



# **INVESTMENT MEMORANDUM**

## **LONDONCOINGOLD ECO SYSTEM**

LondonCoin Systems, Ltd

April, 2023

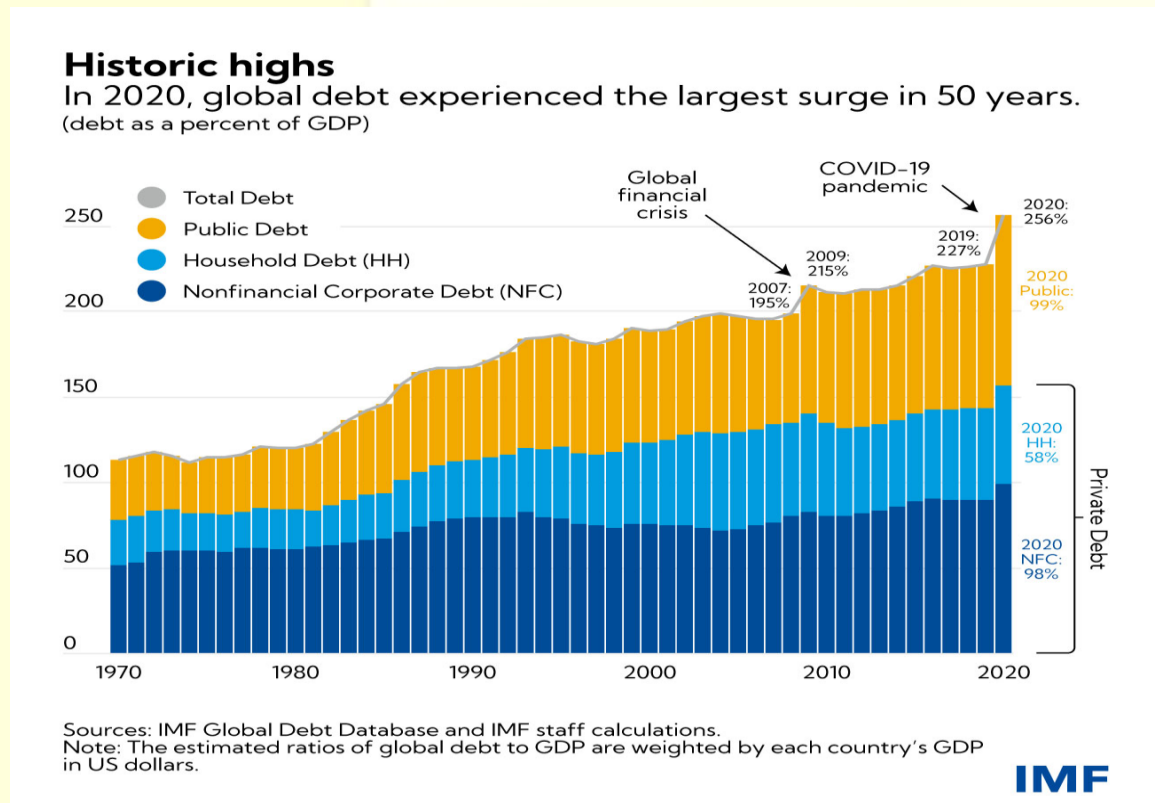
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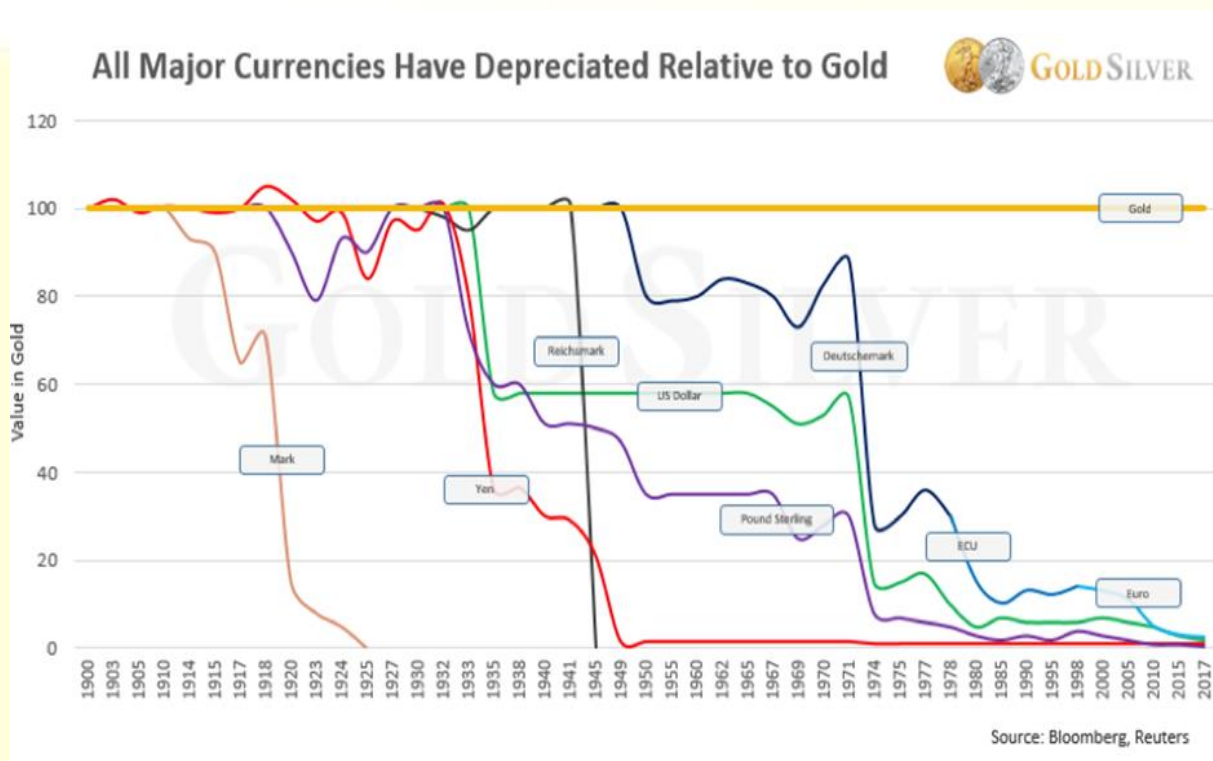
## 1. EXECUTIVE SUMMARY

LondonCoinGold Ecosystem is the cryptocurrency with universal acceptability, marketability, scalability, and stability.

