



live the dream

Drop the
decentralization and
socialization of digital
music distribution.

Position Paper



IJI, INC.

12.26.2017

Patent Pending



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'In the future artists will be able to create, promote, distribute and monetize their music without the need for an agent or a record label. Dropd users will crowd promote and new stars will be born, in real time'

Vin Foresta



Dropd's Vision

Dropd is a patent pending music platform unlike any other in existence today. A place where people of all ages and countries go to listen to their favorite artists, discover new artists, connect with each other and for many, generate income. A place where good music, whether from a famous artist or a complete unknown can rise to the top and be monetized instantly. A place where all users can participate in the success of artists while rising in status themselves. A place where the market determines who is popular, not huge corporations.

Dropd's vision will include all these things and much more. Dropd will be orders of magnitude greater than an ordinary music app, Dropd will be revolutionary. By the time this project is complete, the music industry will be changed forever.

THE USE OF BLOCKCHAIN TECHNOLOGY TO DECENTRALIZE AN ANTIQUATED BUSINESS MODEL

The use of blockchain technology has seen hundreds of potential applications since its introduction with more being created each day. Indeed, many industries are being reshaped, disrupted and in some cases eliminated by this technology in the coming months and years.

The music industry is perhaps one of the best examples of an industry that stands to be drastically altered by blockchain technology. The decentralization and socialization of the music industry has the potential to create the opportunity of a lifetime for many as well as massive disruption to the status quo.

"Dropd is positioning itself as the driving force that will lead music into the block-chain age."



THE CURRENT STATE OF THE MUSIC INDUSTRY

The music industry is a \$47B dollar industry, with Sony Music holding a whopping 22.4% market share as of 2017.

By and large, the music industry is a closed system, controlled at the top by a handful of very powerful corporations who decide on and promote a very tiny fraction of the world's talent:



Despite huge advances in technology and access, big parts of the music industry are still frustratingly broken. One of the biggest problems is that the infrastructure for paying musicians and songwriters isn't designed for today's digital world. Experts say the volume of activity globally and across countless listening environments demands better systems to track and distribute royalties. And right now, the pipes are clogged.

Dropd is poised to address the many issues and inefficiencies associated with the music industry through the use of blockchain technology, smart contracts and social media.



Problems with the music industry

Listener Problem

Digital music distribution, streaming music radio and terrestrial radio is dominated by a few very large players. Most listeners suffer through countless commercials, ads and fees while being served only a tiny percentage of the high quality music being created.

Current music distribution channels on the market are all merely conduits of the same old business model put forth by the mega corporations that control the industry. All major music applications and distribution channels heretofore lack real listener/artist interactivity, social interaction, upcoming artist discovery and the ability to participate in an artist success.

Artist Problem

The vast majority of artists are not signed to any type of record label or agency. These artists are referred to as “unsigned”. In fact, 91% of all artists go undiscovered and are unsigned. The main reason for this is that there are really no practical or cost effective ways for unsigned artists to release or promote their music to a large enough audience.

Artists who are officially represented by a music label or agency are referred to as “signed” artists. In order to release their new music, artists must sell their publishing rights in part or in whole. Signed artists benefit from the mass promotion/distribution ability of their record labels, however most pay a heavy price for it. Up-and-coming artists generally only see between 10 and 14 percent royalty rates on their music. Additionally, artist have little or no control over the marketing or dis-tribution schedules of their music.

It can take up to 2 1/2 years for most music creators to get paid for the use of their music. During that time, more than 70% of their money can be swallowed by trans-actional costs. Worse, there is little to no information about where that money went. No wonder artists and the creative community are frustrated. They want to get paid. And they deserve to be paid on time, transparently, and efficiently.

The Dropd platform will decentralize promotional and distribution power, enabling artists to self- distribute, and listeners to share in the promotion and monetization of music.

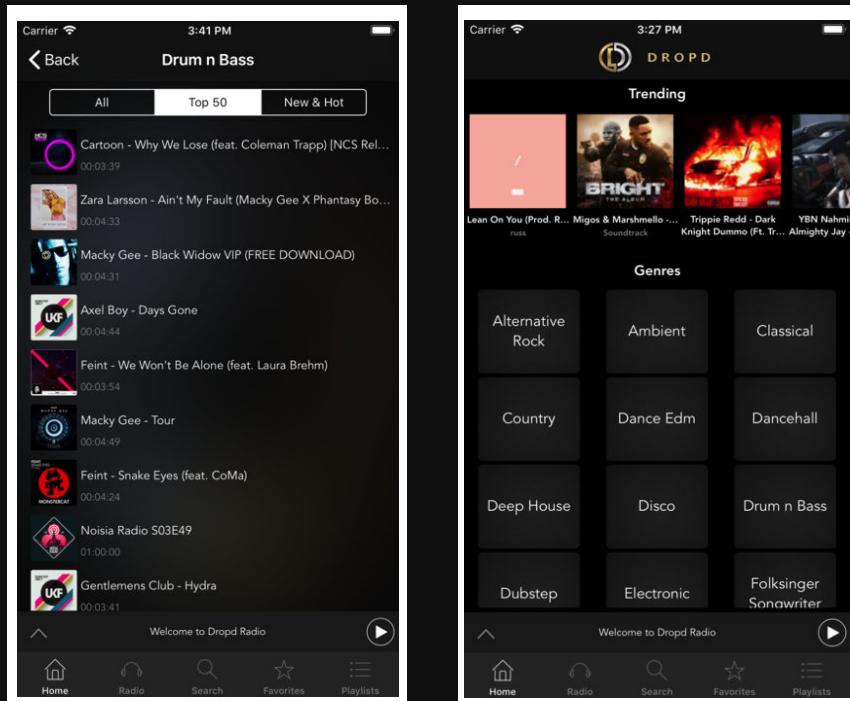


The Dropd Applications

Dropd 1.1 is a free streaming music application. Dropd Version 1.1 is currently available worldwide in the Apple iTunes store <https://itunes.apple.com/tc/app/dropd-radio/id1224547675?mt=8>. This version will be replaced with Dropd 2.0.

It is important to note that “**Dropd 2.0**” is the next version of Dropd, and is the application described in this whitepaper.

