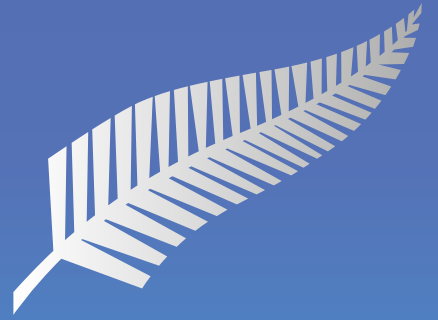


# Stronghold USD

An asset-backed USD  
token on distributed  
ledger technology



**Stronghold**

# STRONGHOLD USD

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# DISCLAIMER

This document provides general information about Stronghold Institutional Services Limited. Nothing in this document should be construed as an offer to sell Stronghold USD, nor is it a solicitation of an offer to buy any security or other investment products or services.

Nothing published by Stronghold Institutional Services Limited or any of its subsidiaries should be interpreted as investment advice. Information is provided for educational purposes only. Stronghold is in no way providing trading or investment advice.

Statements regarding Stronghold's future direction and intent are subject to change or withdrawal without notice and represent goals and objectives only. Stronghold is not required to update any information contained herein nor is any information contained herein intended as investment advice.



## INTRODUCING STRONGHOLD USD

Stronghold Institutional Services Limited has developed Stronghold USD, a one-to-one asset-backed U.S. dollar token on distributed ledger technologies. For the first time, institutions can use one platform to instantly accept and settle payments in USD and easily access foreign exchanges via a lightning-fast global network.

A **stable and liquid** payments and savings vehicle, Stronghold USD allows token holders and businesses to move dollars globally with near-instant settlement via the Stellar network, an open-source protocol for value exchange. Although Stronghold USD was launched on Stellar, the company may choose to expand to additional networks.

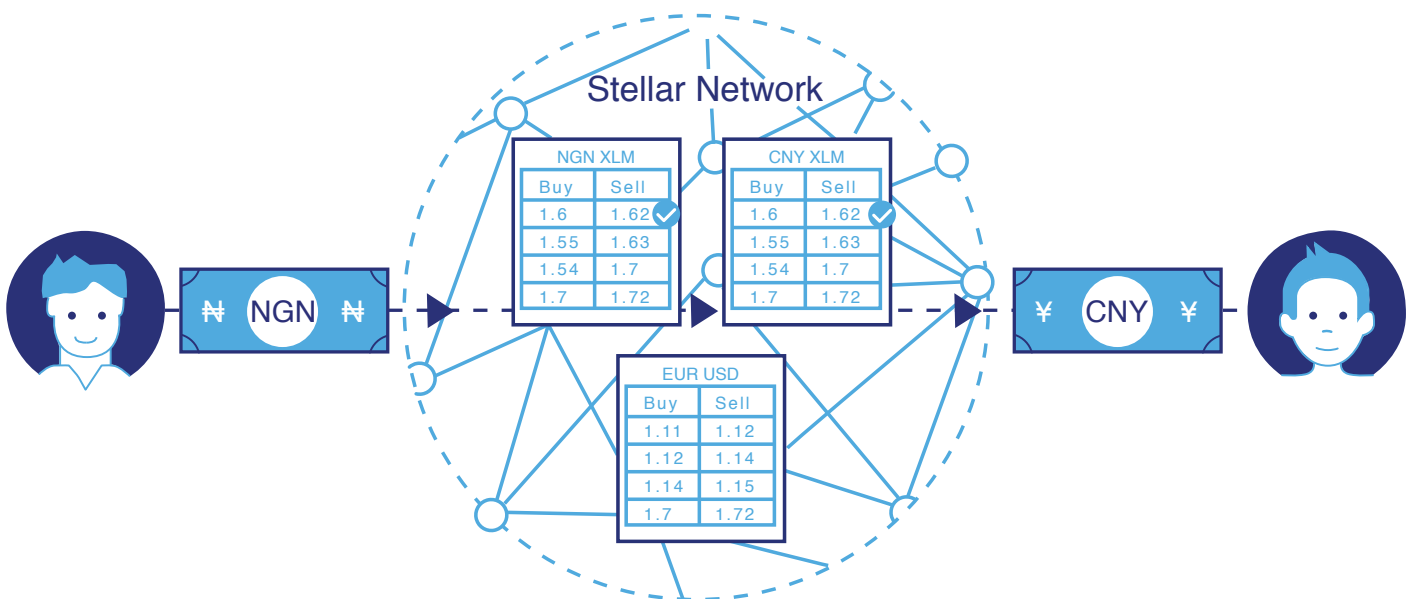
[Stronghold USD](#) is not pegged or algorithmically synchronized to the U.S. dollar — it's a stable token for the dollar that runs on a fast, efficient blockchain network that was created to exchange government-backed currencies.

