

Democratizing Investment Through Cryptocurrency

Shingo Lavine
Bitquence Founder



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“The future is already here, it’s just not evenly distributed”

William Gibson, The Economist, 2003

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Vision

Bitquence's vision is to create a people-powered new economy services company that makes the cryptocurrency market accessible and trustworthy to the average user, accelerating adoption of blockchain technology and democratizing ownership of cryptocurrencies.

Team

While this is a massive vision, Bitquence has an experienced and enthusiastic team of who are ready to make this vision a reality. The Bitquence team brings together a unique collection of experts across cryptocurrency, distributed computing systems, mobile technology, and broad scale consumer app development that has built multiple award-winning applications and collectively powered over \$1 billion in mobile micro payments.

Problem

The Bitquence platform is designed to tackle specific problems in the world of cryptocurrency:

- Choosing between an ever-growing array of crypto currencies
- Understanding risk and quality across multiple coins and assets
- one-click diversification into multiple crypto assets
- A safe and secure mobile wallet that handles multiple keys
- Being able to easily transfer value across digital assets

The \$4 Trillion Financial Services Industry

The S&P 500 in the United States is worth \$20 trillion. 20% of the S&P 500 is made up of financial services companies or \$4 Trillion. For the cryptocurrency industry to go mainstream, it will have to ultimately become more user friendly and enable a safe and secure way to invest in cryptocurrencies and alt coins.

Solution

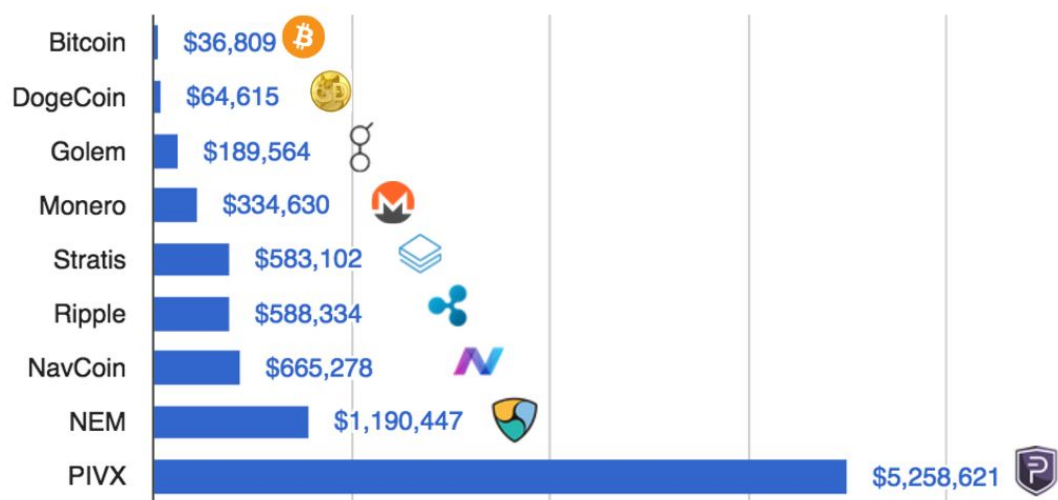
The Bitquence team has mapped out a multi-year approach to building a scale platform that will tackle these problems in a way that builds a powerful new ecosystem. At the core of the vision is the Bitquence token, which will power the services and enable a new digital liquidity network that will make it safe, easy, secure and free to transfer value anywhere in the world.

Background

Over the past several decades there have been a number of macroeconomic events that have fundamentally changed the way that society operates. The Digital Revolution changed the way we treat data and computation. We saw the rise of the modern internet in the dot.com boom and more recently we've begun to experience the Internet of Things. Cryptocurrencies and blockchain technology are now making way for the "Internet of Value" and Fintech companies are paving the way to a decentralized, unencumbered financial future.

Cryptocurrencies have skyrocketed in recent years, rapidly reaching huge valuations.

