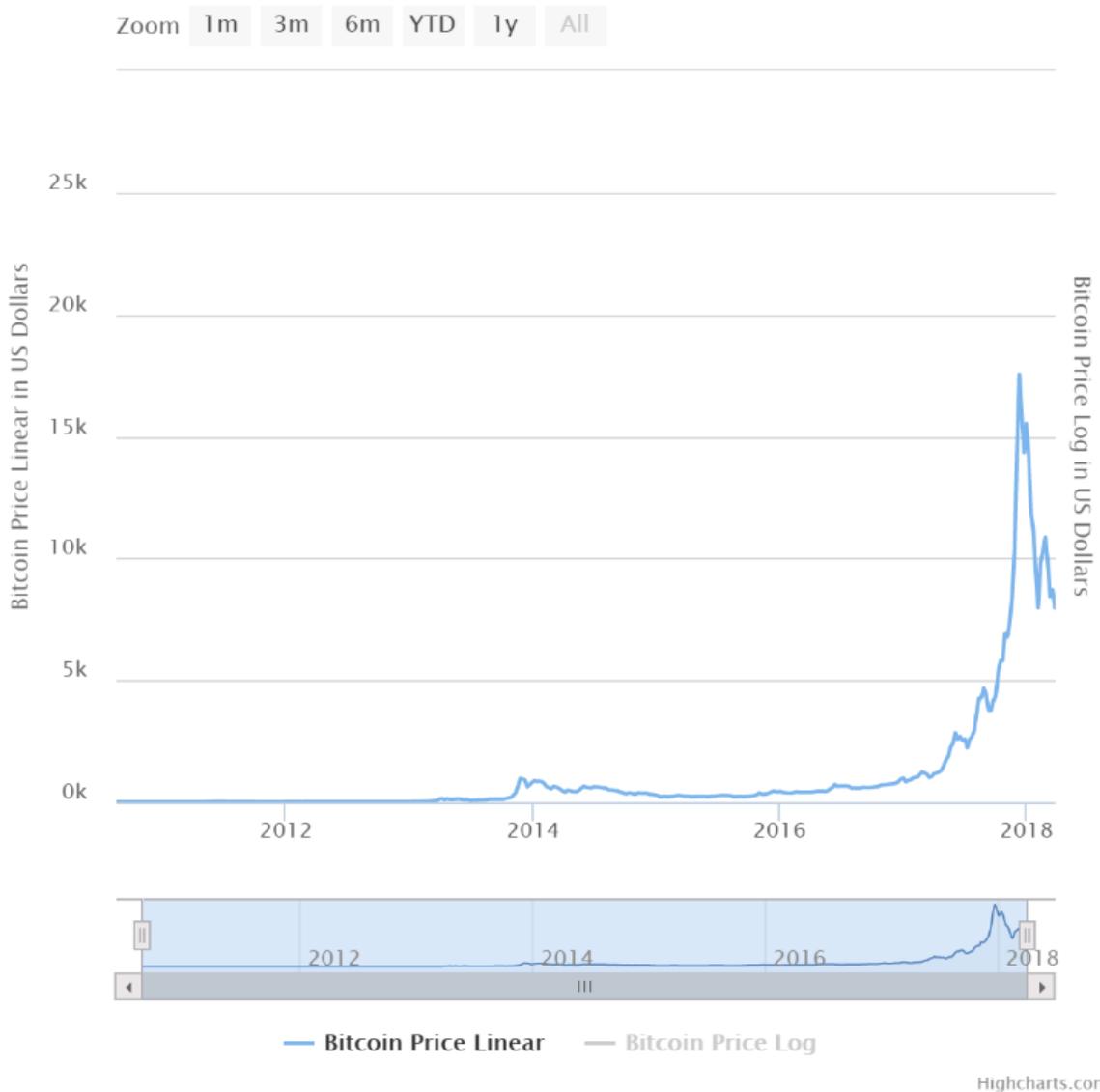
- The Company could go bankrupt.
- Staff or bank staff could abscond with reserve funds.
- Registered custodian partners might experience security breaches that expose our dollar deposits to losses or may become insolvent.
- Any of the partnering custodians or banks could freeze or confiscate reserve funds.
- Risk of a centralized management with decentralized asset goals.

Almost all digital currency exchanges and wallets (assuming they hold US dollars) face challenges. Therefore, cryptoassets and its users are subject to many of the risks acknowledged, which are further addressed below.

### Risk Management Assessment

1. If Coin Issuer Company were to go bankrupt, registered reserve accounts would still allow for all coins to be redeemed for \$1 US dollar as the pegged value.
2. We are owned by a Public Company, and report to provide transparency and accountability which is audited by third parties. Spera<sup>SM</sup> is backed by strong internal controls including traces and coin identities.
3. The Company will be employing at least one major custodial bank to insure fund liquidity, and to spread exposure of risk faced by all users of fiat currencies.
4. The KYC/AML processes we follow are used by other banking institutions and some cryptocurrency exchanges. The bank(s) are aware of services we provide and how we offer a fixed bid of one dollar to maintain the coining interchange and wallets.
5. By leveraging the conditions of the Spera<sup>SM</sup> and the platforms we have chosen and designed, we reduce the centralization risk of two key responsibilities: the creation of coins for delivery, and the redemption of coins as desired by the holder. Other aspects of the system are decentralized to the extent possible using Blockchain technology, as appropriate and for smart contracts to enable transactions.

## BRIEF ANALYSIS OF BLOCKCHAIN AND CRYPTO SERVICES MARKETS



It's been almost 10 years since Bitcoin, as currency, was introduced and this is a strong indicator of its acceptance and desirability. Blockchain technologies, which are still being developed, are pushing innovation in many fields and are not confined to financial transactions.

