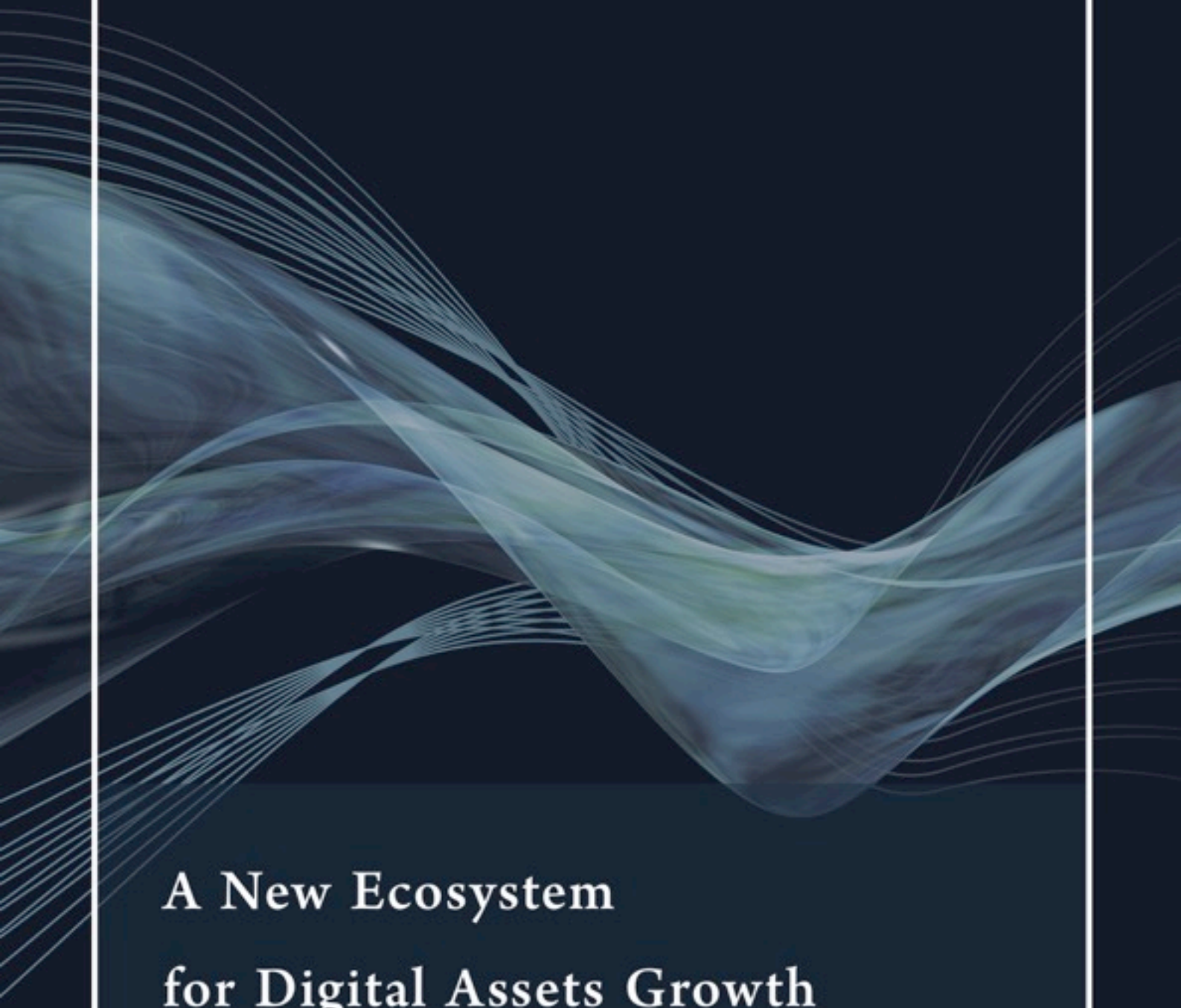
www.lots.org



A New Ecosystem for Digital Assets Growth

v 2.0

31 July 2018

LOTS

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1. Abstract

LOTS is a safe, open and convenient global financial ecosystem platform for digital assets based on blockchain technology and is committed to offering superior, transparent, and trustworthy asset growth services to platform users.

By bringing successful experience in the financial realm and thorough understanding of blockchain ecosystem, the LOTS team will construct a brand-new digital asset financial ecosystem to resolve problems in the traditional financial market, adapt to financial behaviors in the future digital economy and serve the digitalized financial ecosystem.

The LOTS platform will offer safe, convenient and modular asset management products and services based on cross-chain technology and collaborate with partners in the digital asset ecosystem to develop all kinds of digital economy business scenarios, construct a complete, reasonable and open ecosystem, expand investment and financing channels for global digital asset owners and meet demands for distributed wealth management for digital assets. Moreover, with the help of the consensus of the community, LOTS will establish a decentralized global credit system and continue to promote the development and progression of the LOTS ecosystem.

The LOTS platform will offer global users with a great variety of products and services including secured loans, unsecured loans, wealth management, distributed ABS, etc. in a swift manner. For secured loans, LOTS handles price volatility of the crypto collaterals well by using the cutting-edge quantitative model to lower market risks, whereas for the unsecured loans, multidimensional features of wallet addresses are used to build a complex network model and effective rating system to make effective anti-fraud strategies and provide professional credit references for platform users.

2. Background

Human society is shifting from the industrial age to the information era. Through the Industrial Revolutions, men have made tremendous improvements to the existing physical space and are now building the "digital space" with the blockchain technology. Digital currencies, based on the said technology, is a set of computer programs generated to enable the exchange of codes, characterized by borderless point-to-point exchange without geographical limitations. Within this virtual system, a new digital financial system is coming into being.

2.1 Industry Opportunities

As the on-chain technology matures with the development of its native applications, the "Blockchain+" applications across all industries will see an unprecedented boom. Millions of Internet companies, billions of Internet users, as well as trillions of US dollars will enter the Internet-of-value phase featuring blockchain.

Be it the Internet or blockchain, they both changed the trust and credit system in traditional commercial activities – credit costs in traditional commercial activities were greatly reduced via these technologies. The lower the marginal cost for trust, the more borderless the commercial activities are. Within the blockchain world, true "zero marginal cost" was achieved thanks to algorithms, and the distributed business model helps scale up commercial activities without limits.

Various products and services such as distributed credit rating, distributed creditor registration, distributed wealth management and distributed asset trading, etc. based on blockchain features including decentralization, openness, autonomy, tamper-resistance and privacy protection will offer participants from countries, localities and marketplaces all around the world safer and easier financial services, incubating the integrated ecosystem of distributed financial services.

2.2 Challenges and Demands in the Market

Currently, there are thousands of digital currencies in the world, and everyone can hold their crypto assets safe and sound. However, exchanges between digital currencies and fiat money are difficult and costly, leaving a large part of transactions only between crypto currencies themselves. What's more such transactions usually take place in centralized exchange platforms, where users are subject to relatively high assets security risks and the trading platforms could potentially manipulate the transaction prices to turn excess profit.

2.1 Industry Opportunities

The rapid growth of the digital asset market directly leads to the demands for digital asset allocation and management, among which the demand for crypto-loans has become prominent, especially for users holding large amount of digital currencies and looking up for the prices. In the meantime, global professional investors are also searching for low-cost financing channels and are showing a growing interest in secured loans. However, this kind of transactions are primarily executed through centralized OTC exchange platforms currently. Centralized secured loans service providers use their own monopoly advantage to generate excess profit, and are more easily impacted by factors such as market value fluctuations, poor operational management, supervisory policy changes, etc. These concerns will ultimately lead users to decentralized services.

Challenges of Market Participants

Asset-end borrowers

- Lack of credit data and difficulties in finding low-cost financing channels
- Centralized transactions requiring complex KYC procedures, relatively long waiting time, as well as non-transparent application process
- Difficulties in cross-border, multiple-currency, cross-time-zone transactions

Funding-end lenders

- Difficulties in decision-making due to a lack of understanding of the credit profile and other related information of the asset-end user
- Opportunity cost
- Lack of professional investment advice

Challenges of the Digital Assets Exchange Markets

Operational Risks

- Non-transparent exchange process
- Alterable records
- Poor Operational management

Liquidity Risks

- Difficulty in converting into traditional commercial assets

Market Risks

- No backing from physical assets, resulting in high price volatility
- Subjection to market speculation

2.3 Why LOTS is Needed

LOTS is a safe, open and convenient global financial ecosystem platform for digital assets based on blockchain technology and is committed to offering superior, transparent, and trustworthy asset growth services to platform users.

The LOTS digital assets growth platform will create full-circulation closed loop for institutional owners of digital assets and eligible investors. This blockchain-based decentralized platform offers the following distinct advantages:

- Trustlessness: terms of the smart contracts must be enforced, and their effectiveness does not depend on mutual trust
- Cost reduction: all transactions are executed in accordance with “smart contracts”, without the need for third party payment or capital deposit facilities
- Efficiency enhancement: by practicing token economy, users, investors, the platform and partners in the community are connected and coordinated in a highly effective manner
- Global Scalability: cryptocurrencies are borderless and can be deployed across the globe quickly at ease

The LOTS platform will offer a whole array of asset management products and services based on cross-chain technology and collaborate with partners in the digital asset ecosystem to develop all kinds of digital economy business scenarios, expand investment and financing channels for global digital asset owners and meet demands for to distributed wealth management for digital assets. Moreover, with the help of the consensus of the community, LOTS will establish a decentralized global credit system and continue to promote the development and progression of the LOTS ecosystem.