Dropd 1.1 gives users the ability to listen to commercial free music with unlimited skipping.



In this current version, both signed and unsigned artists can be heard in the application. In our initial research with teens between the ages of 14 and 19 years old, it was determined that this group really liked the idea of being the first to hear something new and/or hot and be the first to tell their friends about it.

Although Dropd Version 1.1 is in the app stores and in use among thousands of listeners at this writing, no marketing was ever done for this version as it was largely a function of our research, development and testing.

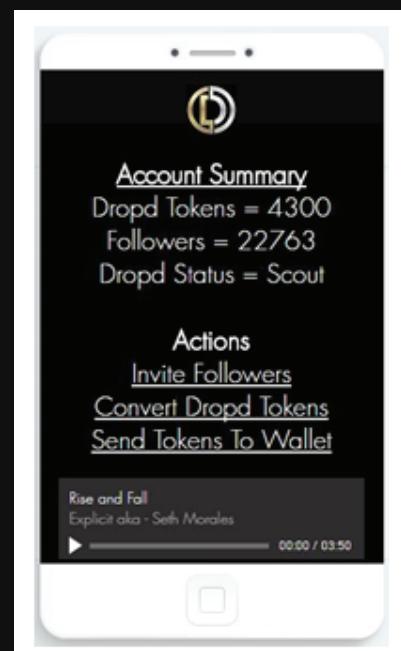


Dropd 2.0

Dropd 2.0 will be a music application with the following features:

- Mobile version will be released first, then web version/chrome extension Streaming
- music featuring all major music genres as well as numerous sub-genres Built in music
- player for on-device media
- On demand/search music by song, artist or album. Favorites/create playlist
- The ability for users to create a profile and request followers from their Twitter, Facebook and Instagram accounts
- The ability for users to listen to new Drops and “ReDrop” songs to their followers both inside and outside of the application
- The ability for users to rise in “status” within the application, gaining status badges as their follower base grows
- The ability for users to acquire Dropd tokens for taking specific actions within the application, such as purchasing premium songs or Re-Dropping songs
- The ability for artists to Drop songs to the users, offering incentives for re-dropping to their followers
- The ability for artists to test market songs and then monetize songs that are seeing high Re-Drop rates
- The ability for artists to gain a closer connection to existing fans and connect with new fans on a large scale

Dropd 2.0 will make use of its own digital tokens to allow users of the system to curate, consume and promote music while being rewarded with DROPD [DPD] tokens within the application. Dropd tokens will be convertible to a variety of currencies and can be transferred out of the app to various wallets.





Dropd Tokens [DPD]

Purpose and characterization

Dropd is introducing an open source cryptographic token, symbol DPD, which is envisioned as the industry standard token for use in digital music transactions.

Dropd will be the unit of account for all economic transactions within the Dropd application as well as other applications developed in the future that will use our API. Dropd tokens will serve as the basis of interoperability with other digital services.

In character, Dropd is a pure cryptographic token of fixed supply. It is fractionally divisible. Like other cryptographic tokens, Dropd tokens are fungible and transferable.

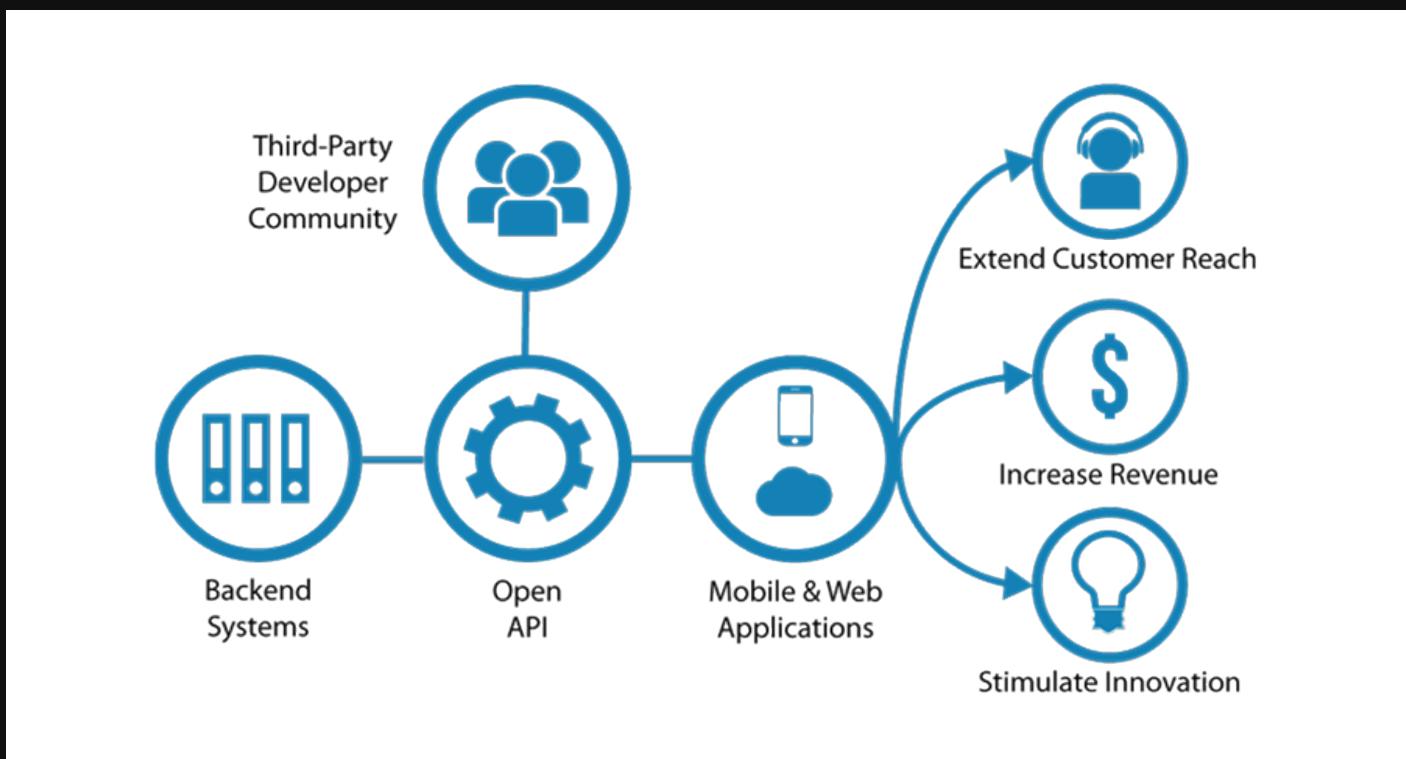




The Dropd API

Developer tools and framework that will allow Dropd tokens to become the standard token of digital music

After the buildout and release of Dropd 2.0, it is the intention of Dropd to release a set of Application Program Interfaces (API's) to the world so that developers can build music based applications that can run on Dropd tokens.



