



(UP) Token Sale Whitepaper

Brought to you by the company that
aims to put "a crypto ATM on every corner"

**Sale Starts
October 16, 2017**

Designed by Coinme, Inc. and
J.R. Willett, Inventor of the Token Sale



Executive Summary

1.1 Introduction to Coinme

Coinme, Inc. (“Coinme”) is a venture-backed crypto financial services and blockchain technology company. Launched in early 2014 in Seattle, WA, Coinme was the first licensed Bitcoin ATM operator in the United States. Since then, Coinme has grown significantly across the western United States. In addition to operating a network of crypto ATMs, Coinme has become a vertically integrated provider of digital wallets and an online digital currency exchange—which provide customers the opportunity to join the crypto financial revolution.

As a fully vertically integrated company, Coinme offers a seamless user experience to our customers. We manage all aspects of the operation including kiosk hardware and software, state and federal licensing, regulatory compliance, real estate acquisition, cash logistics, and customer service. This gives Coinme the flexibility to provide our customers with an instant, on-the-spot fiat-to-crypto and crypto-to-fiat experience. Our ATMs eliminate the uncertainty, the technical difficulty, and the lengthy waiting period that online exchanges frequently impose on users.

Today, Coinme’s crypto ATMs provide customers with an effortless financial transaction experience that eliminates the barriers to crypto-adoption for non-technical users. Our long-term vision includes bringing modern access to financial services to the billions of people who don’t have access to traditional banking services. Coinme and the crypto community believe that providing globally ubiquitous access to crypto ATMs has the potential to transform the world. From the developed to developing countries, Coinme firmly believes in and espouses its tenet: “In a crypto world, all communities can rise UP.”

In order to accelerate Coinme’s vision of providing ubiquitous access to crypto ATMs, we would like to introduce a new crypto-asset, “UpToken.” The purpose of this whitepaper is to discuss how UpToken’s architecture plays an integral role in building a global network of crypto ATMs.

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1.2 Crypto ATM Market

The amount of cryptocurrency in the markets today currently exceeds \$100 billion in value. While crypto ATMs offer the simplest and most direct portal for consumers who want to instantly buy and sell cryptocurrencies, there are less than 1,600 crypto ATMs deployed worldwide today. Based on these figures and given the need for geographic accessibility, Coinme believes that there is considerable potential for the increased ability to use crypto ATMs across the globe. Furthermore, when compared to the over 3 million traditional ATMs currently deployed worldwide, Coinme sees the appetite for and usefulness of the new technology embedded in the newly invented UpToken for crypto ATMs as significant and timely.

The
cryptocurrency
market cap
currently exceeds
\$100 billion in
value.

1.3 The Product

Coinme believes the widespread international growth of crypto ATMs is a significant step towards providing a portal between government-issued fiat currencies and cryptocurrencies, enabling global access to innovation within the financial sector. In synch with this goal, we are launching a new crypto-asset, “UpToken” (symbol: UP).

UpToken will provide the following benefits to holders:

- 1 A 30% discount on ATM transaction fees when transaction fees are paid using UpToken;
- 2 A customer rewards program that returns 1% of an individual's total ATM transaction amount back to them in the form of UpToken, much like cashback, or other similar rewards programs in other product markets; and
- 3 A customer voting protocol for having a community voice on new cryptocurrencies a customer is interested in having added to the ATM platform.

Crypto ATMs: The Infrastructure of the Future

2.1 Worldwide Access to Cryptocurrencies

A global network of crypto ATMs can significantly help spread the adoption of cryptocurrencies because the ATMs can provide easy access to secure, physical portals for buying, selling, and transmitting cryptocurrencies. We believe that global crypto ATMs could also pave the way for unbanked and underbanked consumers to access financial services in fragile economies and emerging markets. Similar to how developing countries leapfrogged landline technology with cellphone towers and smartphones, Coinme believes underserved financial segments in developing countries have the potential to leapfrog the absence of traditional banking institutions by choosing to use a crypto ATM and digital wallet as the gateway to participate in financial transactions.