3. About LOTS

LOTS stands for Liquidity, Ownership, Transparency and Security. LOTS is working towards satisfying digital asset circulation requirements in various scenarios, enabling platform users to completely retain existing digital assets, receive a variety of open, safe, and transparent financial services, and make the most of the time value of their assets to generate greater profits.

3.1 Business Model

Core Strengths

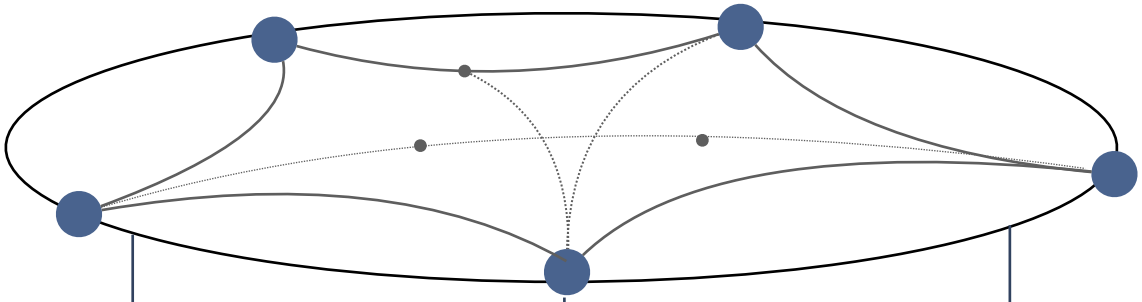
- Support from great partners in the ecosystem: rich industrial resources and strong partners covering the whole industrial chain of digital asset management, including miners, investment funds and public chain eco-system builders, injecting liquidity into the platform.
- Intelligent security assurance: automatic and personalized operation is achieved through cross-chain technology and smart contracts, and the AI-enabled risk-control model secures safe and convenient transactions.
- Reforming the credit system: by establishing a fair interest rate worldwide, point-to-point transactions are no longer monopolized by traditional centralized financial institutions. The tamper-proof transaction records of loans help establish an all-transparent financial system.
- Global credit rating system: based on AI analysis of lending transactions by the account address, LOTS takes the lead in realizing unsecured lending and builds the most professional decentralized credit rating system globally.

3.2 Ecosystem Layout

We target at institutional digital assets owners and eligible investors and aim to offer them intermediary services, lending services and wealth management services to satisfy their respective needs. In the meantime, through the services offered by professional partners in the ecosystem, the LOTS platform helps individual investors appraise professional organizations and give them co-investment options for additional asset returns.

LOTS Ecosystem

for Digital Assets Growth



E wallet partnership & Customer Acquisition

Token fund partnership & high quality assets

Identity verification & custodian partnership

Funding-end (Lenders)

- Mining pools and miners
- FOF
- Project foundation
- Eligible investors
- …

Asset-end (Borrower)

- Investment funds
- Quantitative Funds
- Hedge Funds
- Eligible investors
- …

Service-side (Partner)

- Credit data service Provider
- Rating Agencies
- Digital assets exchange
- Insurance companies
- …

3.2.1 Funding-end (Lenders)

- Mining pools and miners: owners of large quantities of digital currencies, looking for coin-generating wealth management products in addition to putting digital currencies in their wallet or the exchanges.
- FOF: owners of large quantities of entrusted digital currencies, looking for high-quality investment channels.
- Project foundations with proprietary funds: large quantities of idle ETH from fundraising, looking for low-risk investment channels.
- Eligible investors: searching for wealth management products based on cryptocurrency gains and security files with considerable profits.

3.2.2 Asset-end (Borrowers)

- Investment funds: prior investment in listed digital currencies with optimistic price projection for the long term; unwilling to sell at current price but needs digital currency assets to invest in new projects.
- Quantitative funds and hedge funds: in need of large quantities of designated digital currencies, searching for other channels aside from buying in secondary markets.
- Eligible investors: holding one kind of crypto currency (ETH) and predicting that another kind (EOS) could soon spike; in need of a second option other than selling.

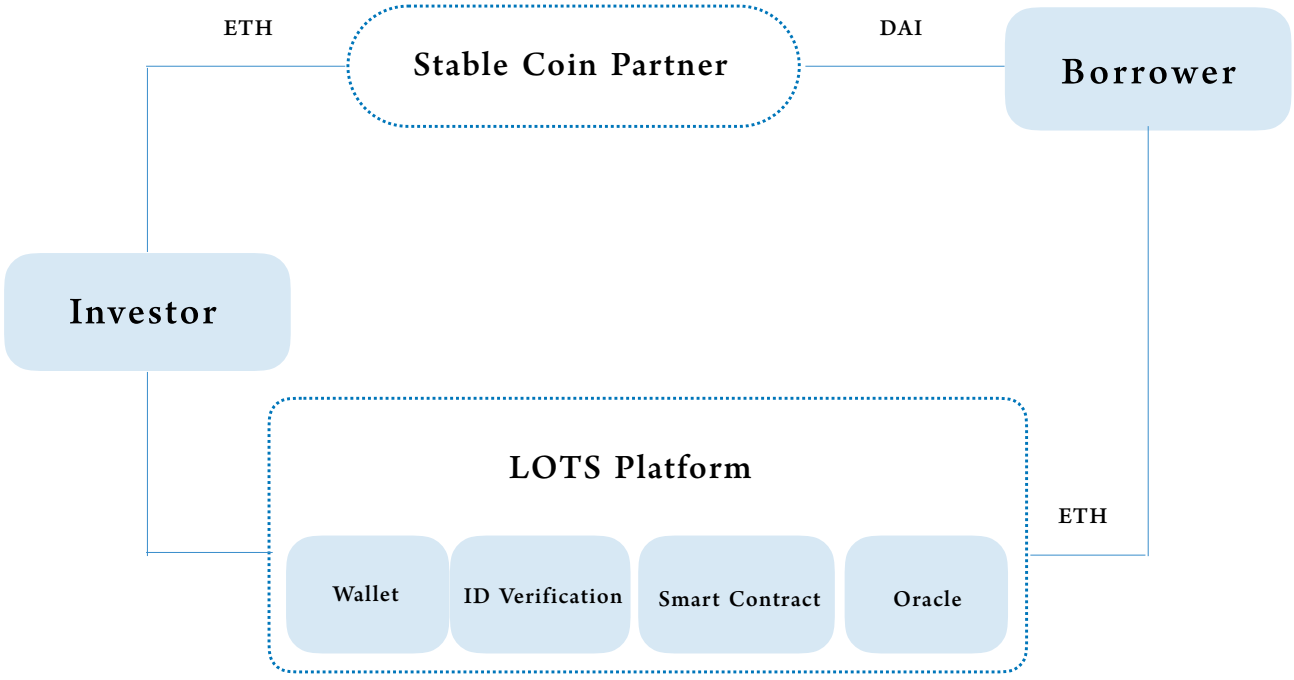
3.2.3 Service-end (Partners)

- Rating agencies: rating and appraising the performance of the asset-end users
- Digital asset exchanges: providing convenient liquidity support upon termination of contracts or position closing
- Risk-control service providers: using professional risk-control knowledge to provide impossible trinity solutions, i.e. mortgage rates, interest rates and timelines.
- Credit data service providers: providing credit data of the business community and social contexts
- Insurance companies and post-lending management institutions: offering extra transaction security