By allowing developers as well as existing music applications to access our API's, we envision a much wider user base for Dropd tokens. Since Dropd and potentially other applications will run on DPD tokens, we anticipate an ongoing demand for DPD tokens as user adoption increases.



Dropd Direct-To-Market Music Releases

At the point when Dropd has a large enough user base, we plan on partnering directly with exceptional up and coming "unsigned" artists. This will be called the Dropd "Direct-to-Market" Program (DTM).

Under this program, Dropd will provide certain technical, professional or financial resources to artists to enable the artist to professionally produce and record new songs. Dropd will partner directly with these artists at a pre-defined revenue share split and release their new songs directly onto Dropd. Artists accepted into the DTM program will benefit from unlimited exposure within Dropd without cost and be able to professionally produce and monetize their music without the need of an agent or record label.



Video Link - <https://youtu.be/VEBUGhYrERU>



Team



Vin Foresta

<https://www.linkedin.com/in/vin-foresta-baba2aa6>

Founder and CEO of IJI, Inc, and the architect/developer of Dropd. In 2012, a company that Mr Foresta founded “Invita Healthcare” was acquired by Accountable Health-care Staffing in a private transaction. See link here



Sueane Mun

<https://www.linkedin.com/in/sueane-mun-9589031>

Sueane is the CEO of JV Strategic Partners LLC, a U.S. company that creates joint venture partnerships and strategy in entertainment. Ms. Mun also holds the title of Chief Strategy Officer of The Fasta Inc., a Global entertainment conglomerate based in South Korea.



Patrick Feeney

<https://www.linkedin.com/in/patrickfeeney1>

Patrick is a blockchain technologist and industry expert. Mr. Feeney was the founder of Bitcoin Nation, which was acquired in 2014 in a private transaction. An early advocate of blockchain technology, Mr Feeney holds several patents relating to blockchain technology.



Team



Terrence Nirmaier

<https://www.linkedin.com/in/terrencenirmaier>

Terrence is software developer and blockchain technology advisor. Terrence is currently the Director of Front Office Technology for Point72, a hedge fund run by legendary fund manager Steven A. Cohen.



Peter Allan, ESQ

<https://www.linkedin.com/in/peter-allan-44bb507>

Mr. Allan has developed one of New York's leading entertainment law practices. Mr. Allan joined legendary New York entertainment lawyer Paul Marshall in 2000 where he continued to represent a broad array of the nation's top music talent including superstars Mary J. Blige, members of the Wu Tang Clan, and many multi-platinum selling, writers, producers, managers, independent labels and label executives. Mr. Allan has negotiated agreements whose aggregate investment and/or revenue generated total over \$250 million dollars and has represented writers, producers and artists whose albums have collectively sold over 30 million units.



Marketing

Using levels of “status” to fuel the growth of the Dropd user base

All the top companies in technology, music and social media share one basic trait that fuels their success – a large user base. The larger the user base for Dropd the more powerful the application becomes.

It is our position that many of the social media platforms in use today are critically flawed, one dimensional and self-serving enterprises. We feel that decentralization and blockchain technology offer a huge opportunity to create social platforms that can add dimensions to the user value proposition that are not being employed in today’s models. The application of this philosophy will be the core of Dropd’s user experience.

We have developed a status based user acquisition strategy that we will use in Dropd 2.0. This strategy will reward power users with status. Having status allows a user to acquire Dropd tokens for taking specific actions within the application, such as “re-dropping” songs to their followers.

Some key components are proprietary. However we will give a high level overview here.

The status system is based on user profiles, participation and ranking. All new Dropd users start out without any status, they are merely listeners. However, as a user grows their follower base they can begin to rise in status on the system.

As a user attains status, a status badge will be displayed on their profile so all users are aware of it.

Below are the proposed status levels and associated badges for Dropd (note final metrics as well as status icon designs will be refined prior to the launch of v2.0).



Listener under 1000 followers (no status)



Scout 1000-10000 followers

Agent 10001-100,000 followers (receive 2% of Dropdtoken fee revenue on songs they Re-Drop)



Boss 100,001 – 999,999 followers (receive 5% of Dropd token fee revenue on songs they Re-Drop)



Mogul 1,000,000 + followers (receive 10% of Dropd token fee revenue on songs they Re-Drop)

As shown above, this structure has the potential to turn social media power users as well as average listeners into “actual” music industry participants as opposed to just listeners. For example, A “Mogul” on Dropd would have very real status in the eyes of an artist seeking exposure for their songs.

Roadmap

4/2017	- Dropd v.1 -	(free streaming music app) - In app stores NOW.
4/2018	- Dropd v.2 -	(streaming + on-demand, music player, tokenized, Re-Drops, followers, etc)
8/2018	- Dropd API -	(to be released for free to github so developers around the world can build music related apps using Dropd's platform & tokens)
11/2018	- Dropd Direct-	to-Market (DTM) Rollout



Dropd Token Crowd Sale

Dropd Token

DPD Token Crowdsale Details:

300,000,000 total token supply

% allotted for crowdsales - 60% 180,000,000 %

held for founders and team - 18%

% held for advisors - 8%

% held for seed investors - %4

% held in reserves for future partnerships - 10%

Total = 300,000,000

The token sale - Total USD Cap \$44.285mm, will be set in 3 consecutive stages:

Exclusive pre-sale - Capped at \$5mm

\$.07 - 71,428,571 tokens - 15 days max

Early Bird- Capped at \$10mm

\$.20 - 50,000,000 tokens - 15 days max

Official Sale - Capped at \$29,285,714.

