Stably™

**Transparent Reserve-Backed Stablecoins
For Multiple Blockchain Protocols**
Whitepaper v7
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Abstract: StableUSD is a reserve-backed stablecoin that is designed to work across multiple blockchain protocols which will initially include Ethereum and Stellar. StableUSD will utilize a proven centralized model to fully back every token issued with an equivalent unit of real currency (e.g. Canadian or US dollar) in a transparent reserve managed by Stably, Inc., the central issuer of StableUSD tokens. In addition to regular third-party audits, token issuance/redemption transactions are recorded on-chain and all off-chain transactions as well as reserve balances will be broadcasted to the public at frequent intervals. The existence of a physical and transparent reserve will effectively peg the market value of StableUSD to real currency at near 1-to-1 parity.

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1 Disclaimers

If you read the following whitepaper, you are agreeing to have read and agreed to the following disclaimers: The below whitepaper is a document intended to convey general information only to legal residents of Canada. This whitepaper does not constitute legally binding disclosure as to StableUSD tokens. Stably intends to sell and purchase its tokens pursuant to terms of use only to KYC/AML/Sanction List-screened individuals in compliance with applicable laws. StableUSD tokens shall not be sold to or purchased from persons residing or located in Iran, Iraq, Libya, Burma (Myanmar), Liberia, Sudan, Syria, Zimbabwe, Rwanda, Cote D'Ivoire, Congo, Somalia, Angola, Ethiopia, Yemen or North Korea and certain other jurisdictions. Neither Stably nor this whitepaper should be considered to be providing legal, investment or tax advice. You should not treat any information in the below whitepaper as an official recommendation to make any particular decision regarding Stably as defined in this whitepaper relating to usage, legal matters, investments, taxes, cryptocurrency mining, cryptocurrency exchanges and digital wallets, etc. We strongly suggest seeking advice from your own financial, investment, tax, and/or legal advisers. Neither Stably nor any of its shareholders, investors, partners, advisors, employees, contractors, consultants, agents and affiliates will accept responsibility for any loss, damage or inconvenience that is a result of relying on information published in this whitepaper or from www.stably.io.

2 Background: Decentralized Applications are here to Stay

The need for stablecoins on the blockchain is premised upon the sustainable value of cryptocurrency and decentralized applications (DApps), with a time-horizon that goes beyond the current speculative hype. Since there has been some confusion in the media, let us first define decentralized applications as distributed software in which multiple untrusting parties can achieve consensus on the state of the system without the need of any trusted centralized. Furthermore, let us define cryptocurrencies as digital assets that enable decentralized applications through incentivization. The Bitcoin protocol can be viewed as the first decentralized application to solve a previously unsolved problem; creating a payment network in which nobody can stop an individual from spending their own money. Bitcoin is the cryptocurrency that enables this application. The unique advantage of decentralized applications is censorship-resistance of transactions.

This new breakthrough in censorship-resistant software has caused much excitement amongst investors, entrepreneurs and developers alike. Some of this excitement is noise, and some is signal. For the first time in the history of civilization, society seems to have a solution for civic autonomy for the individual. While the appeal of this may seem tenuous to those who have lived

comfortably in developed countries, the potential of decentralized applications for the majority of the world's population who deal with unpredictable governance, censorship, economic mismanagement and monopolistic corporations is immense. It is yet to be seen if blockchain infrastructure and its current blueprints will achieve this ideal. For the team at Stably, answering this question is less important than recognizing decentralization as an unstoppable technological and economic movement. Furthermore, as we will explain in the next section, stable-value currencies on the blockchain are an essential tool required for this ecosystem to become minimally functional.

3 Why We Need Stablecoins

Money is arguably the most successful story mankind has ever told. We give it to strangers in exchange for goods and services. This allows us to transfer value to them even if they don't know us. When strangers give us money we can be convinced to do things we otherwise may not want to do because we believe that this money will be useful to us in the future and that others will accept it for something that adds value to our lives. This captures two important criteria of money, the ability to use it as a medium of exchange, and its ability to be a store of value over time. In the modern financial world, government issued currencies often play this role well, serving as a medium of exchange and store of value for people around the world.