3.3 Product Scenarios

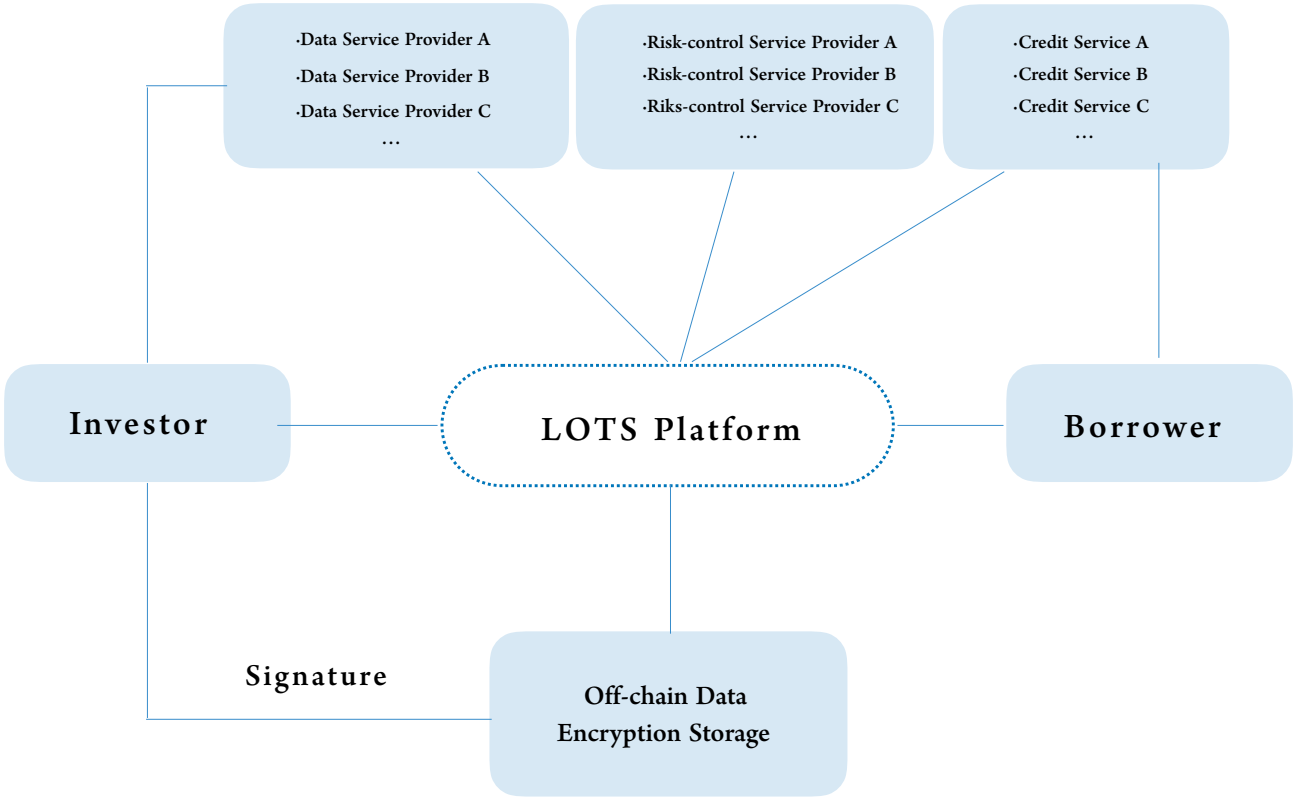
3.3.1 Cryptocurrency Secured Loans

Secured loans is an important business for cryptocurrency lending and investors providing the digital assets and discover the long-term growth value of the collaterals. The LOTS products can offer users asset liquidity, while helping them earn profit from the appreciation of their digital assets. Through mortgage/pledge smart contracts, both parties can easily make secured loans.



3.3.2 Cryptocurrency Unsecured Lending

An important trend for future development of digital assets loans products is unsecured loans. First, the borrower chooses an authorized data provider for individual data services. Based on borrowers' information, the lender will choose the best credit rating. The risk-control service agency will then rate the credit risk. After the borrower notifies authorization, trust data is decrypted for the service agencies and the lender, and the transaction is completed. The LOTS token used by the lender to purchase the credit report will be distributed to the borrower, the data provider and the credit reporting agency proportionally.



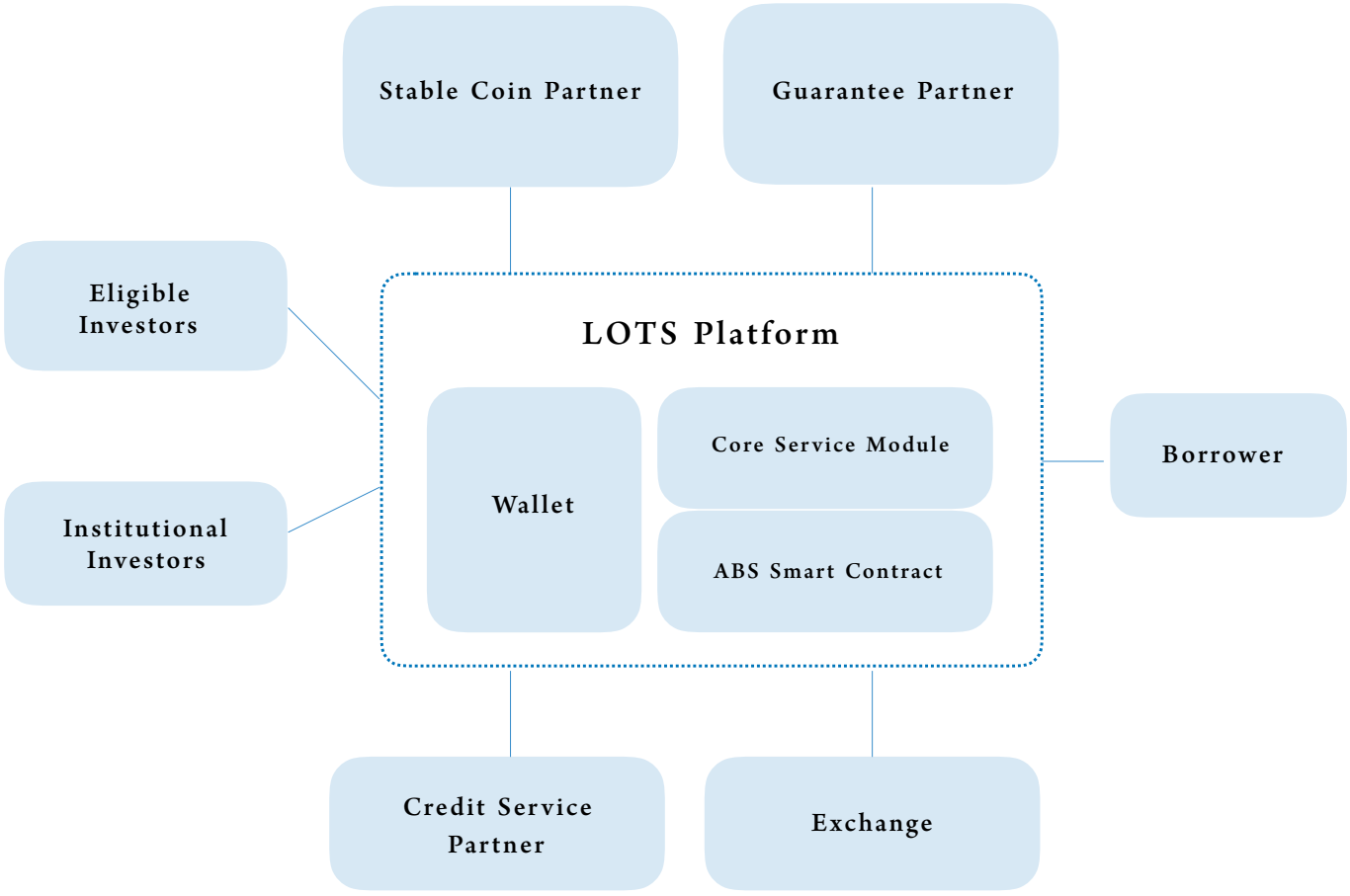
Loss recovery mechanism

The platform will recommend smart insurance operated by independent party (like policypal.network) to users. By using such product, a portion of cryptocurrency is stored in a smart contract as provision (similar to premium for insurance). In an event of default, lenders may obtain partial compensation based on different claiming ratios to reduce their losses.

3.3.3 Cryptocurrency Wealth Management

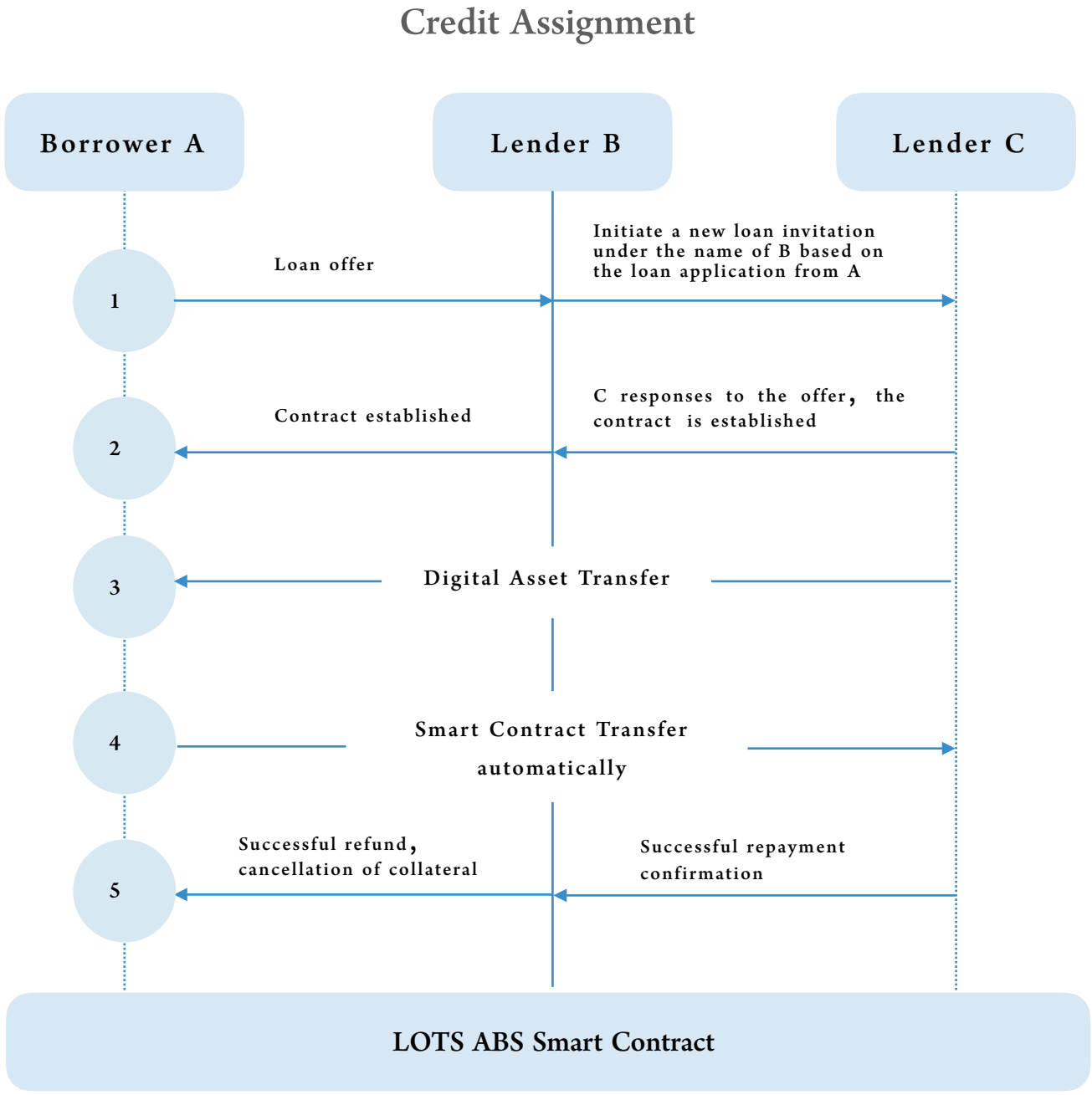
Digital assets investment requires a considerable amount of time and energy for many common eligible investors, and a large part of them are not experienced enough to directly participate in digital asset investment. They may choose wealth management products or funds for co-investment participation. This process is similar to that in traditional financial markets and requires multi-sided collaboration.

