

Valorem Foundation VLR Token

Value Based Utility Crypto Currency Platform

By

Valorem Foundation Team

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Abstract

Valorem allows users to transact with each other on a decentralized, blockchain-powered platform. Users transact with each other via smart contracts paid for with an ERC20-compliant token called VLR. **Valorem** allows the platform's users to participate in a global marketplace supports the buying, selling, investing, or exchange of VLR tokens. All transactions will be verified and stored on the blockchain via the Zero Coin Protocol. Our vision is that **Valorem** will manage all future transactions that a user would require in their daily life, such as microloans, insurance, investments, and more..

Unlike current fiat currencies that lose value, **Valorem's** token, VLR, will increase in value because of its limited supply and liquidity.

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1. Value Proposition

The VLR token will be used as a medium of exchange for the Valorem platform. Users will use the tokens for the creation and management of transactions, such as the receipt and submission of payments for services. The platform will continually introduce new features, in order that additional industries can avail themselves of its benefits.

2. Introduction

Valorem Foundation will create a seamless, quick, blockchain-verified and smart contract-approved transaction system. Valorem Foundation will be a single platform for all financial transactions, thereby allowing users to benefit. For example, users will be able to borrow money for a car, sell something they made, donate to their favorite charity, or even buy insurance.

Our goal is to provide our users with great tools that they can use to generate ideas, fund projects, and achieve their dreams.

This paper reviews state of the market for each industry we plan to disrupt. We explain how our platform will shift the focus from the analog world of fiat-based finance to the digital age of the cryptocurrency revolution.

3. High Cost of Low Value (Over Time)

Following is a graph that shows the history of value creation, starting from hunter-gatherers in pre-historic society, to the startup founders of today. As you can see, our history has been one of rapidly increasing wealth. We are now in the age of the startup founder.

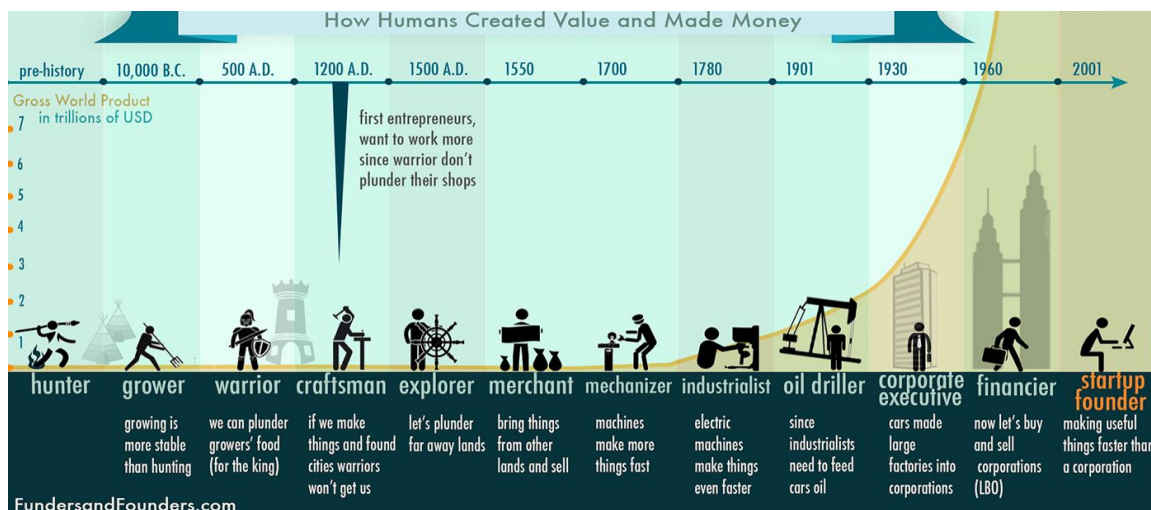


Figure 1. Historical Value Creation (courtesy FundersandFounders.com)

The majority of companies that exist create insufficient, unquantifiable and unidentifiable value. They create **perceived value**, which is neither tangible nor beneficial over the long-term. For instance, if a Church wants to provide food for the homeless, it uses donations from local people to buy food. If a parent wants to care for her child, she has to understand how money works, and spend it on necessary items.

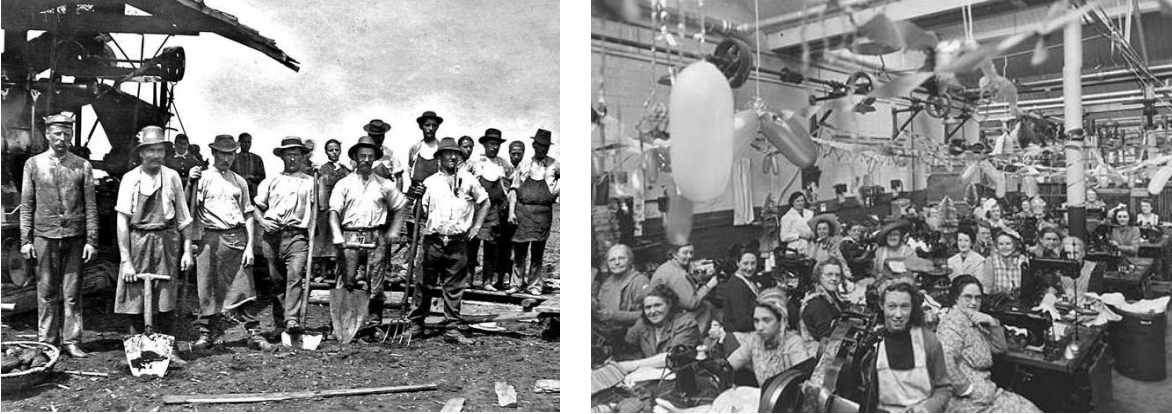


Figure 2. Historical Images (Google)

We went from a world of handmade goods to the assembly lines, and from quality to quantity. Somewhere along the way, we lost sight of the true value of our money. Now, the companies that manufacture mass quantities of goods are losing their financial footing. So our civilization must revert to focusing on value and its creation.



Figure 3. Number of Retail Stores Closing (courtesy Business Insider)

While we know that retailers are failing because people buy much of what they need online, the quality of goods they sell will diminish even further over time.

Online sales will grow in the coming years as the population grows and becomes more tech-savvy, but here at Valorem we are focused on changing the way that value is transacted.

The same principles apply when considering loans. In the aftermath of the global financial crisis of 2008-09, much of the world's wealth was destroyed and bitcoin was invented. For example, mortgage-backed securities' credit ratings were generally inaccurate due to pervasive groupthink. The problem was that there was no effective oversight of their ratings. All of the credit ratings were centralized, and there was no accountability.

This is not the last time that lack of accountability or overly centralized systems will negatively affect the economy. The global economy currently is rebounding from the great financial crisis, however, the amount of bad debt on balance sheets is merely the start of our problems. One day, all that debt will come due, and the world will find out that it can't all be repaid. We must prepare for the next global financial crisis. Stated another way, true value must exist in the world.