In order for a cryptocurrency to serve as a medium of exchange, it must fulfill certain criteria. First, there must be counterparties willing to accept it as payment. To serve as a medium of exchange, the participants in the exchange must give it value. Second, it must have fungibility so that any two identical units will have the same value. Without fungibility, we would have instead a barter system. Third, its value must not rapidly appreciate. With holders expecting to have significantly more purchasing power in the future they are incentivized to hold onto their currency rather than use it for exchange.

Similarly, for a cryptocurrency to serve as a stable store of value, it must also fulfill certain criteria. First, its value must not rapidly depreciate. If holders cannot expect their value to stay relatively constant then they will need to find another asset to serve as a stable store of value. Second, the holders of the cryptocurrency must be confident that there will be accessible counterparties who are willing to accept it at a future point in time. Without counterparties, there is no ability to unlock the value when it is needed.

3.1 An Immediate Need for Stablecoins

The blockchain ecosystem is still in its infancy but we are already seeing immediate demand for a price-stable cryptocurrency. Tether (USDT) is a cryptocurrency that is pegged to the US Dollar via a centralized model

administered by Tether Limited, a company based out of Hong Kong. In Tether's model, every USDT that is "minted" into existence must be backed by exactly $1.00 in reserve. USDT holders can then choose to either redeem USD directly from Tether Limited or exchange their USDT for USD in the open market. Another option, also, is to exchange USDT for other cryptocurrencies and then exchange those cryptocurrencies for USD.

Since its inception in 2015, Tether's total market capitalization has grown from less than $500,000 to more than $2.2-billion today, an increase of more than 440,000% in just two and a half years. As a result, Tether has managed to become the de-facto stablecoin as it now possesses a monopolistic market share of over 99% (based on either market capitalization or trading volume). USDT currently enjoys massive trading volumes across most major cryptocurrency exchanges with total 24-hour volume surpassing $2.3-billion, placing it in 4th place globally right behind Bitcoin, Ripple and Ethereum. The popularity of USDT can mainly be attributed to the fact that it was the only available stablecoin on the market in the past few years that had not only sufficient liquidity but also actual reserve backing. Simply put, there just wasn't any other good alternative besides USDT for those who needed a stablecoin. In later sections of this paper, we will examine Tether and other stablecoin attempts in the last five years with more depth in order to understand how the stablecoin market arrived at its current state today.

Although it has its own fair share of problems that we will later discuss, the rise of Tether has undoubtedly demonstrated the current growing demand for a non-volatile cryptocurrency to act as a stable medium of exchange for traders and investors who would otherwise have no ways to de-risk themselves from cryptocurrency volatility other than converting back to a stable fiat currency like the USD.

3.2 Stablecoins are Crucial to the Future of the Decentralized Economy

The blockchain economy needs a stable store of value and medium of exchange in order to scale beyond its current speculative state. Imagine conducting a $1-billion M&A transaction denominated in Bitcoin, only to find out the next day that Bitcoin has lost 5% in value overnight. This scenario may just sound like another normal day in the world of cryptocurrency but for the party that received those Bitcoins, they will wake up to a $50-million loss that wouldn't have happened had the transaction been conducted with a real currency instead.

Many decentralized applications that need to store cryptocurrency for their operations are currently using Ether but this has proven to be impractical at a large scale due to exchange rate risk presented by Ether's price volatility. Additionally, Ether's price can also negatively influence the stability of decentralized apps and organizations (DAOs) if too much of their underlying

operations are relying on Ether transactions. This would be the case for any cryptocurrency that is not inherently stable. In other words, you are basically building systematic risk into your product in exchange for the benefits of having transactions done on the blockchain. To many, this does not seem to be a viable long-term solution.