Investors makes decision according to information provided by rating agencies, whereas the platform is in charge of executing the agreements between the parties via smart contracts.



3.3.4 Distributed ABS for Creditors' Rights of Digital Assets

To improve the liquidity of assets, the creditor in the lending business may transfer its creditors' rights to the others in order to recover the principal in advance and LOTS supports this service scenario. Through distributed-ledger technology, penetrating management can be performed over the said assets.



4. Economic Model of the Ecosystem

The LOTS platform generates revenue from user service fees and management fees, membership fees, sharing from part of asset earnings, priority assignment fees and sponsorship fees, etc.

The LOTS Token (or "LOTS") issued by the platform is an ERC20-standard token based on Ethereum, with a fixed total issuance amount issued of 1 billion with no additional issue. It is a functional token that can be used in the LOTS ecosystem. The long-term value of the LOTS token is associated with the use of products and services within the ecosystem. Given the fixed total amount, as the LOTS ecosystem matures and there are more embedded distributed business scenarios, the products and services will be used more frequently, and the liquidity will increase substantially. At the current stage, functions of the token are mainly as follows:

- LOTS token is the proof of contribution in the ecosystem. Such contribution includes data information collection, analysis and appraisal, recommendation and "likes", arbitration, etc.
- LOTS token is the proof of membership class in the ecosystem. Based on members' classes, they members enjoy different general benefits and privileges, including:

Benefits & Privilege	Description
Privilege	Used for application and payment for designated products or services of partners in the ecosystem
Reward and Exclusivity	Earn extra amounts of reward and exclusive privilege
Participate in decision-making	The eco-community will initiate votes through smart contracts, allowing LOTS holders to participate in decision-making for the distributed credit system and other operational affairs.
Elections and Monitoring	Participate in the LOTS community committee member elections, investigate the transparency of the platform and monitor the performance of the committee members.

- As an ERC20 token, it is easy to write smart contract for LOTS or use the wallet, making the token readily available as collateral or lendable asset.

4. Economic Model of the Ecosystem (Continued)

In order to share community earnings and encourage user participation, when the transaction volume on the platform reaches a certain level, the MANY Token (or "MANY"), the relatively stable token, will be introduced in the LOTS economy, with an initial offering of 5 billion tokens. MANY mainly satisfies the circulation needs within the ecosystem such as pricing, payment and transactions, and can also be used as a hedging tool in extreme market situations. MANY is a relatively stable supportive token for LOTS tokens, anchoring the value of fiat money. The initial value is USD500 million.

Obtaining the MANY tokens

A certain portion of the revenue of the platform (say, 80%) will be allocated to contributors, i.e. LOTS holders in the ecosystem as unlocked MANY. This part of revenue will be allocated to active LOTS accounts proportionally. LOTS token holders are also service providers in the system and receive income by providing such services. The more tokens they hold, the more services they can offer, and therefore, the greater income.

The "transaction-synchronized release" mechanism is used to unlock the MANY tokens. There is a fixed unlocking amount in the initial stage. Following the increase of transaction volume on the LOTS platform, MANY will continue to be unlocked. Suppose that 60% are the circulating MANY and 40% are the reserve, the reserve is unlocked proportionally to the circulating part. The circulating MANY to reserve ratio is calculated using algorithms and indicates the supply and demand equilibrium in the MANY market, thus using the MANY token with dynamic stability to anchor the fiat money. Factors affecting the algorithm include token supply, token multiplier, rate of circulation, etc.

In addition, the MANY token can also function as follows:

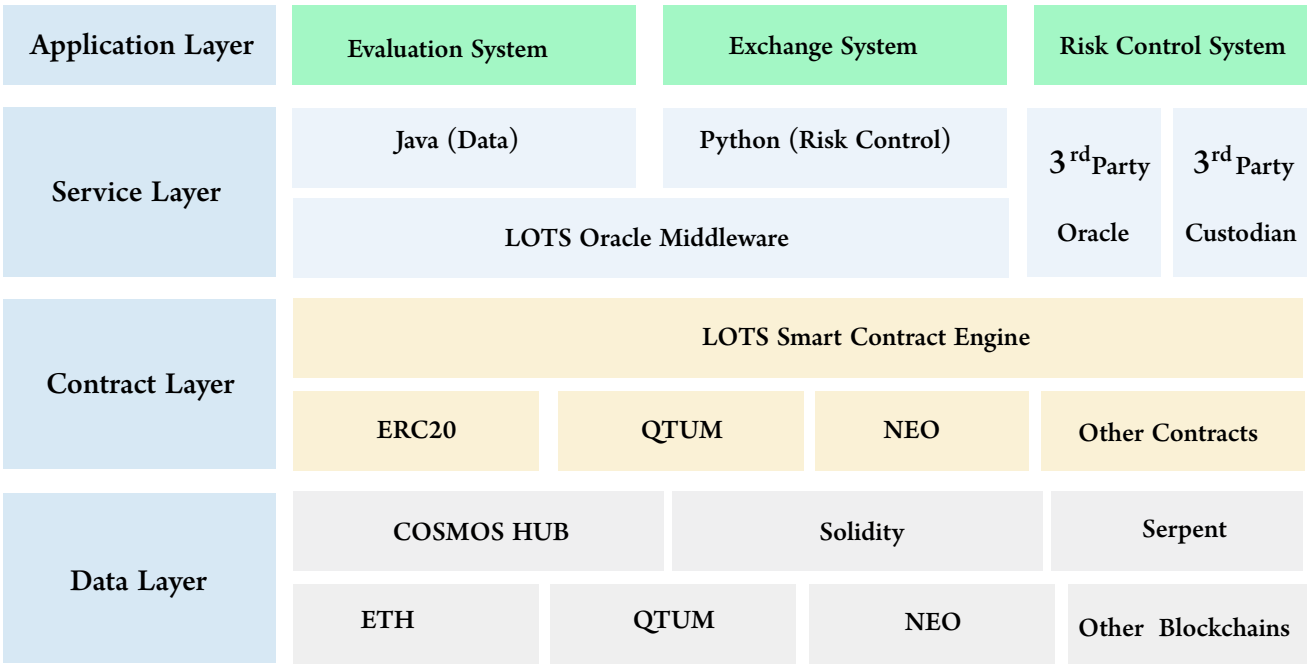
- Payment for service fees and management fees on the LOTS platform for day-to-day businesses
- Interest payment when LOTS token is the target of transactions on the platform.

Innovative financial tools is also part to the continued research and optimization for the LOTS economy. Currently, the stabilizing mechanism for the MANY tokens is: using regulating tools such as pledge and redemption of tokens and target price changing rate of the stable token to regulate the market supply and demand of MANY to reach the equilibrium. LOTS will continue to explore the other stabilizing mechanisms, or optimize the current mechanism while in the meantime, continuously improve risk control of the MANY tokens.

5. Technology and Products

5.1 Structure of the technology system

All products are developed based on the Java Enterprise, including four modules, i.e. security, risk management, contract, and transaction. The transaction module is based on interfacing between Web3J [1] (open-source library for ETH smart contracts based on JAVA language) and the main chain and test chain of Ethereum [2], to record all transaction on the chain. The risk management module uses Oracle[3] engineering, which can not only access third-party data through the smart contracts, but also launches the LOTS Oracle Middleware for the contracts to access the proprietary data and the risk management service. All data on the website is encrypted using SSL, and the products record multidimensional security information simultaneously to ensure confidentiality of user information. Cosmos is planned to be used in the products for cross-chain interactions.



5.2 Using Artificial Intelligence Technology to Help Build the Credit Rating System

Machine learning usage in decentralized credit rating:

- In addition to using the traditional GARCH model and Value at Risk model, we also use mainstream machine learning models such as Decision Trees, Random Forests and SVM [4] to improve the accuracy of forecasting when evaluating the fluctuations and value of the crypto currency collateral.
- For historical data analysis on the wallet address (the borrower), combined with public data outside LOTS, we also use big data machine learning methods to predict the transaction behavior of the wallet address.
- Cross-chain Anti-fraud. LOTS is compatible with a variety of digital assets and conduct real-time integrated computing on the network-wide transaction risk indicators for cross-chain anti-fraud through collecting characteristics of loan addresses on different public chains, establishing in-depth mining mechanism and using deep learning algorithms such as the neural networks algorithm.

5.2.1 Fraud Detection Strategy in Unsecured Loans

As governments regulate digital currencies, the KYC compliance for wallet addresses will improve. LOTS will use ID authentication of wallet address and working with external digital identity verification providers, as well as the mainstream credit data companies (such as the FICO in U.S.) to improve fraud detection operation.

In this part, we focus on the fraud detection strategy for unsecured lending based solely on wallet address on the blockchain.

