2017

Soferox White Paper

The best way to send and receive coins

Soferox has been conceived and designed to bring the first free way to send, receive and store the most popular and favorite cryptocurrencies. We will be offering individuals and companies the ability to create invoices, send and receive payments, exchange and swap currencies, and act as a safe and secure vault, all while charging no fees. As the project grows and expands we look forward to adding more features to open more avenues and appeal to more markets to facilitate converting more fiat currencies into cryptocurrencies.

Table of Contents

Abstract

The main goal of this white paper is to explain the Soferox platform and outline investment opportunities. Why did we choose the name Soferox? Ferox is a Latin word meaning fearless, which is exactly what we are. We are "so fearless" in how we are trying to change the world. By opening an easy, secure, and nearly free avenue for inexperienced individuals and businesses to not only convert fiat money into cryptocurrencies, but pay for items through our invoicing system. Asking a business to keep up with the volatile crypto markets is impossible, especially when they only deal in fiat money. We are looking to help solve this problem. Not only will we offer an invoice creation and payment system, but we will also have a built-in conversion system to convert paid monies from crypto to fiat and vice versa.

The Soferox Token (SFX), that will be sold, is our coin to represent a pool of funds that will be backing this project. These tokens will be utilized as an internal form of payments within the Soferox system. This will allow currencies to travel through the system quickly and effectively, while allowing customers to exchange and trade all types of currencies. As the project is released into the open market we are looking to add and enhance more features of the Soferox system to better the accessibility of the crypto markets.

Background

Cryptocurrency is an ever growing area, but that does not mean it does not have its problems. Below we will discuss some of these issues.

Platforms and API:

There are a limited number of platforms out there and not to mention APIs to go along with them. This is something that has given many platforms the ability to monopolize and charge whatever they want.

High Trading Fees and Prices:

Most exchanges now a days are charging fees that can range anywhere from an average of 0.2% all the way to 4%. This is something that has happened due to a lack of other platforms out there.

Security Issues:

We have all heard stories of poorly developed platforms that either lose funds, or run away with them. This is something that has become all too common with ICO's running away with money, exchanges like Mt.Gox disappearing with over 650,000 bitcoins.

Poor Customer Services:

As many of you know customer services on exchanges and platforms can be quite awful. Many platforms demand for identity takes far too long and is a huge headache for the customer.

Introduction

The popularity of cryptocurrencies is growing at an extreme rate, but payment platforms and options are virtually nonexistent. Currently, exchanges are the only way to purchase, convert or swap cryptocurrencies, but all of this incurs some sort of fee. Besides paying for most transactions as well as a nonexistent payment platform with which to purchase different things from main stream resources. Filling all these gaps is where Soferox comes in.

With a familiar and easy to use structure and interface, users will be able to send and receive payments, convert fiat monies to crypto currencies and vice versa, as well as trade and exchange all currencies all for free. The ability for users and businesses to instantly convert and exchange monies while trading between the two is unprecedented.

We don't want to distinguish between merchant and individual in the spirit of anonymity, so anyone and everyone can decide to be a merchant account if they choose. This allows the user to accept payments or transfers currencies between crypto and fiat currencies. With the unprecedent growth and excitement in the crypto markets the ability for anyone including a business to easily invest money into the market for free in incredible.

Now comes the important part, how do we make money to keep offering these services? Through the investment of funds, trading on the crypto market, and returns on investments in other ventures we are looking to ensure the continued funding of the Soferox system. Only time you will see fees will be when sending outside and even then you will only get charged the network fee and nothing from us to remove your funds from the Soferox system.

Soferox LLC

Soferox is an e-commerce American based company that got its start in designing and building robust and secure web based applications. With these honed skills, we are looking to fill a void in the transfer and exchange of cryptocurrencies. In the creation of the Soferox system various cryptocurrencies will be the only available funds. As the system expands and grows we will be adding more currencies.

Soferox's main goal in all of this is to open the commerce market to cryptocurrency. Having an easy way for business to exchange fiat currencies with cryptocurrencies of individuals and vice versa is virtually nonexistent, and with our team and experience we believe we can accomplish this effectively and securely.

We want to create an environment that reflects the quality users expect and gain trust in our platform. By keeping your currencies in the Soferox vault we will work to give the user various incentives that will change and adapt as the markets dictate. We also want to give you a way to request and transfer funds to and from people in any currency regardless of their knowledge of cryptocurrencies. This will mean the integration API will be built with the main application, to allow an ease of integration on websites, business platforms, and numerous other avenues of implantation.