As the decentralized economy grows, the demand for stable crypto mediums of exchange will need to increase exponentially in order to accommodate the mass adoption of blockchain technology. Use cases for stablecoins will also expand beyond what our limited foresight can see right now. However, one thing is certain: there will be more than just one major stablecoin a few years from now and Tether's 99% market share will not stay in one piece for long.

4 Competitive Landscape

4.1 Competitors Using a Centralized Model (Organic Stability)

Tether (USDT): Tether Limited's USDT is currently the most widely used stablecoin in the world. In this model, Tether acts as a centralized, holding USD reserves in bank accounts to back up each one of their USDT tokens. They have a simple creation and redemption mechanism to peg their USDT token to the USD. That is, if the price of USDT trades above $1.00, market participants are incentivised to exchange $1.00 for 1 USDT from Tether, then sell it back in the market for a profit. Likewise, if the price of USDT trades below $1.00, market participants are incentivized to buy the cheap USDT and redeem (burn) this token for $1.00 from Tether.

There are a few concerns with Tether's business model, however, especially with regards to transparency and single-company risk. With over 99% of the market share, Tether's sprawling influence can now be felt across the crypto market, as evident by its recent hacking that saw $31-million worth of USDT stolen from its treasury wallet. When news of the hacking got out, most major cryptocurrencies including Bitcoin immediately saw panic selling and steep price drops, wiping out billions of dollars in market capitalization. In reality, not much damage has really been done since the hacker only stole USDT tokens and not the actual USD reserve in Tether's bank accounts. Tether then started implementing updates to its Omni protocol in order to void the stolen USDT before they enter circulation.

The one good thing that did come out from Tether's hacking was that it proved the centralized model was able to quickly take actions to prevent further damage from spreading. Other than that, the Tether hack clearly demonstrated how relying on one single stablecoin across most major exchanges can induce serious systematic risk to the entire blockchain ecosystem.

Lastly, there is also [a fair share of other criticisms](#) about Tether's business model and its lack of transparency, including allegations that Tether is undercapitalized.

4.2 Competitors Using a Decentralized Model (Inorganic Stability)

BitShares/BitUSD: The original BitShares/BitUSD [whitepaper](#) can be found here. From a high level, BitUSD is a stable cryptocurrency that is issued by backing its value with collaterals. BitShares is the network's base token used for its financial contracts. In order to mint new BitUSD, someone has to lock up at least an equivalent value of BitShares. This, along with a forced liquidation mechanism, creates the peg for BitUSD. When the market value of BitUSD goes over $1.00, users are incentivized to mint new BitUSD, and when the value goes under $1.00 users can redeem BitUSD for the underlying BitShares.

Although elegant in theory, this mechanism is prone to black swan events in the underlying BitShares. A large enough down move would create a positive feedback cycle of selling to cover, potentially driving the value down to far below par value.

MakerDAO: According to MakerDAO's [whitepaper](#), there are two key features that underpin the stability of the Maker DAI stablecoin: Collateralized Debt Positions (CDPs) and MKR governance tokens. CDPs are smart contracts that lock up a collateral asset in exchange for DAI stablecoins, the same mechanism as used in BitUSD. Maker plans to allow many different tokens to be used as collateral assets, diversifying the risk from token flash crashes. The system self-governs by paying stability fees to holders of MKR tokens, incentivizing these token holders to vote on certain risk parameters sensibly in order to ensure stability. The DAI has a target rate that is based upon the SDR, which is essentially a weighted basket of five major fiat currencies.

There are a few potential concerns with the Maker model, including whether or not their stability mechanism can really withstand a rapid depreciation in value in their top collaterals, such as Ether. The biggest concern, however, is Maker's scalability since it requires an excess amount of collateral to back up each coin. This makes it very expensive to mint new coins that are required for scaling up due to opportunity cost of capital.