Crypto Coins Enjoying Hyper Growth



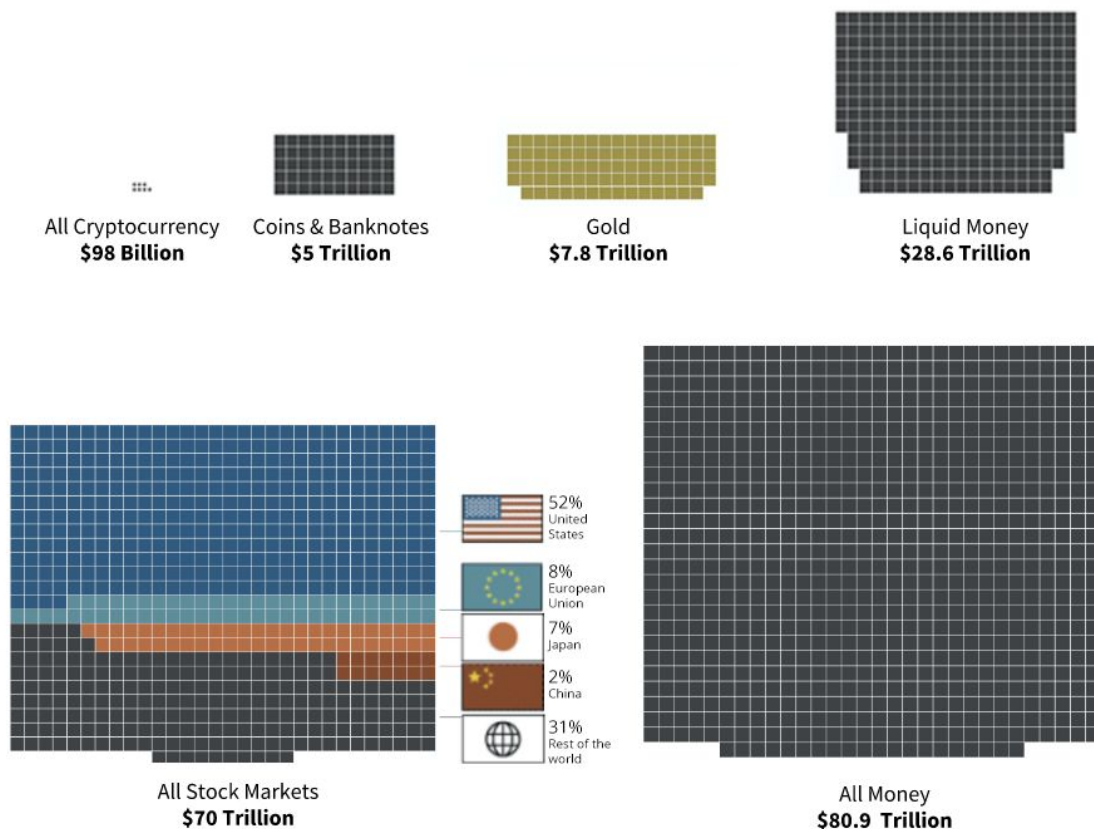
Value of \$10,000 invested June 1, 2016

Source: Coinmarketcap.com Exchange Data

The accessibility of some of these currencies depend on many factors, including private keys, wallets and liquidity. So while digital assets such as PIVX offer eye-popping returns, it is also extremely difficult and mystifying for even sophisticated participants, let alone the average consumer.

The market cap of these new generation of cryptocurrencies still pale in comparison to the U.S. economy, let alone global markets. Valuations of the global stock markets are over \$70 Trillion, dwarfing the total cryptocurrency market capitalization of \$100 Billion at the time of writing. There is massive room for expansion if more investment begins to flow into the sector, safety and security can be strengthened, and useful services are built on the disruptive blockchain technology.

Market Background - Comparative Size



Wall Street and big banks are beginning to take notice of the huge potential of the blockchain and the latest cryptocurrency returns. While we welcome their participation, the decentralized, trustless nature of the blockchain needs to be preserved. Cryptocurrency represents a fundamental threat to the way that many financial institutions operate and it would be foolish to think there won't be resistance.

“Rather than justice for all, we are evolving into a system of justice for those who can afford it. We have banks that are not only too big to fail, but too big to be held accountable.”

— Joseph E. Stiglitz



That's why Bitquence aims to create a people-powered cryptocurrency services company for the blockchain. Bitquence's Mission is to make the cryptocurrency market accessible and trustworthy to the average user, accelerating adoption of blockchain technology and democratizing ownership of cryptocurrencies. This is a key part of the philosophical mission established by Satoshi Nakamoto. By allowing the average participant to easily purchase cryptocurrency in pre-diversified baskets, participate in consensus quality and risk ratings and potentially send value anywhere quickly and easily, Bitquence helps make the new economy easy, safe and secure and accessible to everyone.

Bitquence is the first cryptocurrency services company to synthesize many of the needs of the new economy. The Bitquence Universal Wallet will enable rapid diversification into multiple digital assets quickly, easily and cheaply. This will pave the way for the Bitquence Digital Liquidity Network, which will facilitate global digital payments instantly between any crypto and fiat currency. While this is a massive vision, Bitquence has an experienced and enthusiastic team of financial and mobile experts who are ready to make this vision a reality.

Bitquence's vision is to:

- Make purchasing cryptocurrencies and digital assets as easy and safe as possible
- Enable community consensus on cryptocurrency risk and quality
- Launch a variety of diversified cryptocurrency investment baskets with low fees making it simple and painless to buy in with crypto and fiat currencies.
- Enable a universal mobile Bitquence wallet to provide a safe and secure way to buy, trade and hold a variety of cryptocurrencies.
- Create a Bitquence token to pay for platform services while creating overall liquidity for the entire network
- Eventually integrate cryptocurrency payments with existing financial structures through the Bitquence Digital Liquidity Network

We are going to bring the financial future to you.

Are you ready?