Due to our team's faith in the potential of the Soferox platform, we are locking our shares of SFX tokens for one year. Not only will these shares be locked, but the team will be unable to trade or transfer any SFX tokens received during the ICO. We are doing this to enable longevity of the project. These boosts

will help contribute to the "no fee" approach we're taking with the Soferox platform. By the end of the one-year locked period we feel the system will be consistently producing new coins for services.

Transparency and Trust

Our number one priority is to provide an openly and completely transparent process getting this platform established, so that everyone can understand and appreciate the potential that this system will have. For this project to succeed, the diversity of our currencies is going to be key, hence the large ICO amount. In the spirit of these points we've outlined our plan below:

- 80% of the funds will be diversified and divided among a differing number of cold wallets to maintain security.
- These varying number of cold wallets will be dispersed amongst a varying number of ever changing servers.
- These varying wallets and varying servers will change daily and randomly to protect fund integrity as well as add even more layers of security. With the ever-present threat of theft through "hacking" we feel we can't be too careful with these funds.
- 20% will be stored in fiat funds to maintain liquidity in necessary cases; such as insurance, infrastructure improvements, and conversions of other currencies.
- The creation of the Soferox vault will allow us to store and maintain users to protect anonymity, but allow for the free flow of funds and currencies.
- Due to the design and structure of the vault we will have the ability to return assets fraudulently acquired as well as lock fraudulent users.
- With the help of users, individual accounts will have the ability to report and stop fraudulent users. These reports that turn into actual suspension and revocation of fraud will result in the form of SFX tokens. A community that can govern itself tends to thrive better.
- Due to the ever-growing demand of an audit trail tied to an individual we are offering the ability to make any user account public in parts or in whole, customizable to the specific user. The option for complete anonymity is still the standard we try to strive for.
- An open API will be provided, and we will take every step necessary to ensure the protection of all information

We want to create a strong and lasting relationship with our customers by providing responsive and helpful customer service, complete transparency, comprehensive security, and the levels of anonymity that they desire. To accomplish all this we need to have a thorough bounty program that is going to encourage users to report all bugs and any security issues that may be present. Due to a strong desire to put forth the best system possible we are still considering the possibility of adding more members to our team to cover crypto security and an outside auditor.

The Team

Aaron Mathis – CEO & Founder

Aaron has a long history in internet security and specifically the application on web based developments. It's his dream that inspired this project. His passion for the industry and desire to simplify

access to more individuals is what drives this team to create this amazing platform. With an extensive background in computer science coupled with his former semi-pro hockey career, Aaron knows what it takes to lead a team, and overcome any challenges that may arise.
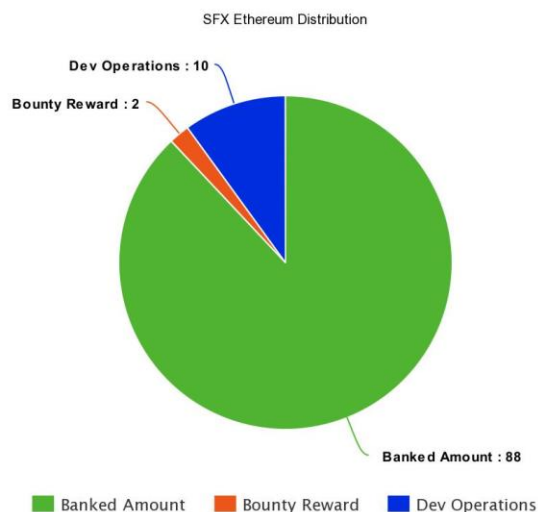
Dr. Alex Williams – CTO & Founder