### ETHEREUM BLOCKCHAIN EXPLAINED

(According to the Ethereum.org website)

Ethereum is a decentralized platform that runs smart contracts: applications that run exactly as programmed without any possibility of downtime, censorship, and fraud or third-party interference.

These apps run on a custom-built Blockchain, an extremely powerful shared global infrastructure that moves value around and represents the ownership of property.

This platform enables developers to create markets, store registries of debts/promises, move funds according to instructions given in the past (e.g. a will or futures contract), and other services not yet invented—without a middleman or counterparty risk.

The project was bootstrapped via an ether presale in August 2014 by fans all around the world. It is developed by the [Ethereum Foundation](#), a Swiss non-profit organization with contributions from great minds across the globe.

## Ethereum Charts



# Crypto Currency - Total Market Capitalization by Global Sales Chart

## Total Market Capitalization



**The rise of total capitalization as high as 6000% since 2013**

\*Charts images from <https://coinmarketcap.com/charts/>

# TRANSACTION FUNDAMENTALS

## The Move to Blockchain Technology

- New technologies are generating opportunities not viable in the SaaS model.
- Specifically, Blockchain technology has ushered in an era of decentralized architectures disrupting how people share, secure, and use data, and how they send and receive value over the Internet. Blockchain technology offers effective ways of running buy-sell transactions in public or private venues and back-office management through public and private peer-to-peer networks — with little compromise to the security and privacy of users and their data.
- On these networks, nodes use protocols such as proof-of-work (PoW) to execute processes and arrive at consensus on the status of applications [1]. The first application that was successful is the cryptocurrency bitcoin. Since bitcoin went live in 2009, developers have designed and created more Blockchain applications.
- Verifundr is additional to the growing list. Of the most interest are the smart contracts on the Ethereum Blockchain. These are agreements written in code that can be executed when pre-defined conditions are met [2]. It is through this application that Verifundr plans to develop its platform on top of Ethereum and use it as a virtual machine to execute operations. Verifundr will build its verification membership platform onto the Ethereum Blockchain. It will also create Speras<sup>SM</sup> on the Blockchain that will serve as in-app currency.

## The Advantages of Running Verifundr Application on Ethereum (ETH)

- First, the Blockchain provides improved security to Verifundr and other platforms through cryptography and by removing single points of failures. For any operation to be valid on this new architecture, it must be approved by thousands of independent computers in a peer-to-peer network through PoW protocol [3].
- Secondly, it provides the necessary tools to create digital tokens, Speras<sup>SM</sup>, that may be used as in-app currency for transactions related to digital products and financial services. As the tokens will be on the Blockchain, they may offer qualities traditional centralized payment methods such as credit cards lack. For instance, with the tokens, users can protect personal identifying data from becoming a security risk when transacting business.
- Thirdly, even when data is collected, it is not stored in centralized servers that can be hacked or compromised through single points of weaknesses. Also, the Speras<sup>SM</sup> will eventually support micropayments with the location of the sender and the receiver notwithstanding. This is especially important considering no one centralized payment method is available in all countries and their models can hardly support micropayments [4].
- Fourthly, through cryptography of private and public key, it is easier to create truly private networks on applications on a public Blockchain with accessibility offered through keys of issued tokens. We believe this feature will make Verifundr a unique service as it will enable users to have more control over who they invite to the private member networks they create on the platform. Members will not be relying on trusted third parties to secure their data.

- Fifthly, Verifundr's use of the Ethereum will be on two fronts: to design a verifying membership platform model to run on a peer-to-peer network and to create and facilitate the use of digital tokens members and their communities will use as in-app currency.
- Lastly, the move to Ethereum will enable the users of the platform to create private networks with access by Members only and/or invited guests. Access Control is determined by the Client. The verified member of a financial community is a significant untapped market opportunity. Verifundr has the possibility to create the largest member verified marketplace allowing members to use its verification with other institutions without need for resubmitting all personal details and easily move between varied platforms.

### **Acknowledgements**

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[4] Stanford University, "Micropayments: A Viable Business Model," [Online].

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<https://ipfs.io/ipfs/QmR7GSQM93Cx5eAg6a6yRzNde1FQv7uL6X1o4k7zrJa3LX/ipfs.draft3.pdf>.

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"What is SSL," [Online]. Available: <http://info.ssl.com/article.aspx?id=10241>.

### **The Ethereum Input**

With our applications running on Ethereum (ETH), Verifundr offers many features.

1. Private or Member-only site that is accessible through public-private key cryptography.
2. Allowing anyone to participate in transactions if they have Speras<sup>SM</sup>. Spending coins will deter spamming and reduce instances of non-user members.
3. It is Verifundr's intention to integrate the decentralized storage or hosting services through the IPFS protocol within six (6) months of funding.
4. We will create and share API functionality when permitted.

## **ENSURING THE TRANSACTION**

### Facilitating a Safe Sale and Transfer of Goods

- Trade is ensured with funds deposited by each of the participant-Members and purchases of Spera<sup>SM</sup> (Symbol: SRA<sup>SM</sup>).
- Trades are only made after full party-Member and source of funds verification.
- Trade is verified through vetted community membership.
- Audited and transparent disclosure of funds in trust.

## **RATING AND VERIFICATION SYSTEM**

### Rating and Verification of Community Members

- The Verifundr system will create a partially decentralized ecosystem with reliable participants facilitating transactions within a membership community.
- Improves competency and ease of transactions.
- Low fee for verification and membership benefits.
- Systematic and ongoing rating of members and levels achieved.
- When using the platform for transaction verification services multiple times, ratings help lower the transaction fees, thus encouraging Members to use the platform more often.
- Improves mutual confidence and trust among the parties bridging distance.