\$.50 - 58,571,429 tokens - 60 days max

Total tokens sold = 180,000,000

Total USD raised = \$44,285,714.00

*Purchase of DPD tokens are subject to acceptance of our token sale agreement (see Exhibit A below)

**DPD tokens for use within the Dropd applications and do not convey any ownership or equity interest in Dropd or IJI, Inc. Please see the Dropd Token Purchase Agreement for details prior to making any purchase of DPD tokens.



Exhibit A – DPD Token Purchase Agreement

DROPD TOKEN PURCHASE AGREEMENT

Last Updated: December 26, 2017

This [DPD] Token Purchase Agreement (this “Agreement”) contains the terms and conditions that govern your use of the [DPD] distribution smart contract (the “[DPD] Distribution Contract”) and purchase of the ERC-644 compatible tokens distributed on the Expanse block chain (the “[DPD] Tokens”) and is an agreement between you or the entity that you represent (“Buyer” or “you”) and IJI, Inc. (together with its affiliates, “Company”). Buyer and Company are here in referred to individually as a “Party” and collectively, as the “Parties”.

NOW, THEREFORE, in consideration of the mutual representations, warranties and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are here by acknowledged, Company and Buyer agree as follows:

IMPORTANT INFORMATION:

PLEASE READ THIS AGREEMENT CAREFULLY AND IN ITS ENTIRETY.

Buyer acknowledges, understands and agrees:

- **BINDING AGREEMENT:** Buyer understands and agrees that Buyer is subject to and bound by this Agreement by virtue of Buyer’s purchase of [DPD] Tokens.
- **[DPD] TOKENS HAVE NO RIGHTS, USES OR ATTRIBUTES outside of the DROPD block chain project (the “Project”).**
- **PURCHASE OF [DPD] TOKENS ARE NON-REFUNDABLE AND CANNOT BE CANCELLED. BUYER MAY LOSE ALL AMOUNTS PAID.**



- [DPD] TOKENS MAY HAVE NO VALUE.
- COMPANY RESERVES THE RIGHT TO REFUSE OR CANCEL [DPD] TOKEN PURCHASE REQUESTS AT ANY TIME IN ITS SOLE DISCRETION.
- PEOPLE WHO PURCHASE EARLIER THAN YOU MAY RECEIVE MORE TOKENS FOR THE AMOUNT PAID.
- PLEASE READ THE RISKS SET FOR THIN SECTION 7 CAREFULLY AND IN THEIR ENTIRETY.
- THIS AGREEMENT INCLUDES PRE-DISPUTE RESOLUTION IN SECTION 9.1 AND REQUIRES ARBITRATI ON IN SECTION 9.2.

Important Legal Disclaimer, please read this in its entirety:

By participating in the DPD Token Sale, you must agree to the DPD Token Purchase Agreement and in particular, you represent and warrant that you:

- are authorized and have full power to purchase DPD tokens according to the laws that apply in their jurisdiction of domicile;
- are not a U.S. citizen, resident or entity (a “U.S. Person”) nor are they purchasing DPD Token or signing on behalf of a U.S. Person;
 - are familiar with all related regulations in the specific jurisdiction in which they are based and that purchasing cryptographic tokens in that jurisdiction is not prohibited, restricted or subject to additional conditions of any kind;
 - are not acting for the purpose of speculative investment;
- live in a jurisdiction which allows IJI to sell the DPD Token through a crowdsale without requiring any local authorization;
- does not lives in a jurisdiction which is qualifying token issued through a crowdsale as securities;
- will not use the Token Sale for any illegal activity, including but not limited to money laundering and the financing of terrorism;
- are solely responsible for determining whether the acquisition of DPD Token is appropriate for you;
- are acquiring Dropd Token exclusively for use of the Dropd or affiliated platform;
- understand the risks associated with the Token Sale (incl. the risks related to the non development of Dropd platform and operations);
- understand the use of crypto tokens and its associated risks



Article 1 : ACCEPTANCE OF AGREEMENT AND PURCHASE OF [DPD] TOKENS

Section 1.1 This Agreement shall be effective and binding on the Parties when Buyer: (a) clicks the check box on the official Dropd token sale website (the “Website”) to indicate that Buyer has read, understands and agrees to the terms of this Agreement; or (b) upon Company’s receipt of payment from Buyer. Buyer agrees to be bound on this basis, and confirms that Buyer has read in full and understands this Agreement and the terms on which Buyer is bound.

Section 1.2 Website Terms of Use. Company has established Terms of Use, as maybe amended from time to time, for the Website located at <https://DROPD.co>, which are here by incorporated by reference. Buyer has read, understands and agrees to those terms.

Section 1.3 White Paper. Company has prepared a white paper and other materials concerning the sale of [DPD] Tokens and the Project, which are available at <https://DROPD.co> (the “WhitePaper”). The White Paper, as it maybe amended from time to time, is here by incorporated by reference. Buyer has read and understands the White Paper and its contents.

Section 1.4 [DPD] Tokens.

(a) Purpose. The [DPD] Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, outside the Project. Although [DPD] tokens are fungible they are not an investment, currency, security, commodity, a swap on a currency, security or commodity, or any other kind of financial instrument.

(b) Company’s Use of Proceeds. Buyer acknowledges and understands that the proceeds from the sale of the [DPD] Tokens will be utilized by Company in its sole discretion, as described in the White Paper.



Article 2: [DPD] TOKEN DISTRIBUTION

Section 2.1 Allocation and Distribution of [DROP'D] Tokens. Company intends to allocate and distribute [DPD] Tokens (the "Token Distribution") in accordance with the White Paper, including without limitation, that the distribution will take place over several days with earlier buyers receiving more [DPD] Tokens for the same amount paid. Company will provide specific procedures on how Buyer may seek to purchase [DPD] Tokens through the Website. By purchasing [DPD] Tokens, Buyer acknowledges and understands and has no objection to such procedures and specifications. Failure to use the Web-site and follow such procedures may result in Buyer not receiving any [DPD] Tokens. Any buyer of [DPD] Tokens may lose some or all of the amounts paid for [DPD] Tokens. The access or use of the [DROP'D] Distribution Contract and/or the receipt or purchase of [DPD] Tokens through any other means are not sanctioned or agreed to in anyway by Company. Buyer should take great care that the website used to purchase [DPD] Tokens has the following universal resource locator (URL): <https://DROP'D.co>

Section 2.2 Allocation and Sale of [DPD] Tokens to Company Parties. Buyer understands and consents to the participation of Company's past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors and service providers in the purchase of [DPD] Tokens, including people who may work on the development and implementation of the Project or who may work for Company's future businesses that Company may establish with a portion of the proceeds from the Token Distribution.