Alex has been consulting on many startups in the industry. He's been a key member in ensuring they not only make it to consumers, but that they are and remain profitable. Alex has a PhD in mathematics which has helped him fine tune ability to take complex problems and new technologies and simplify them for the most basic user. He is also an accomplished programmer in a wide variety of languages and platforms to help make this project a huge success.
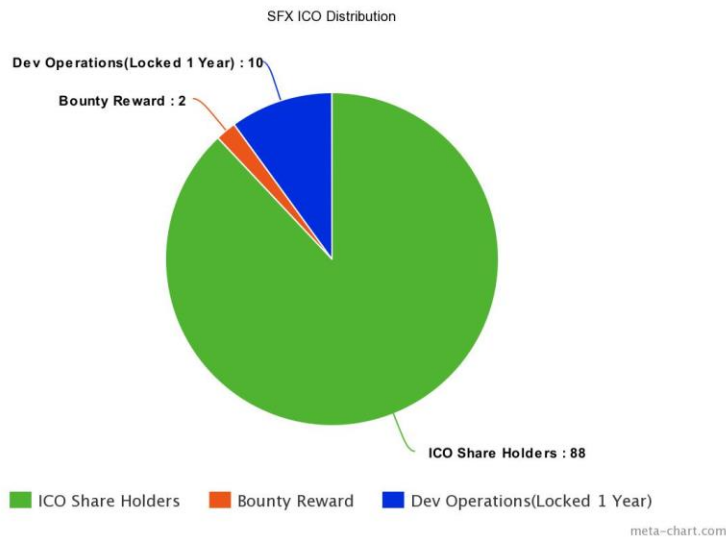
Chris Bennett – Marketing Manager

Chris has had a successful career in directing companies on which markets to target to maximize product saturation and ensure customer satisfaction. He comes from a background in sales which gives him a unique perspective on the average consumer and how it could relate to this platform. It also gives an avenue for users of our platform to have direct input into the design and implementation. Chris' membership on this team will help ensure that users will stay involved from the development to the implementation of the entire system.

The rest of our team is made up of our systems administration team, development and production, and security assurance teams. All our team members are working hard to ensure that our project will succeed and come to life, in order to fill an ever-growing gap in the cryptocurrency market.

ICO and Crypto Distribution

SFX Ethereum Distribution

Dev Operations : 10

Bounty Reward : 2

Banked Amount : 88

■ Banked Amount   ■ Bounty Reward   ■ Dev Operations

meta-chart.com

SFX ICO Distribution

Dev Operations(Locked 1 Year) : 10

Bounty Reward : 2

ICO Share Holders : 88

■ ICO Share Holders   ■ Bounty Reward   ■ Dev Operations(Locked 1 Year)

meta-chart.com

The above charts depict the percentage of expected distribution of crypto and tokens following the end of the ICO. This means that 88% of the funds raised will be used to ensure the value of the Soferox platform and allow for the diversification of currencies. Once the Soferox platform has been established, the types of currencies and proportion of funds dedicated to these specific currencies will be chosen. All these diversifications will allow us to grow and build our currency bases opening more and more avenues for people to store, invest, and grow their currencies. The SFX token will be used as the inside currency to allow for the free flow of currencies, payments and trades within the Soferox platform, allowing for the freedom to diversify and change individuals' holdings easily. Our team feels that 10% of the fund should be more than enough to ensure the success of the development team in its initial phases of the Soferox platform. This number is based on basic operating cost, with a massive chunk going to development specifically of security, ease of access, and utility of the platform. We want to ensure that anyone and everyone is more than capable of using the system and has the confidence to do so. To offer the most support for the system and make sure our bounty program is successful for both Soferox and individuals participating we are allocating 2% of the total pool to this program. We want to ensure that people understand that Soferox is about supporting and growing the industry by making a simple way for anyone to join and enjoy it.

SFX Token

We are trying to assure investors and supporting members that their investment will have a huge return as the Soferox system grows. Because of this, SFX tokens purchased during the presale and ICO will have a return of 1 SFX to $0.16. We are offering a 60% bonus on any presale tokens. The presale will last for a total of 15 days, till September 15th. Our total cap for the ICO is 100 million SFX tokens sold with a finite cap on SFX at 1 Billion. During presale and the ICO, purchases can receive extra tokens. During the pre-sale, all purchases will be given 60% more tokens. Once the ICO starts, the bonus structure will change to the following:

- First 48 hours (October 1-2) = 60%

- Week 1 (October 3-9) = 50%

- Week 2 (October 10-16)= 45%

- Week 3 (October 17-23)= 40%

- Week 4 (October 24-31)= 35%

Pricing structure will work as follows:

- First 48 Hours - Token Cost $0.10

- Week 1 - Token Cost $0.12

- Week 2 - Token Cost $0.14

- Week 3 - Token Cost $0.16

- Week 4 - Token Cost $0.18

The pre-sale is when you have the best deal as $100 USD will get you 1,000 SFX Tokens and 60% more totaling 1,600 tokens. Please note, that the bonuses are subject to change. Please check www.soferox.com for up to date ICO bonuses.