## **PROFIT FROM USING THE PLATFORM**

### Verifundr Member Fees Will Be Used to Keep Other Costs Low

#### **1. Member Transaction Charges**

A 0.25% charge, or minimum flat fee, is assessed without taking into account Member rating or length of membership and amount of escrow. Reductions in fees may be offered under specific circumstances and conditions.

Verifundr Services Flat Fee: USD \$10 for Members in good standing and for transactions under \$10,000.

#### **2. Subscription Fees**

A \$3.99 monthly fee or a \$33 annual fee is charged to Members' wallets for benefits and ongoing verification processes maintained by Verifundr based on a minimum target of 10,000 members.

## **SPERA<sup>SM</sup> Coin ISSUANCE CAMPAIGN TO BE HELD FOR 60 DAYS**

Issuance of new coins will be processed through Ethereum Smart Contract and the Tyr Trade, delivered by our private market coining interchange, a subsidiary of the Company. (See Roadmap)

Speras<sup>SM</sup> will be launched initially supporting the ten features listed below.

Speras<sup>SM</sup> have a distinct utility purpose for use in commercial transactions. They will be compatible with the ERC20 standard on the Ethereum Blockchain at a minimum. The code language will be Solidity.

Speras<sup>SM</sup> will have the following functionalities (in addition to standard ERC20 coin functionalities):

1. Ability to transfer coin directly using the transfer function
2. Ability to have a coin transferred through another smart contract or decentralized application
  - Supported via ERC 827 approveAndCall method
3. Ability to receive coin via transfer function
4. Ability to delegate a coin transfer to an external party in accordance with EIP 865
  - This allows for a wallet to hold only Speras<sup>SM</sup> coins, ie one can pay Ethereum gas costs with Speras<sup>SM</sup>
5. Ability to mint new coins via the mint function
  - Coins will be minted to match USD deposits 1:1
6. Ability to burn coins
  - Coins will be burned when a withdrawal is requested. The coin is burned, an event is emitted, and a USD transfer is made to the coin holder
7. Compatibility with any escrow smart contract that supports an ERC 20
8. Compatibility with second layer solutions designed to handle generic ERC 20 coins
9. Ability to atomically swap the coin on a decentralized exchange(“DEX”)
10. Ability to pause all contract functionality (e.g. transfers) in the event it is necessary to do so

Relevant references:

<https://github.com/OpenZeppelin/openzeppelin-solidity/blob/master/contracts/token/ERC20/StandardToken.sol>

<https://github.com/OpenZeppelin/openzeppelin-solidity/blob/master/contracts/token/ERC827/ERC827.sol>

<https://github.com/ethereum/EIPs/issues/865>

Sample Wallet: [www.MyEtherWallet.com](http://www.MyEtherWallet.com)

Spera<sup>SM</sup> coins will be released to initial members in this stage to beta test the completion of Verifundr's own native Blockchain customized wallets and related technologies. Speras<sup>SM</sup> as Ethereum based coins are programmable and highly customizable.

## **INCENTIVES FOR HOLDERS SERIES S CONVERTIBLE PREFERRED STOCK (SSCPS)**

Before the launch of Verifundr and issuance of Speras<sup>SM</sup>, SSCPS Holders may register to take advantage of the following incentives as Members:

- No sign-up fees
- First year-no membership fees
- One escrow transaction per quarter under \$10000 with no service fee for first year
- Conversion up to US\$1,000,000 to Spera<sup>SM</sup> with no interchange fees for first year

## FUTURE CONSIDERATION AND COIN DEVELOPMENT

The Coin Issuer and its developers recognize that know-how and market dominance changes over time and while future technology advances cannot be determined at this moment, we are certain that clever persons are determined to disrupt existing technology and will continue changing the way we live. The Coin Issuer always retains its right to make changes or to replace the platform and technology it has embraced today. Further, should another fiat currency or basket of fiat currencies be deemed superior to the U.S. dollar for a Spera<sup>SM</sup> to dollar swap or fiat valuations change, only then an official move may be made to protect Members and its business operations. In the event that another chain takes superiority over Ethereum and such chain supports the atomic swap functionality, the Coin Issuer reserves the right to issue on the new chain and allow for old tokens to be swapped via an atomic swap.

## 4.0 ROADMAP

<u>Action</u>	<u>Date</u>
1. Concept Whitepaper Circulation	May 14
2. Legal Review Complete	May 18
3. Advisor Review and Comments	May 19
4. Circulate Draft Copy Offering	May 25
5. Feedback Review	May 31
6. PR Campaign Budget and Plan Set	June 25
7. Technology Development Spera Start	July 15
8. Spera Technology Audit	September 30
9. Spera (SRA) Sales begin	October 30
10. Verifundr / Tyrtrade Beta Platform Launch	<u>October 30</u>
11. Time to Market Ad Campaign	September <u>30</u>
12. Full Technology Beta Launch and Support	<u>November 25</u>
13. Begin Delivering message at Tech Conference	Oct – Feb
14. Attend Davos / Advertorial Campaign	January

## THE TEAM AND ADVISORS

### Senior Management

**Glenda Dowie** is the founder of the Company and has been its President, Chief Executive Officer since inception. For the past fifteen years, she has focused her energy and talents on stock trading indicators and platforms, refining her methodology for active trading and developing formulas that capture and display a stock entry price driven by market momentum. She has worked as a full-time equities trader and trained others on varied trading systems including her own under the brand TraderZone.

