



THEVAULT LITEPAPER

**A SECURITY CONSENSUS PROTOCOL
UTILIZING AI-POWERED FRAUD DETECTION
AND CONSUMER PROTECTION LAYER**

THEVAULT FOUNDATION

PREPARED BY

MARCO BAIK IL KYOUNG
DANNIE FRANCIS

RELEASE DATE

OCTOBER 28, 2018

Based on Whitepaper Version 6.8

OCTOBER 2018

Why The World Needs TheVault

Cyber security is the #1 risk facing the cryptocurrency sector and until we establish a universal, decentralized layer of trust, the sector will never achieve its true potential.

TheVault is the world's first security consensus ecosystem utilizing an AI-powered fraud detection solution to protect the consumer, merchant and an exchange or bank, from the threat of cyber attack and at the same time capable of processing thousands of transactions per second.

The cryptocurrency sector suffers from an acute lack of trust by various business and consumer sectors because it challenges the existing norm and does so without the security structures and customer support services we as financial citizens have come to expect from our banks, payment gateways and stock exchanges.

To add to this, crypto exchanges are primarily centralized, largely un- or self-regulated, and devoid of the standards of consumer protection we expect from modern day retail commerce providers.

TheVault Foundation believes in a future where consumers are protected with guarantees over the safety of their cryptocurrency accounts and the transactions they make, and where crypto exchanges and banks provide the levels of consumer protection support expected of responsible retail operators.

Today, every crypto exchange and wallet provider goes to great lengths to warn consumers they bear zero responsibility for the safety of crypto transactions or the storage of coins and tokens. But if the cryptocurrency sector is to find mass adoption, we must do better.

A 2018 global fraud report by global data analyst giant Experian, explored the issues of consumer trust and fraud, exposing the flaws in the crypto sector's "trustless" subculture.

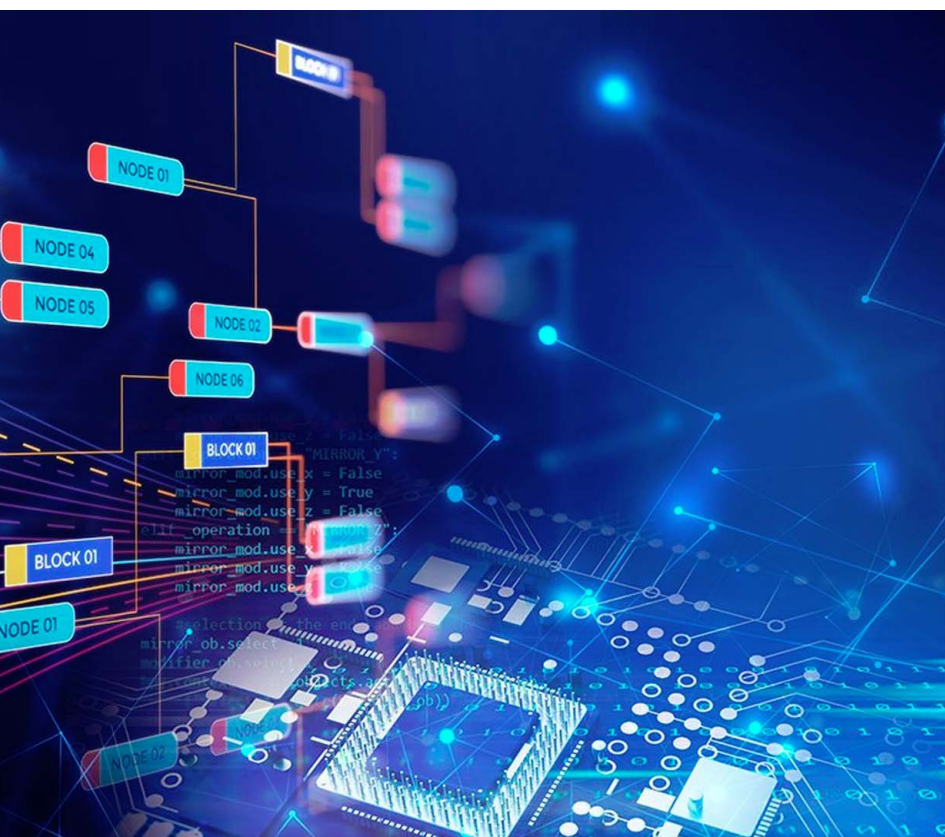
The Experian report reveals that 75% of merchants want advanced authentication and security measures without disruption to the consumer experience, that 53% of consumers abandoned on online transactions for a variety of trust-related security reasons and that 66% of consumers like visible security measures because "it makes me feel more protected."