2.2 The Coinme Difference

Since its inception in early 2014, Coinme has adopted a conservative approach by focusing exclusively on providing safe and secure crypto ATM services in Washington State. Over the years, we have become fully vertically integrated, managing all aspects of the operation including kiosk hardware and software, state and federal licensing, regulatory compliance, real estate acquisition, cash logistics, and customer service.

Coinme is not a plug-and-play ATM operator; our engineers write all aspects of the software code, from the ATM firmware to the Coinme web wallet. Through the investment of significant time and capital in research and development, Coinme has developed what it believes to be a superior user experience. For example, when a customer buys Bitcoin at a Coinme ATM, the customer's funds are deposited into a hosted Coinme wallet; Coinme's service eliminates any need for paper wallets or third-party wallet applications, which can be confusing for new crypto users to understand and adopt.

Coinme has found its crypto ATMs to be popular, and they continue to grow in popularity. Presently, Coinme ATMs are averaging almost \$100,000 in monthly transaction volume per ATM. Coinme's vertically integrated crypto ATM platform has been validated by thousands of customers and is now ready to be launched in other markets around the globe.

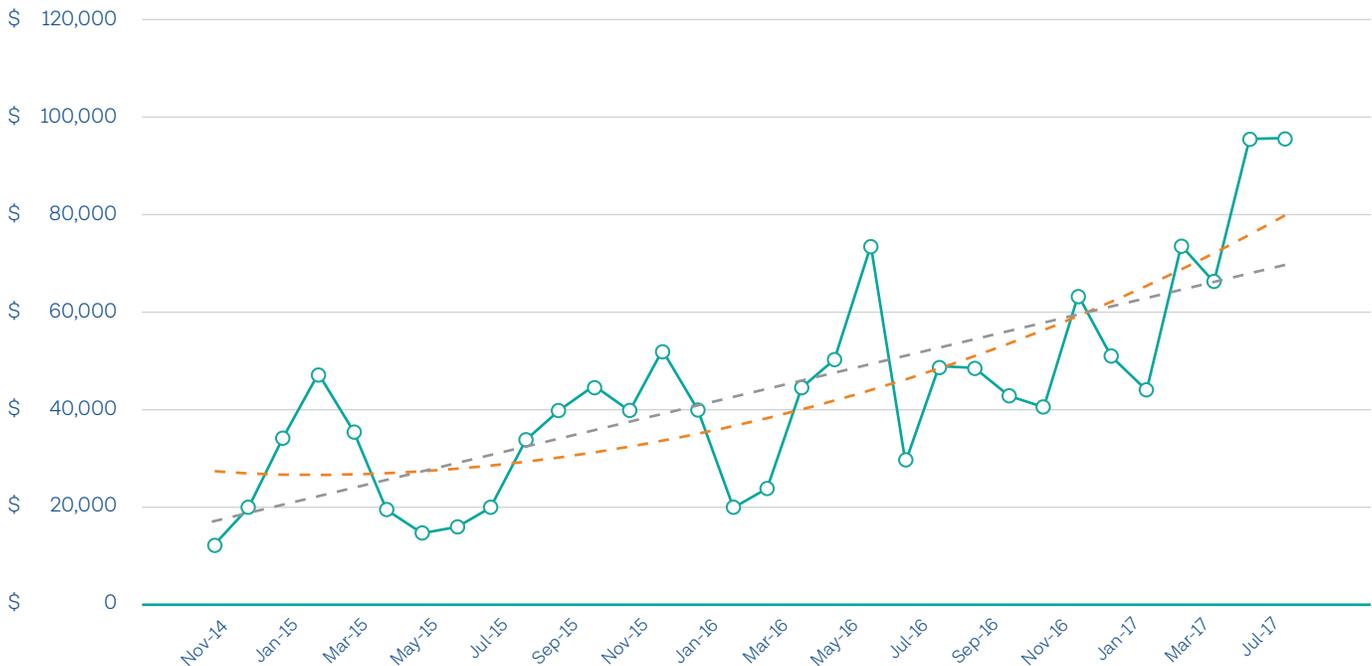


Worldwide Access

A global network of crypto ATMs can significantly help spread the adoption of cryptocurrencies because they provide easy access to secure, physical portals for buying, selling and transmitting crypto assets.