Section 2.3 No Representations and Warranties. The [DPD] Tokens will be distributed to buyers there of pursuant to the [DPD] Distribution Contract. Company makes no representations or warranties, express or implied, including, without limitation, any warranties of title or implied warranties of merchantability or fitness for a particular purpose with respect to the [DPD] Distribution Contract or the [DPD] Tokens or their utility, or the ability of any one to purchase or use the [DPD] Tokens. Without limiting the foregoing, none of the Company Parties represent or warrant that the process of purchasing and/or receiving the [DPD] Tokens will be uninterrupted or error-free or that the [DPD] Tokens are reliable and error-free. As a result, Buyer acknowledges and understands that Buyer may never receive [DPD] Tokens and may lose the entire amount Buyer paid to Company. Buyer shall provide an accurate digital wallet address to Company for receipt of any [DPD] Tokens distributed to Buyer pursuant to the [DPD] Distribution Contract.



Section 2.4 Not an Offering of Securities, Commodities, or Swaps. The sale of [DPD] Tokens and the [DPD] Tokens themselves are not securities, commodities, swaps or either securities or commodities, or a financial instrument of any kind. Purchases and sales of [DPD] Tokens are not subject to the protections of any laws governing those types of financial instruments. This Agreement and all other documents referred to in this Agreement including the White Paper do not constitute a prospectus or offering document, and are not an offer to sell, nor the solicitation of an offer to buy an investment, a security, commodity, or a swap on either a security or commodity.

Section 2.5 Not an Investment. Buyer should not participate in the [DPD] Token Distribution or purchase [DPD] Tokens for investment purposes. [DPD] Tokens are not designed for investment purposes and should not be considered as a type of investment. Buyer acknowledges, understands and agrees that Buyer should not expect and there is no guarantee or representation or warranty by Company that: (a) the Project will ever be adopted; (b) the Project will be adopted as developed by Company and not in a different or modified form.

Section 2.6 Not for Speculation. Buyer acknowledges and agrees that Buyer is not purchasing [DROP'D] Tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.

Article 3: NO OTHER RIGHTS CREATED

Section 3.1 No Claim, Loan or Ownership Interest. The purchase of [DPD] Tokens: (a) does not provide Buyer with rights of any form with respect to the Company or its revenues or assets, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights; (b) is not a loan to Company; and (c) does not provide Buyer with any ownership or other interest in Company.

Section 3.2 Intellectual Property. Company retains all rights, title and interest in all of Company's intellectual property, including, without limitation, inventions, ideas, concepts, code, discoveries, processes, marks, methods, software, compositions, formulae, techniques, information and data, whether or not patentable, copyrightable or protectable in trademark, and any trademarks, copyrights or patents based thereon. Buyer may not use any of Company's intellectual property for any reason without Company's prior written consent.



Article 4: SECURITY AND DATA TAXES

Section 4.1 Security and Data Privacy.

(a) Buyer's Security. Buyer will implement reasonable and appropriate measures designed to secure access to: (i) any device associated with Buyer and utilized in connection with Buyer's purchase of [DPD] Tokens; (ii) private keys to Buyer's wallet or account; and (iii) any other user name, passwords or other login or identifying credentials. In the event that Buyer is no longer in possession of Buyer's private keys or any device associated with Buyer's account or is not able to provide Buyer's login or identifying credentials, Buyer may lose all of Buyer's [DPD] Tokens and/or access to Buyer's account. Company is under no obligation to recover any [DPD] Tokens and Buyer acknowledges, understands and agrees that all purchases of [DROP] Tokens are non-refundable and Buyer will not receive money or other compensation for any [DPD] Tokens purchased.

(b) Additional Information. Upon Company's request, Buyer will immediately provide to Company information and documents that Company, in its sole discretion, deems necessary or appropriate to comply with any laws, regulations, rules or agreements, including without limitation judicial process. Such documents may be a passport, driver's license, utility bills, photographs of associated individuals, government identification cards, or sworn statements. Buyer consents to Company disclosing such information and documents in order to comply with applicable laws, regulations, rules or agreements. Buyer acknowledges that Company may refuse to distribute [DPD] Tokens to Buyer until such requested information is provided.

Section 4.2 Taxes. Buyer acknowledges, understands and agrees that: (a) the purchase and receipt of [DPD] Tokens may have tax consequences for Buyer; (b) Buyer is solely responsible for Buyer's compliance with Buyer's tax obligations; and (c) Company bears no liability or responsibility with respect to any tax consequences to Buyer.



Article 5 : REPRESENTATIONS AND WARRANTIES OF BUYER

By buying [DPD] Tokens, Buyer represents and warrants to Company that:

Section 5.1 Authority. Buyer has all requisite power and authority to execute and deliver this Agreement, to use the [DPD] Distribution Contract and purchase [DPD] Tokens, and to carry out and perform its obligations under this Agreement.

(a) If an individual, Buyer is at least 18 years old and of sufficient legal age and capacity to purchase [DPD] Tokens.

(b) If a legal person, Buyer is duly organized, validly existing and in good standing under the laws of its domiciliary jurisdiction and each jurisdiction where it conducts business.

Section 5.2 No Conflict. The execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with, or constitute a material default under, with or without the passing of time or the giving of notice: (a) any provision of Buyer's organizational documents, if applicable; (b) any provision of any judgement, decree or order to which Buyer is a party, by which it is bound, or to which any of its material assets are subject; (c) any material agreement, obligation, duty or commitment to which Buyer is a party or by which it is bound; or (d) any laws, regulations or rules applicable to Buyer.

Section 5.3 No Consents or Approvals. The execution and delivery of, and performance under, this Agreement require no approval or other action from any governmental authority or person other than Buyer.