Basecoin: Basecoin is an attempt to create fiat currencies on a public blockchain as described in their [whitepaper](#). This model aims to set token value through manipulation of the money supply. Similar to how government monetary policy influences the real purchasing power of its citizens, Basecoin uses a bond issuance and buyback mechanism to influence the real purchasing power of Basecoin. When Basecoin is trading above its peg value, the network increases money supply by purchasing bonds from users or Baseshare holders when no

more bonds need to be paid out. When Basecoin is trading below peg value, the network contracts the money supply by selling bonds at market price.

While Basecoin takes a novel approach at tackling the stablecoin problem, it falls short of being a compelling solution. It makes many simplifying assumptions, such as zero inflation being the ideal long run state and provides no clear mechanism for changing system parameters away from these defaults. Additionally, this type of approach suffers from a cold start problem, unlike other stablecoin approaches where the system is bootstrapped by leveraging existing value, this one tries to create it spontaneously, which requires other participants to have already accepted and given the token value.

5 The Stably Solution

As illustrated in the competitive landscape of section 3, current approaches to creating a stablecoin are classified as either centralized or decentralized. A centralized model, such as that employed by Tether, has the benefit of immediate viability, which is evident by Tether's current $2.2-billion plus market cap. Despite the concerns around Tether, its popularity has validated that people trust a USD-pegged coin that is backed up by a physical 1-to-1 reserve of cash. However, such a model requires a high level of trust in order to function effectively and centralization can be corrupted if there is not enough transparency.

Decentralized projects such as Maker that are employing an asset collateralization model create capital inefficiencies by requiring large amounts of collateral to issue a basic medium of exchange. On the other hand, decentralized projects that attempt to mimic a central bank, such as Basecoin and BitUSD, are creating digital fiat currencies with no reserve backing and will run into the network cold-start problem.

An insightful summary of the economic viability of stablecoins can be found in Preston Byrne's article on this topic. Byrne, who has years of experience structuring financial products believes the reserve-backed centralized solution with redeemability is the most robust solution. Our team is in agreement with this view, and has thus chosen to pursue this path.

5.1 StableUSD: A Reserve-Backed ERC20 Token

Our first iteration of a stablecoin, StableUSD, will be an improvement on Tether's business model, which arguably has already been successfully validated. There is a huge opportunity for a more transparent player to share Tether's $2.2-billion market capitalization that is still growing as we speak.

Once launched, Stably intends to operate as a Canadian money services business (MSB). Stably will not follow a banking/lending business model and it will not be engaging in fractional reserve practices like banks. The cash reserve will be transparently managed by Stably and every StableUSD token will be backed 1-to-1 with real currency.

In order to directly purchase StableUSD tokens from Stably, subject to terms of use, KYC/AML/Sanction List-verified Stably clients may wire real currency to Stably which will then be held in reserve or they may also send ETH which will then be converted to real currency on an exchange and then added to the reserve. StableUSD tokens are redeemable on a 1 to 1 basis. In order to redeem StableUSD tokens, subject to terms of use, KYC/AML/Sanctions List verified clients will be allowed to send them to Stably in return for ETH or real currency wires. Stably will not control the exchange of StableUSD tokens after they have been sold by Stably. Consequently, StableUSD tokens can also be available for secondary market trading on centralized and decentralized crypto exchanges.

Stably will have a web platform and API endpoint which will allow platform users to purchase or redeem StableUSD tokens directly, minus any slippage and third party transit costs (e.g. bank wires, exchange fees, mining fees). However, outside of slippage and third party transit costs, Stably plans to offer StableUSD token purchase/redemption at no cost to clients for an indefinite promotional period after launching.

The biggest problem for Tether as we have mentioned is a lack of transparency for their USD reserve. To establish ourselves as fully transparent and trustworthy from the start:

A. Stably will not accept off-chain fiat transactions to mint new StableUSD tokens from retail clients initially. In fact, Stably will only accept ETH from verified retail clients in order to keep these transactions on-chain. As a result, anyone can always verify that a portion of StableUSD tokens in circulation will always be equal to the amount of ETH that our smart contract received (in USD). Vice versa for redemption transactions to burn StableUSD tokens.