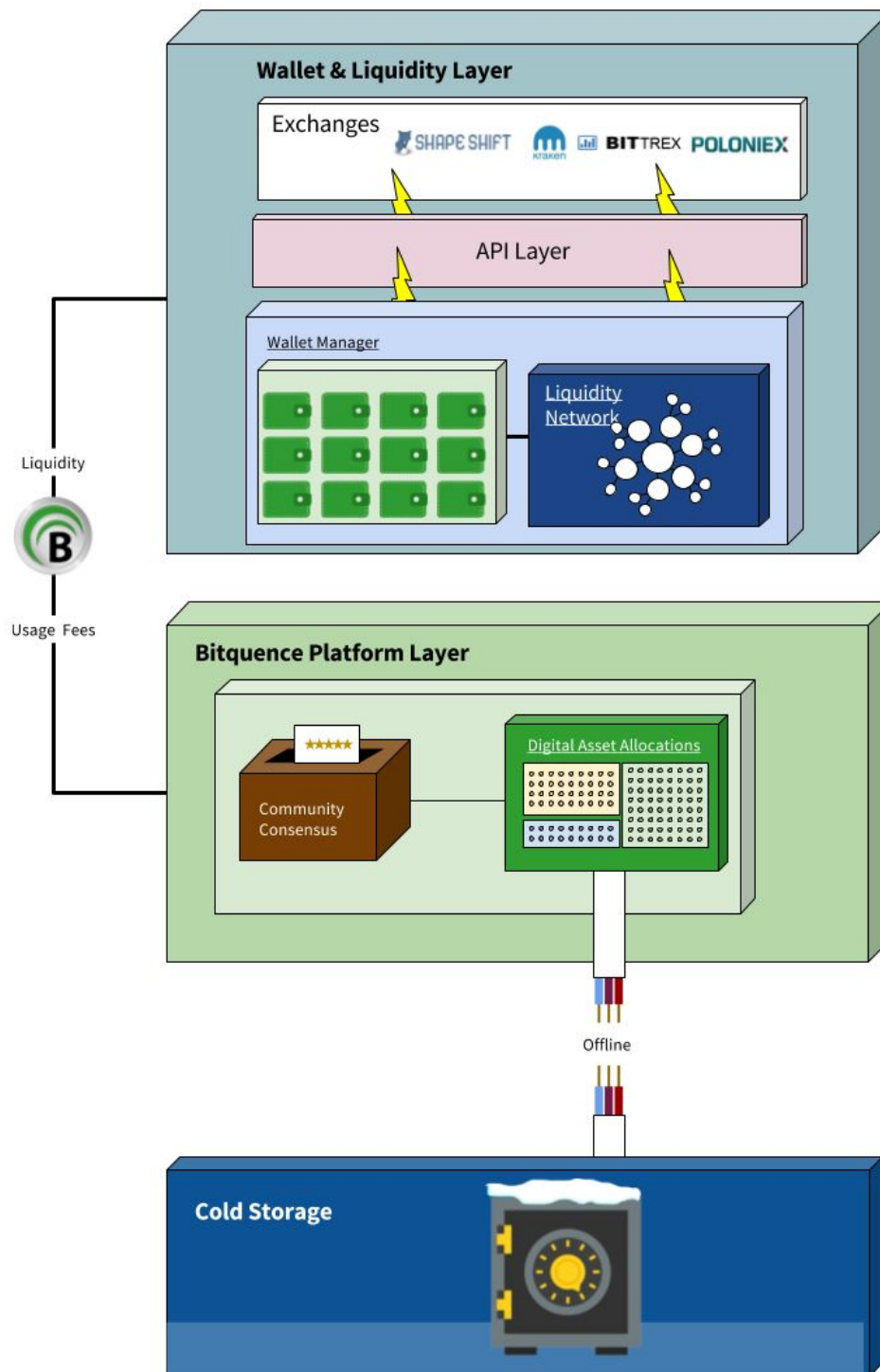
1. The Bitquence Platform

There are hundreds, if not thousands, of different wallets out there for all of the different digital assets and managing lots of wallets for each of your currencies is difficult. Here at Bitquence we wanted to create a platform that could provide a powerful single point of interaction with the new economy. This Next-Generation Digital Wallet will be the backbone for our asset management and cryptocurrency services platform. The universal wallet will allow us to bulk transactions together in order to increase liquidity and keep costs down for consumers. This infrastructure also allows us to create a universal mobile payment system for users who wish to transact in any currency instantly breaking down barriers towards mass adoption in the industry. In this section we will outline the pieces of the Bitquence Platform that will make it the most user-friendly way of buying cryptocurrency on the market.

The Bitquence platform is created out of several core technology components:

- **Wallet & Liquidity Layer:** This includes a centralized wallet management system which links to the Bitquence Liquidity Network, created by the Bitquence token itself. This links programmatically via API into major cryptocurrency exchanges. The Liquidity Network will be decentralized.
- **Bitquence Platform Layer:** This includes a Community Consensus component for rating individual tokens and cryptocurrencies on technical merit and quality. Ratings will be assigned on the basis of ownership of those currencies within the Bitquence platform. This will link to a variety of Dynamic Asset Allocations, eg the “coin baskets” that users can buy and hold within the Bitquence platform.
- **Cold Storage:** The system will randomly synchronize with cold storage, which will be in a secure location that is not physically attached to the internet.