Crypto ATMs: The Financial Infrastructure of the Future

Average Monthly Transaction Volume per ATM



Contextual notes on the above graph:

- The chart is for illustrative purposes only and is solely intended to show that crypto ATMs have apparently been seen as useful in communities where they have been installed. This suggests that there may be appetite for the use of crypto ATMs globally. We think this also suggests that the UpToken may be immediately useful to token holders both in our established and new crypto ATM locations, both in the United States and abroad.
- The periodic downward trends are largely due to the onboarding of new customers for recently deployed ATMs. There is a lag between deployment and customer adoption that temporarily lowers the average monthly transaction volume per ATM. Similarly, it may be expected that downward lags will accompany the deployment of new crypto ATMs in new jurisdictions or that have developing economies and limited financial resources.
- Coinme's crypto ATMs are currently buy/sell bitcoin for cash only. Coinme is currently considering adding other cryptocurrencies and payment methods (e.g., debit/credit card, Apple Pay, etc.), as well as potentially local payment methods in developing countries and other jurisdictions, which, together with the economic status of the jurisdiction and nature of consumer interest, may affect monthly transaction volumes.

2.3 How UpToken Fits with the Customer-Focused Mission of Coinme and Its Crypto ATMs

Coinme's customers have high standards, and Coinme wishes to meet the expectations of its customer base. To that end, Coinme plans to continue to acquire new hardware, develop software to support new cryptocurrencies, integrate additional payment methods, and maintain the infrastructure, operational management, regulatory compliance, state and federal licensing, and other business-related activities that Coinme's customers have come to expect. Coinme plans to have a broader network of Crypto ATMs located across the United States, with international deployments planned to begin in the middle of 2018 or later. Although Coinme may also enter other lines of business, its current focus is Crypto ATMs and its customers.

The UpToken is a natural outgrowth of the customer-focused mission. As one more way to make a Crypto ATM useful to customers, and as part of Coinme's recent and planned expansion of its suite of products and services, Coinme sees its new UpToken product as a potentially attractive fit for its ATM users.

Coinme also intends to expand its product offerings. In the coming months, Coinme plans to add cryptocurrencies other than Bitcoin to sell and purchase from its crypto ATMs, as well as add additional payment methods. Coinme hopes that its customers can soon travel far and wide and find not only the convenience of our Crypto ATMs at hand, but be able to use UpToken to more fully enjoy the experience of being a valued customer.



Deployment

By early October 2017, Coinme will have a network of 39 Crypto ATMs located throughout the western United States.

2.4 Coinme Plans to Hold UpToken

Coinme plans to hold 25% of all UpToken created at this address:
0x052DE51fA8d105de1F38B177030F5536b192b176 (the “Coinme UpToken Vault”).

Coinme does not intend to sell any of its UpToken in the Coinme UpToken Vault until it has deployed at least 500 crypto ATMs. At that point, Coinme anticipates that its expanded customer base may wish for more UpToken to be made available. During any one month, Coinme will not sell UpToken worth more than 20% of the UpToken distributed as loyalty rewards by the network in the previous calendar month. To illustrate, if Coinme’s ATMs distribute the equivalent of USD \$1M worth of UpToken as rewards to ATM customers in January, in February, Coinme will sell no more than the equivalent of USD \$200k (20% of \$1M) worth of UpToken.