B. Stably will only accept off-chain fiat transactions from institutional and commercial clients initially (e.g. hedge funds, payment services, e-commerce platforms, merchants, foundations, etc.). For these transactions, Stably will create and submit their hashes to the blockchain for later verification during audits.

C. All of Stably's transactions and bank balances will be made publicly available on our website's transparency dashboard via bank and

broker-provided APIs. Stably will also provide links to publicly available transactions on the blockchain.

D. Stably will employ a reputable third-party audit firm (TBA) to conduct scheduled audits and attestations for our reserve accounts and off-chain transactions. Audits will take place on the first month of every quarter and attestations will happen weekly. All results will be posted on our website as soon as they are available.

5.2 Stably as a Stellar Anchor

Stably will integrate with the Stellar network, which is a very promising blockchain network with low transaction fees and confirmation times, and aims to replace legacy interbank payment infrastructure. "Anchors" who integrate onto Stellar can issue credit tokens for any asset (fiat, cryptocurrencies, real world assets) and must hold these redeemable assets in reserve. Anchors are also responsible for their own fiduciary obligations as well as AML/KYC compliance; the Stellar Foundation provides compliance templates out-of-the box. Stably plans to act as an issuer of USD on this network as well as being an issuer of our StableUSD tokens which, in future iterations, can be transferred to other blockchains using cross-chain atomic swaps.

5.3 Multiple Blockchain Support

Stably aims to provide native support for reserve-backed stablecoins across a variety of select blockchain platforms as the industry evolves. EOS and potentially RChain are both very strong candidates that we are considering.

6 Target Market and Use-Cases

6.1 Medium of Trade Settlement at Crypto Exchanges

Providing a gateway for fiat to crypto is currently resolved by any crypto exchange that directly deals in fiats (usually in USD). However, many exchanges such as Kraken, Bittrex and Binance do not deal directly in fiats and instead offer crypto pairs that use USDT as the quote currency. Stably will target these exchanges to offer another immediate USD-backed stablecoin. This will help them diversify away from USDT in order to reduce single-company-risk from Tether.

6.2 Decentralized Applications

Decentralized applications rely on economic incentive structures which are currently denominated in volatile cryptocurrencies. Many applications are too sensitive to exchange rate risk for that to be viable and they need to use a stable store of value to ensure that their mechanisms are incentivizing users in the intended way.

Example A: [Augur](#) currently denominates its decentralized prediction markets in Ether. There are very little volume in these markets since the underlying price volatility of Ether often outweighs whatever information you might have to bet on the future event with.

Example B: Locking up value that fluctuates wildly is rarely good for either party of an escrow service. Doing so with normal cryptocurrency is not practical, unless it is a price-stable cryptocurrency like StableUSD.

6.3 Crypto Risk Diversifier

Many crypto traders and investors do not wish to be exposed to crypto volatility 100% of the time. At the moment, they have few choices other than USDT. There are also professional fund managers who want to enter the crypto market but would prefer to park their funds in a stable cryptocurrency first to give them time before deciding to make an allocation.

6.4 Payment, Remittance and Money Transfer

StableUSD can be used to instantly transfer value that is denominated in real currency to any location in the world that has internet access. As we scale up over time, the cost of using StableUSD will also drop, making our stablecoin more competitive with traditional business models in this field. Our integration with the Stellar network will provide the infrastructure for this use case.