- [IBM Is Working With a 'Crypto Dollar' Stablecoin](#), Fortune, Jen Wieczner
- [IBM Partners Stronghold for New Digital Stable Coin](#), Reuters, Gertrude Chavez-Dreyfuss
- [Stronghold Launches First Venture-Backed USD Token on Stellar Network. IBM to Explore Uses of Stronghold USD on the IBM Blockchain Platform](#), Business Wire, Official Stronghold Press Release

## WHY USE THE STELLAR NETWORK?

Stellar is a blockchain network that was built to connect banks, payments systems and global consumers. Unlike Ethereum and Bitcoin, Stellar was created to facilitate payments and exchange value.

Integrating with the Stellar network permits Stronghold to move money quickly, reliably, and at virtually no cost.



# KEY FEATURES OF STELLAR: SPEED, COST AND SCALE



## Multi-Currency

Any currency, asset or token can be issued inside of the Stellar network



## Speed

Transactions are confirmed in 3-5 seconds



## Cost

One cent will pay for 100,000 transactions



## Scalability

Stellar can process 1,000 concurrent transactions per second



## Safety

Stellar gives participants the ability to choose which other members on the network they trust



## Compliance

Protocol allows participants to perform AML/CFT checks prior to confirm the transaction

On Stellar, issuers may choose to restrict token access to users who have successfully completed a whitelisting process, a critical feature for financial institutions as well as regulators. To comply with anti-money laundering (AML) regulations and establish Stronghold as a reputable trading platform, users are required to submit Know Your Customer (KYC) details that include proof of identity.

The Stellar team includes some of Silicon Valley's most highly regarded founders and advisors, including Jed McCaleb ([Stellar](#)), Keith Rabois ([Paypal Mafia](#)), Patrick Collison ([Stripe](#)), Matt Mullenweg ([WordPress](#)), Naval Ravikant ([AngelList](#)), and others.

## WHAT MAKES STRONGHOLD USD UNIQUE?

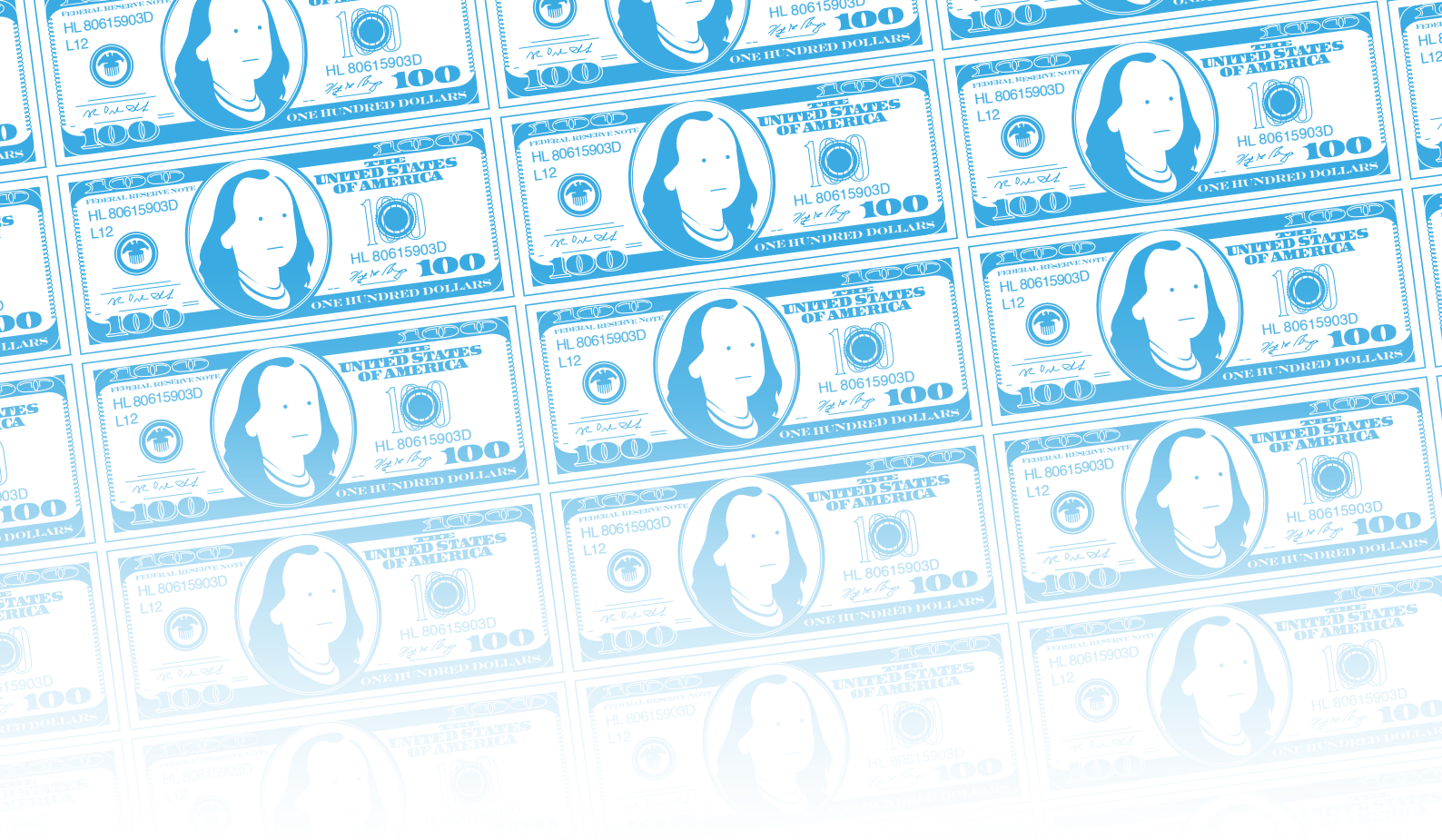
Some fixed-value tokens use advanced stability algorithms to ensure that their coin is always pegged to the U.S. dollar by creating and destroying coins as necessary.