She was the President and Portfolio Manager for the stock trading site TraderZone.com and its affiliated newsletter, the Buy Zone Review. It's inspired stock picking technology that suited persons who held a longer term view on investing. During previous years, Ms. Dowie worked for the company that she owned: The TraderZone Corporation. At that time, Ms. Dowie also shared her experience through published articles on Investopedia (division of Forbes) as well as published a book entitled "6 Steps to Buying a Winning Stock". It offers a slightly different trading approach currently available to buy through Apple iTunes. Prior to trading, she worked in the finance arenas of real estate including holding both commercial realtor and mortgage broker licenses. She attended both the University of Alberta and the Mount Royal University completing design accreditation which immersed her in the publishing world for a time. View one of her articles here:

<http://www.investopedia.com/articles/trading/08/macd-stochastic-double-cross.asp#axzz1brplwNww>

**Joseph (Jim) Gagnon** has been Secretary, Chief Technology Officer and a Director of the Company since inception. From 1997 to 2011, Mr. Gagnon was the owner of JJG Consulting overseeing computer software development and providing consulting services to a wide range of clients. For over forty years through large projects and small, Mr. Gagnon has striven to use computing to knock down cognitive and social barriers keeping people from realizing their full potential.

Mr. Gagnon co-founded Abacus Concepts in 1984. With two MacUser Eddies, six MacWorld World Class awards and a 60% market share worldwide, Abacus was a leader of Macintosh Statistical Analysis and a significant player in the Win32 world. Mr. Gagnon served as its Chief Technology Officer and on the Board of Directors until it was sold in 1997. His technical responsibilities were the user interface design, software architecture and implementation of the StatView product line. Mr. Gagnon left Abacus when the business was acquired by SAS Institute. Attending the University of Wisconsin, Madison--he obtained a BS in Computer Science in 1981. Mr. Gagnon has been enthralled with computers from a very young age and began programming when he was fourteen. He is excited to take on the challenge of Blockchain and platforms the Company is producing.

**Carl Hussey** has been Treasurer, Chief Financial Officer and a Director of the Company since inception. From January 2006 to the present Mr. Hussey has been the Owner of CH Strategic Management Group, providing management consulting to senior management and their boards in a broad range of companies. He provides financial services and oversight to assist APT Systems Inc. in preparation of the financial statements for the required quarterly submissions to SEC.

From June 2004 to August 2005, Mr. Hussey was the Chief Logistics Officer UNDOF for the United Nations situated on the Israel, Lebanon and Syria borders in support of military and

civilian personnel maintaining peace in the disputed area of separation between the countries. From July 1999 to June 2004, Carl was the Comptroller for the Canadian Air Division of the Canadian Forces managing and overseeing billion dollar operational budgets for the day to day operations of the Canadian Air Force. During his tenure as comptroller he oversaw the institution and completion of activity based accounting to better maximize resources and accurately cost the mandated activities. Prior to this position, he headed the Review and Audit Services within the Corporate Services Directorate of 1 Canadian Air Division. In 2004 Mr. Hussey was inducted as an Officer in the Order of Military for his professionalism and his contributions to the community at large. Over the course his career Mr. Hussey has been on the boards of both for profit and non-profit organizations; as well as effecting pro bono work for community organizations by incorporating a Code of Ethics within their organizations. Mr. Hussey attended the University of New Brunswick and achieved his degree in Business Administration with a double major in Finance and Accounting. He has completed post graduate studies in International Finance.

## Legal Advisor

**William Uchimoto** is our strategic legal counsel. He is a creative and innovative lawyer who has worn multiple legal hats during his 37 year career in the securities industry. He started as an SEC federal regulatory attorney in Washington, DC, became the youngest General Counsel of the Philadelphia Stock Exchange, was General Counsel for a public technology company innovating cutting edge financial services subsidiaries, and chaired the Securities Regulation practices at three prominent law firms. Bill is credited with pioneering Cash Index Participations (CIPs), which were predecessors to exchange traded funds (ETFs). He marshaled through the SEC approval process the first broker-dealer sponsored stock index option based on the KBW Bank Index, which continues to be a nationally recognized benchmark.

In 1999, he developed the white paper for the Box Options Exchange that Mr. Uchimoto termed as "BOX," an idea even before the launch of ISE, which became the first U.S. electronic options exchange. Since 1988 he has been on the faculty of Georgetown's International Law Institute, lecturing every year on Capital Market hot issues. Bill received his J.D. from the University of California, Hastings College of Law, and received his B.A. in Economics from the University of California at Davis. He also received a certificate from the University of Pennsylvania's Wharton/Securities Industry Institute. Mr. Uchimoto (Bill) is certified to practice law in Pennsylvania and California.

## Technical Advisors

**Elliot Shohet** is the Company's Blockchain advisor. He is passionate about all things blockchain and has been programming since the age of twelve. Entering the blockchain field in 2013, Mr. Shohet began playing with bitcoin technology and has been developing Ethereum smart contracts since January 2017. These smart contracts have collectively and successfully handled and managed hundreds of millions of dollars.  
<http://elliotshohet.com/#home>

## Infrastructure and Platform Development

**DIFITEK Engagement** - We plan to utilize best-in-class finance technology in all areas including the Difitek API, which provides a powerful modular API-first finance platform for online finance and integrated finance applications. All user facing applications, functions and Blockchain related features will communicate through a single API layer, ensuring interoperability over time, and potential new features or platform integrations, together with our Intelligent Connectivity Layer to create and support smart automated workflows.

**MLG Blockchain** is a global development and consulting firm headquartered in Toronto and New York City with a distributed team across 9 countries representing all continents. MLG is focused on disruptive next-generation applications using Blockchain and Smart Contract technology helping to pioneer Blockchain applications entering the mainstream markets globally. MLG is supporting the Verifundr project and Spera coin development with its understanding of the Blockchain and the likely impact of this stable coin opportunity, having executed many global go-to-market strategies which helped clients raise over \$100M to date.

## Design Development

**Felice Della Gatta** is an independent brand identity designer and Founder of recently launched *A nimble co.* This Italian branding consultancy is helping businesses to provide a more meaningful visual interaction with their audiences. Being a go to resource for start-ups as well as established companies, Felice builds and manages multidisciplinary teams to tackle business challenges with strategy-led visual solutions for a memorable logo, brand and user interface.