The Vault's AI-powered fraud detection and The Vault's security consensus protocol, we can eliminate the cyber security threats and establish a decentralized consensus ecosystem that both removes the need for a trusted third party as well as enabling cryptocurrency exchanges, wallets and banks to guarantee the protection of their consumer member's transactions and accounts and drive consumer trust levels to levels capable of providing mass adoption.

To do this, we need exchanges to adopt policies that give consumers confidence in the protection of their crypto assets and their transactions.

However, many crypto exchanges, wallets and token providers, have not invested sufficiently in the security processes and fraud management practices to protect their consumer members. With TheVault, this can change.

The Vault Foundation has been established to deliver the security necessary to build this universal layer of trust and the consumer confidence that will drive mass adoption and usage of cryptocurrencies. We have already signed relationships with key exchanges, and many more are in the pipeline. We invite you to join us on our journey towards a safe, secure, guaranteed future.



TheVault's security consensus protocol will deploy trusted partner nodes to manage the network.

Problem #1

Cryptocurrency exchanges and wallet providers have failed to adopt the security practices and processes that provide sufficient levels of consumer protection, and therefore, lacks the trust necessary to drive mass adoption.



Solution #1

TheVault's AI-powered fraud detection solution and security consensus network enables exchanges to give consumers guarantees that their transactions and account storage are safe, passwords/authentication protection methods recoverable, and their processes to manage security are safe, mitigate risk and reduce exposure to cyber crime.

Problem #2

Current blockchain technology is too slow. We live in a digital age of instant gratification, impulse buying from a global marketplace, an age where decisions to buy or sell mean the difference between success and failure.



Solution #2

TheVault's hybrid blockchain fraud detection solution utilizes a side chain capable of processing thousands of transactions per second that enables white-listed addresses pre-authorization for immediate clearance. Managed by the Consensus Network the nodes provide the consensus to enable transactions to occur instantly, anywhere in the world.

Problem #3

USD9.1Million is stolen from crypto currency consumers everyday. The security trust issues are not just about the security capabilities of an Exchange's infrastructure, but cyber attacks on consumers.



Solution #3

TheVault expertise extends beyond the Exchange's backend security processes. TheVault's consumer protection solution extends all the way to the consumer's desktop or mobile environment, providing effective consumer protection against cyber attacks, viruses, and ransomware giving end users the level of trust necessary to trade and purchase online.



Proven Experience

Effective cyber security requires a proven expertise. TheVault's development partners are a leading cyber security company for the financial sector. As a result of this proven expertise and knowledge of best practices in deploying bank grade security processes, TheVault's AI-powered fraud detection, security consensus network and consumer layers, are charged with 2nd generation expertise building advanced security business rules only deep levels of experience can provide.

TheVault Ecosystem

TheVault Ecosystem model operates on a Revenue Share Program that rewards nodes on participation in the consensus network and adoption of fraud detection solution and the delivery of consumer protection to its members. A small fee of 0.05% is applied to transactions to fund the continued research and development of TheVault platform and the Ecosystem Partner Revenue Share program.

TheVault VSS Token

10 billion VSS (Vault Smart Security) utility tokens will be issued to fund the project and drive marketing and research. End users who want to protect the transactions will use TheVault tokens in the payment process as Exchange's and crypto payment gateways apply a 0.05% security fee to each transaction. Exchanges may also acquire Vault tokens either on behalf of their members or via participation as a network node on the security consensus platform.

Product Roadmap Status

TheVault Fraud Detection Solution passed minimal viable product (MVP) status in July 2018. The beta program is now underway on the road to a full production version. Multiple exchanges have already committed to the consensus network trials. The technical road map is on schedule. The business road map is on schedule.

More details about the Vault Foundation token offering are available www.thevault.foundation.