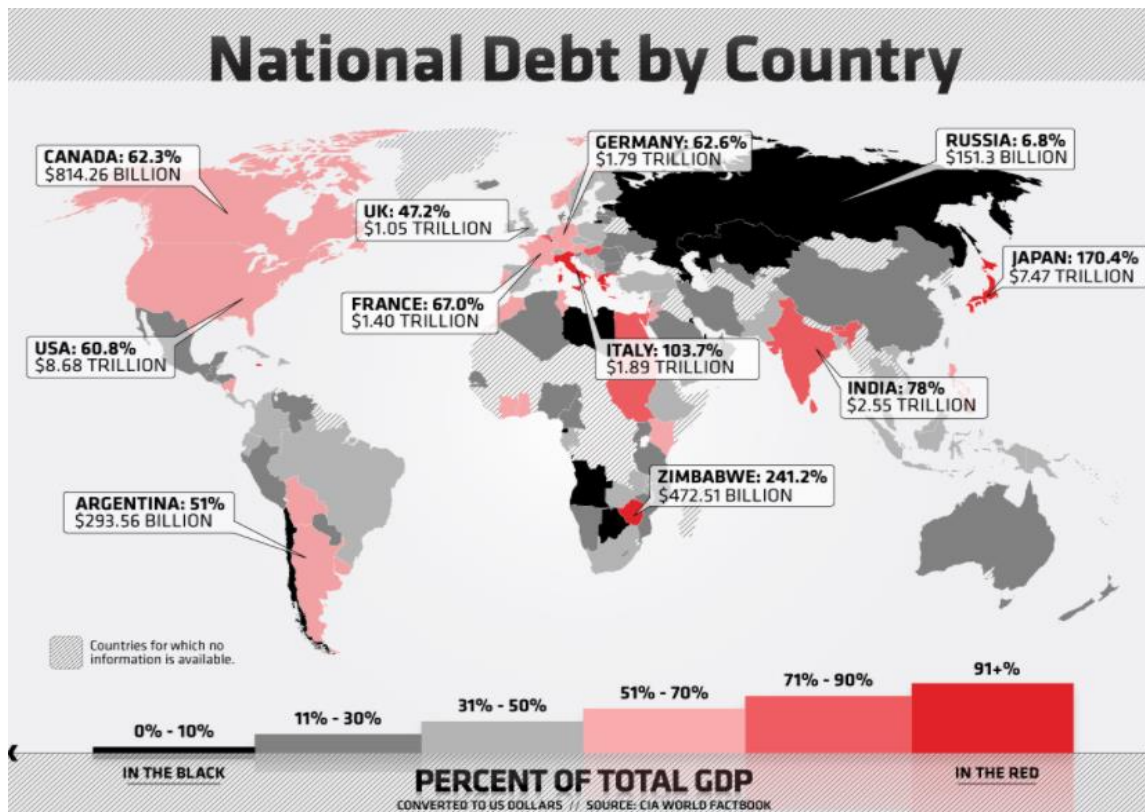


Figure 4. National Debt by Country (courtesy CIA World FactBook)

It is important to understand that real estate was not the only victim of market manipulation. Other markets suffered from misaligned incentives, overly centralized systems, and other maladies. And, the financial markets will crash again at some future point.

The solution is to transition to a decentralized, blockchain-powered infrastructure, which is not reliant on the mistakes and manipulations of the past.

Valorem Marketplace & Development Roadmap

4. Vision, Development & Rationale

i. Phase 1 of Development

Phase 1 of the Valorem Marketplace will create a stable blockchain ledger and user interface.

Microloans: Microcredit is the extension of very small loans (microloans) to poor borrowers who lack collateral, steady employment, or a verifiable credit history. These kinds of loans are designed to support entrepreneurship and alleviate poverty. Many of these borrowers are illiterate, and therefore they cannot complete the paperwork required to receive conventional loans. As of 2009, approximately 74 million people hold microloans, with a total notional value of \$38 billion. All microcredit loans are unsecured, tax-deductible, and have a repayment rate of 95-98%.

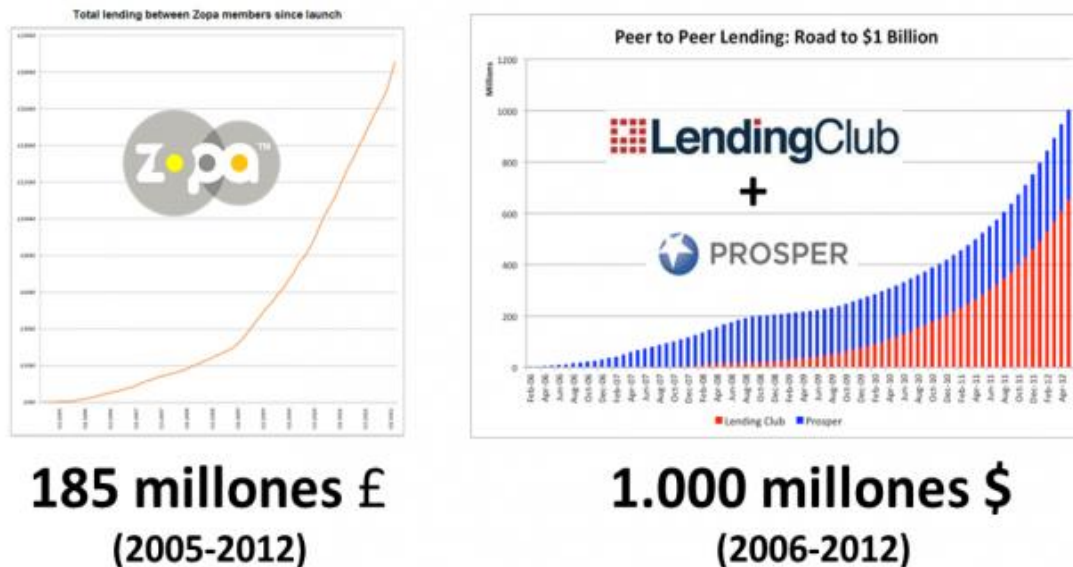


Figure 5. Microfinance by major competitor. (1)

Microcredit is part of microfinance, which provides a wider array of financial services, such as savings accounts, to the poor. As of 2012, microcredit is widely used in developing countries, and is thought to have "enormous potential as a tool for poverty alleviation." (2)

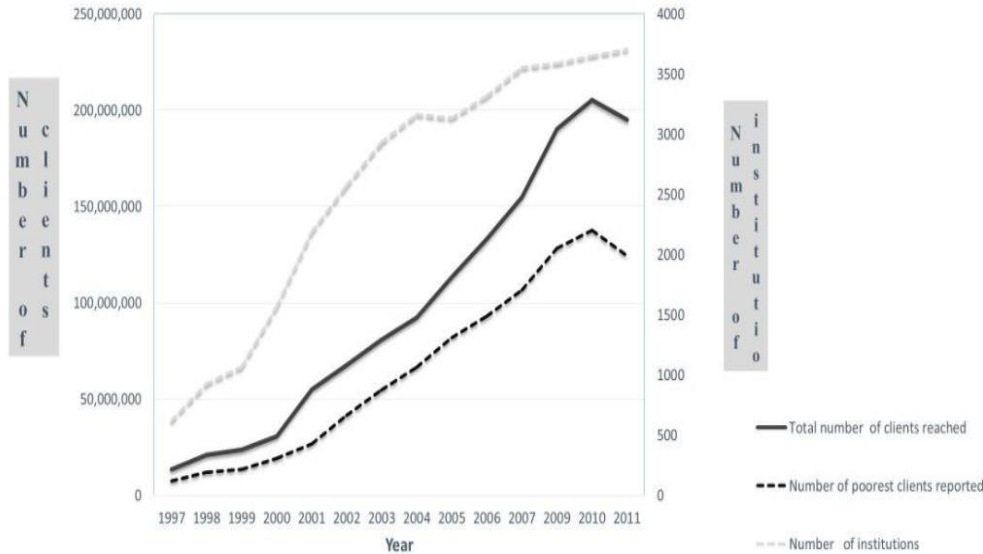


Figure 6. Developing Growth of Microfinance. (3)

Valorem will create the same features that banks use for microfinance, but will do so on a peer-to-peer basis. This will allow poor countries and their citizens to gain access to much-needed capital. With the success of competitors in the mainstream, such as Prosper and Kiva, we look forward to adding value to developing nations, and disrupting this highly centralized industry.

Rent Payments and Collections: Given how popular cryptocurrencies are likely to become among younger people, landlords should start to pay attention to payments services that are enabled by the blockchain. Landlords, tenants, and guests can create accounts on the Valorem platform. The benefit of using a platform like Valorem, as opposed to other options such as cozy.io, rentpayment.com or rentigo.com is Valorem's ease of use. A blockchain ledger keeps track of all transactions between two parties, such as those between landlord and tenant. Therefore, Valorem will improve and simplify rent collection, which will add significant value to its users.

As additional landlords and tenants register with Valorem, each will be able to participate on the platform by using their own cryptocurrencies. All of these transactions and payments will be managed by smart contracts between the tenant and landlord.

Car Loans: There are different financing options available to consumers who want to buy cars, including loans and leases. Due to the resale value of cars, this is a large market.