## REPRESENTATIONS

Each Recipient (SSCPS Offeree and/or potential platform member) hereof acknowledges and agrees that the (i) contents of this White Paper constitute proprietary and confidential information, (ii) the Company, Verifundr brand and its affiliates derive independent economic value from such confidential information not being generally known, and (iii) such confidential information is the subject of reasonable efforts to maintain its secrecy. The Recipient further agrees that the Risk Factors each Recipient hereof acknowledges and agrees that (i) the contents of this White Paper constitute proprietary and confidential information, (ii) Verifundr and its affiliates derive independent economic value from such confidential information not being generally known, and (iii) such confidential information is the subject of reasonable efforts to maintain its secrecy.

The Recipient further agrees that the contents of this White Paper are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Company. Any reproduction or distribution of this White Paper, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, is prohibited. Each person who has received this White Paper is deemed to agree to return this White Paper to the Company upon request. The existence and nature of all conversations regarding the Company and this offering must be kept confidential. A prospective purchase of Speras<sup>SM</sup> set forth in this White Paper, and any such statements, if made, must not be relied upon. This White Paper does not constitute an offer to sell, or a solicitation of an offer to buy, an interest in the Company.

Purchase of Speras<sup>SM</sup> is denominated in U.S. dollars and members may tender U.S. dollars only to interchange for Speras<sup>SM</sup>. As such, other currencies are subject to any fluctuation in the published rate of exchange to the U.S. dollar. Such fluctuations may have an adverse effect on the price some members have to pay.

The Risk Factors include: • There are custodial risks of holdings dollars in trust for members who receive Credits and in turn Spera<sup>SM</sup>, which have been previously disclosed herein • No assurances there will be sufficient commercial or ecommerce opportunities on Speras' Ethereum Partner sites to use Speras<sup>SM</sup> • No assurances there will be sufficient Ethereum Partner sites for Speras' concepts as identified in the White Paper to be viable on other public exchanges • No assurances that the Ethereum public marketplace remain open for trade • There are potential regulatory and tax risks associated with an investment in the Speras<sup>SM</sup>.

Verifundr has entered into an Escrow Agreement whereby its Attorney will have access to the Company's software code. Certain purchasers of the Speras<sup>SM</sup> as defined in the White Paper will have access to the software code in the event Verifundr does not complete development to integrate its current platform into the Ethereum platform. While SRA<sup>SM</sup> has existing supporters, the Company and its affiliates cannot make any representation as to the value of the software code and/or usability of the software of the Ethereum platform. Verifundr cannot provide assurance that an independent market for its Speras<sup>SM</sup> shall continue to exist.

Further Risks associated with Coins and Verifundr's Ethereum Integration. The Network may not be widely adopted and may have limited users. Alternative networks may be established that compete with or are more widely used than the Ethereum Network. The open-source structure of the Ethereum Network protocol means that the Ethereum Network may be susceptible to developments by users or contributors could damage the Ethereum Network and Verifundr's reputation and could affect the utilization of the its Speras<sup>SM</sup>. The Ethereum Network may be the target of malicious cyberattacks or may contain exploitable flaws in its underlying code, which may result in security breaches and loss or theft of Speras<sup>SM</sup> in third party wallets.

Risks related to Blockchain technologies and digital assets. The regulatory regime governing the Blockchain technologies, cryptocurrencies, stable coins and coin offerings such as Ethereum Network and coins is uncertain, and new regulations or policies may materially adversely affect the development of the Ethereum Network, the utility of the Speras<sup>SM</sup> and the value of the same. Regulation of coins (including Ethereum) and offerings such as this, cryptocurrencies, Blockchain technologies, and cryptocurrency exchanges currently is undeveloped and likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future, adopt laws, regulations, guidance, or other actions, which may severely impact the development and growth of the Ethereum Network and the adoption and utility of tokens and cryptocurrencies.

Risk related to Compliance and Regulations. Failure by the Company, or the Ethereum Network to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines. Blockchain networks also face an uncertain regulatory landscape in many foreign jurisdictions such as the European Union, China and Russia. Various other foreign jurisdictions may, soon, adopt laws, regulations or directives that affect the Ethereum Network. The effect of any future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the Ethereum Network and the adoption and utility of Speras<sup>SM</sup>. New or changing laws and regulations or interpretations of existing laws and regulations, in the United States and other jurisdictions, may materially and adversely impact the chosen value of the currency in which the Speras<sup>SM</sup> may be interchanged, the value of the distributions that may be made by the Ethereum Foundation, the liquidity of the Speras<sup>SM</sup>, the ability to access marketplaces or external exchanges on which to trade and interchange the Speras<sup>SM</sup>, and the structure, rights and transferability of same.

Verifundr will offer Speras<sup>SM</sup> that have a specific verification and B2B use as defined in the White Paper. Due to the nature of Verifundr's software and Spera<sup>SM</sup> properties, we do not think it should be considered a "security" as that term is defined in the Act.

WHILE THE COMPANY IS NOT OFFERING SECURITIES FOR SALE, IT IS CREATING SPERAS<sup>SM</sup> FOR ISSUANCE TO BE USED AS A MEDIUM OF EXCHANGE FOR SERVICES AND PRODUCTS FOR WHICH IDENTITY AND SOURCE OF FUNDS VERIFICATION RIGHTS ARE EMBEDDED IN THE CRYPTOCURRENCY. THE COMPANY IS DISCLOSING THE FOLLOWING RISK FACTORS FOR SPECIFIC CONSIDERATION BY THE OFFEREEES OF THE COMPANY'S SSCPS.