Potential Coins

The initial coins we are going to offer on the platform will be:

- Bitcoin
- Ethereum
- Litecoin
- ZCash/Dash
- SFX

These are just the initial coins being offered and supported. We want to ensure only the top and most widely traded currencies are the top priority at first for everyone on the system, while not flooding the system with unnecessary or unwanted currencies. We will of course look into up and coming things to add on our platform.

Software Build Architecture

To ensure the ease of use and simplicity of Soferox we are modeling it after popular and commercially available platforms and apps. We will be introducing free standard user accounts and merchant accounts to allow for the movement of currencies. By catering to both groups, we are trying to encourage the free flow of currencies and goods without all the complications of having many different wallets, exchanges, and the inability to simply convert to fiat currencies.

We feel this will allow the world of crypto currencies to finally reach the real world and merchants. By creating a simple way for merchants to charge and collect monies for goods without having the headache of keeping up with cryptocurrency prices. By paying a small monthly fee for the Soferox

platform merchants will be able to receive monies from untapped markets, both locally and globally, without paying individual transaction fees. Not only will they be able to save hundreds if not thousands of dollars annually, but they will have a strong and secure storage and dispersion tool for their funds without having to route through a centralized bank.

Key features will consist of:

- Ability to convert coins from one to another, No Fee
- Ability to trade and swap coins with other users, No Fee
- Ability to store and disperse coins within the safe and secure Soferox platform, No Fee
- Ability to store monies in the Soferox Vault, No Fee
- Ability to privatize or publicize any account info user feels relevant, No Fee
- Ability to send/receive invoices, send/receive payment. Small Monthly Fee (Persons paying with credit card may have fees charged to customer or absorb this cost)
- Insurance will be offered to ensure that any fraudulent activity on insured account will have funds recovered and restored after the fraudulent activity is detected and reported, Small Monthly Fee
- Funds either withdrawn or sent to an outside address will incur a standard transfer fee
- Full UI will be available to provide detailed statistics, reports and other pieces of information voted on by the user base
- All transactions conducted in the Soferox platform will be instant.

The Soferox Vault

Our team is most excited about our Soferox Vault. This feature is trying to bring old ideas to cutting edge technology. In the Vault users will be able to set up two different accounts, a Trust and The Crypt.

Trusts will give users the ability to combine funds. This will be a more efficient and secure place where individuals can come together to pool their money, invest, grow, and manage their monies in whatever way they see fit.

The Crypt is a feature for individuals to deposit their monies for storage, safe keeping. This account will have potential to gain interest yearly. As of now an interest rate of 1% is what we are considering. Possibly 1.5% for early investors.

The Trust

We feel the Trust will be a powerful tool in the cryptocurrency theater. To honor the transparency we believe in, we've outlined the features of the trust below.

- All users must have Soferox accounts to access the Trust
- Standard users and Merchant users both have access to the Trust
- Must have a minimum of .1 of any coin
- No minimum deposit amounts
- No maximum amount that can be stored in the trust
- Deposits and withdrawals can be scheduled for any time

- Pooled funds stored in an offline wallet distributed around the world and changed constantly
- No limit to withdrawals, but removal from the Soferox system will incur fees
- If at any moment the trust balance reaches 0, all members will be notified to ensure it was an approved transaction
- There will be a 48-hour cancelation window for withdrawn funds and have said funds brought back into the trust
- The Trust will have a guaranteed fixed annual interest rate
- Initially, interest will be paid on a maximum of 100 of any coin. As the Soferox platform grows we plan to grow this number
- Each Trust will have Owners and Co-owners who can approve withdrawals from the Trust. Standard users will still have access to deposit funds, but will require approval from Owners or Co-owners to withdraw monies
- Trusts are free to have, but there is a 1 time set up fee which will easily be recouped from interest.
- As the market fluctuates, so will the interest rate. However, pre-sale and ICO members will get a high guaranteed rate at early signup

The Crypt

The Crypt is designed to give the power back to the individual. We're trying to bring back ideals somehow forgotten along the road to the future.