2.5 Ongoing Communication

To keep in touch with its customer base, Coinme plans to publish regular communications on the UpToken website (www.uptoken.org) describing ongoing company activities, new ATM deployments where UpToken may be used, and an overview of future initiatives. Coinme will also publish the locations of our crypto ATMs and solicit feedback on potential future ATM locations. Furthermore, executive members of the Coinme team will be available for ongoing communication with UpToken holders who have questions, comments, and ideas about improving their customer experience or that they would otherwise like to share with the company.

UpToken: Benefits to Coinme Customers and UpToken Holders

3.1 Discounted ATM Transaction Fees

Customers will receive a 30% discount on ATM transaction fees if they choose to use their UpToken to pay the transaction fee. For example, if a customer purchases \$1,000 of Bitcoin from a Coinme ATM and the ATM transaction fee is 5%, the customer could choose to pay the fee from their Coinme UpToken wallet, which would reduce the transaction fee to 3.5%. Coinme intends that customers will be eligible for the UpToken transaction fee discount immediately upon the purchase of UpToken.

3.2 UpToken Customer Rewards Program

Each time a customer uses a Coinme crypto ATM, Coinme will automatically deposit UpToken into the customer's Coinme wallet equal to 1% of their ATM transaction amount as part of Coinme's customer rewards program*, even if the customer elects to not use their UpToken to pay the transaction fee. Coinme may give customers UpToken from the Coinme UpToken Vault or, if it so decides in its discretion, a Coinme UpToken wallet which Coinme can replenish on an as needed basis by purchasing UpToken. Immediately upon receipt, customers will be able to use their rewarded UpToken towards transaction fees.

If customers would like to purchase additional UpToken, they will be able to do so at any Coinme ATM once Coinme finishes its UpToken software integration. Customers will also be able to sell their UpToken at any of the Coinme ATMs for fiat currency under our ATMs' ordinary terms.

In addition to the 1% rewards benefit, Coinme may also reward customers with UpToken for use of the ATM network and other services.



30% discount

Customers will receive a 30% discount on ATM transaction fees if they opt to use their UpTokens to pay the transaction fee.

*The following terms will apply to UpToken customer rewards program: (1) any UpToken received through the rewards program will not be eligible for transferring out of the customer's Coinme UpToken wallet until the customer has accumulated a minimum of \$10,000 in total ATM transaction volume, at which point the UpToken wallet will be "unlocked," (2) the 1% reward will not be provided for transactions involving purchasing and selling UpToken; only transactions buying and selling non-UpToken cryptocurrencies will be provided the 1% reward, and (3) if in the future Coinme reduces transaction fees to less than 2% of the ATM transaction amount (e.g., due to economies of scale and efficiency improvements), the reward amount awarded through the customer rewards program benefit will not exceed 50% of the total transaction fee.

3.3 Use UpToken to Suggest Which Cryptocurrencies Coinme Should Support

Over time, Coinme plans to add new cryptocurrencies to the ATM network. While it is impossible to know what the trending new cryptocurrency will be at any particular point in the future, Coinme plans to be ready to support its customers' wishes, and plans to hold a UpToken vote for the opportunity to decide what cryptocurrency to add. UpToken votes for new cryptocurrencies will allow our customers and coin enthusiasts to have their voice heard in deciding which coins, and from which coin inventors and technologists, might become available on the crypto ATM network. Coinme plans to ensure that, as our customer preferences evolve, our cryptocurrency offerings will evolve as well.