The discussions and information in this White Paper may contain both historical and forward looking statements. To the extent that the White Paper contains forward-looking statements regarding the financial condition, operating results, business prospects, or any other aspect of our business, please be advised that our actual financial condition, operating results, and business performance may differ materially from that projected or estimated by us in forward-looking statements. We have attempted to identify, in context, certain details of the factors we currently believe may cause actual future experiences and results to differ from our current expectations. The differences may be caused by a variety of factors, including but not limited to: adverse economic conditions, lack of market acceptance of our products, unrecoverable losses from theft, intense competition, including entry of new competitors, falling demand for our products and coins, adverse federal, state, and local government regulation, reduction of consumer demand, unexpected costs and operating deficits, lower sales and revenues than forecast, default on leases or other indebtedness, loss of suppliers, loss of supply, loss of distribution and service contracts, price increases for capital, supplies and materials, inadequate capital, inability to further raise capital or financings, failure to obtain customers, loss of customers and failure to obtain new customers, the risk of litigation and administrative proceedings involving us or our employees, loss of government licenses and permits or failure to obtain them, higher than anticipated labor costs, the possible acquisition of new businesses or products that result in operating losses or that do not perform as anticipated, resulting in unanticipated losses, the possible fluctuation and volatility of our operating results and financial condition, adverse publicity and news coverage, inability to carry out marketing and sales plans, loss of key executives, changes in interest rates, inflationary factors, the global market acceptance of the United States dollar, staff or bank staff could abscond with reserve or escrow funds, banking partners might become insolvent, any of the partnering banks could freeze or confiscate funds on deposit, risks of a centralized management with decentralized asset goals and other specific risks, that may be alluded to in this White Paper or in other reports issued by us or third party publishers.

Risks Related to Business Operations. We have a limited operating history, which makes it difficult to accurately evaluate our business prospects. Our limited operating history makes it difficult to evaluate our business and prospects. We were originally and formally started in September of 2017 and have operated for less than one year. As a result, we have only limited historical financial data upon which to predict our future operating results. In addition, the business of providing proposed services to the escrow industry is relatively new and unproven. Investors must consider our business and prospects considering the risks and uncertainties that we will continue to encounter as a Company with an unproven business model. These risks and uncertainties include those risks disclosed throughout this Representation section. Any failure to address these risks and uncertainties successfully would seriously harm our business and

prospects. We have a limited operating history and have yet to earn a profit because we have earned relatively little revenue, which makes it difficult to accurately evaluate our business prospects. Verifundr is a brand and operating name for the affiliate company, RCPS Management, Inc., formed under the laws of Colorado on September 1, 2017. RCPS Management, Inc of Colorado is wholly owned by the Company. Verifundr provides escrow, payment systems and identity verification of members consisting of business entities, individuals, governments, non-profit organizations, clubs, schools, and other entities that offer and/or wish to comply with standard AML and Know Your Customer practices and regulations as part of entering into sales and service transactions. We incurred a net cumulative loss of approximately \$ (1,508,822) for fiscal year ending January 31, 2018. We have had cumulative net losses since our inception. Currently our liabilities exceed our assets (See Company Form 10-K filing).

We believe that we may continue to incur operating and net losses. If we are to ever achieve consistent profitability it will be dependent upon growth in our sales, and the successful development, commercial introduction, and acceptance of our products, which may not occur. Because we will incur the costs and expenses from these efforts before we receive any incremental revenues with respect thereto, our losses in future periods will be significantly greater than the losses we would incur if we developed our business more slowly. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in increases in our revenues, which would further increase our losses.

Customer complaints regarding our services could hurt our business. From time to time, we may receive complaints from customers regarding the quality of services purchased from us. In the past, we have not received such complaints. However, that is no guarantee that we will not experience complaints regarding our services. Any resulting litigation could be costly for us, divert management attention, and could result in increased costs of doing business, or otherwise have a material adverse effect on our business, results of operations, and financial condition. Any negative publicity generated because of customer frustration with our products or services, or with our websites, could damage our reputation and diminish the value of our brand name, which could have a material adverse effect on our business, results of operations, and financial condition. We have an unproven business model, which may make it difficult for you to evaluate our business and prospects.

We will derive our revenue primarily from simplified escrow and verification services, both individual consumers and businesses, inside and eventually, outside of the United States. Our business strategy may be unsuccessful. Our business and prospects are difficult to evaluate and must be considered in light of the risks and uncertainties often experienced by companies in the early stages of development. Some of these risks and uncertainties relate to our ability to do the following: ● maintain and strengthen our relationships with customers; ● augment and improve marketing channels to attract customers to use our products and services; ● improve our operational, financial and management controls and reporting systems and procedures; ● identify gaps in our industry that can be exploited; ● respond effectively to competition; ● increase profit margins; and ● respond to government regulations relating to our industry and other aspects of our business. If we are unable to do any of these successfully, our business and operations could be materially adversely affected.

The financial community may not widely adopt application services such as ours to manage important aspects of their businesses, which would cause our revenues to decline. If demand for and market acceptance of services for the escrow and verification industry does not grow, our ability to grow our business will be adversely affected. A market for services such as ours may not continue to develop and grow. Companies and individuals may be reluctant to adopt a new approach like ours to supplement or replace their existing systems or methods. In addition, concerns about fraud, privacy, security, reliability and other issues may cause companies and individuals not to adopt our services for managing important aspects of their business, including escrow and or verification. If companies and individuals do not widely adopt our products and services, this will materially and adversely affect our business, operating results, financial condition and prospects. Our businesses could be negatively affected by changes in Internet search engine algorithms and dynamics, or search engine disintermediation. Search engines, including Google, frequently update and change the logic that determines the placement and display of results of a user's search, such that the purchased or algorithmic placement of links to our websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing our websites to place lower in search query results. If a major search engine changes its algorithms in a manner that negatively affects the search engine ranking of our websites or those of our partners, or if competitive dynamics impact the cost or effectiveness of SEO or SEM in a negative manner, our business and financial performance would be adversely affected, potentially to a material extent. Furthermore, our failure to successfully manage our SEO and SEM strategies could result in a substantial decrease in traffic to our websites, as well as increased costs if we were to replace free traffic with paid traffic. If we are unable to continue to increase visitors to our website and to cost-effectively convert these visitors into repeat users or contributors, our revenue could decline.