6.5 Cross-Blockchain Payments API

By supporting real currency-backed stablecoins across different blockchains, Stably will create an API for applications that integrate with a variety of DApps in the background. For example, suppose an application requires you to make a payment on a storage DApp on Ethereum as well as an e-commerce DApp on Stellar. Instead of a clumsy user experience whereby a user installs Chrome extensions for Ethereum and Stellar with their respective token accounts on each, our API will allow the user to seamlessly spend their StableUSD tokens across these different blockchains apps, with cross-chain atomic swaps

implemented in our backend. This results in a payments UX which will support consumer adoption of cryptocurrencies.

6.6 Banking and Lending

We are exploring future prospects of creating a full-fledged Stably Bank that will be licensed, regulated and accept StableUSD tokens as deposits as well as engage in StableUSD token-based lending activities. Please refer to Example D in section 5.6.

6.7 Developing economies

Example A: Utilize StableUSD wallets for easy access to a stable store of value. For example, someone in Venezuela or Zimbabwe may fear economic mismanagement of their local currency, and want a simple means for accessing a cryptocurrency that offers stability similar to the USD.

Example B: In the event of hyperinflation in non-USD currencies, StableUSD can be integrated with consumer to merchant payment processing services so that people in affected geographies can continue to conduct business. In countries where this is a frequent risk (Venezuela, Zimbabwe, DR Congo, etc.), such payment processing services for StableUSD may even be able to replace payment in local currencies, with or without the local government's blessings.

Example C: Cross-border remittance for the underbanked, like in the case of a construction worker in the UAE sending money back to his family in Bangladesh. Cryptocurrency is an attractive option for such an individual due to the ease of access and lower costs, and StableUSD-integrated exchanges can be integration endpoints on a cross-border payment network.

Example D: Create a banking/lending platform for individuals and small businesses that is integrated with both real currencies and StableUSD tokens. This platform would be useful for micro-financing activities as well as providing credit to underbanked entrepreneurs. Proper banking licensing will be required and we will likely need to become a regulated deposit-taking institution in order to expand to this use case.

7 Go-To-Market Plan

7.1 Short-Term Go-to-Market Plan (1-2 years)

The first important task that is vital to any stablecoin's future is to gain as much adoption and market share as possible. Further development and scaling of an advanced stablecoin ecosystem can only be made possible if its market

capitalization as well as liquidity reach critical mass. In the case of StableUSD, we define this as having: 1) total StableUSD market capitalization of at least $100-million, 2) average daily trading volume of at least $50-million and 3) official adoption at at least 3 major cryptocurrency exchanges such as Bittrex, Binance and Kraken in addition to decentralized exchanges like EtherDelta and Stellar Dex.

We believe that the best way to capture market share is to tackle the most immediate need in the market currently which is providing a medium of exchange for trade settlement at cryptocurrency exchanges. With USDT commanding a virtual monopoly of the multibillion-dollar stablecoin markets across major exchanges, it does not take long for one to wonder about the serious systematic risk that this could have on the entire cryptocurrency market as a whole. Additionally, Tether's questionable business model does not instill complete confidence and trust in everybody. Even if Tether is 100% legitimate–which we truly hope is the case because this would be tantamount to Mt. Gox 2.0 if things turn out to be otherwise–it still does not make sense that a single company should have the privilege of providing the only viable stablecoin solution for everybody. This concern has only been growing recently as the crypto community and regulators are [increasingly questioning Tether's business model.](#)

We confidently predict that in the near future, USDT is will lose its dominance over the stablecoin market as newer stablecoins–including StableUSD–come in and start carving away market shares. Exchanges at some point will also have to consider diversifying their stablecoins since it is completely in the interest of both the exchanges and their clients to reduce single-company-risk from the current Tether monopoly. To not do so would be, in our opinion, irresponsible on the part of exchanges. By not offering a variety of stablecoins for their clients, exchanges are effectively turning diversifiable, unsystematic risk into undiversifiable systematic risk.

Upon reaching critical mass, we will expand StableUSD's use cases.