Our coin doesn't sync with the dollar — **Stronghold USD is the dollar.**

Fully backed by Nevada-based [Prime Trust](#), a state-chartered trust company and SEC Qualified Custodian, Stronghold's assets and accounts are 100% backed by cash deposits that are properly managed and audited.

				
Features	Stronghold USD	Tether	True USD	Basecoin
%100 backed by USD deposits	✓	✓	✓	✗
Third party audited	✓	✓	✓	✗
Active	✓	✓	✓	✗
Built-in regulatory technology	✓	✗	✗	✗
On the Stellar Network	✓	✗	✗	✗

Our integration with Stellar's distributed exchange allows users to tokenize, track, hold and transfer any type of asset. Additionally, anchoring to Stellar provides a level of performance and network scalability required for a reliable global payment system.



# WHY THE U.S. DOLLAR?

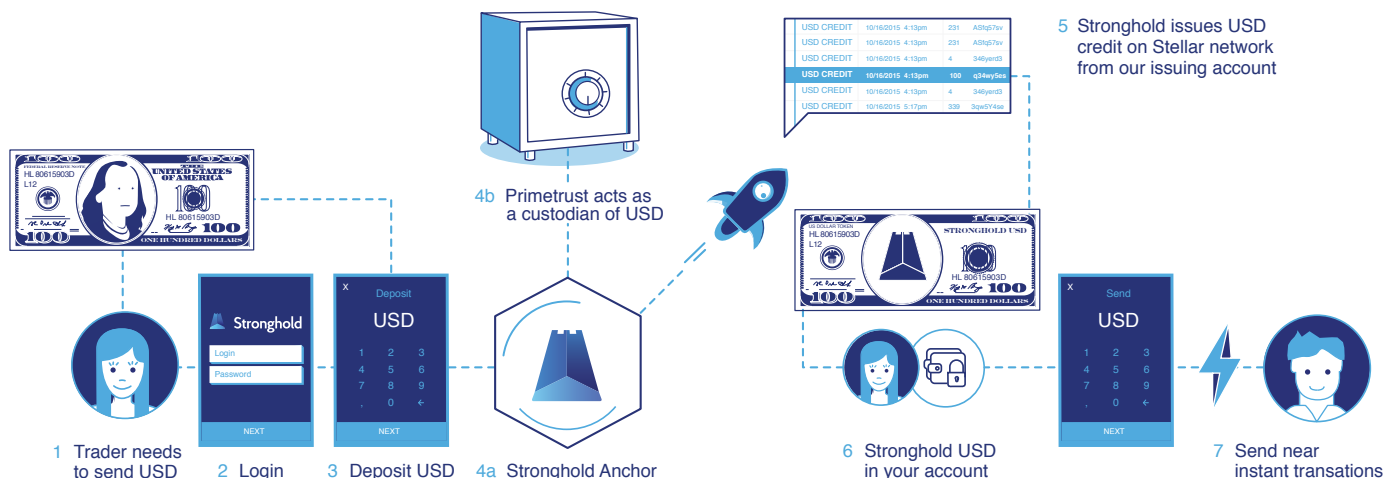
Even with the meteoric rise of cryptocurrency, the U.S. dollar is still king.