The wallet address has multidimensional features, showing several characteristics:

· Anonymous - there is no connection between wallet address and user without ID authentication

· Non-uniqueness - each user may have multiple wallet addresses with different address features

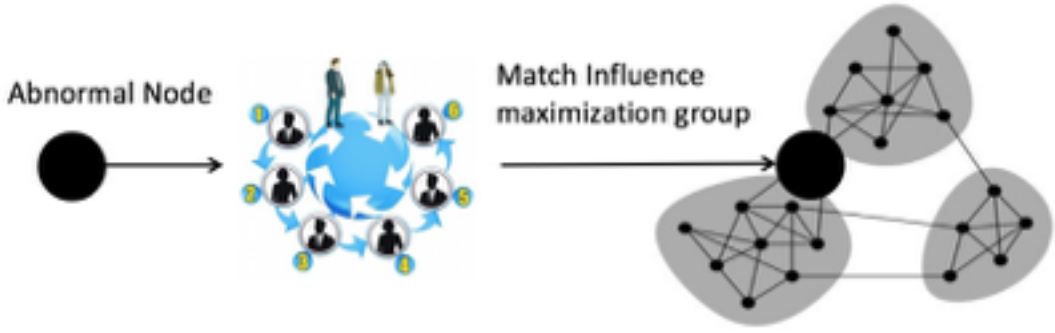
· Easy to discard - user may give up a wallet address at a low cost

5.2.1 Fraud Detection Strategy in Unsecured Loans (Continued)

According to features of wallet address, taking Ethereum as an example, LOTS obtains all the historical data of a wallet address through web3J, including the first degree, second degree, and multiple degree transaction records in different time dimensions, and the usage of GAS to perform cluster analysis for each wallet address. If a wallet address is less associated with other addresses that have historically risk records, or if GAS usage for the most recent transaction is below average, such addresses will be marked as suspiciously one.

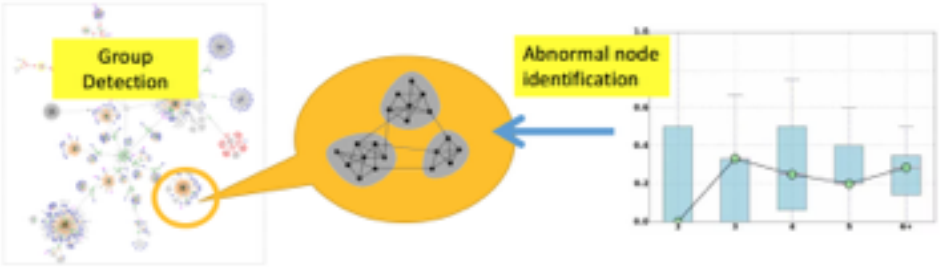
LOTS fraud detection engine will build a map of connection knowledge, also use the NetworkX framework [5] in Python to connect all nodes involved in business to build a complex network model (typical application is a small world network), will provide the following positive contributions:

- Based on the collection of black node data, the PageRank algorithm[6] is used to identify the group of Influence Maximization node and have further influence on score of the associated node.



5.2.1 Fraud Detection Strategy in unsecured loans (Continued)

- Community detection: Based on the Kernighan-Lin algorithm[7], find out nodes or groups with abnormal properties. In the case of detection of fraudulent groups, anomaly detection is considered to be more effective. For example, many groups may choose to share some application information, log in through a similar gateway address, use wallet address created during a similar time period, and so on. In a relational network, most of the normal individuals should be independent nodes (except for large public wallet addresses). If more than couple nodes occur or even more than a dozen nodes (when a certain threshold is reached), they may be treated as abnormal nodes.



As the transaction data of users grow rich on LOTS, we conduct deep supervised learning on wallet address information during the loan application stage. Taking the address of Ethereum Wallet as an example, some features used include:

· Creation timestamp of address

· The average ETH balance for each time period (past day, past week, past month, etc.)

· GAS usage for each time period (past day, past week, past month, etc.)

· The average creation timestamp, the average ETH balance and so on for the most frequently trading address for each time period

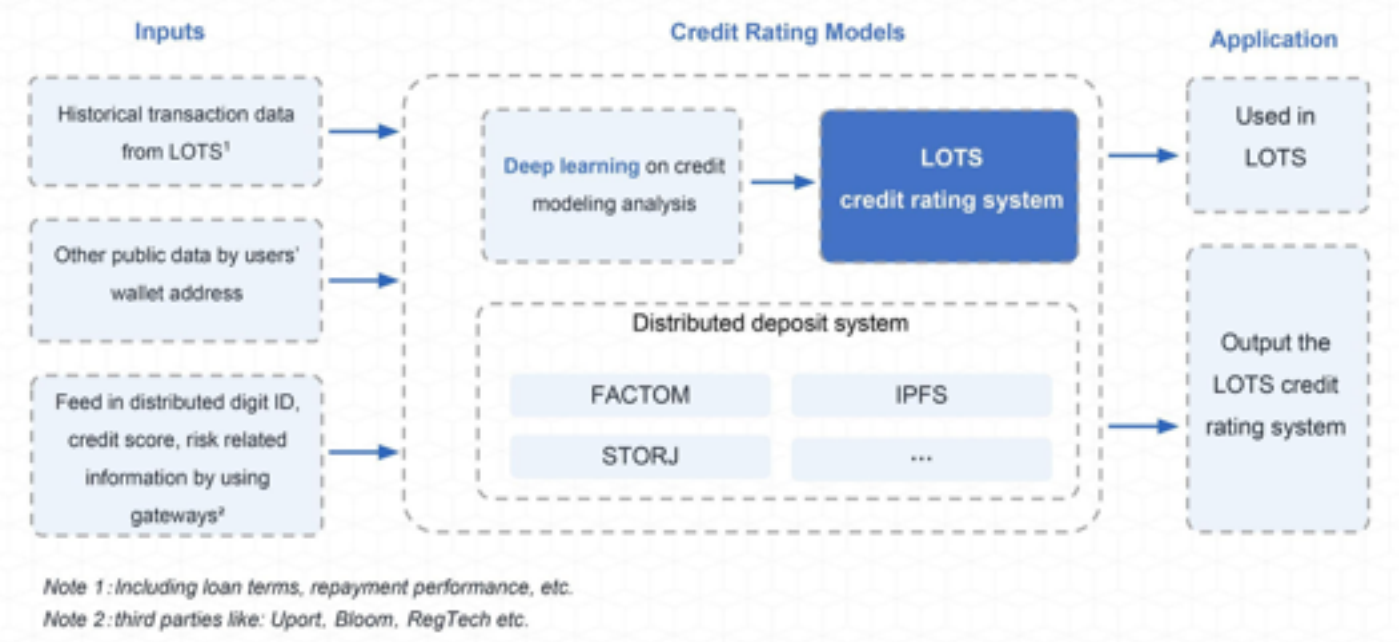
· The average creation timestamp, the average ETH balance and so on for the highest volume trading address for each time period

· The average creation timestamp, the average ETH balance and so on for the most frequently traded second degree addresses.

· The average ERC20 token balance for each time period (past day, past week, past month, etc.)

LOTS platform uses the fraudulent loan as tags, combined with the above features, to establish a machine learning based prediction model.

5.2.2 Shifting from Centralized Credit Reporting Agencies to Decentralized Distributed Ones



Different from the credit rating system of centralized platforms, the input factors of LOTS mainly come from data information provider in the market and other data collected using distributed credit reporting technology. Based on the AI analysis results, the platform gives different weights to each factor and generates the credit rating of borrowers for lenders' reference. At the same time, other platforms can also use results from this rating system to get more information about the user. [8] [9] [10]

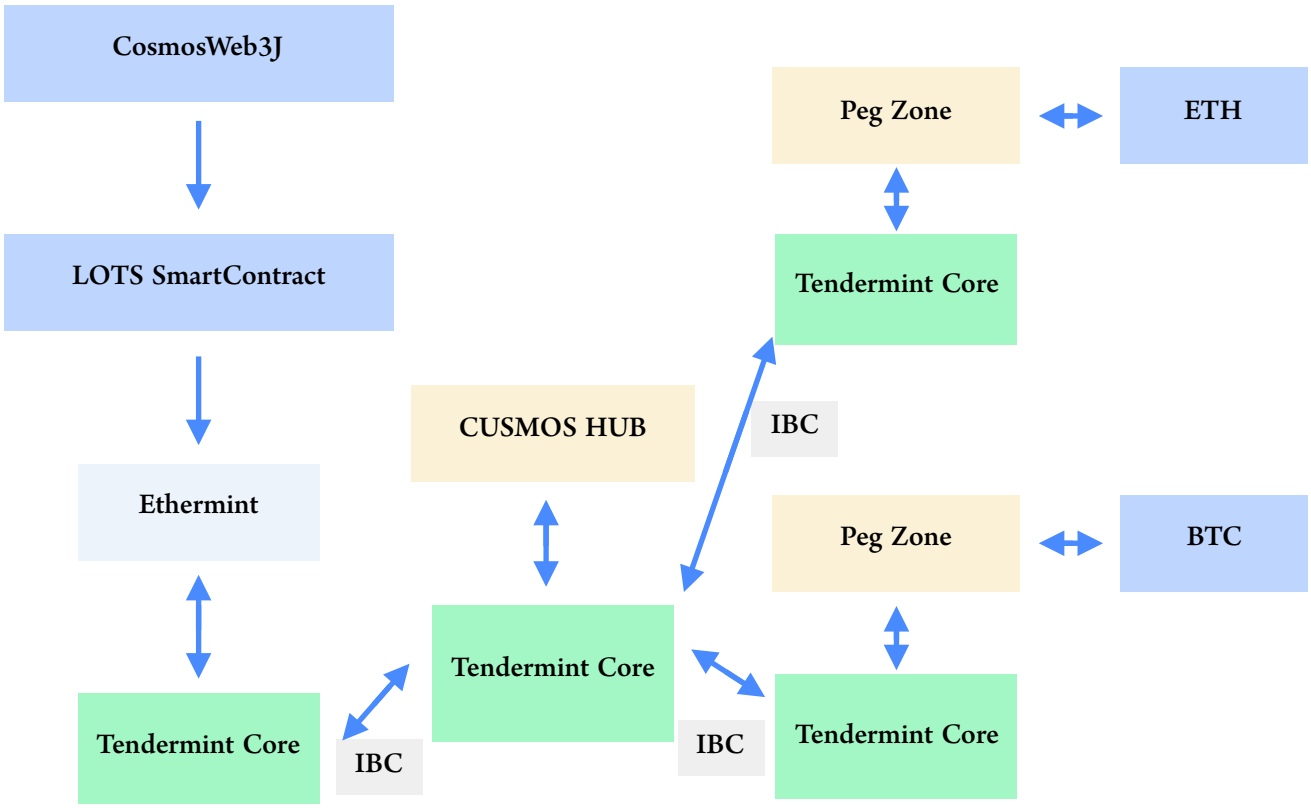
Through the LOTS contracts, full-life-cycle statuses will be recorded on the asset end from application, loan review, repayment, default, collection and bad debt verification, generating an index for the loan history in the system. In the future, raw data can only be accessed by the parties of the transactions and a certain fee will be charged when partners in the ecosystem wishes to access the other information. The LOTS system only records and stores the index on the blockchain. The user's transaction history report in the LOTS system is constituted of the loan history index and the clear data of the actual contracts held by the parties.