- Must be a member of the Soferox system to have access to the Crypt
- Available to both standard users and merchant accounts, 1 Crypt is included for free with each user
- Zero Fees
- Must have a minimum of .1 of any coin
- No minimum deposit amounts
- No maximum amount that can be stored in the Crypt
- No limit to withdrawals
- Deposits and withdrawals can be scheduled
- Funds can be transferred and moved within the Soferox system for free
- Funds will be stored in offline wallets distributed around the world and changed constantly
- Initially, interest will be paid on a maximum of 100 of any coin. As the Soferox platform grows we plan to grow this number
- Additional accounts can be opened, but to incur interest on stored funds users will have to pay a monthly fee per additional account
- As the market fluctuates, so will the interest rate. However, pre-sale and ICO members will get a high guaranteed rate at early signup

Standard User Functions

We're here for the people. Standard users will have access to the clear majority of the Soferox platform minus some merchant specific UI access. We want users to grow and shape the environment they're in

without the constraints normally placed on them in today's modern world. The only fees any standard user could possibly pay are, creating and sharing invoices, and possible credit card fees imposed on them by merchants. Truly the power of the people is back in the hands of the people.

Merchant User Functions

We here to encourage commerce, trade, and new sources of revenue. Because of this we're not limiting the merchants in any way. They will have full access to our systems without having to pay for invoicing. We're also offering an ability to track certain metrics relevant to today's modern merchant. The ability to convert crypto to fiat has opened a whole new avenue of growth for today's modern vendor. With the ability to not only accept currency globally, but store and then disperse that money without the hassle of modern day banks is ground breaking. We're looking forward to restoring the relationship that vendors once had with their customers.

Insurance

The issue many of us run into today is theft. We're trying to curb this problem and safeguard user's currencies. Should for whatever reason your monies get stolen, have fraudulent activity on an account, misroute money, or any other number of reasons we will recover it. As long as this event occurs on the Soferox system we'll make it right. This service will incur a small fee to be paid in either crypto or fiat currencies. At this time, this is under development and we are still working on figuring out a fair fee structure that lets everyone win.

The Crypto Economy

We know and understand the volatility of the crypto markets. We've all seen the pump and dumps, the crazy drops and inexplicable growth, but how do you combat these? Our software is designed to not target a single market or currency. We've been developing our system to spread our transactions not only over exchanges, but also over currencies as to not target one specific coin. This encourages a more stable economy, and boosts the confidence of our users to retain their currencies and wait for proven equity, instead of being subject to the fears of unpredictability. This will also help encourage the crypto market in general, as any heavy trading and exchanging done will not be as noticed or felt than if we targeted a specific exchange or coin. Our team wants to help ensure long lasting growth for everyone, not a fear in the marketplace.

Can we buy from Soferox?

Eventually yes. Our first and foremost priority is to establish a user base built on trust and confidence. We feel that based on our dedication to our customers and the ideas we're establishing will only allow for a massive user base. To support this user base in a way we feel is fair we must first establish enough Bitcoin and Ethereum to not only diversify the coins offered, but be as responsive and immediate as our customers will have come to expect.

Additional Features

As our user base, platform and software grow we realize there will be demands for changes and additional features. The main one being a phone app, which we are currently developing alongside our beta program. Our success is built on the success of each user, so we welcome any and all input from our customers and users. If you have any suggestions feel free to send us an email. We may not have the chance to respond right away, but we're always open to input and suggestions.

One of the features we want to add more than anything is a debit card tool. We'd love to see this feature out and in the real world being used truly making Soferox a crypto tool of the people.

Is this Truly a No Fee Platform?

"Dude, there's no way this is real. I mean it's obviously too good to be true, and there's no way they can do it for free." Well, is it is real, and it is free. ANY transaction to ANY user in the Soferox system is free. Plain and simple. We're trying to bridge the gap to the open market, and expand cryptocurrencies to everyday users and businesses. We understand it won't be easy and it won't be cheap, but we think it's worth it.

What does it mean for you to store money?

Our team at Soferox is trying to make cryptocurrencies easily accessible to the mainstream public. By acting like a bank we're trying to bring tried and true methods to the crypto world like 0 fee storage, free transfers, interest gained on assets, and complete security all while ensuring access to funds. With a multi-server cold wallet system, we feel we can offer the best protection to users' funds, as well as ensure a truly fee free service.

What is a multi-server cold wallet system?

This system is what provides the strongest layer of security. Members of the Soferox team spin up new servers daily, to allow a new and completely different location for users' cold wallets to be stored. Once a wallet is removed from one server, that server is then destroyed to never be used again. On top of this, there are an ever-changing number of wallets, dispersed in undisclosed ever-changing locations. All our wallets are multi-signature to prevent monitor of funds in specific wallets and locations. To ensure confidence and safety of customers funds, we will keep roughly 20% of funds in Fiat currencies to secure any and all assets. As the Soferox platform grows we predict that this number will have to grow as well.