UpToken votes may be structured in several ways, but the current plan is to set up an UpToken address for each candidate cryptocurrency. For example, there could be an address for Bitcoin Cash, another for Litecoin, etc. Coinme plans that anyone holding UpToken will be able to send UpToken to those addresses to recommend adoption of their desired candidate cryptocurrency. When the election period is over, Coinme will take account of its customers' wishes and, unless it finds the decision unreasonable in light of developments (such as that a candidate cryptocurrency becomes unusable due to unforeseen events), plans to begin a process of adding the cryptocurrency to become available on the crypto ATMs. The losing voters' UpToken will be returned to the losing voters' wallets. As for the winning voters' UpToken, they will be deposited into the Coinme UpToken Vault. The winning voters' UpToken that Coinme receives will be subject to the same restrictions as the UpToken in the vault as described in Section 2.4, as well as the additional restriction that the winning voters' UpToken will be held in the Coinme UpToken Vault for at least five years after the election has ended. After the election, Coinme plans to fulfill its customers' request by seeking to add the winning coin to Coinme's network of ATMs in a commercially reasonable timeframe. All such elections will be publicly announced on the UpToken website: www.uptoken.org

3.4 Technical Design: Simple & Secure

UpToken is an Ethereum token following the ERC20 protocol. We will take a conservative design approach in order to minimize the attack surface that complicated smart contracts present to hackers around the world. Furthermore, we chose not to use an advanced contract token architecture to minimize the number of ways the token and token-holders can be attacked.

Our token contract is available to view here www.uptoken.org/contract and is described in our token sale terms here: www.uptoken.org/terms

Note that the SHA256 hash of the crowdsale addresses is `d8edce99c186da3b3ef0cd9c4c91722273534ab396f23f3bfc073f92b41d7f9e` - this hash has been posted in numerous places for your protection.



Voting rights - Choose the next currency

Overtime, Coinme will add new cryptocurrencies to the ATM network. Auctions will be held, and interested parties will use UpToken to vote.

4.1 Leadership

Neil Bergquist,
Co-Founder, CEO

Neil is the former Director of Innovation at Delta Dental of Washington and a former Innovation Management Consultant at Point B, a consulting and venture advising firm with offices throughout the US. Neil also developed and led the largest technology incubator in the Northwest called SURF Incubator. Bergquist received a Master of Business Administration (MBA) from the Atkinson Graduate School of Management at Willamette University.

Michael Smyers,
Co-Founder, Engineering

As a serial entrepreneur, Michael brings a decade's worth of experience and success to the team. In 2007, Michael co-founded Zipwhip (<https://www.crunchbase.com/organization/zipwhip>), a cloud-based texting platform, currently valued at \$281M. In 2002, Michael founded CourseScheduler while completing a Bachelor of Science in Electrical Engineering from Kansas State University. Coinme is a testament of Michael's ability to deliver on a dream.

J.R. Willett,
Inventor of the Token Sale

In 2013, J.R. invented the ICO by launching the Omni Layer (formerly Mastercoin) (<http://www.omnilayer.org/>). Currently, Omni is the 2nd largest ecosystem for crypto assets, hosting hundreds of millions of dollars (including Maid Safe and Tether). UpToken's unique economics are the result of J.R.'s perspective and insight.

Brock Reed,
VP Marketing

Brock brings over 18 years of experience managing and running marketing and creative agencies. He feeds off energizing diverse teams in discovering, strategizing and executing successful marketing programs. He is a student of branding and understands the keys to successful customer loyalty. Brock has also started or been a founding partner in multiple businesses over the years from tech support to drinkware.

Juan Llanos,
Chief Compliance Officer

Juan has been a Certified Anti-Money Laundering Specialist (CAMS) since 2003. With over 15 years' experience in building and managing AML and regulatory compliance programs for multiple international jurisdictions, including Canada, Italy, Hong Kong, Mexico, Singapore, the United States and Spain, Juan has been recognized as a pioneer in the development of compliance, operational and risk management best practices for the money remittances industry.

Steven Olson,
Chief Financial Officer

Prior to joining Coinme, Steve served as the interim CFO for multiple high-growth innovative financial technology organizations including Ripple Labs. He is a long-standing financial executive with over 25 years of executive-level management experience within technology-focused organizations.

In a crypto-enabled world,
all economies can rise UP.
Join Us.

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www.UpToken.org