Far and away the world's most popular reserve currency, 85% of all foreign exchange trading involves the U.S. dollar, and it comprises 62% of all central bank foreign exchange reserves, [according to the International Monetary Fund](#). Countries that have either adopted the dollar or pegged their currency to it generate a third of global GDP.

Most customers want their stores of value and wealth to be as stable and accessible as possible. Keeping dollars digital allows transactions to flow at the speed of the internet.



# HOW DOES STRONGHOLD USD WORK?



Stronghold USD is the first venture-backed USD anchor on Stellar’s network.

An **anchor** is an entity entrusted to hold deposits and issue credits into the Stellar network. Anchors serve as a bridge between existing currencies and Stellar, which helps extend the network’s functionality and development.

As an anchor to the Stellar network, Stronghold accepts customer deposits, processes withdrawals, and initiates transactions for any trader or entity who seeks to transact via our user-facing platform.

Customers who wish to send USD deposit dollars in a Stronghold account which are then transferred to Prime Trust via wire transfer or ACH. Wires initiated on weekdays before 2 p.m. PST are processed the same day, and ACH is typically processed within three business days.

After a deposit is received, Stronghold issues an equal amount of USD credit on the Stellar network; investors may exchange dollars for Lumens (XLM) — Stellar’s native currency — and any other asset on Stellar through our platform like euros and pesos, or traditional securities like bonds and ETFs.

Converting Stronghold USD to another cryptocurrency on Stellar — and vice versa — is completed in three to five seconds. For example, converting Stronghold USD to XLM will be highly liquid, but converting Stronghold USD to lesser-known assets may be less so, as there are hundreds of markets available.

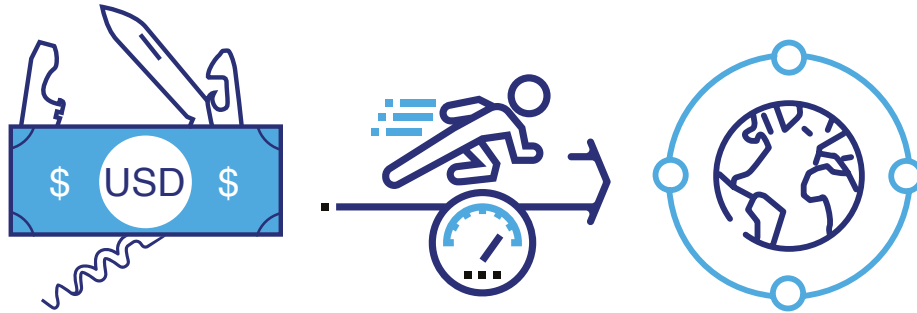
To redeem Stronghold USD, customers can perform withdrawal requests via wire transfer or ACH through Stronghold’s user interface. Withdrawal requests received after 2 p.m. PST will be settled the next day, but Stronghold will make best efforts to disburse funds the same day.

ACH withdrawals are typically processed within the standard three business days. Developers can initiate redemptions through Stronghold’s platform APIs, allowing seamless integration for use cases that leverage blockchain-based settlements.

Because we offer stable tokens that are easily and quickly converted — along with a developer-friendly API — we describe Stronghold as “the on-and-off-ramp to the Stellar network.”

# USE CASES FOR STRONGHOLD USD

Stronghold USD is a more efficient way for institutions and customers to transfer assets on the blockchain.



## GLOBAL ASSET MANAGEMENT

Customers can use the platform to send client funds around the world with nominal remittance fees and same-day confirmation.

## INSTITUTIONAL TRADING

Institutional investors can exchange U.S. dollars for Lumens, fiat currencies, cryptographic assets, traditional securities, and any other asset on the Stellar network through the Stronghold platform.

## PAYMENTS

Because the Stellar protocol is ideal for simple cross-border transactions, multinational companies can settle payments instantly with Stronghold USD. On our platform, international USD wire transfers that once took 2–5 days to process can now be settled in 2–5 seconds.