5.3 Cross-chain Smart Contracts and a Completely Decentralized Platform

Other than using multiple-signature wallet solution, LOTS in order to truly achieve cross-chain smart contracts over a variety of digital assets, is continuously working and adapting the cutting-edge cross-chain research projects. LOTS will be the first to achieve cross-chain based smart contract application in the field of digital asset lending.

LOTS plans to work with Cosmos HUB on extending Web3J project.

Cosmos [11] is a blockchain network focusing on solving cross-chain asset transfers. The network is mainly composed of two parts, Cosmos Hub and a couple Zones. Cosmos based on Tendermint Core Byzantine consensus algorithm [12] is ideally suited for extending the public blockchain under the Proof of Stake.



5.3 Cross-chain Smart Contracts and a Completely Decentralized Platform (Continued)

Cosmos Hub is a multi-asset proof-of-stake cryptocurrency network that enables network changes and updates through a simple management mechanism. It has industry-leading Tendermint Consensus Engine and ABCI (Application Blockchain Interface) application architecture, and through IBC (Inter-blockchain Communication) protocol and PegZone to bridge other digital blocks. After the main chain goes live, in addition to the development and adaptation of mainstream cryptocurrency like ETH and BTC, the Cosmos team is working to grow the community and to facilitate the adaptation of other blockchain to Cosmos Hub.

Cosmos currently offers a GO-based SDK, and LOTS team is stepping up its efforts to provide more international support for cross-chain solutions.

Cosmos currently offers a GO-based SDK, completing Cosmos hub and ETH network through sub-projects Ethermint and ETGate. The LOTS smart contract developed based on the Solidity language can also be run independently, allowing the LOTS platform to have faster and simpler cross-chain lending solutions.

5.4 Default Risk Due to Volatility of Collateral Value

The main risk for the scenario is not the default risk based on traditional reasons but market risk of the underlying asset. Given the high volatility of the crypto currency market, lenders generally accept mainstream cryptocurrency or the one highly correlated to the borrowing currency. However, it still quite likely that the value of collateral is less than the principal plus interest value of borrowing currency, this may increase the probability of default significantly.

The solutions provided by LOTS:

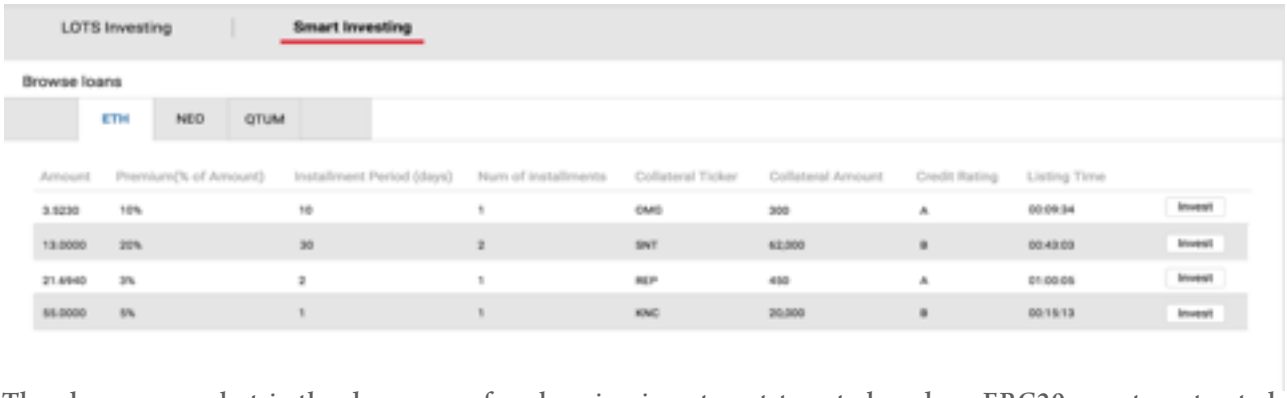
- Provide three risk preference levels for lenders according to their risk tolerance.
- Recommendations are provided to lenders on loans with different collateral types and loan-to-value ratio combination. It is backed by the quantitative model using features like correlation to borrowing crypto, market volume of collateral, maximum fluctuation and so on. For example, a high risk preference lender will be recommended by loans with high loan-to-value ratio but high interest rate.
- Get multiple data sources safely by using oracle service incorporated within smart contract. Calculate the real time loan-to-value ratio by fetching the collateral token's real time value.
- Add early termination option into secured loan. Automatically terminate a loan when the loan-to-value ratio reaches certain cutoff pre-determined between lender and borrower.
- Reverse hedging with futures and structured funds is available.
- Cooperate with crypto exchange to provide quick liquidation option when loan contract expires, terminates, or defaults.

5.5 Products Demo

The LOTS platform started with decentralized lending products based on smart contracts to realize secured lending of ERC20 tokens. Meanwhile, third-party custody and insurance are used to provide secured lending of cross-chain cryptocurrencies.

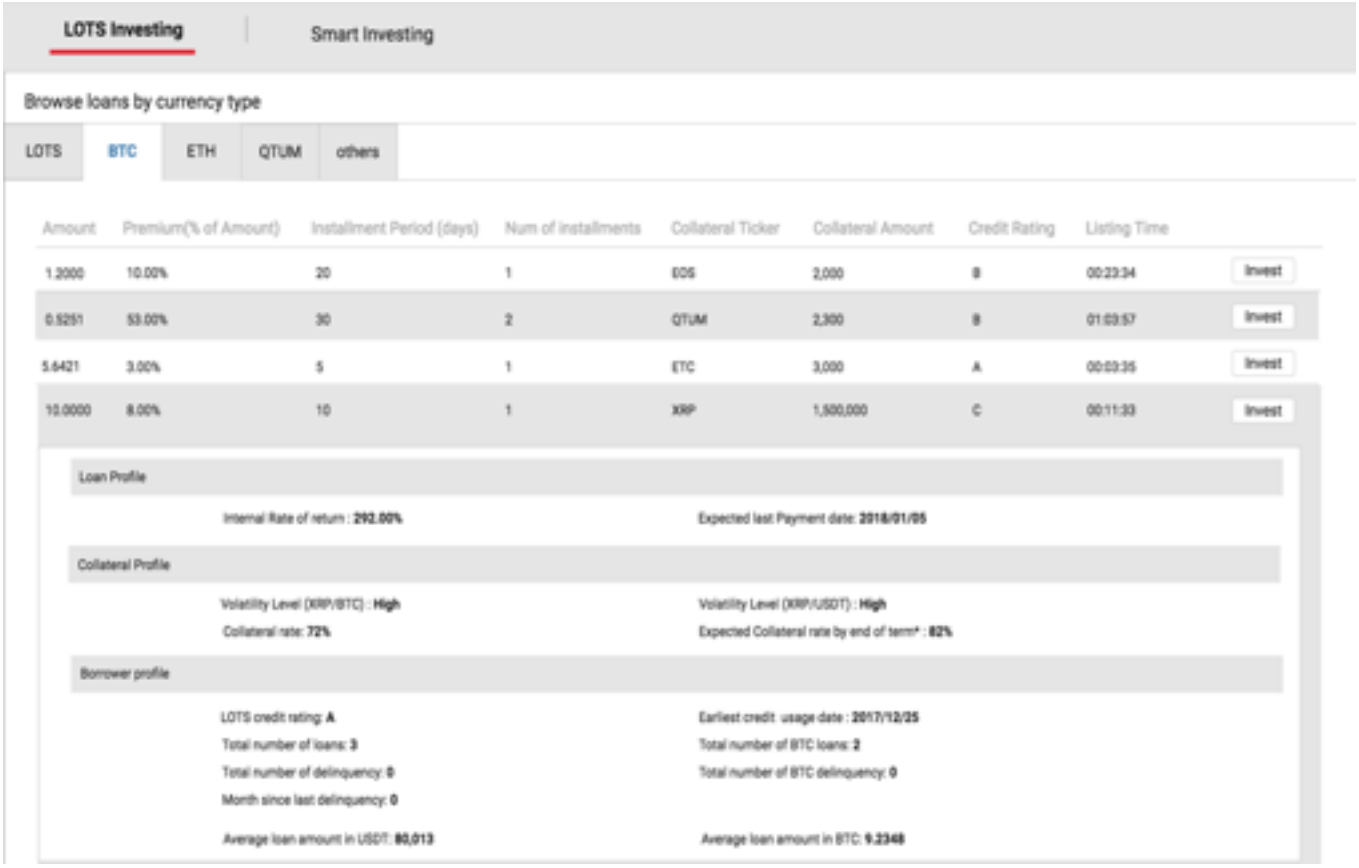
Lenders

Lenders can easily find their suitable investment targets on the LOTS platform.