The Bitquence Platform



1.1 Dynamic Asset Allocations

Bitquence Dynamic Allocations enable users to secure funds through a variety of cryptocurrency assets. The value of your allocations will track precisely to the underlying assets. Bitquence will have a range of default allocations, and users can adjust the percentage of the allocations to their preference, assuming availability of the underlying asset.

When you place funds into a Bitquence Allocation, you will be given an estimated cost and estimated amount of underlying assets securing your investment. All investments are secured 1:1 by underlying assets. Allocations will be comprised entirely of liquid currencies allowing anyone to transfer value at any time. Buy and sell orders will be pooled and executed once a day to lower transaction costs. Bitquence is not a day-trading site, but rather an easy way to place funds across multiple currencies. The benefits to Bitquence Allocations are as follows:



Risk Diversification: Spread funds across dozens of crypto currencies or tokens, making it less risky than purchasing an individual currency.



Accessibility: Cryptocurrencies become easier to purchase, enabling average participant and consumers to experience the benefits, and raising liquidity for all market participants.



Community Expertise: Bitquence users can rate individual currencies on quality (technology and service concept) and risk. These ratings will aggregate into a Allocation, so consumers can easily understand the relative risk and quality.



Low Cost: Bitquence allocations will have low transaction and management fees, ensuring that the power and freedom of crypto currency remains intact as “wall street” and professional venture participants start to enter the market.



Time Savings: Bitquence allocations will enable people to simultaneously invest in multiple currencies instead of having to own and manage multiple wallets.

Bitquence will charge a very small expense ratio and fixed transaction fees on Index Allocations. The expense ratio is a fee that is only levied on increases in value using high-water mark rules¹ that will be under 1%.

We imagine Bitquence Allocations to be like “coin collections” or “coin baskets” - diversified baskets of new economy tokens that can be easily purchased, held and reallocated as needed.

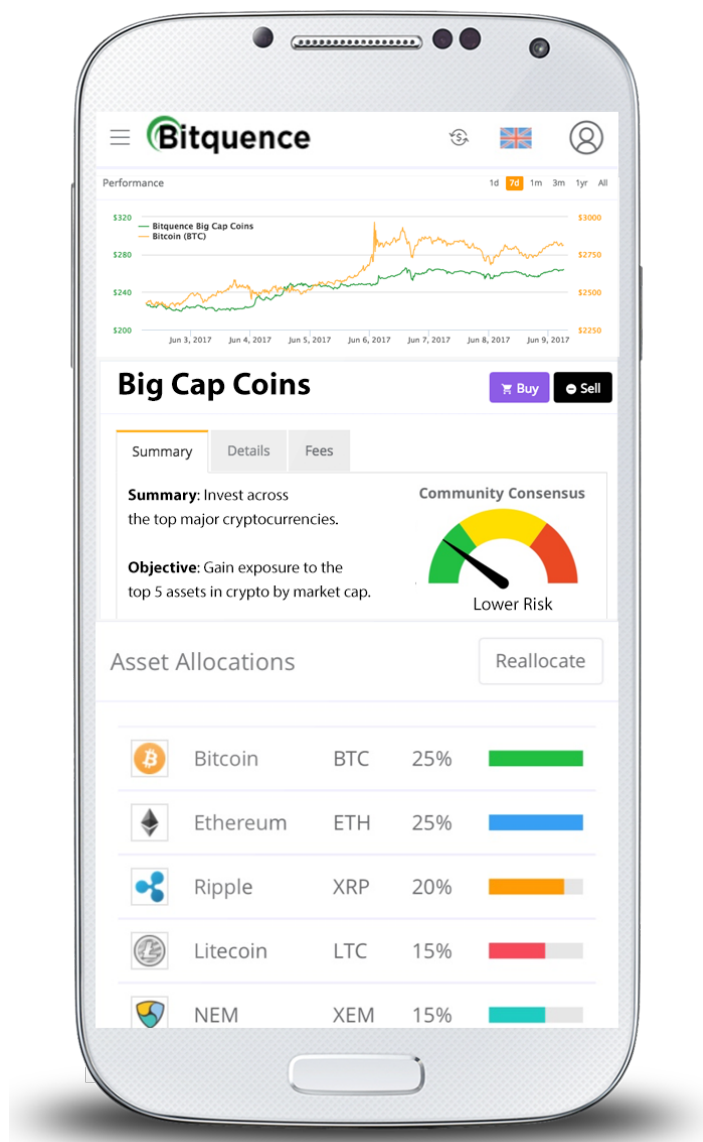


¹ <http://www.investopedia.com/terms/h/highwatermark.asp> - High-Water Mark rules ensure that fees are paid out fairly and only in the event of continuously increasing value

1.2 Managed Allocations and Transparency

Users can modify Allocations to decide on the percentage of specific assets. When you modify a Bitquence Allocation it becomes a Managed Allocation. Risk ratings for managed allocations are determined by community consensus. Users will be able to vote on a individual coin's riskiness as well as its technical quality. This will enable users to quickly understand each individual coin's risk and perceived technology quality so you can quickly get an estimate of how risky your selected or customized coin allocation is. Fee structures will be the same as those in Bitquence Index Allocations and will also be charged based on high-water mark rules.