Customer security is our number one priority.

Opportunities

The opportunities for the Soferox platform are truly endless. With commerce moving more and more internet based, we are seeing a trend in global business that has barely even been tapped into yet. We're looking for a way to bring familiar and known systems to cryptocurrency to make it easily accessible and user friendly regardless of a user's knowledge of cryptocurrencies.

Timeline

July 2017 – White paper and ICO Crowd sale Announcement

September 2017 – Pre-sale/ICO Starts

October 2017 – ICO Ends

Development Begins 2017 – Private Alpha Starts

December 2017 – Private Alpha Starts

February 2018 – Private/Public Beta Starts

March 2018 – Open Access Begins

These dates are hard dates and we anticipate hitting them. Of course unexpected things can and do arise, so if there are any unexpected set backs user and investors will be notified.

Summary

We aren't trying to reinvent the wheel or build some abstract complicated structure, we're simply trying to make cryptocurrency accessible to all. Soferox is about success. Our team just wants to give users the ability to store, grow and build their investments securely, safely and fee free. We also want business to have the opportunity to tap into an otherwise untapped market. Having the ability to convert crypto to fiat, trade coins, convert coins, store, gain interest, pay for good, and otherwise further a global economy is what we're striving for. Here at Soferox, we want to open the commerce and e-commerce markets to the world of cryptocurrency and truly revolutionize the way people see money.

Disclaimer

Disclaimer

NOT AN OFFER TO SOLICIT SECURITIES AND RISKS ASSOCIATED WITH SFX AND THE Soferox, LLC NETWORK

Last Updated July 18th, 2017

This document is for informational purposes only and does not constitute an offer or solicitation to sell shares or securities in Soferox, LLC or any related or associated company. Any such offer or solicitation will be made only by means of a confidential offering memorandum and in accordance with the terms of all applicable securities and other laws. None of the information or analyses presented are intended to form the basis for any investment decision, and no specific recommendations are intended. Accordingly this document does not constitute investment advice or counsel or solicitation for investment in any security. This document does not constitute or form part of, and should not be construed as, any offer for sale or subscription of, or any invitation to offer to buy or subscribe for, any securities, nor should it or any part of it form the basis of, or be relied on in any connection with, any contract or commitment whatsoever. Soferox, LLC expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from:

(i)   Reliance on any information contained in this document,
(ii)   Any error, omission or inaccuracy in any such information or
(iii)   Any action resulting there from. Soferox, LLC Token, or "SFX", is a cryptographic token used by the Soferox, LLC network. At the time of this writing SFX,
   a)   Cannot be exchanged for goods or services,
   b)   Has no known uses outside the Soferox, LLC network, and
   c)   Cannot be traded on any known exchanges. SFX is not an investment. There is no guarantee that the SFX you purchase will increase in value. It may – and probably will at some point – decrease in value. Those who do not actually use their SFX honestly and fairly will lose their SFX to those who do. SFX is not evidence of ownership or right to control. Controlling SFX does not grant its controller ownership or equity in Soferox, LLC, or the Soferox, LLC network. SFX does not grant any right to participate in the control the direction or decision making of Soferox, LLC or the Soferox, LLC Network.

1) Risk of Losing Access to SFX Due to Loss of Credentials the purchaser's SFX may be associated with a Soferox account until they are distributed to the purchaser. The Soferox account can only be accessed with login credentials selected by the purchaser. The loss of these credentials will result in the loss of SFX. Best practices dictate that purchasers safely store credentials in one or more backup locations geographically separated from the working location.

2) Risks Associated with the Ethereum Protocol, SFX, and the Soferox, LLC network are based upon the Ethereum protocol. As such, any malfunction, unintended function or unexpected functioning of the Ethereum protocol may cause the Soferox, LLC network or SFX to malfunction or function in an unexpected or unintended manner. Ether, the native unit of account of the Ethereum Protocol may itself lose value in ways similar to SFX, and also other ways. More information about the Ethereum protocol is available at http://www.ethereum.org.

3) Risks Associated with Purchaser Credentials Any third party that gains access to the purchaser's login credentials or private keys may be able to dispose of the purchaser's SFX. To minimize this risk, the purchaser should guard against unauthorized access to their electronic devices.