7.2 Mid-Term Go-to-Market Plan (2-5 years)

Once StableUSD has garnered enough adoption and liquidity, we will start integrating StableUSD tokens with DApps and DAOs that need to hold cryptocurrencies in their own reserves for operational purposes. Since three out of four DApps are currently built on the Ethereum protocol, our ERC20 stablecoin should be able to easily integrate with most DApps as long as Ethereum remains the most popular DApp development platform.

In addition to DApps and DAOs, StableUSD can also be integrated with traditional off-chain business models, such as e-commerce, payment, remittance

and money transfer. Any business that is involved in the transmission of monetary value would be a great candidate for StableUSD integration and we plan to aggressively market our solution to this sector. Our cross-blockchain support will also enable the creation of a payments API that can be integrated into websites that interact with a variety of DApps, allowing for the seamless ability to spend real currency tokens across these background DApps.

7.3 Long-Term Go-to-Market Plan (5+ years)

Our ultimate goal is to one day serve the market segment that actually needs a stable currency the most: developing and underdeveloped economies that lack a stable currency or have high inflation, such as Venezuela, Zimbabwe and Argentina. We are already seeing an explosion in the mining and usage of Bitcoin as well as other cryptocurrencies in Venezuela, a country that has recently been plagued by political instability and a failing economy. The same trend is also surfacing across many other Third World countries despite restrictive government regulations designed to discourage or outright ban the use of cryptocurrency there. Fortunately, we are not too worried about governments banning cryptocurrency because it is impossible for them to do so as long as their citizens have access to the internet. At the end of the day, we believe that the global blockchain economy will always find ways to thrive, with or without governmental blessings, and it will only be a matter of time before crypto-hostile nations have no other choice but to embrace the use of cryptocurrencies in parallel with their local currencies.

Additionally, due to the infinitely divisible nature of cryptocurrency, it will eventually make more sense for people from developing and underdeveloped economies to use StableUSD over physical US dollar bills because a StableUSD token can be broken down to many decimal units to match the purchasing power of local users.

Our plan for foreign expansion is to first make inroads in non-hostile countries that are more welcoming of cryptocurrencies, for obvious reasons. This may take place during the course of our mid-term go-to-market plan as well. By leveraging experience and expertise that we will have already gained by then from executing our mid-term plan, we will be able to quickly help local businesses integrate StableUSD into their operations.

Last but not least, mass adoption of StableUSD will enable us to explore banking and lending solutions with our stablecoins as a viable business model. This is especially important in Third World economies that have not developed a credit score system, where many people are locked out of local banks and have to rely on microfinancing or shady loan sharks to get access to credit. Through StableUSD loans, these unbanked and underbanked market segments can now

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access credit and start building credit history that they would not be able to obtain otherwise.

8 Timeline for 2018

1. Conceptualization
August 2017 – December 2017

2. Venture Fundraising
January 2018 – March 2018

3. Product Development
January 2018 – June 2018

4. Acquire FINTRAC MSB Registration
March 2018 – June 2018

5. Closed BETA
July 2018

6. Open BETA
August 2018

7. Exchange Listings
July – September 2018

8. Public Launch
September 2018

9 Business Model

9.1 Short-Term Business Model (1-2 years)

- Invest the USD reserve for StableUSD in short-term US Treasuries to generate interest income, then invest some of the generated interest with quantitative trading algorithms to further enhance returns.

9.2 Mid-Term Business Model (2-5 years)

- Invest the USD reserve for StableUSD in short-term US Treasuries to generate interest income, then invest some of the generated interest with quantitative trading algorithms to further enhance returns.

- Charge fees for StableUSD cross-blockchain payments API.

- Charge fees for StableUSD payment and remittance services.

- Charge fees for StableUSD integration with DApps, DAOs, e-commerce business and other traditional businesses.

9.3 Long-Term Business Model (5+ years)

- Invest the USD reserve for StableUSD in short-term US Treasuries to generate interest income, then invest some of the generated interest with quantitative trading algorithms to further enhance returns.

- Charge fees for StableUSD cross-blockchain payments API.