We strive to maintain an extremely transparent system that is kept accountable by a community of users. The facts and performance of all allocations will be 100% transparent, and easily summarized to be quickly understood. The goal is to mirror the simplicity of professionally packaged financial instruments, while maintaining the democracy, community, freedom and security of crypto-currencies.



“If you can’t explain it simply, you don’t understand it well enough” - Anonymous

1.3 Digital Liquidity Network

The Bitquence Digital Liquidity Network is the supporting architecture that enables the many capabilities that the Bitquence Universal Wallet has. The Bitquence Digital Liquidity Network will use Bitquence Tokens (BQX) to transfer and transform value from any source and into any destination. The Liquidity Network operates by rapidly



pairing networks of Bitquence users performing different bulk transactions together to transform value on top of underlying assets. Each of Bitquence’s features such as Automatic Gas Conversion or Dynamic Asset Allocations will deepen the liquidity of the Bitquence Token and make the Liquidity Network more robust. By using this infrastructure, there is no counterparty risk and no leverage. Everything in the liquidity network is backed 1:1 with underlying cryptocurrency assets ensuring that Bitquence will always be solvent mitigating risks to users.

1.4 Cold Storage and Security

Coinbase keeps 98% of their funds in cold storage. With the Bitquence Digital Liquidity Network, assets are liquid and transferrable, but can be kept in cold storage until withdrawal, similar to a bank. Bitquence will distribute paper and hardware wallets at geographically distributed safety deposit boxes around the world to secure assets safely and securely. Cold storage will sync at random intervals with hot storage wallets so users can deposit and withdraw freely. Cold Storage will be built into all



Bitquence Universal Wallets so that everyone can enjoy security and peace of mind knowing their assets are safe.

1.5 Next-Generation Digital Wallet

The Bitquence Universal Wallet offers users a variety of features not afforded by other wallets, leveraging the unique capabilities of the Bitquence platform.

Features	Bitquence Universal Wallet	Case	UberPay	Mist	Exodus.io	Trezor	Coinbase	Ledger Nano S	Mycelium
Bitcoin	✓	✓	✓		✓	✓	✓	✓	✓
Asset Allocation	✓								
Mobile Support	✓		✓						
Fund Transfer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cold Storage	✓	✓				✓	✓	✓	
Managed Keys	✓	✓					✓		
Software Interface	✓		✓	✓	✓	✓	✓	✓	✓
Altcoins	✓		✓		✓		✓	✓	
ERC20 Tokens	✓		✓	✓	✓			✓	
Bulk Trades	✓								
Shapeshift Support	✓		✓		✓				

2 The Bitquence Token

The Bitquence Token (BQX) is essential to the functioning of the Bitquence platform. In order to use Bitquence allocations and cold storage, users pay a token fee, which will represent a nominal portion of funds, similar to “dust”. BQX tokens can also be used to rebalance individual portfolios. In other words, liquidity generated by BQX will be used to enable users to shift allocations between various currencies quickly and easily. BQX tokens can be used as “gas” for transactions and storage on the Bitquence platform which will be paid instead of traditional management and service fees.



In short BQX Tokens will :

- Be the payment mechanism for using the Bitquence platform
- Pay for Bitquence cold storage services
- Enable liquidity to help with changes in user asset allocations

In the future, Bitquence Tokens may be used to send value, similar to PayPal. There are technical and legal hurdles to make this vision a reality (see Legal Hurdles below)

2.1 Token Sale and Distribution

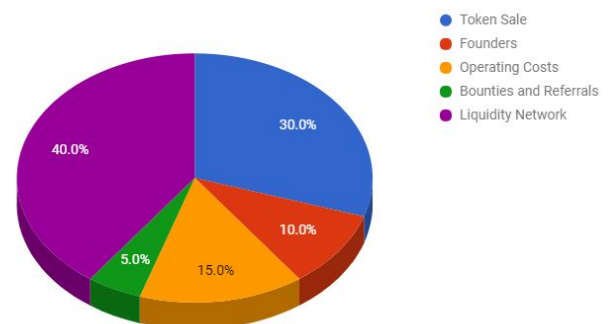
Bitquence will launch a Token Sale to initially distribute up to 30% of BQX in order to fund development of the platform and expand service offerings. To encourage liquidity and demand, service transaction discounts will be given to bulk holders of BQX tokens. In other words, users who hold BQX tokens will enjoy cheaper cold storage and service transaction fees. 40% of tokens will be reserved to establish liquidity for the Bitquence Liquidity Network. There will be 1 billion Bitquence tokens minted, which will represent all the global supply.

“Price is what you pay. Value is what you get”

- Warren Buffett

We wish to be as transparent as possible about token ownership and our development roadmap to dispel concerns about vaporware or “pump and dump” scams. We believe in the power of cryptocurrencies and are committed to building high-quality services around that philosophy. Any tokens that are not sold during the token sale will be burned, meaning the community gets to decide how much this project is worth.