Section 5.4 Buyer Status. Buyer is not subject to any of the disqualifying events listed in Rule 506(d) (1) of Regulation D under the Securities Act of 1933 (a "Buyer Event"), and there is no proceeding or investigation pending or, to the knowledge of Buyer, threatened by any governmental authority, that would reasonably be expected to become the basis for a Buyer Event.

Section 5.5 Buyer Knowledge and Risks of Project. Buyer has sufficient knowledge and experience in business and financial matters, including a sufficient understanding of blockchain or cryptographic tokens and other digital assets, smart contracts, storage-mechanisms (such as digital or token wallets), blockchain based software systems



and blockchain technology, to be able to evaluate the risks and merits of Buyer's purchase of [DPD] Tokens, including but not limited, to the matters set forth in this Agreement, and is able to bear the risks there of, including loss of all amounts paid, loss of [DPD] Tokens, and liability to the Company Parties and others for its acts and omissions, including with limitation those constituting breach of this Agreement, negligence, fraud or willful misconduct. Buyer has obtained sufficient information in order to make an informed decision to purchase [DPD] Tokens.

Section 5.6 Funds; Payments.

- (a) Funds. The funds, including any fiat, virtual currency or crypto currency, Buyer uses to purchase [DPD] Tokens are not derived from or related to any unlawful activities, including but not limited to money laundering or terrorist financing, and Buyer will not use the [DPD] Tokens to finance, engage in or otherwise support any unlawful activities.
- (b) Payments. All payments by Buyer under this Agreement will be made only in Buyer's name, from a digital wallet or bank account not located in a country or territory that has been designated as a "non-cooperative country or territory by the Financial Action Task Force, and is not a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. § 5311 et seq.), as amended, and the regulations promulgated there under by the Financial Crimes Enforcement Network, as such regulations maybe amended from time to time.

Section 5.7 Miscellaneous Regulatory Compliance.

- (a) Anti-Money Laundering; Counter-Terrorism Financing. To the extent required b y applicable law, Buyer complies with all anti-money laundering and counter- terrorism financing requirements.
- (b) Sanctions Compliance. Neither Buyer, nor any person having a direct or indi-rect beneficial interest in Buyer or [DPD] Tokens being acquired by Buyer, or any person for whom Buyer is acting as agent or nominee in connection with [DPD] Tokens, is the subject of sanctions administered or enforced by any country or government (collectively, "Sanctions") or is organized or resident in a country or territory that is the subject of countrywide or territory-wide Sanctions.



Article 6: DISCLAIMERS

Section 6.1 Buyer expressly acknowledges, understands and agrees that Buyer is using the [DPD] Distribution Contract and purchasing [DPD] Tokens at the Buyer's sole risk and that the [DPD] Distribution Contract and [DPD] Tokens are each provided, used and acquired on an "AS IS" and on an "AS AVAILABLE" basis without representations, warranties, promises or guarantees whatsoever of any kind by Company and Buyer shall rely on its own examination and investigation there of.

Section 6.2 No Representation or Warranty. (A) COMPANY DOES NOT MAKE AND EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR STATUTORY; AND (B) WITH RESPECT TO THE [DPD] DISTRIBUTION CONTRACT AND THE [DPD] TOKENS, COMPANY SPECIFICALLY DOES NOT REPRESENT OR WARRANT AND EXPRESSLY DISCLAIMS ANY REPRESENTATIONOR WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY REPRESENTATIONS OR WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESSFOR ANY PARTICULAR PURPOSE, OR AS TO THE WORK MANSIP OR TECHNICAL CODING THERE OF, OR THE ABSENCE OF ANY DEFECTS THERE IN, WHETHER LATENT OR PATENT.

Article 7: RISKS

[DPD] TOKENS MAY HAVE NO VALUE. BUYER MAY LOSE ALL AMOUNTS PAID. Buyer has carefully reviewed, acknowledges, understands and assumes the fol-lowing risks, as well as all other risks associated with the [DPD] Tokens (includ-ing those not discussed here in),all of which could render the [DPD] Tokens worthless or of little value:

Section 7.1 No Rights, Functionality or Features. [DPD] Tokens have no rights, uses, purpose, attributes, functionalities or features, express or implied, outside the Project.

Section 7.2 [DPD] Platform. Buyer should not purchase [DPD] Tokens in reliance on the [DPD] Platform because [DPD] Tokens may not be usable on the [DPD] Platform and do not entitle Buyer to anything with respect to the [DPD] Platform.



Section 7.3 Purchase Price Risk. The distribution of [DPD] Tokens will occur at the end of the Distribution Period. There are no guarantees as to the price of [DPD] Tokens purchased by Buyer and no guarantees that the price per [DPD] Token determined each period by the market will be equal to or higher. There is the possibility that the price per [DPD] Token will fall below the price paid by initial buyers of [DPD] Tokens during the Distribution Period. Company reserves the right to change the duration of the Distribution Period for any reason, including, without limitation, bugs in the Distribution Contract or the unavailability of the Website or other unforeseen procedural or security issues.

Section 7.4 Blockchain Delay Risk. On the Ethereum blockchain, timing of block production is determined by proof of work so block production can occur at random times. For example, ETH contributed to the [DPD] Distribution Contract in the final seconds of a distribution period may not get included for that period. Buyer acknowledges and understands that the Ethereum blockchain may not include the Buyer's transaction at the time Buyer expects and Buyer may not receive [DPD] Tokens the same day Buyer sends ETH.

Section 7.5 Ethereum Blockchain. The Ethereum blockchain is prone to periodic congestion during which transactions can be delayed or lost. Individuals may also intentionally spam the Ethereum network in an attempt to gain an advantage in purchasing cryptographic tokens. Buyer acknowledges and understands that Ethereum block producers may not include Buyer's transaction when Buyer wants or Buyer's transaction may not be included at all.

Section 7.6 Ability to Transact or Resell. Buyer may be unable to sell or otherwise transact in [DPD] Tokens at any time, or for the price Buyer paid. By using the [DPD] Distribution Contract or by purchasing [DPD] Tokens, Buyer acknowledges, understands and agrees that: (a) [DPD] Tokens may be presentation of liquidity for the [DPD] Tokens; and (c) Company is not and shall not be responsible for or liable for the market value of [DPD] Tokens, the transfer ability and/or liquidity of [DPD] Tokens and/or the availability of any market for [DPD] Tokens through third parties or otherwise.