4) Risk of Unfavorable Regulatory Action in One or More Jurisdictions Blockchain technologies have been the subject of scrutiny by various regulatory bodies around the world. The functioning of the Soferox, LLC network and SFX could be impacted by one or more regulatory inquiries or actions, including but not limited to restrictions on the use or possession of digital tokens like SFX, which could impede or limit the development of the Soferox, LLC network.

5) Risk of Alternative, Unofficial Soferox, LLC Networks Following the presale and the development of the initial version of the SFX platform, it is possible that alternative networks could be established, which utilize the same open source code and open source protocol underlying the Soferox, LLC network. The official Soferox, LLC network may compete with these alternative, unofficial SFX based networks, which could potentially negatively impact the Soferox, LLC network and SFX.

6) Risk of Insufficient Interest in the Soferox, LLC Network or Distributed Applications It is possible that the Soferox, LLC network will not be used by a large number of businesses, individuals, and other organizations and that there will be limited public interest in the creation and development of distributed applications. Such a lack of interest could impact the development of the Soferox, LLC network and therefore the potential uses or value of SFX.

7) Risk that the Soferox, LLC Network, As Developed, Will Not Meet the Expectations of Purchaser The Soferox, LLC network is presently under development and may undergo significant changes before release. Any expectations regarding the form and functionality of SFX or the Soferox, LLC network held by the purchaser may not be met upon release, for any number of reasons including a change in the design and implementation plans and execution of the Soferox, LLC network.

8) Risk of Theft and Hacking Hackers or other groups or organizations may attempt to interfere with the Soferox, LLC network or the availability of SFX in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus based attacks.

9) Risk of Security Weaknesses in the SFX network Core Infrastructure Software The core software of Soferox, LLC network is based on opensource software. There is a risk that the Soferox, LLC team, or other third parties may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructural elements of the Soferox, LLC network interfering with the use of or causing the loss of SFX.

10) Risk of Weaknesses or Exploitable Breakthroughs in the Field of Cryptography Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptocurrencies and the Soferox, LLC platform, which could result in the theft or loss of SFX.

11) Risk of SFX Mining Attacks As with other decentralized cryptographic tokens and cryptocurrencies, the blockchain used for the Soferox, LLC network is susceptible to mining attacks, including but not limited to doublespend attacks, majority mining power attacks, "selfishmining" attacks, and race condition attacks. Any successful attacks present a risk to the Soferox, LLC network, expected proper execution and sequencing of Soferox, LLC markets, and expected proper execution and sequencing of

Ethereum contract computations. Despite the efforts of the Soferox, LLC Team, the risk of known or novel mining attacks exists.

12) Risk of Lack of Adoption or Use of the Soferox, LLC Network While SFX should not be viewed as an investment, it may have value over time. That value may be limited if the Soferox, LLC network lacks use and adoption. If this becomes the case, there may be few or no markets upon the launch of the platform, limiting the value of SFX.

13) Risk of an Illiquid Market for SFX There are currently no exchanges upon which SFX might trade. If ever exchanges do develop, they will likely be relatively new and subject to poorly understood regulatory oversight. They may therefore be more exposed to fraud and failure than established, regulated exchanges for other products. To the extent that the exchanges representing a substantial portion of the volume in SFX trading are involved in fraud or experience security failures or other operational issues, such exchanges' failures may result in a reduction in the value or liquidity of SFX.

14) Risk of Uninsured Losses Unlike bank accounts or accounts at some other financial institutions, funds held using the Soferox, LLC or Ethereum network are generally uninsured. In the event of loss or loss of value, there is no public insurer or private insurer, to offer recourse to the purchaser.

15) Risk of Dissolution of the Soferox, LLC Project It is possible that, due to any number of reasons, including without limitation an unfavorable fluctuation in the value of Bitcoin, unfavorable fluctuation in the value of SFX, the failure of business relationships, or competing intellectual property claims, the Soferox, LLC project may no longer be a viable business and may dissolve or fail to launch.

16) Risk of Malfunction in the Soferox, LLC Network It is possible that the Soferox, LLC network malfunctions in an unfavorable way, including but not limited to one that results in the loss of SFX, or information concerning a market.

17) Unanticipated Risks Cryptocurrency and cryptographic tokens are a new and untested technology. In addition to the risks set forth here, there are risks that the Soferox, LLC team cannot anticipate. Risks may further materialize as unanticipated combinations or variations of the risks set forth here.