There can be no assurances that we will continue to maintain our products and services in a cost-effective manner or in a manner that meets rapidly changing consumer demand. Any failure to maintain and manage products and services, in a manner that will engage users, or a failure to provide products and services that are perceived as useful, reliable and trustworthy. There is no assurance that any of our research and development activities will result in any further proprietary technology. As discussed, we plan to continue to develop new proprietary services for escrow and verification industry. The development efforts for these services may fail to result in any commercial technology, products or services, or any proprietary or patentable technology. The technology may not work, competitors may develop and sell superior services performing the same function, or industry participants may not accept or desire those services. We may not be able to protect our proprietary rights, if any, from infringement or theft by third parties. We may have inadequate capital to successfully execute this aspect of our business plan. Additional Financing may not be available. We cannot assure that we will earn net profits. There is no assurance that we will receive funding in the future. We cannot assure that we will be able to raise capital, or that we will have sufficient capital to fund our business operations. We cannot assure that we could obtain additional financing or capital from any source, or that such financing or capital would be available to us on terms acceptable to us.

We may not be able to successfully compete against companies with substantially greater resources. Some of our competitors are much larger companies than us and better capitalized. They could choose to use their greater resources to finance their continued participation and penetration of this market, which may hamper our ability to generate sufficient revenue to cover our costs. Their better financial resources could allow them to significantly out spend us on research and development, as well as marketing and production. We might not be able to maintain our ability to compete in this circumstance. There can be no assurance that the Company's products or services, existing or to be developed, will be more effective, innovative, or achieve greater market acceptance than competitive products or services, or that our competitors will not succeed in developing products, services and technologies that are more effective than those owned by or being used by us or that would render our products, services and technologies less competitive or obsolete.

Our business is and may be further subject to various government regulations. The impact of current laws and regulations, the effect of future changes in laws or regulations that impose additional requirements and the consequences of litigation relating to current or future laws and regulations, or an insufficient or ineffective response to significant regulatory or public policy issues, could increase our cost structure, operational efficiencies and talent availability, and therefore have an adverse effect on our results of operations. Failure to comply (whether actual or perceived) with the laws and regulatory requirements of federal, state and local authorities could result in, among other things, negative publicity, revocation of required licenses, administrative enforcement actions, fines, and civil and criminal liability. Compliance with these laws and regulations and any changes thereto can be costly and can increase our exposure to litigation or governmental investigations or proceedings. We are also subject to government laws and regulations governing health, safety, working conditions, employee relations, wrongful termination, wages, taxes and other matters applicable to businesses in general. We are not currently subject to direct federal, state or local regulation, or laws or regulations applicable to access to or commerce on the Internet, other than regulations applicable to businesses generally. It is possible that a number of laws and regulations may be adopted with respect to the Internet or other online services covering issues such as user privacy, freedom of expression, pricing, content and quality of products and services, taxation, advertising, intellectual property rights and information security. In addition, applicability to the Internet of existing laws governing issues such as property ownership, copyrights and other intellectual property issues, taxation, libel, obscenity and personal privacy is uncertain. The vast majorities of such laws were adopted prior to the advent of the Internet and, as a result, do not contemplate or address the unique issues of the Internet and related technologies. We cannot assure that any state will not attempt to impose additional regulations upon us in the future or that such imposition will not have a material adverse effect on our business, results of operations, and financial condition. Several states have also proposed legislation that would limit the uses of personal user information gathered online or require online services to establish privacy policies. Changes to existing laws or the passage of new laws intended to address these issues, including some recently proposed changes, could create uncertainty in the marketplace that could reduce demand for our services or increase the cost of doing business as a result of litigation costs or increased service delivery costs, or could in some other manner have a material adverse effect on our business, results of operations, and financial condition.

In addition, because our services are expected to be accessible worldwide, and we expect to eventually facilitate sales of services to users worldwide, other jurisdictions may claim that we are required to qualify to do business as a foreign corporation in a particular state or foreign country. We are qualified to do business in one state in the United States, and our failure to qualify as a foreign corporation in a jurisdiction where it is required to do so could subject us to taxes and penalties for the failure to qualify, and could result in our inability to enforce contracts in such jurisdictions. Any such new legislation or regulation, or the application of laws or regulations from jurisdictions whose laws do not currently apply to our business, could have a material adverse effect on our business, results of operations, and financial condition. We cannot assure that we will earn a profit or that our services will be accepted by consumers. Our operating performance will be heavily dependent on whether or not we are able to earn a profit on the sale of our services. We cannot assure that we will be successful or earn any revenue or profit, or that investors will not lose their entire investment. We may not have adequate capital to fund our business. We will have limited capital available to us, to the extent that we raise capital from this offering. If our entire original capital is fully expended and additional costs cannot be funded from borrowings or capital from other sources, then our financial condition, results of operations, and business performance would be materially adversely affected. We cannot assure that we will have adequate capital to conduct our business.