Section 7.7 Token Security. [DPD] Tokens may be subject to expropriation and or/theft. Hackers or other malicious groups or organizations may attempt to interfere with the [DPD] Distribution Contract or the [DPD] Tokens in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Further more, because the Ethereum platform rests on open source software and [DPD] Tokens are based on open source software, there is the risk that Ethereum smart contracts may contain intentional or unintentional bugs or weaknesses which may negatively affect the [DPD] Tokens or result in the loss of Buyer's [DPD] Tokens, the loss of Buyer's ability to access or control Buyer's [DPD] Tokens or the loss of ETH in Buyer's account. In the event of such a software bug or weakness, there may be no remedy and holders of [DPD] Tokens are not guaranteed any remedy, refund or compensation.

Section 7.8 Access to Private Keys. [DPD] Tokens purchased by Buyer maybe held by Buyer in Buyer's digital wallet or vault, which requires a private key, or a combination of private keys, for access. Accordingly, loss of requisite private key (s) associated with Buyer's digital wallet or vault storing [DPD] Tokens will result in loss of such [DPD] Tokens, access to Buyer's [DPD] Token balance and/or any initial balances in blockchains created by third parties. Moreover, any third party that gains access to such private key(s), including by gaining access to login credentials of a hosted wallet or vault service Buyer uses, maybe able to misappropriate Buyer's [DPD] Tokens. Company is not responsible for any such losses.

Section 7.9 New Technology. The Project and all of the matters set forth in the White Paper are new and untested. The Project might not be capable of completion, implementation or adoption. It is possible that no block chain utilizing the Project will ever be launched and there may never be an operational platform. Even if the Project is completed, implemented and adopted, it might not function as intended, and any tokens associated with a block chain adopting the Project may not have functionality that is desirable or valuable. Also, technology is changing rapidly, so the [DPD] Tokens and the Project may become out dated.

Section 7.10 Reliance on Third-Parties. Even if completed, the Project will rely, in whole or partly, on third parties to adopt and implement it and to continue to develop, supply, and otherwise support it. There is no assurance or guarantee that those third parties will complete their work, properly carry out their obligations, or otherwise meet any one's needs, all of might have a material adverse effect on the Project.



Section 7.11 Failure to Map a Public Key to Buyer's Account. Failure of Buyer to map a public key to Buyer's account may result in third parties being unable to recognize Buyer's [DPD] Token balance on the Ethereum block chain.

Section 7.12 Exchange & Counter party Risks. If Buyer sends ETH to the [DPD] Distribution Contract from an exchange or an account that Buyer does not control, pursuant to the [DPD] Distribution Contract, [DPD] Tokens will be allocated to the account that has sent ETH; therefore, Buyer may never receive or be able to recover Buyer's [DPD] Tokens. Further more, if Buyer chooses to maintain or hold [DPD] Tokens through a cryptocurrency exchange or other third party, Buyer's [DPD] Tokens may be stolen or lost. In addition, third parties may not recognize Buyer's claim to any derivative tokens if and when launched by third parties according to the distribution rules set in the Project. By using the [DPD] Distribution Contract and/or by purchasing [DPD] Tokens, Buyer acknowledges and agrees that Buyer sends ETH to the [DPD] Distribution Contract through an exchange account and/or holds [DPD] Tokens on a cryptocurrency exchange or with an other third party at Buyer's own and sole risk.

Section 7.13 Changes to the Project. The Project is still under development and may undergo significant changes over time. Although Company intends for the Project to have the features and specifications set forth in the White Paper, Company may make changes to such features and specifications for any number of reasons, any of which may mean that the [DPD] Platform does not meet Buyer's expectations.

Section 7.14 Project Completion. The development of the Project maybe abandoned for a number of reasons, including, but not limited to, lack of interest from the public, lack of funding, lack of commercial success or prospects, or departure-of key personnel.

Section 7.15 Lack of Interest. Even if the Project is finished, launched and adopted, the ongoing success of the Project relies on the interest and participation of third parties.

There can be no assurance or guarantee that there will be sufficient interest or participation in the Project.



Section 7.16 Uncertain Regulatory Framework. The regulatory status of cryptographic tokens, digital assets and block chain technology is unclear or unsettled in many jurisdictions. It is difficult to predict how or whether governmental authorities will regulate such technologies. It is wise to predict how or whether any governmental authority may make changes to existing laws, regulations and/or rules that will affect cryptographic tokens, digital assets, block chain technology and its applications. Such changes could negatively impact [DPD] Tokens in various ways, including, for example, through a determination that [DPD] Tokens are regulated financial instruments that require registration. The Company may cease the distribution of [DPD] Tokens, the development of the Project or cease operations in a jurisdiction in the event that governmental actions make it unlawful or commercially undesirable to continue to do so.

Section 7.17 Risk of Government Action. The industry in which Company operates is new, and may be subject to heightened oversight and scrutiny, including investigations or enforcement actions. There can be no assurance that governmental authorities will not examine the operations of Company and/or pursue enforcement actions against Company. Such governmental activities may or may not be the result of targeting Company in particular. All of this may subject Company to judgments, settlements, fines or penalties, or cause Company to restructure its operations and activities or to cease offering certain products or services, all of which could harm Company's reputation or lead to higher operational costs, which may in turn have a material adverse effect on the [DPD] Tokens and/or the development of the Project.

Article 8: LIMITATION OF LIABILITY; INDEMNIFICATION

Section 8.1 Limitation of Liability. To the fullest extent permitted by applicable law, Buyer disclaims any right or cause of action against Company of any kind in any jurisdiction that would give rise to any Damages whatsoever, on the part of Company. Company shall not be liable to Buyer for any type of damages, whether direct, indirect, incidental, special, punitive, consequential or exemplary (including damages for lost profits, goodwill, use or data), even if and notwithstanding the extent to which Company has been advised of the possibility of such damages. Buyer agrees not to seek any refund, compensation or reimbursement from a Company Party, regardless of the reason, and regardless of whether there is an identified in this Agreement.



Section 8.2 Damages. In no circumstances will the aggregate joint liability of the Company Parties, whether in contract, warrant, tort or other theory, for Damages to Buyer under this Agreement exceed the amount received by Company from Buyer.