Bitquence Token Cap



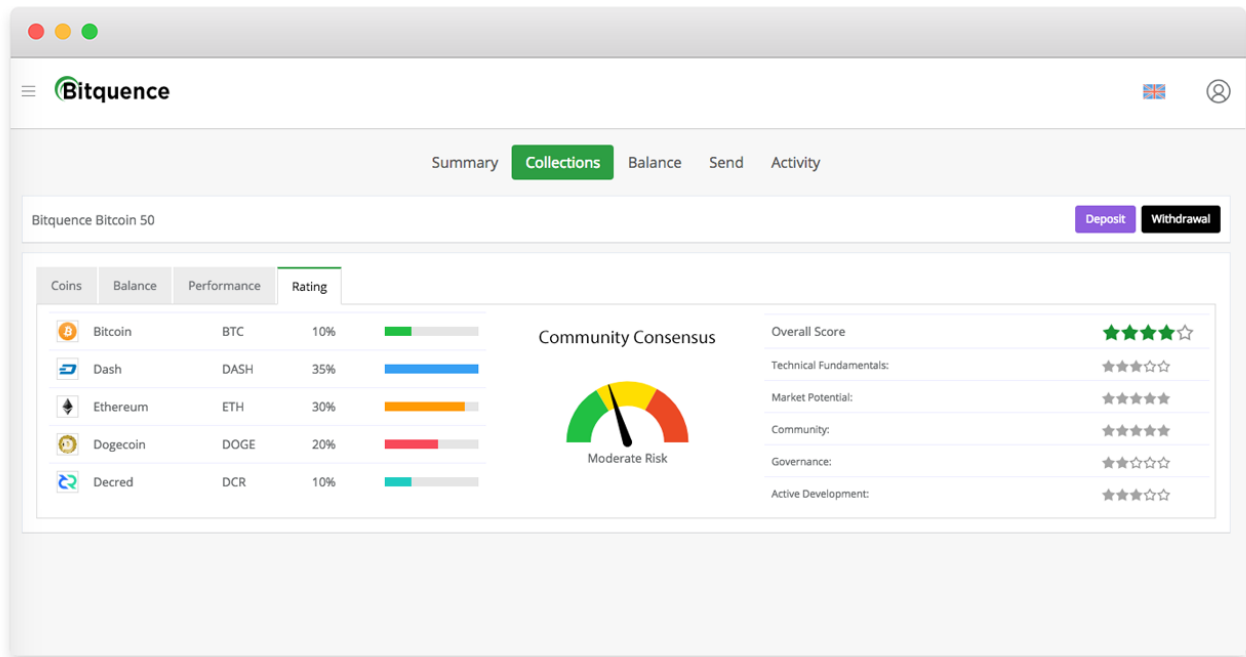
Pricing is as follows:

Cumulative ETH Committed	BQX per ETH Rate
1 to 4999	5000
5000 to 9999	4600
10,000 to 14,999	4200
15,000 to 19,999	3500
20,000 to 39,999	3175
(possible 72 hour period)	1363

The left shows the price at the amount of ETH committed. The price you get depends on how early you buy in. There is a soft cap of 40,000 ETH after which the token sale will enter a 72 hour “last chance” period which has a hard cap of 150,000 ETH. The total supply of the tokens will be 1 Billion if all 150,000 ETH of tokens are sold. If 40,000 ETH worth of tokens are sold, then the remaining 110,000 ETH worth of tokens will be burned protecting token sale participants and the total supply will be less than 1 Billion.

2.2 Proof of Stake Risk Profiles

All Bitquence Token Holders will be able to participate in consensus risk profiles. Users with active BQX balances on the Bitquence Platform will be able to “stake” their coins on different risk profiles with weighted voting based on their stake. Bitquence token holders are motivated to vote truthfully as they are rewarded based on the accuracy of the vote. This means that experienced users will be rewarded for their knowledge and earn BQX payouts just for using the platform and staking tokens. This also helps newer users gain familiarity to the risks and qualities of different coins, helping drive trust and adoption in the market. Users will be able to see the number of tokens staked against outcomes showing the strength of the market’s sentiment against events in the crypto market. Utilizing Consensus Risk Profiles, every allocation will be able to receive a customized quality and risk profile so even new users will have access to state-of-the art investment analysis.