We may incur uninsured losses. Although we may maintain modest theft, casualty, liability, and property insurance coverage, along with workmen's compensation and related insurance; we cannot assure that we will not incur uninsured liabilities and losses as a result of the conduct of our business. Should uninsured losses occur, the holders of our common stock or preferred shares could lose their invested capital. Like most purveyors of commercial services, and companies that raise capital, we will be subject to potential litigation. As a purveyor of commercial services, and a company that raises capital, we will be exposed to the risk of litigation for a variety of reasons, including employee lawsuits, commercial contract disputes, government enforcement actions, shareholder and investor lawsuits, and other legal proceedings. We cannot assure that future litigation in which we may become involved will not have a material adverse effect on our financial condition, operating results, business performance, and business reputation. We cannot assure that we will have the resources to repay all our liabilities in the future. We have liabilities and may in the future have other liabilities to affiliated or unaffiliated lenders. These liabilities represent fixed costs, which are required to be paid regardless of the level of business or profitability experienced by us. We cannot assure that we will not incur debt in the future, that we will have sufficient funds to repay our indebtedness or that we will not default on our debt, jeopardizing our business viability.

Furthermore, we may not be able to borrow or raise additional capital in the future to meet our needs or to otherwise provide the capital necessary to conduct our business. We may utilize purchase order financing from third party lenders when we are supplying or distributing goods, which would increase our costs and the risks that we may incur a default, which would harm our business reputation and financial condition. We cannot assure that we will be able to pay all our liabilities, or that we will not experience a default on our indebtedness. We may incur cost overruns in the development, production and distribution of our various products. Management is not obligated to contribute capital to us. Unanticipated costs may force us to obtain

additional capital or financing from other sources, or may cause us to lose our entire investment in us if we are unable to obtain the additional funds necessary to implement our business plan. We cannot assure that we will be able to obtain sufficient capital to successfully continue to implement our business plan. If a greater investment is required in the business because of cost overruns, the probability of earning a profit or a return of the shareholders' investment in us is diminished. If we are unable to pay for material and services timely, we could be subject to liens. If we fail to pay for materials and services for our business on a timely basis, our assets could be subject to liens. We may also be subject to bank liens in the event that we default on loans from banks, if any. Directors and officers have limited liability. Our bylaws provide that we will indemnify and hold harmless our officers and directors against claims arising from our activities, to the maximum extent permitted by Colorado and Delaware law. If we were called upon to perform under our indemnification agreement, then the portion of our assets expended for such purpose would reduce the amount otherwise available for our business.

If we were to lose the services of our key personnel and business partners, we may not be able to execute our business strategy. Our success is substantially dependent on the performance of our executive officers and key employees. The loss of any of our officers or directors would have a material adverse impact on us. We will generally be dependent upon our CEO and 3<sup>rd</sup> party providers for the direction, management and daily supervision of our operations. See "THE TEAM." If we are unable to hire, retain or motivate qualified personnel, consultants, independent contractors, and advisors, we may not be able to grow effectively. Our performance will be largely dependent on the talents and efforts of highly skilled individuals. Our future success depends on our continuing ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization. Competition for such qualified employees is intense. If we fail in attracting excellent personnel or in retaining or motivating them, we may be unable to grow effectively. In addition, our future success will depend in large part on our ability to retain key consultants and advisors. We cannot assure that any skilled individuals will agree to become an employee, consultant, or independent contractor of Verifundr. Our inability to retain their services could negatively impact our business and our ability to execute our business strategy. The consideration being paid to our management was not based on arm's length negotiation. The coins, common and preferred stock, and cash consideration paid or being paid by us to our management has not been determined based on arm's length negotiation. While management believes that the consideration is fair for the work being performed, we cannot assure that the consideration to management reflects the true market value of its services.

Our bylaws may be amended by our board and our articles and bylaws may be amended by a majority vote of our shareholders. Under Delaware Corporations Law, a corporation's articles of incorporation may be amended by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote, and a majority of the outstanding shares of each class entitled to vote as a class, unless the certificate requires the vote of a larger percentage of shares. Our Articles of Incorporation, as amended, do not require the vote of a larger percentage of shares. As permitted under the Delaware Corporations Law, our bylaws give our board of directors the power to adopt, amend, or repeal our bylaws. Our shareholders entitled to vote have concurrent power to adopt, amend, or repeal our bylaws.

**Contents of this White Paper are a trade secret, the disclosure of which is likely to cause substantial and irreparable competitive harm to the Company and Verifundr project.** Any reproduction or distribution of this White Paper, in whole or in part, or the disclosure of its contents, without the prior written consent of the Company, is prohibited. Each person who has received this White Paper is deemed to agree to return this White Paper to the Company upon request. The existence and nature of all conversations regarding the Company and this offering must be kept confidential. A prospective purchase of involves a high degree of risk, volatility and illiquidity. A prospective purchaser should thoroughly review confidential information contained herein and the terms of the subscription agreement, and carefully consider whether the purchase of the SSCPS is suitable per the individuals' financial situation and goals. No person has been authorized to make any statement concerning the Company or the offer/sale of the SSCPS discussed herein other than as set forth in this White Paper, and any such statements, if made, must not be relied upon.

**NOTE: OTHER THAN ITS SSCPS, THE COMPANY IS NOT OFFERING SECURITIES FOR SALE; IT IS CREATING SPERA<sup>SM</sup> COINS FOR ISSUANCE TO BE USED AS A CRYPTOCURRENCY MECHANISM IN LIEU OF FIAT DOLLARS FOR SERVICES AND PRODUCTS AMONG MEMBERS VETTED BY VERIFUNDR.**

**NOTE: APT Systems Inc. (APTY) is fully SEC reporting and publicly trading.**

**Further Disclosed:** That it is a unique cryptocurrency risk for investors in that it carries counterparty risk - in other words, the possibility one party to a contract may not fulfill its end of the bargain. In this case, the "obligation" is redeeming Speras<sup>SM</sup> for dollars when requested. The risk of a third party failing is somewhat mitigated in that Spera<sup>SM</sup> trust accounts are audited and authorized by compliant financial institutions, and regulated by the US authorities.

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**Facebook:** **TBD**

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