Auto Loan Originations by Credit Score*

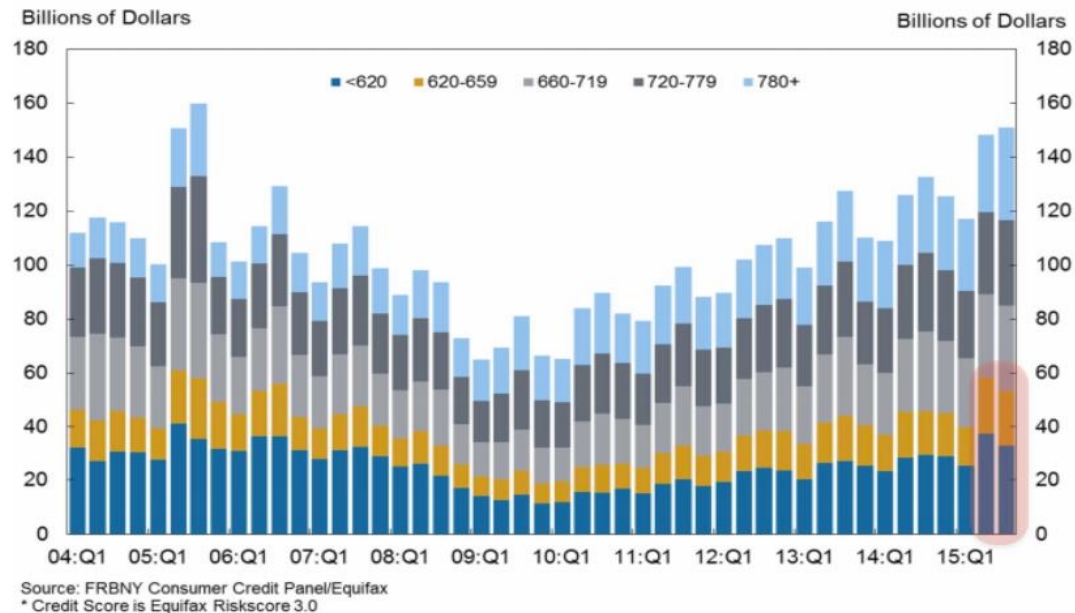


Figure 7. Auto Loan Origination by Credit Score (courtesy of FRBNY Consumer Credit Panel)

While people in the United States frequently buy new cars, the vast majority of the world drives used cars. The Valorem Foundation will offer reasonable financing to aspiring car buyers around the world. These loans will be collateralized with the help of local notaries and legal advisors. Given that Valorem will have payment history information on its blockchain for all participants who want auto loans, lenders who use Valorem will be able to accurately price credit risk and ensure repayment.

Valorem's system will minimize lenders' risk.

Student Loans: Many experts agree that the student loan bubble is unsustainably large. Valorem sees an opportunity for change. (4)

Universities can participate on the Valorem platform by issuing loans to students, and students can repay their loans via the platform. Features of this product include:

- a. All Loans will be 10% Interest
- b. Interest only payments will be due every month before they graduate. This will encourage the student to work part time to develop their skills and resume.
- c. Valorem will educate students on how to pay the loan off quicker with additional payments once they get out of college.
- d. Upon graduation, the student will be asked to update their new income and the payment will adjust to a fair amount with an accelerated repayment schedule. If the student loses their job, the payment will adjust accordingly.
- e. The above, coupled with the fact that Valorem will go up in value over time, will allow students to repay their loans more quickly.

All users will be verified and supported by the blockchain ledger.

First Early Stage User Trust Requirement: In an effort to create trust in the platform, each borrower will be required to maintain an ongoing balance of VLR Tokens on the platform.

Second Early Stage User Trust Requirements: In an effort to build even more trust on the platform and create an ecosystem we can depend on, hedging will be allowed for the portion of the loan that is unsecured.

P2P Network Hosts & Payment Processing: This service is widely regarded as the #1 feature of the cryptocurrency world. As with Bitcoin or any other currency, value can instantly be transmitted from user to user. Valorem pushes this a leap further. Many users have asked be their own payment processor, thus allowing competition to flourish globally.

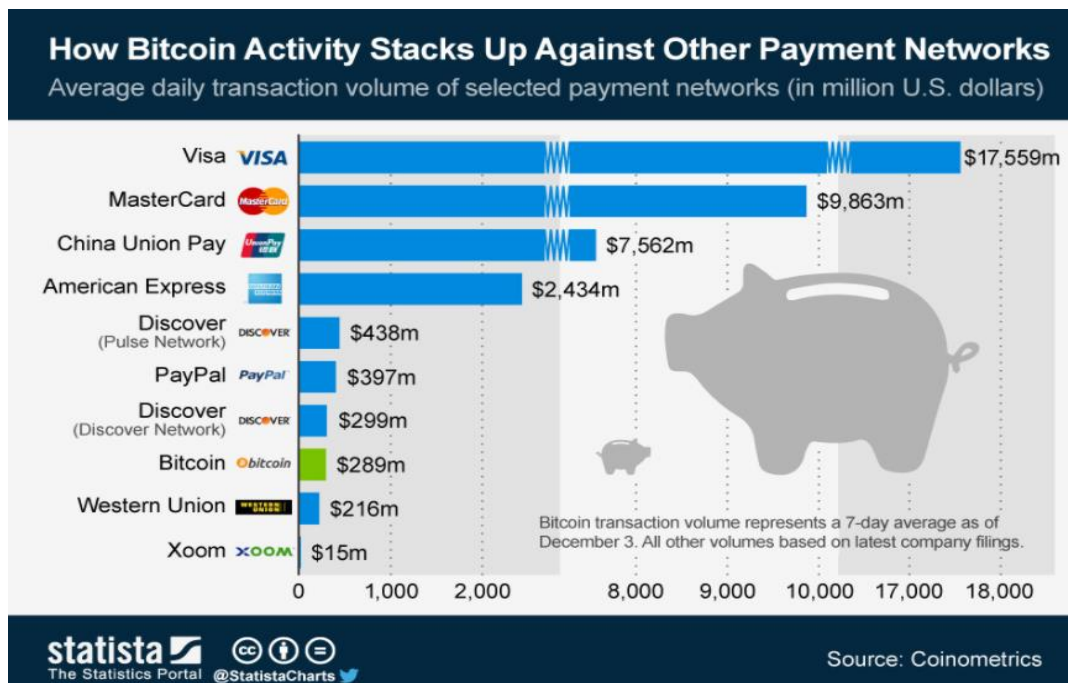


Figure 8. Bitcoin VS other payment networks (courtesy of Statista)

Valorem users will be able to host access for others, and have it all verified and recorded by the same blockchain. Valorem will not only create an exchange for various currencies, but will also allow each of these hosts to create their own branded and specific ecosystem with the VLR token.

Today, cryptocurrencies allow anyone to be a payments processor. However, there is still a need for ambassadors who can convince people to take advantage of this technology. Valorem will create a program for hosts, who would solicit and onboard whole industries, customers and their suppliers to VLR.

Valorem believes that the peer-to-peer network hosts will be a powerful addition to the Valorem platform. With the advent of easier payments transfers, users will be able to reach

into all corners of the world and onboard everyone into their own separate communities using the VLR token. This will enable enormous amount of trust within each network and will grow the value of the VLR token even further.

ii. Phase 2 of Development

Phase 2 of the Valorem Marketplace will address major markets. Here we plan to disrupt the goods and services market.

Sales & Distribution of Goods: The Amazons of the world have taken over. Today, you can use your dollar, yen, lira or whatever fiat money you have and buy whatever item you need online. It is then shipped to you in a matter of days. A lot of people argue that this convenience has made life better.

The Valorem team disagrees. We have moved faster and further into the future. But it wasn't planned smartly. It was simply a result of industry controlling government interests. Today, if someone wants to open an online store, the store would have to be on one of the large e-commerce companies' web sites, while all advertising would go through Facebook and Google.



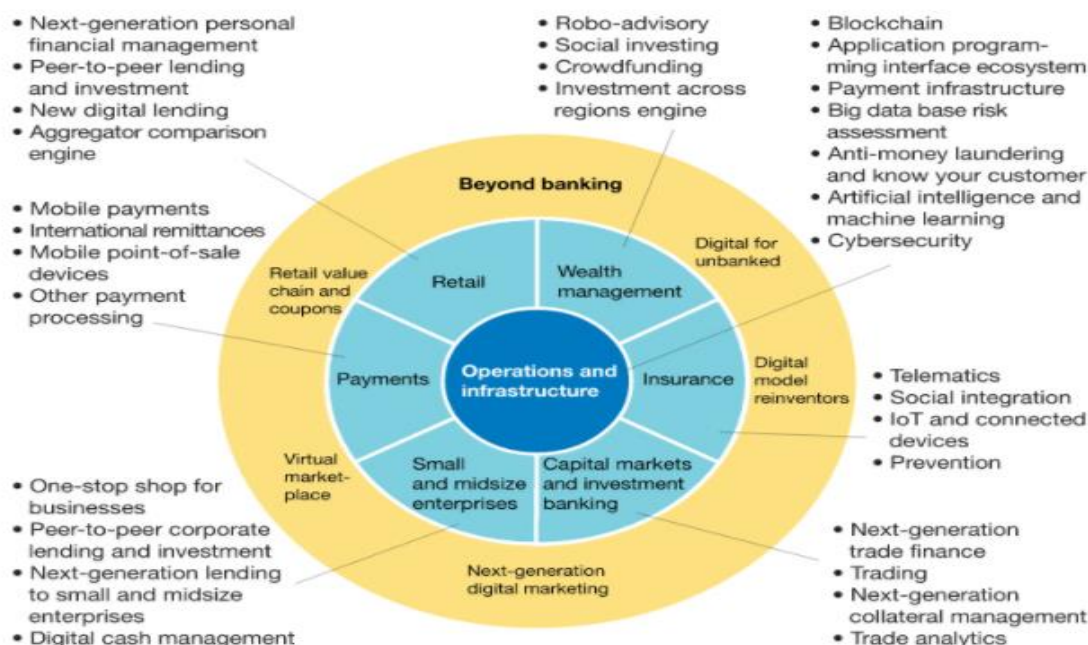
Figure 9. Amazon VS other online retailers (courtesy of Statistica)

Valorem will disintermediate this reliance on large companies' systems by allowing users to transact with each other directly, all via the VLR token.