Section 8.3 Force Majeure. Buyer understands and agrees that Company shall not be liable and disclaims all liability to Buyer in connection with any force majeure event, including acts of God, labor disputes or other industrial disturbances, electrical, telecommunications, hardware, software or other utility failures, software or smart contract bugs or weaknesses, earthquakes, storms, or other nature related events, blockages, embargoes, riots, acts or orders of government, acts of terrorism or war, technological change, changes in interest rates or other-monetary conditions, and, for the avoidance of doubt, changes to any blockchain related protocol.

Section 8.4 Release. To the fullest extent permitted by applicable law, Buyer releases Company from responsibility, liability, claims, demands, and/or damages of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between Buyer and the acts or omissions of third parties.

Section 8.5 Indemnification.

(a) To the fullest extent permitted by applicable law, Buyer will indemnify, defend and hold harmless and reimburse Company from and against any and all actions, proceedings, claims, damages, demands and actions (including without limitation fees and expenses of counsel), incurred by Company arising from or relating to: (i) Buyer's purchase or use of [DPD] Tokens; (ii) Buyer's responsibilities or obligations under this Agreement; (iii) Buyer's breach of or violation of this Agreement; (iv) any inaccuracy in any representation or warranty of Buyer; (v) Buyer's violation of any rights of any other person or entity; and/or (vi) any act or omission of Buyer that is negligent, unlawful or constitutes willful misconduct.

(b) Company reserves the right to exercise sole control over the defense, at Buyer's expense, of any claim subject to indemnification under this Section 8.5. This indemnity is in addition to, and not in lieu of, any other indemnities set forth in a written agreement between Buyer and Company.



Article 9 : DISPUTE RE SOLUTION

Section 9.1 Informal Dispute Resolution. Buyer and Company shall cooperate in good faith to resolve any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, including with respect to the formation, applicability, breach, termination, validity or enforceability there of (a “Dispute”). If the Parties are unable to resolve a Dispute within ninety (90) days of notice of such Dispute being received by all Parties, such Dispute shall be finally settled by Binding-Arbitration as defined in Section 9.2 below.

Section 9.2 Binding Arbitration. Any Dispute not resolved within 90 days as set forth in Section 9.1 shall be referred to and finally resolved by arbitration under the rules of the American Arbitration Association in effect at the time of the arbitration, except as they maybe modified here in or by mutual agreement of the Parties. The number of arbitrators shall be one who shall be selected by Company. The seat, or legal place, of arbitration shall be New Jersey, USA. The language to be used in the arbitral proceedings shall be English. The governing law of the Agreement shall be as set forth in Section 10.1 here in. The arbitration award shall be final and binding on the Parties (“Binding Arbitration”). The Parties undertake to carry out any award without delay and waive their right to any form of recourse in so far as such waiver can validly be made. Judgment upon the award maybe entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets.

Company and Buyer will each pay their respective at torneys’ fees and expenses. Not with standing the foregoing,

Section 9.3 No Class Arbitrations, Class Actions or Representative Actions. Any dispute arising out of or related to this Agreement is personal to Buyer and Company and will not be brought as a class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempts to resolve a dispute as a representative of another individual or group of individuals. Further, a dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.



Article 10: MISCELLANEOUS

Section 10.1 Governing Law and Venue. This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of Delaware, without giving effect to its principles or rules of conflict of laws, to the extent such principles or rules are not mandatorily applicable by statute and would permit or require the application of the laws of another jurisdiction.

Section 10.2 Assignment. Buyer shall not assign this Agreement without the prior written consent of Company. Any assignment or transfer in violation of this Section 10.2 will be void. Company may assign this Agreement to an affiliate. Subject to the foregoing, this Agreement, and the rights and obligations of the Parties hereunder, will be binding up on and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives.

Section 10.3 Entire Agreement. This Agreement, including the exhibits attached here to and the materials incorporated here in by reference, constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous agreements and understandings, both written and oral, between the Parties with respect to the subject matter here of, including, without limitation, any public or other statements or presentations made by Company about the [DPD] Tokens or the Project.

Section 10.4 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, inoperative or unenforceable for any reason, the provision shall be modified to make it valid and, to the extent possible, effectuate the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated here by be consummated as originally contemplated to the fullest extent possible.

Section 10.5 Modification of Agreement. Company may modify this Agreement at any time by posting a revised version on the Website, available at <https://dropd.co>. The modified terms will become effective upon posting. It is Buyer's responsibility to check the Website regularly for modifications to this Agreement. This Agreement was last modified on the date listed at the beginning of this Agreement.



Section 10.6 Termination of Agreement; Survival. This Agreement will terminate upon the completion of all sales in the [DPD] Token Distribution. Company reserves the right to terminate this Agreement, in its sole discretion, in the event that Buyer breaches this Agreement. Upon termination of this Agreement: (a) all of Buyer's rights under this Agreement immediately terminate; (b) Buyer is not entitled to a refund of any amount paid; and (c) Articles 3, 4, 6, 7, 8, 9, and 10 will continue to apply in accordance with their terms.

Section 10.7 No Waivers. The failure by Company to exercise or enforce any right or provision of this Agreement will not constitute a present or future waiver of such right or provision nor limit Company's right to enforce such right or provision at a later time. All waivers by Company must be unequivocal and in writing to be effective.

Section 10.8 No Partnership; No Agency; No Third Party Beneficiaries. Nothing in this Agreement and no action taken by the Parties shall constitute, or be deemed to constitute, a partnership, association, joint venture or other co-operative entity between the Parties. Nothing in this Agreement and no action taken by the Parties pursuant to this Agreement shall constitute, or be deemed to constitute, either Party the agent of the other Party for any purpose. No Party has, pursuant to this Agreement, any authority or power to bind or to contract in the name of the other-Party. This Agreement does not create any third party beneficiary rights in any person.

Section 10.9 Electronic Communications. Buyer agrees and acknowledges that all agreements, notices, disclosures and other communications that Company provides Buyer pursuant to this Agreement or in connection with or related to Buyer's purchase of [DPD] Tokens, including this Agreement, maybe provided by Company, in its sole discretion, to Buyer, in electronic form.