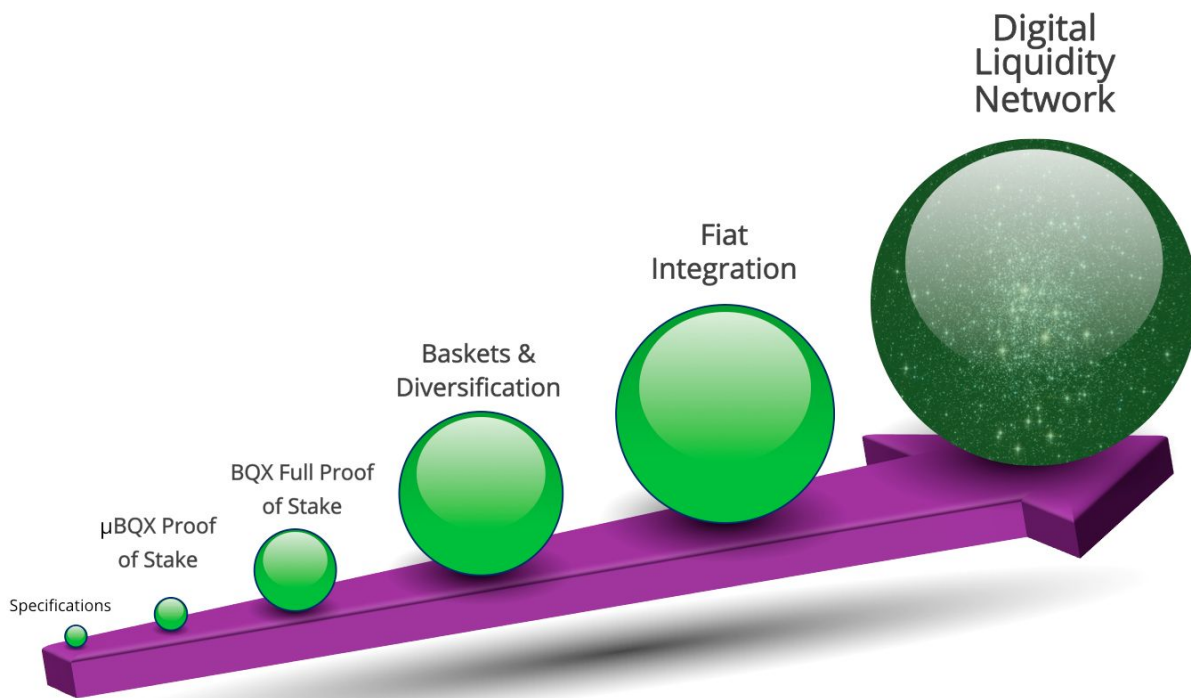


2.3 Value and Liquidity Network

Tokens will be issued on the Ethereum Network using ERC20 standards so that they can leverage the full security and capability of an established blockchain. By utilizing the Ethereum network it will offer BQX easy exchange integration, enhanced liquidity and the ability to leverage existing technical infrastructure that many users are already familiar with.

As the token will be the backbone of the Liquidity Network, Bitquence will use all the remaining unsold tokens to stake the Liquidity Network and make markets for the benefit of consumers. All initial counterparty risk will be absorbed by the Bitquence Tokens used to stake the network which will encourage the Liquidity Network's use and adoption as a payment standard.

2.4 Long-Term Roadmap



Our ultimate vision and goal is to make BQX a payments standard for services all around the world. This will take years, but we believe the roadmap outlined above is a valid and solid strategy to get there while being useful to the community along the way. Early adopters of the token will gain the benefits of the Bitquence platform at very low cost. Once the Bitquence Digital Liquidity Network has been established, the BQX token will be transferrable and liquid into any supported crypto or fiat currency. This will make sending a wide variety of crypto currencies as easy as sending Paypal or Venmo via email or text message. This will open the door to mass adoption for Universal Mobile Payments using BQX for any merchant at extremely low integration, infrastructure and transactional costs. Eventually, the roadmap includes rapid asset allocation to occur through the Bitquence Digital Liquidity Network and/or partner networks, making rapid asset allocation as cost effective, fast and reliable as possible.

Stage 1: Proof of Stake Risk Profiles

The first thing we hope to release is the proof of stake risk profiles. Users will be able to stake coins against the outcomes of different cryptocurrencies and get rewarded based on accuracy. We will start with a μ BQX release and when we are ready allow deposits of BQX. This allows us to have a test environment to iron out any issues before they affect anyone and begin building data.

Stage 2: Baskets, Diversification and Education

The second phase of development is creating the basket, diversification and education components of the platform. Users should be able to evaluate tokens using proof of stake data, news and other sources then create custom baskets to diversify across. We hope to be a one-stop research and diversification platform making it really easy to start interacting with cryptocurrencies.

Stage 3: Fiat Integration

To begin accepting fiat, it will require crossing many legal and regulatory hurdles. We will have to comply with AML/KYC and ensure the platform is highly secure before allowing any fiat in or out. We anticipate that this will require a great deal of legal work which is why we are pushing it out in our timeline.

Stage 4: Digital Liquidity Network

After completing baskets, diversification and fiat integration, we can begin to move towards the ultimate goal of Bitquence which is a massive digital liquidity network enabling the transfer of value across different assets quickly and easily. This will require establishing BQX to various asset trading pairs and creating algorithms to match buyers and sellers rapidly in real time. This is a lofty goal, but something we hope to achieve in due time.

2.5 Legal Considerations

Bitquence presents legal hurdles, especially in the United States. For this reason, the Token Sale will not be available to U.S. participants, and Bitquence will require specialized legal counsel in order to become a reality. As such, it is anticipated that a portion of the funds raised in the token sale will go towards legal counsel and framework, especially in markets such as the United States.