The Valorem platform will build a decentralized smart token market on the blockchain. Using the VLR token, Valorem will build the competitive platform that will vitally disrupt those major players.

We see more than 30 areas emerging as new norms in banking.

Key fintech trends



McKinsey&Company | Source: Panorama by McKinsey

Figure 10. Emergence of optimization of payments & banking (courtesy of McKinsey & Company)

Global Small Business Investing: The majority of the world commerce is small business. This provides an incredible opportunity for successful businesses to use Valorem for capital requests. Users from all over the world can invest in someone's small business for a small equity stake. Valorem Foundation will routinely audit the uploaded financial statements of each business' income and expenses and issue payouts to stakeholders of equity in those businesses via smart contracts. Imagine being able to own a piece of a bakery in France or a portion of a Vacation Rental in the Bahamas, or a vineyard in Italy.

Once this portion of the Valorem platform goes live, oracles will be used for verification. Eric Larchevêque, CEO of Ledger, defines an oracle as a trusted entity that signs a claim about the state of the world. Oracles will review all the data, and then it will undergo a secondary manual verification process. If an issue arises, the reviewer will contact the various users to ensure proper compliance and approve the transaction.

This will help small business owners, and make sure that the financing they receive from various investors is spent wisely.

This service is very similar to microloans, and since so much of the developing world relies on access to capital, the Valorem platform will allow these small businesses to flourish.



Figure 11. Global Entrepreneurship Index of 2016 (courtesy of www.thegedi.org)

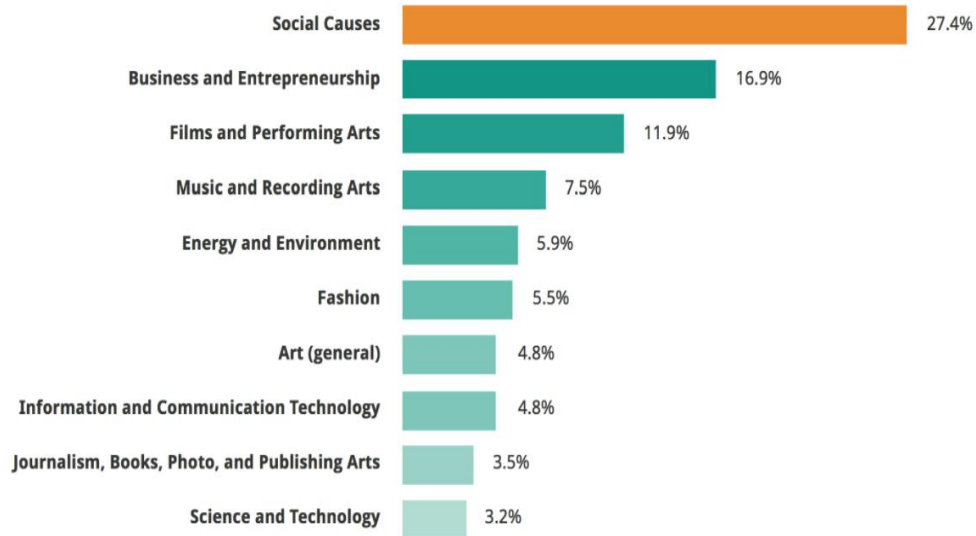
Global Commercial and Residential Real Estate Crowdfunding: Crowdfunding has become the “go-to” avenue to raise capital for business startups. Websites such as gofundme.com, crowdfundmania.com, kickstarter.com, and others have generated buzz and have funded smart ideas. However, they are limited by the currencies they use. While existing crowdfunding sites must use a fiat currency, Valorem does not. The cryptocurrency market allows businesses of all types to raise funds with token sales.

In the United States, crowdfunding is regulated by the Securities and Exchange Commission, so we must be careful to adhere to their rules. As an example, our token sale only accepts accredited investors from the US and abroad.

Following are some reasons why people will want to use Valorem’s crowdfunding platform:

- a. Decentralized blockchain control – with complete proof and accountability.
- b. Global Investor Pool – unlimited supply of investors to choose from for your project
- c. Investment uses a currency with limited supply.
- d. Multilayered platform will stabilize and grow the currency.

- e. Continuous improvements to the platform will result in a feature rich system, which is a good fit for a utility such as crowdfunding.



© massolution 2013

Source: 2013CF - The Crowdfunding Industry Report

Figure 12. Crowdfunding Industry Report (courtesy of www.coindesk.com)

As seen in the chart above, crowdfunding plays a major role in the global economy. It serves many purposes and a wide array of uses, coupled with the VLR coin that will increase in value overtime, a world-wide industry of raising money will be unlocked for the Valorem users.

iii. Phase 3 of Development

Phase 3 of the Valorem Marketplace is the much anticipated revamp of the insurance and non-profit industries. While charities are most important to our cause, insurance is as complicated as any of the other features on the Valorem platform and will require careful analysis, implementation and underwriting.

Charity: Charities worldwide serve a greater good than most businesses. Their purpose is to directly work with those in need. Unfortunately, many charities that provide care and support to the needy are being systematically underfunded and cheated out of large chunks of cash, due to intermediaries and other parties taking a piece of each donation.

The List

[Spreadsheet](#) [Reprints](#)

Filter list by: **Rank** Name All categories ▼











	Rank	Name	Private Support	Total Revenue	Fundraising Efficiency	Charitable Commitment	Donor Dependency
	#1	United Way Worldwide	\$3.708 B	\$3.867 B	92%	86%	100%
	#2	Task Force for Global Health	\$3.154 B	\$3.176 B	100%	100%	100%
	#3	Feeding America	\$2.15 B	\$2.2 B	99%	99%	99%
	#4	Salvation Army	\$1.904 B	\$2.927 B	88%	82%	132%
	#5	YMCA of the USA	\$1.202 B	\$7.284 B	89%	85%	56%
	#6	St. Jude Children's Research Hospital	\$1.181 B	\$1.382 B	83%	71%	83%
	#7	Food for the Poor	\$1.156 B	\$1.158 B	97%	96%	100%
	#8	Boys & Girls Clubs of America	\$923 M	\$1.805 B	89%	81%	81%
	#9	Catholic Charities USA	\$921 M	\$3.887 B	92%	88%	77%
	#10	Goodwill Industries International	\$902 M	\$5.6 B	97%	88%	82%

Figure 13. Top 100 charities (courtesy of Forbes)

Middlemen, such as the United Way, have siphoned as much as 20%-40% in administrative fees from every dollar donated. United Way is an inefficient and archaic organization.

Example: For every dollar you donate to the United Way Metropolitan Chicago there will be costs. Administrative expenses of 9.6 %, and fundraising expenses of 9.3 %. This leaves a little more than 81% for program expenses. Various charities have various fees and costs, this creates a huge opportunity for Valorem do lots of good. As a major component of Phase 3 we aim to disrupt this industry. (6)

The Valorem Foundation would like to introduce a flow-through charity funding initiative. The Valorem platform will be able to securely shed light on this dark area of funding. Platform users will know where the funding came from, and where it went. This will greatly increase the rate of funding for any charity and will bring truth to the industry.

This is a new approach to charitable giving. While we anticipate setting up alliances with existing charities and donors, via user smart contracts and our blockchain, we have no interest in collecting high fees from the people and organizations that need it the most.

Insurance: According to experts, insurance is the most lucrative business in the world. Valorem Foundation intends to disrupt this industry. While it's easy to say that, here is a quick article on Warren Buffet from 2016. (7)

In the past insurance was not as strong as it was in the latter part of the 1900's. We simply did not need it. Now, it is a requirement for every car, every house, every iPhone, etc.

So what makes insurance so profitable? The simple answer is because smart insurance is the key to great "Float". What is "Float"?