- Charge fees for StableUSD payment and remittance services.

- Charge fees for StableUSD integration with DApps, DAOs, e-commerce business and other traditional businesses.

- Charge fees and interest for StableUSD banking and lending services.

- Expand the existing business model to Third World countries.

10 Conclusion

The blockchain revolution has just only begun and the decentralized economy still has a long way to go before becoming an integral part of the mainstream global economy. However, this will not happen as long as cryptocurrencies remain speculative in nature as opposed to being transactional. In order for a cryptocurrency to successfully facilitate large-scale economic transactions instead of just being a speculative trading vehicle, it needs price stability to instill certainty in the mind of the counterparty who is willing to accept that cryptocurrency in exchange for his/her product or service. Needless to say, most cryptocurrencies are too volatile right now to fulfill that role. The only viable option, Tether/USDT, dominates over 99% of the current stablecoin market and poses huge systematic risks to crypto exchanges, traders and investors alike. For these very reasons, we are bringing forth our own stablecoin solution, StableUSD, to the market. StableUSD will utilize Tether's successful reserve-backed model to peg tokens to the USD, the world's #1 reserve currency that is widely used and accepted across the globe. Unlike Tether, StableUSD will maintain full transparency of its operations where all coin issuance/redemption transactions will either be recorded on-chain or regularly audited and submitted to the blockchain for verification, all of which is freely available for public viewing.

11 Our Team

Kory Hoang LinkedIn
Co-Founder, Business Development

Prior to co-founding Stably, Kory worked as a private equity data analyst at PitchBook where he spent a lot of time analyzing the blockchain industry. Kory is a creative and out-of-the box thinker. His childhood passion for sound-engineering developed his ability to creatively synthesize streams of data and find patterns in the noise, which somehow led him to open an algorithmic trading business outside of his day-job hours. Kory is an expert in quantitative trading and he has consulted for CTAs and hedge funds on subjects ranging from volatility trading to identifying market anomalies. Eventually, his curiosity and passion drove him to learn about blockchain technology which planted the seed for Stably. Kory holds a BBA with double major in Finance and Marketing from the University of Washington - Bothell.

David Zhang LinkedIn
Co-Founder, Blockchain Technology

Prior to Stably, David was a Software Development Engineer on Amazon's Retail Personalization Team at the Seattle HQ. David is fascinated by incentive structures and emergent properties of dynamic systems, resulting in interests spanning both technology and financial markets. He currently spends his free time manually and algorithmically trading financial derivatives, equities, and cryptocurrencies as well as tinkering with new blockchain technologies. David holds a Bachelor of Science with double major in Applied Mathematics and Computer Science from Brown University.

Amiya Diwan LinkedIn
Co-Founder, Engineering & Products

Amiya was previously a Software Development Engineer at Amazon's Seattle HQ. He helped design, develop and deploy a software service that currently supports tens of millions of retail customers globally. He has also worked for an electronic options market-making firm in Chicago, and has strong domain expertise in financial markets. Amiya has two degrees from the University of Michigan - Ann Arbor: a Bachelor of Science in Computer Science and a BBA in Finance from the Stephen M. Ross School of Business.

Bryan Guy, J.D. LinkedIn
Co-Founder, Business Strategy & Compliance

As Stably's Chief Business & Compliance Officer, Bryan leads channel development and the commercialization of Stably as a business as well as heading Stably's KYC/AML compliance program. Bryan has 17 years of experience as a digital and innovation product development expert with extensive expertise in payment technologies. He served as an e-commerce/payments consultant for Wells Fargo and First Data before transitioning to management consulting wherein he developed product strategies and led delivery teams for major capital projects, including the Starbucks Mobile Order and Pay app, the T-Mobile app, and T-Mobile's iPhone X market launch to name a few. Bryan has a Business Finance degree from Seattle Pacific University and is also a licensed attorney with a law degree from Seattle University.