The above screenshot is the demo page for choosing investment targets based on ERC20 smart contracts by the lenders.

5.5 Products Demo (Continued)

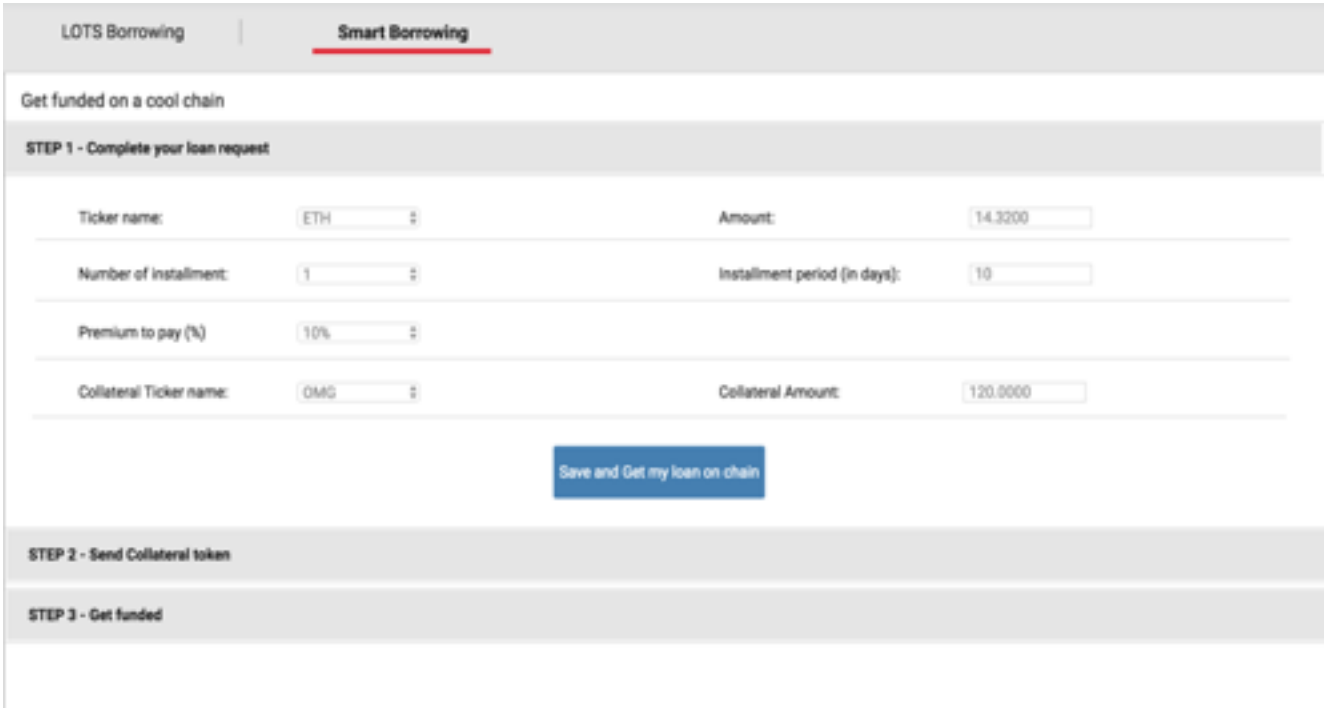


The above screenshot is the demo page for choosing investment targets by the lenders on LOTS. The platform will give reasonable recommendations based on the fluctuations of the collateral and the lenders' risk ratings to ensure that the lender can make the most appropriate investment choices with full knowledge of the risks.Borrowers

5.5 Products Demo (Continued)

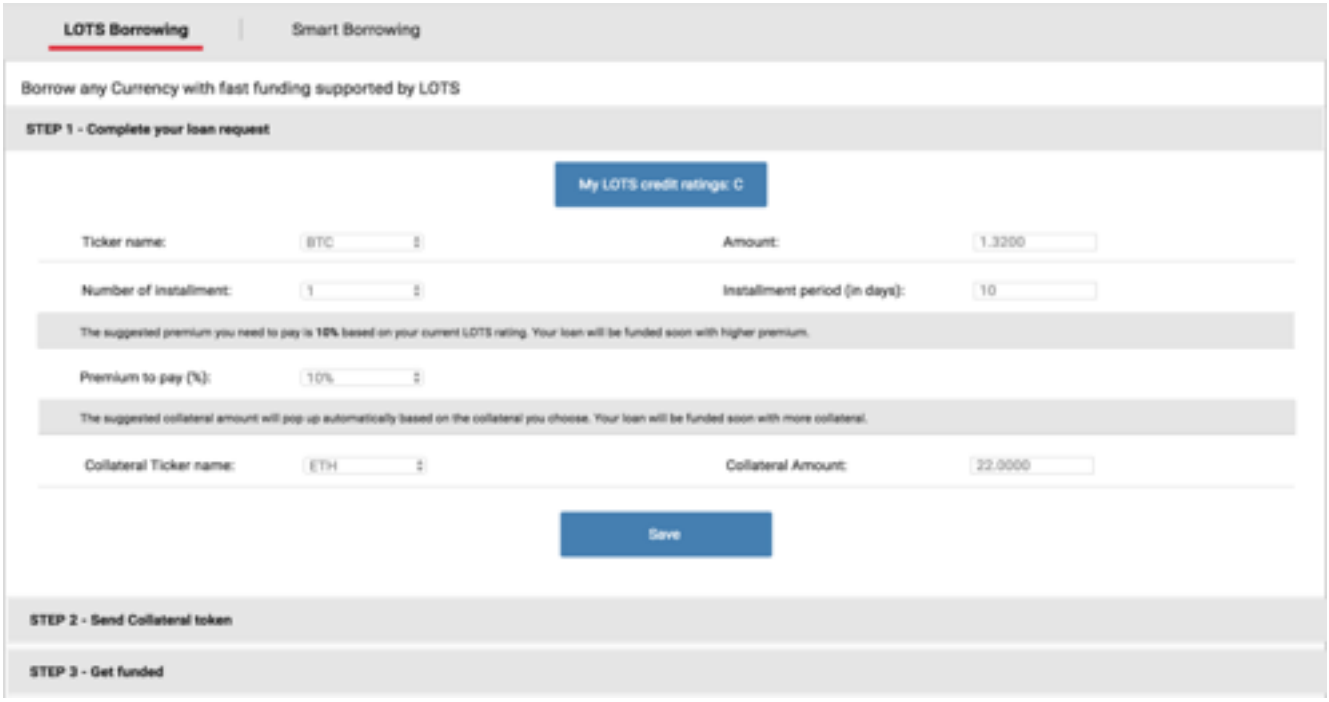
Borrowers

LOTS also provides convenient borrowing services. Users can pledge their crypto holdings as collateral and choose the most suitable borrowing solution on the platform to complete the transaction rapidly.



The above screenshot is about the steps for the borrowers to take to apply for loans based on ERC20 smart contracts.

5.5 Products Demo (Continued)



The above screenshot is an interface demo when the borrower initiates cross-chain loans. LOTS will automatically recommend reasonable loan interest rates and the required collateral rates based on the users' credit ratings to help the borrowers complete the transaction quickly.

6. LOTS Team

6.1 Management Team

Zeen Zhang

Expert in blockchain and cryptocurrency, well-known entrepreneur; former president of APAC at FACTOM; former KPMG financial group manager in Shanghai and Hong Kong; MBA, CICPA, HKICPA.

Vincent Pan

Founder and CEO at Three Stones, a global restaurant chain focusing on fusion cuisine, with a plan to use crypto tokens as payment in Europe and international businesses.

Jocelyn Xie

Aspiring female entrepreneur; rich marketing experience in luxury and high-end consumer market; expertise in the marketing communication field in US.

Brian Liu

Expert in Fin-tech; Former senior software engineer at Two Sigma Investment; Ph.D. candidate in computer science with multiple publications and US patents.

6.1 Management Team (Continued)

David L. Nguyen

Bachelor in engineer from UC Berkeley, chief big data engineer at Fair.com, a leading online auto loan platform in America, years of high-frequency quantitative trading structure experience.

Wenyi Wang

Blockchain enthusiast; Founder of Blockchain Developer Alliance. Master in computer science from Brandeis University; Storage software staff engineer, senior software engineer and UI leader at Dell EMC; Years of full stack software engineer experience at StudentUniverse.

Eugene Yang

Veteran FinTech expert; former VP of CashBus in China, a FinTech company served more than 20 million users; former lead of data scientist in Avant, a leading US online lending company; master of Financial Engineering and Statistics from UIUC; CFA, FRM.

Kirill Sevastyanenko

Senior manager at Avant; former Goldman Sachs technical team member; Master in Computer Science from Carnegie Mellon University.