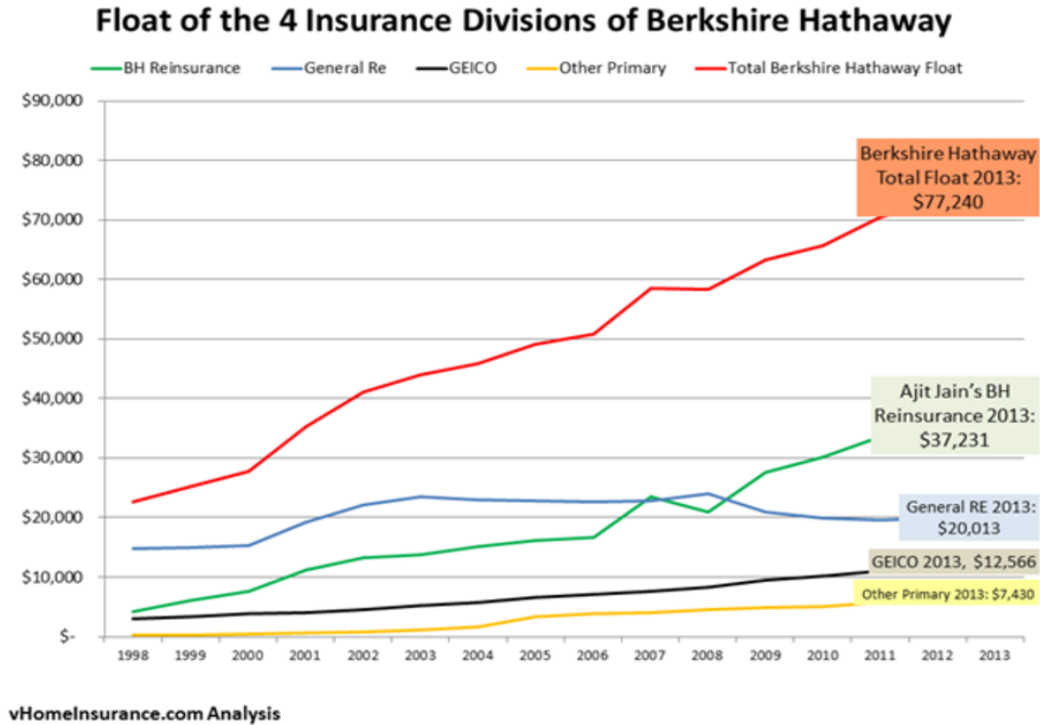


Figure 14. Insurance Float. (8)

Float is the difference between the premiums that must be paid and the premiums that are collected. Float has dramatic effects on a company's financial statements, especially when it is underwritten properly. As Valorem expands into this category, careful, slow and smart underwriting is key. Float will allow the VLR token to hedge itself against the volatility of the industry while the coin is growing in value.

In the 2nd quarter of 2018, the Valorem Foundation will introduce this feature. Users will be able to purchase a Valorem Insurance policy for their home, their renter's insurance, their life insurance and more. The key to legitimizing the cryptocurrency space is to do it properly, so how will it work?

Successfully Insuring Valorem Users Requires proper evaluation of the following:

- a. Policy, Coverages and Exemptions
- b. Maximum Liability for Payouts, Premiums and Payments
- c. Fluctuations Algorithm – Valorem Foundation Metric established to prevent negative funding
- d. Valuation Multiple - VLR Underwriting Requirement to Keep in Valorem (Can fluctuate with VLR Insurance Host/Underwriter Requirement)

Upon completion of our ICO, Valorem Foundation will employ numerous insurance individuals from various industries and work with them to perfect the process of insurance on the platform. In the first few months of going live, human oracles and VLR Insurance Hosts and will work to tailor a system of insurance that will be able to operate in the mainstream marketplace.

iv. Phase 4 of Maintenance and Future Development

Phase 4 of the Valorem Marketplace is the most important maintenance phase of the entire foundation. Here, the business aspects of the currency development take effect and go live. With the final development phase completed, it is important that every transaction, no matter how big or small is managed and refined. Every new coin and currency is adapted to our platform and every new feature that we add is implemented perfectly.

Additional Currency Adaptation: We will add every new currency that wants to partner with us to our currency exchange, our wallet and platform to convert into Valorem VLR token.

Permanent Stability & Growth: 25% of the Valorem VLR token will be held in reserve for increased stability of the currency.

Sales Team Initiation: Industry-specific sales teams will be created. These will include Field and Inside Sales to attract new customers to our platforms.

Feature Adding: New features, new protocols and projects come out every day for cryptocurrencies that secure the way we interact with one another in the space and plug the leaks with respect to hacks and other intrusions. We will be ready to implement as many of them as make sense for the VLR token.

5. Valorem Reserve Lending Concept

As an example of the kind of processes we will setup we would like to introduce our Valorem Reserve Lending Concept. This concept and theory will govern the lending portion of our platform.

To obtain the straight loan for a particular month X based on the interests;

$$\text{Month } X = \frac{\text{Interest} \times \text{Total Money Borrowed in month } X}{12}$$

$$\text{Annual Lender Earnings} = \text{Sum of all months}$$

$$\text{AVG Monthly Lender Earnings} = \frac{\text{Annual Lending Earnings}}{24}$$

Loan creation follows certain basic principles, which are explained below.

Lending companies generate profits based on the interest rates they offer. Investors often receive higher rates than depositors. The profits are generated from the differences in the net interest margin, which is the difference between the interest rates charged on borrowers and that paid to the banking customers or the interest investors. A positive value is an indication that the interest rates generate income in addition to the money borrowed. Negative values indicate losses generated from the borrowed money. Hence a good loan is indicated by the value of the trust reserve account with a positive value while for the bad loan, this value has a negative value or loss.

In this point, the value of the trust reserve account is used as the indicator. As the value decreases, it shows how soon the contributions can be made. As the value approaches zero, it shows a later contribution is needed while for negative values, the contribution is needed sooner.

$$\text{Valorem Foundation (Trust Reserve Account)} = X - \text{Total Money Borrowed}$$

$$\text{Total Money Borrowed} = \text{Sum of Risk Profile}$$

With the current rates, at some point, the sequence stops making sense since the hedge starts losing money. At this point, the reserve account value is a negative and hedging no longer makes sense.

Valorem Foundations (Trust Reserve Account), it is highly likely that the amount leading up to the Risk Profile decline and subsequent release of secured funds can be used to make a new loan.

$$\text{Required Reserves} = \text{Interest \%} \times \text{Demand Deposits}$$

$$\text{Excess Reserves} = \text{Reserves} - \text{Required Reserves}$$

We call this the Valorem Reserve Loan. A loan made by the reserve before it becomes a real loan. These loans produce pure profit for Valorem at the full interest rate as it is the depositors' money.

6. Development Roadmap

Pre-Development (as of August) – Completed

- Base Environment Setup for Development
- Py-Ethereum Setup on the environment
- Implementation of other security features
- Code Testing and Build Management for Crypto Currency
- Whitepaper Write-Up
- Implementation of the currency exchange
- Integration of 3rd party wallets to exchange

Phase 1 Implementation (Estimated Completion Date – Oct 2018)

- Implementation of Immediate, Monthly and Flexible Payout Functionality
- Implementation of Currency Transfer between wallets of the Users to be used in Phase 1
- Implementation of Smart Contracts

Micro Loans – Currently in Development

- Implementation of Document Verification Module
- Implementation of Smart Contracts
- Auto Document Verification
- Payment Transfer Module
- Enable Auto Payout System after a period

Rent Payment – Currently in Development

- Rent Payment using wallet to wallet transfer.
- Auto Payment implementation for monthly Payments.