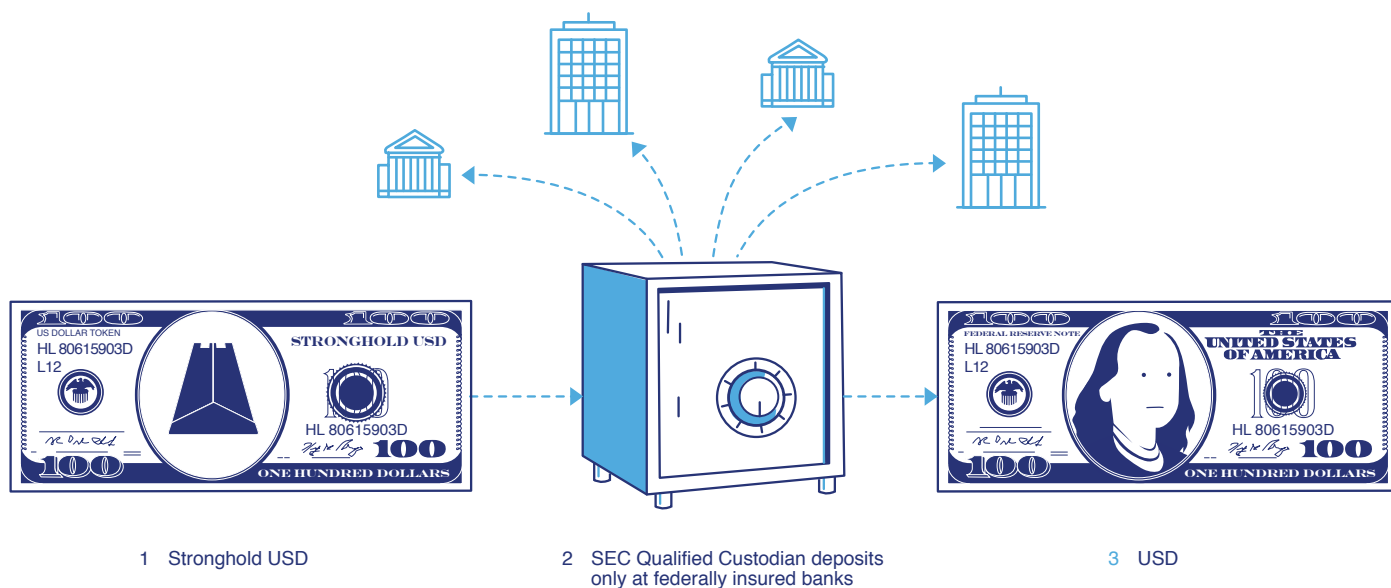
## FOREIGN EXCHANGE ACCESS

Stellar works as an electronic foreign exchange system with connected anchors which serve as correspondent banks for their country's currency. As an anchor to the Stellar network, Stronghold is a correspondent for USD, which facilitates less expensive, faster, and more reliable foreign transactions.

## STABILITY

Accounts holding Stronghold USD avoid market volatility by using a stable asset that's directly backed by the U.S. dollar.

## HOW SECURE IS THE COLLATERAL BEHIND THE TOKEN?



Stronghold USD has partnered with Prime Trust to ensure flexibility and security for our digital assets.

As an SEC Qualified Custodian, Prime Trust deposits cash only at federally-insured banks and can only manage and protect assets for the benefit of its depositors. All participants are fully audited and prepared to handle Stronghold USD and any other assets you wish to trade.

As a chartered, regulated financial institution overseen by Nevada's [Department of Business and Industry](#) that was “built to protect real estate, cash, stocks, bonds, business ownership interests, and other assets,” Prime Trust is an ideal custodian.

## MORE ABOUT STRONGHOLD

Stronghold is building a global financial ecosystem where institutions and individuals can seamlessly manage and trade assets.

In addition to Stronghold USD, the platform offers customers a full suite of financial services, including:

- [Stronghold OTC Brokerage](#): secure two-sided transactions that support most digital assets and tokens;
- [Stronghold Custody](#): a digital asset custodian that provides secure storage for institutional investors;
- [Market Making Program](#): allows customers and investors to create and profit from limit orders while boosting liquidity on the exchange.

As of August 2018, our platform has more than 25,000 active customers.

Located in Christchurch, New Zealand, where our financial services operations are based, we also have offices in San Francisco. Our goal: extend access to financial blockchain networks by lowering barriers to entry for institutional investors and individual consumers.

## HOW CAN I BUY STRONGHOLD USD?

We are opening enrollment to our **private beta** for institutional and retail customers with the release of this white paper. [Click here to apply](#); a member of our happiness team will respond via email.

For more information, please visit <https://stronghold.co/stronghold-usd/>