6.2 Advisory Team

Bo Shen

One of early blockchain entrepreneurs and investors in China. Founder of Fenbushi Capital and co-founder of BitShares. Over 10 years' experience under asset management sector in North America and Asia.

Sasaki Yuta

Founder of Poker.io, former president of xChun that is established in December 2008 as an community portal, headquartered in Osaka and branched in United States, Southeast Asia and other parts around the world.

David Johnston

Chairman of the Board at Factom, Ethereum Advisor, specifically advised on Token Economics; Founder of BitAngels, largest angel network in blockchain space in 2014; Founder of Decentralized Applications Fund, 1st hedge fund focus on blockchain companies; Author of decentralized applications.

Yan Li

Blockchain Venture Capitalist; Well-known entrepreneur; Vice President of Taikang Investment, a large insurance and financial service conglomerate; Founder of Fengyuan Capital; Advisor of EKT project, a decentralized application platform; Several years of investment experience at SoftBank China and Nomura Securities.

6.2 Advisory Team (Continued)

Henry Liu

Blockchain Venture Capitalist; Ex-Facebooker; Growth Advisor, advised growth stage business to reach profitable growth on Facebook & Instagram; President of TED*UMassAmherst; Former international fixed-income analyst at Liberty Mutual Group.

William Wang

Economist and blog writer. Ph.D. candidate in economics at Complutense University of Madrid, Spain; Master's degree in Austrian Economics at Rey Juan Carlos University in Madrid, Spain. Research interests include free banking theory, economic history, etc.

Quah Zheng Wei

Managing Director at Lykke Asia, a Switzerland-based Cryptocurrency Exchange with over 75,000 users globally and highest daily transaction over $22mm; Founder of CEITO, a Singapore based ICO advisory firm. Former trainee at BNP Paribas Investment Banking APAC team.

Yan Gong

Professor of Entrepreneurial Management Practice at CEIBS; Programme Director of CEIBS Entrepreneurial Leadership Camp/CEIBS Venture Capital Camp; Ph.D. in strategic management from the University of Wisconsin-Madison; Specializes in lean startup methodology.

7. LOTS Token

7.1 Token Arrangment

Total issuance of LOTS will be 1 billion, and the arrangement is as follows:

Pre-sale and ICO	Foundation	Community Rewards	Team
50%	5%	25%	20%

7.2 Unlocking Schedule Held by the Team

LOTS team start to unlock their holdings 6 months after the completion of fundraising, unlock 25% annually over the following four years.

7.3 Use of Proceeds

The funds raised will be mainly used for platform construction, staff recruitment, market development and maintenance, legal expenses and so on. The proceeds will be used as follows:

30% for platform construction

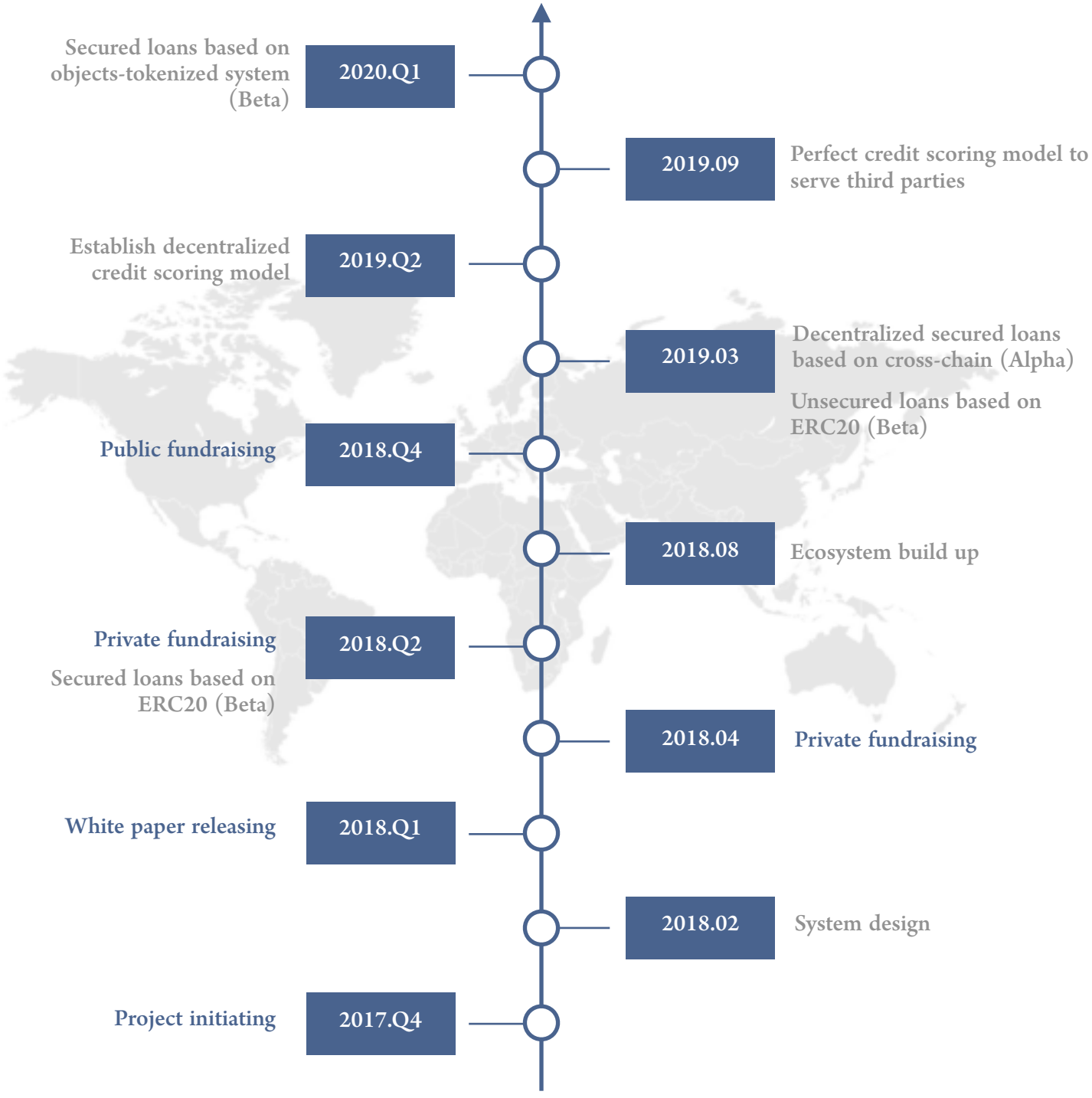
20% for worldwide staff recruitment

20% for market expansion and maintenance

20% for legal expenses and government relationship maintenance

10% as reserve

8. Roadmap


Secured loans based on objects-tokenized system (Beta)
2020.Q1
2019.09
Perfect credit scoring model to serve third parties
Establish decentralized credit scoring model
2019.Q2
2019.03
Decentralized secured loans based on cross-chain (Alpha)
Unsecured loans based on ERC20 (Beta)
Public fundraising
2018.Q4
2018.08
Ecosystem build up
Private fundraising
Secured loans based on ERC20 (Beta)
2018.Q2
2018.04
Private fundraising
White paper releasing
2018.Q1
2018.02
System design
Project initiating
2017.Q4

9. Risk Warning and Declaimer

This white paper does not cover securities tendering or the risks associated with LOTS. It does not cover any regulated product subject to judicial regulation. This document is a conceptual document on the project. The white paper, released by LOTS, provides an overview of the LOTS platform's mission, vision, operating model, technological structure and development plans. LOTS does not guarantee that there are no errors or inaccuracies in this white paper and that the products, system architecture, or mode of operation described in the white paper may be modified or updated without prior notice.

This white paper only provides an introduction to the public and does not constitute any opinion about investing in LOTS. Any similar offer to buy or sell the tokens will be made under a credible term and subject to applicable securities laws and other relevant laws, and the above information or analysis in this white paper does not constitute investment decisions or specific recommendations. This document does not constitute any investment advice in the form of securities, investment intent or investment instigation. This document does not constitute and shall not be understood as an offer for any buying or selling actions, or any offer to buy or sell securities of any kind, nor is any formal contract or promise.

The LOTS team set up a foundation (LOTS LAB FOUNDATION LTD.). The Foundation made it clear that related users with intent have a clear understanding of the risks of LOTS, and investors who participate in the investment understand and accept the risk of the project and are willing to personally take all corresponding results or consequences. The Foundation assumes no responsibility for any loss resulting in any individual or entity. The LOTS platform is not open for everyone. The participants may need to complete a series of steps, including providing information and documentation that identifies them. Except for the LOTS LAB Foundation Ltd., the use of any other company or organization's name and trademark does not mean that any party is in connection with the other or have obtained related approval but for illustrative purposes only.

The LOTS token is the cryptocurrency used by the LOTS platform. LOTS is not an investment product. There is no guarantee that LOTS will have value added, and LOTS may also fall in its value. The LOTS currency is a Utility Token and is not a proof of ownership or control. Holding LOTS does not represent ownership of the LOTS platform or LOTS applications. LOTS token does not grant anyone the right to participate, control or make decisions about the LOTS platform or the LOTS applications.

The foundation expressly disclaims any liability for direct or indirect losses that may arise from the use of the LOTS platform or participating in the LOTS community, including: any investment risks that may arise from the user's participation in the LOTS Community Referral Program; any errors, omissions or inaccuracies generated by the individual's understanding; any losses caused by personal trading of all kinds of blockchain assets or any actions resulted therefrom.

10. References

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