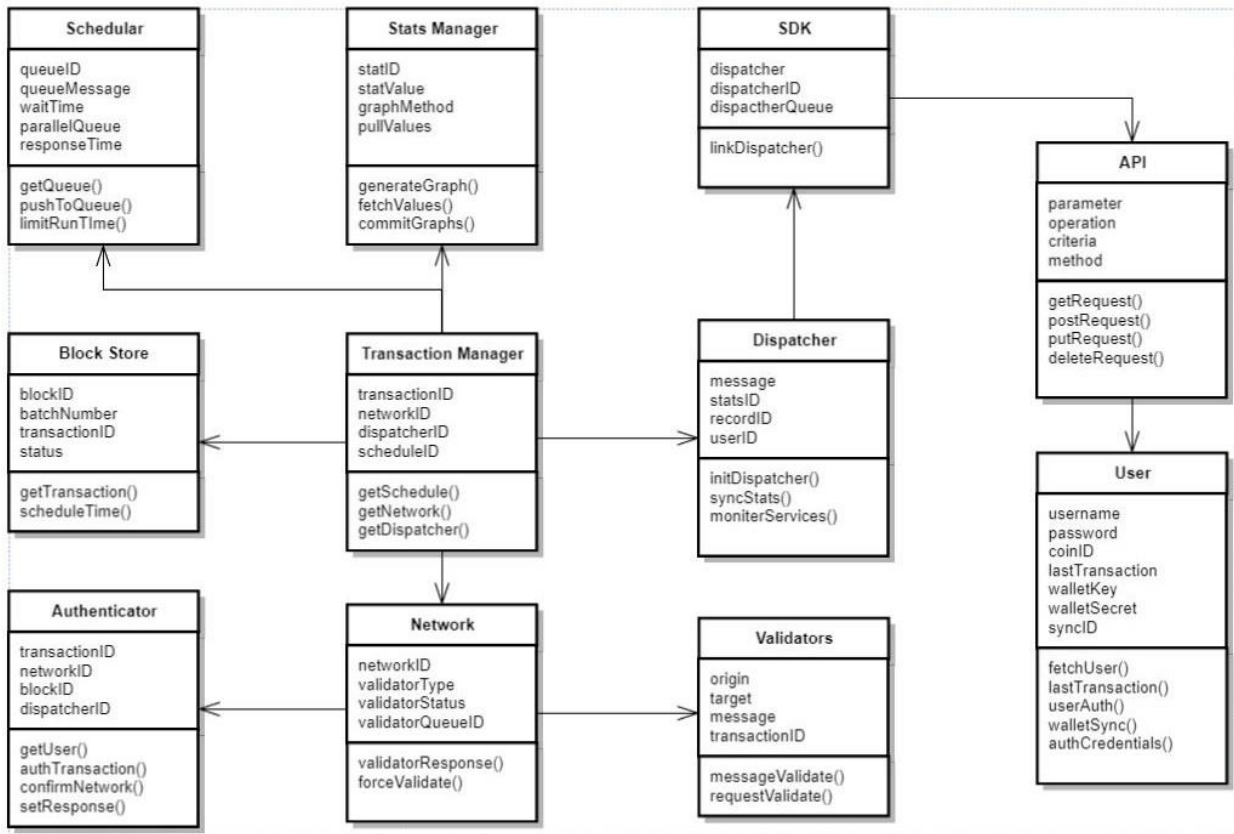
Car & Student Loans – Currently in Development

1. Implementation of Document Verification Module
2. Implementation of Smart Contracts
3. Manual Document Verification.
4. Payment Transfer Module
5. Enable Auto Payout System after a period.

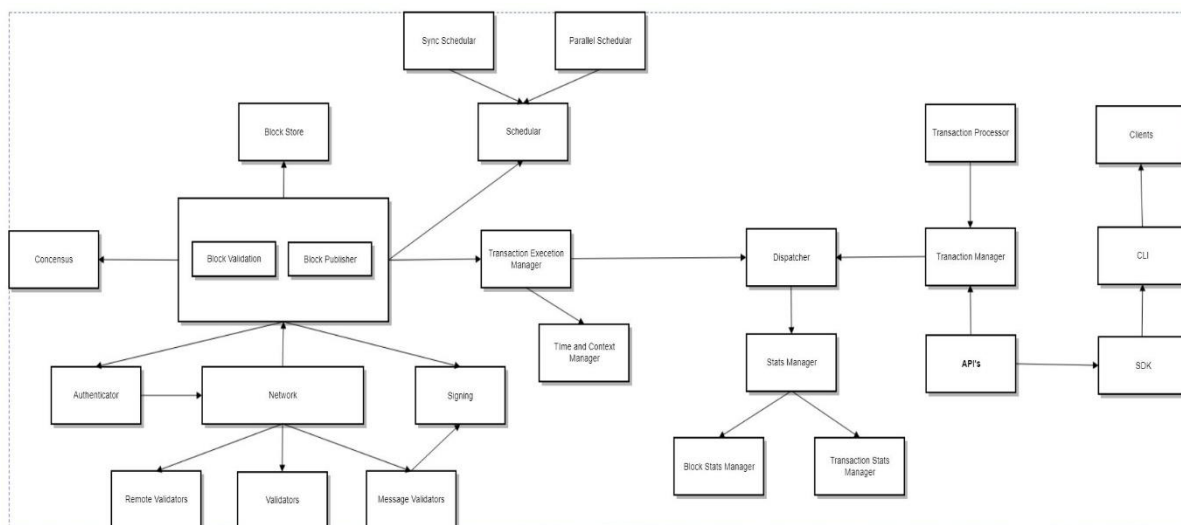
Payment Processing Network(s) – Currently in Development

1. Implementation of Poloniex to handle the processing network
2. Integration of Poloniex with Payment Exchange.

a. Blockchain Class Diagram



b. Blockchain Architecture



7. Valorem Foundation Development Team



VAL KLEYMAN
CEO & FOUNDER

Grand Leisure Travel, FedEx Corporate Sales, Enterprise Rent-A-Car, eB2B Commerce Sales, Marketing, Operations, Real Estate Investing & Management
Degree: Operations Management, Real Estate & Law from Baruch College, New York



HARINDERJIT SINGH
Head of Web & Design Development

PHP, MYSQL, HTML, CSS, JS, JQUERY, Squarespace, Wordpress, Infusionsoft, SuiteCRM
Degree: MSC(IT) from Punjab University



NAVDEEP GARG
Head of Platform Development

IOT, Ui/Ux, cloud, web and mobile, machine learning to brand equity using offline to online strategies
Degree: IT Policy/EPs Solution from National University of Singapore



ANURAG MAKOL
Lead Developer of Valorem Platform

Sr. PHP Developer, Blockchain Architect
Degree: Engineering, MBA/IT from Lovely Professional University

8. Valorem Foundation Team – Real Advisers, Strong Experience



Yaron Vilosny

16 years in Business Development, Strategy, E-Commerce & Logistics



Jared Raia

7 years in Commercial & Residential Lending



John Kleppinger

10 years in Auto, Home, Business, Liability & Life Insurance



Kent Wallgren

20+ yrs in Wealth Mgmt, UI/UX creation, Algo, AML, KYC, R & C



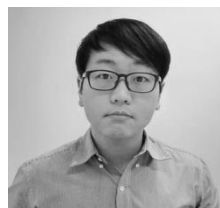
Joseph Daniels (Legal)
McCarter & English

Mr. Daniels represents startup to publicly-held technology, venture capital & private equity funds and investment banks in a wide range of seed and venture financing, mergers and acquisitions, IPOs and other public offerings. He regularly advises a broad range of startups, venture-backed companies & VC funds, and has led hundreds of venture and strategic financing transactions. He has represented issuers and underwriters in scores of IPOs and follow-on public offerings involving companies in the technology & consumer sectors, including leading investment banks such as Credit Suisse, Morgan Stanley and Oppenheimer.



Payal Jain

7 yrs in Digital & Online Marketing Strategy, Advertising and Social Media Development



Joseph Yoo

10 yrs in IT and Specialized Network Infrastructure, Security, & Server Development



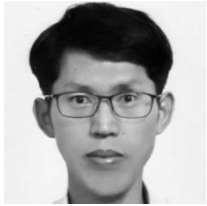
Dennis Kim

5 yrs in Building Code Consulting, Direct Sales, and Marketing & Business Development



Mike Shokin

17 Yrs in Financial Analysis, Corporate Finance, Valuation, SAS & Business Intelligence



Hans (Namkyu) Choi – Blockchain Adviser

CEO of Openchain, a blockchain platform & applications like real estate & video, as well as co-founder of Korean blockchain developer community w/IT experts from many field like financial system, AI, big data, processing design, fintech, business owner.

He is also co-organizer of blockchain event with ISSAC-KAIST and Korean blockchain community. He has been a Software developer more than 20 years and focused on financial field for 10 years. He had participated various huge financial projects, ordered by major bank, insurance, stock and fintech firms, as a business analyst, processing designer, developer, application architecture. Hans holds a M. Sc degree (2004) at Chungbuk national university in the area of computer science, belonged to XML DB team in Database Lab.



Prof. Dr. Wulf Kaal – Professional Adviser

Wulf is a leading expert at the intersection of law, business, and technology. His research focuses on innovation, technology, blockchain technology applications, smart contracts, initial coin offerings, hedge funds, and dynamic regulatory methods.