Legal considerations include:

- Compliance with Know Your Customer (KYC) regulations and requirements
- Implementation of Anti-Money Laundering (AML) regulations and requirements

For example, on March 2013, the U.S. Department of Treasury Financial Crimes Enforcement Network (“FinCEN”) [issued specific guidelines](#) regarding administration and exchange of virtual currencies. A key paragraph:

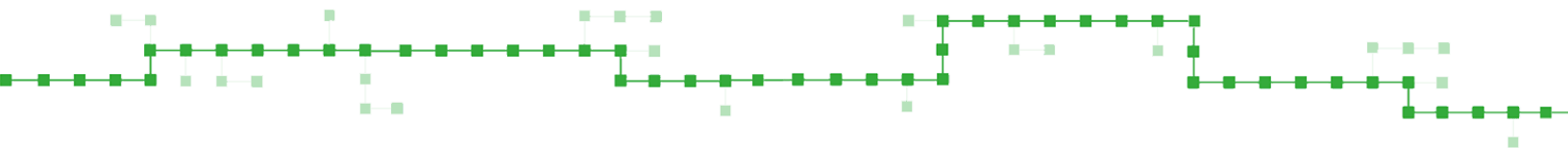
This guidance refers to the participants in generic virtual currency arrangements, using the terms “user,” “exchanger,” and “administrator.” A “user” is a person that obtains virtual currency to purchase goods or services. An “exchanger” is a person engaged as a business in the exchange of virtual currency for real currency, funds, or other virtual currency. An “administrator” is a person engaged as a business in issuing (putting into circulation) a virtual currency, and who has the authority to redeem (to withdraw from circulation) such virtual currency.

On May 2015, the U.S. Department of Justice [entered into a settlement agreement](#) with Ripple Labs regarding their policies, procedures and training and resulting in civil penalties and fines.

Bitquence management is committed to maximizing user value of the Bitquence platform while remaining fully in compliance with local laws and regulations. As such, Bitquence will determine on a market-by-market (and if launched in the U.S. state-by-state) basis the necessary level of compliance with local laws, and the feasibility of local market-based launches. This may impact the role of the Bitquence platform and token, including:

- Support of fiat currencies
- Capacity to transfer Bitquence
- The maximum amount of fiat or cryptocurrencies that can be deposited into Bitquence
- Bitquence user disclosure requirements

These issues should be considered by users considering advanced purchase of Bitquence tokens. The fundamental role of the Bitquence token is to act as “gas” for the Bitquence platform and enable asset allocation rebalancing between various cryptocurrencies. However, the Bitquence service may not be available in certain countries - for example, it may be years before the Bitquence service is launched in the United States. (Note that the Bitquence Token Sale is not available for U.S. participants) Prospective participants in the Bitquence token sale or downstream token purchases should consider these facts prior to purchasing any Bitquence tokens.



3 Looking to the Future

The Bitquence application is designed to be developed and deployed as quickly as possible. Initially Bitquence will run on cryptocurrencies and will be thoroughly scale-tested prior to the integration of any fiat currency gateways. The core priorities of the application are::

Security: Rock solid cold storage technology and protocols.

Scalability: The capacity to handle scale transactions.

Accessibility: Making the platform fast, easy and mobile-friendly

Decentralization: Making the platform decentralized eliminating any single point of failure

But Bitquence has bigger plans beyond launching a convenient asset management platform. We want to position Bitquence in the market to be the leader in secure value management in the new economy.

3.1 Money Market and Rapid Asset Allocation

As of right now, Bitcoin is the dominant currency by which all other currencies are measured and exchanged. When someone makes a Bitquence deposit, the funds are converted into Bitcoin and can be withdrawn as Bitcoin. In this sense, Bitcoin is the equivalent of the “Money Market” in traditional brokerages and can be converted into diversified asset allocations. Users who wish to acquire Bitcoin may do so by simply depositing fiat currencies. As we begin to establish the Digital Liquidity Network, the money market may shift to BQX.

In order to achieve rapid asset allocation, we will initially use direct exchange integration to convert Bitcoin into a given basket’s underlying allocation. The user will be given estimated prices and ownership of underlying assets and will be able to compare it to actual investment. Rapid asset allocation is important for participants who want to move quickly in a rapidly changing market.

3.2 Cryptocurrency Services and Mass Adoption

Bitquence’s vision is to be the standard for cryptocurrency services in the New Economy. By bridging the gap between the old and the new, we intend to offer a safe and easy way for anyone to interact with the future of finance. Global

remittance, instant payments, localized payment portals and so much more are possible with the Bitquence Infrastructure. Furthermore, the Bitquence model can create a cryptocurrency services company whose interests align with those of the people that it serves with Bitquence Tokens.

3.3 Future Decentralization

Ripple started as a centralized service that intended to decentralize in the future. Bitquence will start as a centralized service and decentralize pieces if it makes sense in development. As the Digital Liquidity Network expands, it will begin to include liquidity partners and smart contract coin exchanges which will assist in the decentralization of Bitquence. Furthermore, we hope to be very transparent in order to comply with AML, KYC and FinCEN regulations and to protect users from attacks against Bitquence. We have a grand vision, but it will take a lot of time and effort to get there. We highly value community engagement and will regularly update the community on the development efforts of Bitquence.

We are incredibly excited about the huge potential of Bitquence. Thank you for reading our whitepaper, and please visit www.bitquence.com to follow us on social media and interact with our community-driven project.



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