Kaal advises crypto companies, crypto startups, venture capital funds, and international policy makers on blockchain based solutions in FinTech and LegalTech. As an adviser and mentor, Kaal focuses on creating synergies for his clients and building successful new crypto businesses, among others, on existing solutions. Professor Kaal speaks regularly at leading conferences in the United States, Europe, and Asia. His speaking engagements include presentations at the European Central Bank, Harvard University, Columbia University, University of Chicago, UCLA, George Washington University, Northwestern University, Emory University, and the University of Notre Dame, Bocconi University, and Tilburg University, among many others.

Kaal teaches Disruptive Innovation, Coding for Lawyers, Dynamic Regulation, Private Investment Funds, Federal Securities Regulation, Corporate Law, International Finance, and European Union Law at the University of St. Thomas School of Law in downtown Minneapolis.



Jacob Fox – Strategic Marketing Adviser

Jacob Fox has more than ten years of marketing experience with a range of technology and service companies with a focus on emerging markets. Through his work practice, an established track record of success within the cryptocurrency industry has been formed. He has been an advisor with Senderon.org, HoldMe.io, and a host of ancillary services while establishing marketing practices for each of these companies. Mr. Fox holds a Bachelor of Arts in Political Science from the University of Kansas.



Marcio Teruel – Footballer

Marcio has been a football player for most of his life. After leaving Serbia, he joined the Vittoriosa Stars in the Premier of Malta. In 2015 he went to Bahrain to join the Bahrain Club, where after a good job, went to the Sitra Club to play for Bahrain First Division League. And in 2017, he joined AREMA Indonesia, where he was Vice National Champion. A talented Brazilian footballer and crypto enthusiast. Marcio sees the Valorem Foundation as the future of value and happily endorses its effort.



Darrell Emmanuel – Capital Adviser

Darrell Emmanuel has more than ten years experience in the financial industry, he has worked for Global Maxfin Investments as the district manager for the city of Vancouver. He has also worked for RBC Royal Bank, Investors Group and Freedom55, Mr Emmanuel is respected and honored in the Community he was the secretary of the Trinidad and Tobago Cultural Society of British Columbia for three years. Mr. Emmanuel was introduced to Venture Capital in 2001 where he worked as an associate for Brooklyn Capital. He has deep knowledge of the tech world in 2000 in the height of the dot.com era. Mr Emmanuel have successfully completed the IFIC, Canadian Investment Funds Course and the CSC Canadian Securities Course (CSC). Mr Emmanuel brings all experience & deep Capital Market knowledge to Valorem Foundation.

9. VLR Token Launch - Overview

a. Launch Summary

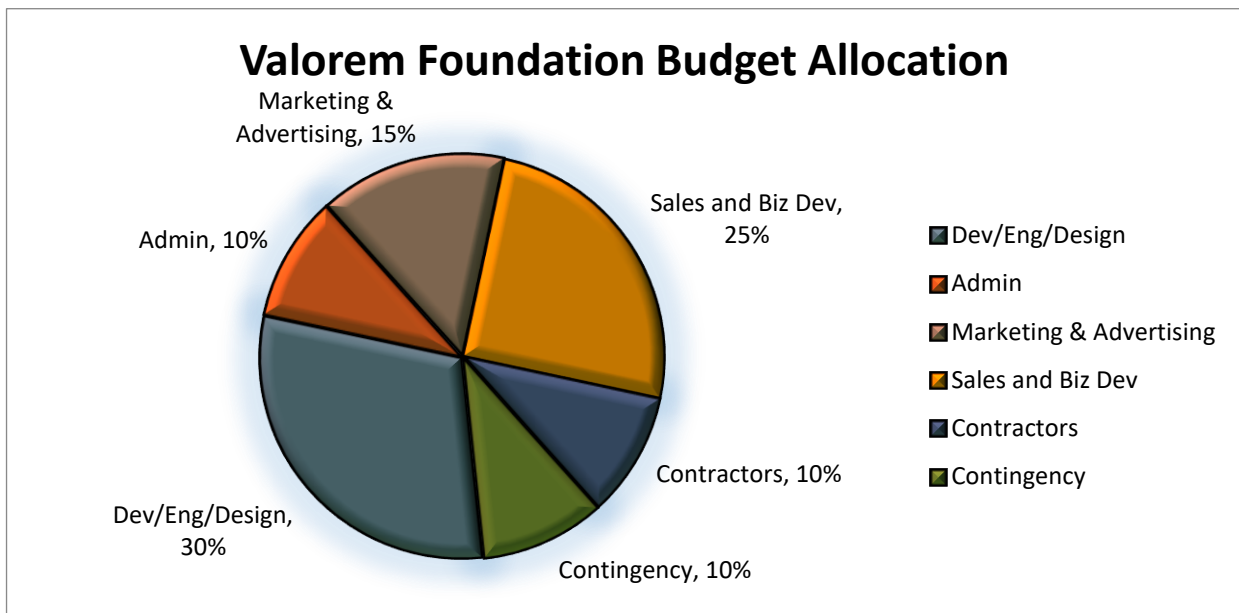
Our goal is to raise a maximum of \$15,000,000 and a minimum of \$5,000,000. Some of the numbers may change with Eth/USD exchange rates and volatility.

- Maximum Financing: 15,000,000 USD
- Minimum Financing: 5,000,000 USD
- Exchange Rate: 1 ETH = 1000 VLR
- Token Contract Address: (Published through various channels 48 hours before sale launch)
- Launch Date & Time: Nov 10th 2017
- End of Token Sale: June 28th 2018
- Token Launch Completion: Token Sale will end when the max number of ETH/BTC is reached
- Bounty: 5-7% of reserve tokens
- Burn: 10-20% after end of ICO

b. Distribution

- Total VLR Tokens: 200,000,000
- Tokens available to public after launch: 150,000,000
- Tokens held in reserve: 50,000,000

c. Budget Allocation



- **Dev, Eng, Design Team: 30 % of budget** – The team consists of a growing number of engineers, developers, and designers. Currently we estimate to have about 10 - 15 people working on Phase 1. As Phase 2 - 4 roll out we will employ more trained developers. This financing allows us to scale the solution phases and consistently add features promised to the platform.

- **Administration: 10% of budget** – This team consists of Valorem security initiatives, accounting, legal, and HR for dev teams.
- **Marketing & Advertising: 15% of budget** – This team’s primary goal will be to advertise and scale the awareness of the platform for greatest use among users, and opportunity providers’ world-wide. Including: PR and affiliate programs.
- **Sales and Business Development: 25% of budget** – Onboarding of key partners for our platform to expand and grow. This team will actively be looking for new locations to participate in the platform.
- **Contractors: 10% of budget** – Contractors will help us partner with people and organizations outside of our immediate reach.
- **Contingency: 10% of budget** – Unforeseen costs.

10. FAQs

What is Valorem?

Valorem is a decentralized blockchain that governs itself by establishing trust between all users utilizing verifications via the Valorem Platform. Implementation of smart contracts from Ethereum the ever-expanding Valorem platform allows for an array of services via our cryptocurrency. In order to use the platform, a user must exchange their tokens into the VLR and then they are able to use the platforms functions. As trust is built, and more features from Phases 2, 3 & 4 are added, the user will be able to do more.

What is the vision?

The vision is simple. The people who are in this project are tired of paying more and getting less in their respected countries. We are tired of using fiat currency that goes down in true value instead of up. We want more buying power. We want to create an ecosystem that generates value and we will do that by adding users, vendors, partners, trade's people, and various other interests that will allow us to keep exchange on the platform a valuable one. We want to create and add-value. Simple.

What does Valorem stand for?

Valorem - is valor; Valor, to be well or strong; — strong, in life (if a man), or valiant; strong, for life (if a thing) or valuable. To be "valuable," therefore, is to "avail towards life." – John Ruskin

Value must be estimated & proportionate to the goods and transactions concerned. Valorem platform will be a decentralized blockchain hub where all sorts of transactions can take place. Users can use our technology to start businesses, become their own payment processing company, allow lending, and so much more. The purpose of Valorem is to be a platform of simplicity and transparency for both parties of a transaction.

What the name of the token?

The token is called the VLR.

What are the details of the Token Sale?

Our goal is to raise a maximum of \$15,000,000 USD and a minimum of \$5,000,000 USD. Some of the numbers may change with Eth/USD exchange rates and volatility.

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- Token Launch Completion: Token Sale will end when the max number of ETH/BTC is reached
- Bounty: 5-7% of reserve tokens
- Burn: 10-20% after end of ICO
- Airdrop: TBD during ICO Phases
- Bonus Schedule:
- Presale Start = 15 Dec – 100% Bonus
- Stage 1 Start = 28 Jan – 50% Bonus
- Stage 2 Start = 28 Feb – 40% Bonus
- Stage 3 Start = 28 Mar – 20% Bonus
- Stage 4 Start = 28 Apr – 10% Bonus
- Stage 4 Start = 28 May – 10% Bonus
- Sale End = 28 June – 0% Bonus

What are the details of the distribution?

- Total VLR Tokens: 200,000,000
- Tokens available to public after launch: 150,000,000
- Tokens held in reserve: 50,000,000

Will there be a Valorem Crowd sale? When?

A Valorem fundraiser will begin on Nov 10th, 2017 at 12:00PM GMT and can be accessed at www.advalorem.io. The purpose of the ERC-20 VLR token is to maintain a stable value on the platform so that users can trust that their token will not lose value. The purpose of the crowd sale is to continue to expand the Valorem platform and to stabilize value of exchange.

How do I contribute to the Valorem ICO?

There will be 3 ways to contribute to the Valorem Foundation's project. The first via Bitcoin. The second via Ethereum. During the crowd sale you will access www.advalorem.io and follow instructions to create a wallet and download a backup of that wallet in the form of a pdf document. We recommend you print, or manually copy this file and place the document in a safe place. Here you will be able to transfer your BTC or Ether to Valorem. The third way you will be able to contribute is via wire. Instructions for this will be sent when the crowd sale begins.

Can I mine Valorem?

No, you cannot. However, in the future, we may be implementing a private blockchain and that might be mineable.

Will there be a product before the crowd sale finishes?

Yes, it will be the first of four or more versions. It will contain a dashboard for user's to explore. The update after that will have the following services available:

- Microloans, Car Loans, Student Loans, Rent Payment, Peer to Peer Management via Host

Having the product before the crowd sale is very important. All of those that participate in the crowd sale will receive a credit towards usage of the platform when it is live. The importance of this is paramount as we are looking to build a strong community and feedback on the project is crucial. We need all participants to advise us on our Slack and Bitcointalk channels of improvements we must make. Valorem Foundations success is a direct result of your input, effort and participation. Please contribute to the success of this innovative platform so we may all succeed together.

How competitive is this service and what is the size of the potential usage?

The Valorem Foundation is well aware of many other products such as this in the crypto-community. We understand that on the face of it there isn't anything novel. Over time, our version updates and feature set's will show how original and necessary our concept was. Our team of advisors are real business people. Some are people who know how to build businesses, do lending, guide insurance setup and so much more. The team is hard working and many of them have built their own businesses from the ground up. Others on our team are heavy into the blockchain development. These people will code the plans and ideas that come our way. All this is done as a centralized setup at first, but once the platform is running smoothly and trust between users grows, we will ensure that the community will maintain control over the ecosystem without our involvement except to enhance it accordingly. A true decentralized ecosystem will begin.

How necessary was it to create a new token and what is the value of the token?

Before we started, we evaluated using the ETH or BTC, we quickly found that due to the importance of being able to implement our rules and specific requirements would involve us to fork them. We opted against that and thought it best to start with a clean slate. Our utility token VLR will be valued at 1 ETH = 1000 VLR approximately. We believe that is a good starting point for us to measure closely to the value perceived by the general public.

The other reason we opted to create our own currency is because we believe that we can maintain and grow the value via massive utilization of our platform. We are already in talks with property owners, business owners and key figures in the space to start utilizing the platform as soon as it is live. We need their feedback to improve it. We believe that the value-added approach that we have mapped out will dramatically increase the value of the VLR once community realizes the platforms true potential.

What compliance measures have you implemented or plan to implement, do I need to worry about you being a security or issues with the SEC?

The Valorem Foundation is well equipped with strong legal advisors as well as strong regulatory contacts. Even before we began coding we knew that getting the proper legal guidance was a must. Regulation in the cryptocurrency is new and as new rules come down the line, we will be quick to implement them.

We believe that being a strong utility token as well as having a product before we launch prevents us from being a security and since we do not offer any investments or returns or dividends on the platform, there isn't much for us in the Howey test. However, we are realistic and since we do not know how the law will guide in the future, this Pre-Sale accepts Accredited Investors from the US and abroad.

Why are there so many people on the team that are not related to cryptocurrency?

The Valorem Foundation truly believes in diversity and decentralization to create a business. We have numerous people developing our blockchain tech, but at the same time it has been our experience that best ideas come from outside influences, people who are credible and have real world knowledge and applicable knowledge. While they all know the concept of the blockchain and the value it brings. They are also highly vested in building a strong value based platform. These people bring different life experiences to the platform and we are lucky to have such a strong and committed panel of experts to help guide this project.

What is the plan for this business, how will it succeed over other many other ICO's?

Many of the ICO's that are coming out today are important to expand the cryptocurrency industry, some have real world application, but many have no business expertise, they do not know how the monthly expenses work, how to hire, and build a business, etc. Luckily, our team is filled with true entrepreneurs who have successfully built and managed brick and mortar as well as e-commerce businesses. These individuals are very verse in growing their market, gaining and retaining customers, developing new products and managing large and small scale enterprises. The reason we will be successful is simple. It's our people.

Our business model is simple. Create an ecosystem where users, vendors, product and service providers of all kinds an come together and grow. By creating an enormous value adding technology we are looking for longevity and retention. Valorem's structure will be based on a small number of fees from every transaction. These fees will fuel future development so we will not need to do another round of funding.

What is your development roadmap?

Unlike many other ICO's, We have not waited for the presale to start development. Much of the framework for the contracts is already developed and on our [GitHub][1]

[1]: <https://github.com/ValoremFoundation>

Pre-Development/Code Testing - Completed as of 9/1

Back End Development/User Platform & Wallets - Completed as of 9/7

Whitepaper Development/Advisory Group - Completed as of 9/20

ICO/VLR Coin is Live!

Platform is Live - Limited Features

Phase 1 Development - due by Oct 1th 2018

Phase 2 Development - due by Feb 2019

Phase 3 Development - due by June 2019

Improvements & Tweaks

What will you do with all the BTC/ETH/USD you raise?

30% for Valorem Platform Development

25% for Sales & Business Development

15% for Marketing & Advertising

10% for Contingency

10% for Contractors

10% for Admin

11. References

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12. Disclaimer

Valorem Foundation VLR Token Initial Coin Offering is designed to be purely informational. We are notifying potential users and participants of our cryptocurrency availability.

The information provided here should not be interpreted as advice or encouragement for investments of any kind. We do not guarantee the legitimacy or value of VLR or any claims made in this whitepaper or communication derived or resulted from it. Users are responsible for investigating and researching every piece of information on their own before deciding to support us.

All potential users will be encouraged to affirm the following conditions before approval is granted to receive VLR tokens. Please read the below carefully to see if you comply with this offering.

- I certify and confirm that I have read and understand the Disclaimer included in the Valorem Foundation White Paper and that I expressly accept all terms, conditions, obligations, affirmations, representations and warranties described in these terms and agree to be bound by them.
- I declare and certify that I am acting in a professional capacity and am considered as an accredited investor or variations of these sorts respective in my own country and know the requirements to be considered as such in my own country.
- I declare and certify that I carried out the research or taking the relevant advice from specialized attorneys to ensure that no legislation or regulation applicable to my situation and my place of residence, or no position or recommendation from a competent national authority prohibits me or limits me in the purchase and the possession of VLR Tokens, and more widely in the possession of cryptocurrencies.
- I certify and confirm that I am aware that this presentation is provided for commercial purposes only, in order to present Valorem Foundation and the ICO project; as I am interested in the content of this presentation I agree that I fully grasp the consequences of a token subscription and the possible risk to partial or total loss of this subscription. I agree and comply with this.
- I certify and confirm this presentation is strictly confidential and exclusively for me, its intended user. It may not be communicated to a third party without the prior and written agreement from the Valorem Foundation. I agree and comply with this.
- I certify and confirm the information contained in this presentation is not exhaustive.
- I certify and confirm this presentation is not a contractual document. It is provided for purely informational purposes. The data or figures contained therein are purely indicative and provisional. The information contained therein may under no circumstances be deemed to be contractual stipulations relating to the operating methods of the future ICO. I agree and comply with this.
- I am aware and agree that I am in full acknowledgement that this presentation has in no way been approved or endorsed by an administrative or regulatory authority and is NOT subject to any particular laws regulating its content or its form. I agree and comply with this.
- I am aware and agree to notify the Valorem Foundation if this document found me in error. If I cannot comply with any terms of this disclaimer, I will notify the Valorem Foundation immediately that I am in violation of said disclaimer and that I am to be marketed to, no longer.