Most of the countries in the world do not have a balanced budget to keep its fiat currency from holding its value.



And, the value of fiat currency compared to gold depreciated to almost zero as shown below.



This is one of the main reasons why cryptocurrencies are gaining popularity. Once only known to a small computer-oriented community, it has now grown to a total market size surpassing \$1.6 trillion USD with more than 10,000 virtual currencies actively being traded.

There is a sea changes occurring in the cryptocurrency industry, and LondonCoin Systems, Ltd will be well-positioned to exploit the resulting business opportunities. There is a growing consensus that “Blockchain” technology will replace majority of back-office functions of the legacy financial industry such as banks and insurance companies.

From many cryptocurrencies utilizing blockchain and related technologies, LondonCoinGold(LDXG) is the only one in the world which generates revenue by itself with transaction fees and applications. LDXG will provides customers with stability and security that is the critical issue for cryptocurrency industries. We believe that the more successful players in this evolving cryptocurrency marketplace will be those who can provide stable value to the holder of the cryptocurrency.

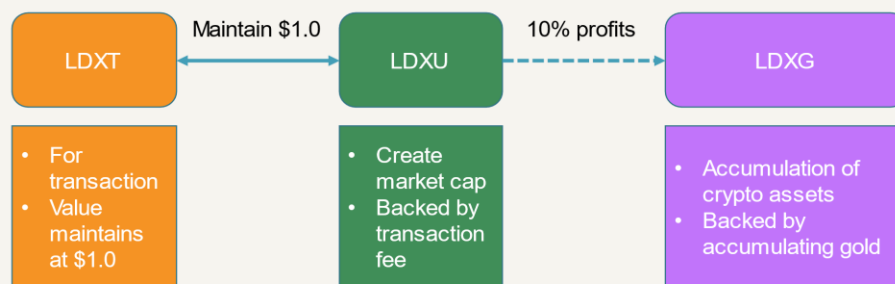
**The following are examples of such criterion offered by LDXG:**

Generate income from transaction fees as well as provide blockchain based FlySafe flight insurance service. With income from transaction fees and services such as FlySafe to purchase gold, and the gold will be accumulated by escrow essentially forever. The ownership of the accumulated gold belongs to the holders of LDXG.

**LDXG holders can exchange with gold by the formula of the locations to be chosen**

(Total amount of gold accumulated/Total LDXGG issued) \* amount of LDXGG presented for exchange)

## ECOSYSTEM – LDXT,LDXU,LDXG



In order to be used as a medium of exchange like fiat currencies, the cryptocurrency must maintain the value along with no or very low cost to use. LDXT and LDXU will bring the stability to \$1 to 1 LDXT with system designed and patented to be used as a fiat currency, especially US dollar first and will be extended to Euro, Yen, and Yuan etc.

Users can pay at any legacy payment terminals which will accept VISA etc. Bitpay is providing similar business model which received over \$30 M funding recently with about 15,000 merchant which accepted cryptocurrencies including Bitcoin. LDXT will provide same services as Bitpay, which the App with QR Code will be used to accept LDXT by 6 million merchant association members in Korea to start the mass adoption of cryptocurrencies as a payment tool.

**LondonCoin Systems, LTD has assembled a small but highly capable management team.**

Mr. Brian Kim is the CEO of LondonCoin Systems, Ltd. His experiences include SSEN Corp., GTE, Pantronix(Silicon Valley), PCO, Inc.(IBM&Corning Joint Venture). Mr. Kim received MS in Industrial & Systems Engineering from San Jose State University as well as accepted as a physics major from UC Berkeley. He also holds 3 patents along with 6 others pending which include “Community Gold Trading Methods.”

Dr. Myongsu Choe as the CTO has worked at Samsung Electronics and Korea Telecom. After receiving his PhD in computer science from McGill University, he worked on distributed data network and D2D network.

Backers of LondonCoinGold project include Henry Cho who is the chairman of Hansol Chemical and received BA from Middlebury College.

Advisors include Dr. CS Kim who has vast experiences in IT and telecom industries in Korea who received his PhD from Stanford University as well as Martin Arrivets who is a well-known blockchain member who received his MS from University of Chicago.

Legal counsel of LondonCoinGold is Won&Kim (<http://wonkim.kr/>) and PR firm is KWRInternational in NY([www.kwrinternational.com](http://www.kwrinternational.com)).

**Based on the current pro forma financials, LondonCoin Systems, LTD will reach a maximum revenue of \$1.3 billion US in 2025.**

## **2. MISSION**

The mission of LondonCoinGold Ecosystem is to provide freedom and right to choose for the people who want universal acceptability, marketability and a better future. LondonCoinGold Ecosystem will remove inefficiencies in legacy financial industries such as banking and insurance by eliminating or minimizing back-office functions. The benefits will be passed on to all the people in the world.

## **3. MARKET OPPORTUNITY**

### **1. The cryptocurrencies are suffering;**

**E**ven though the total market cap of the cryptocurrencies are about \$1.6 trillion US dollars(April 23<sup>rd</sup>,2023), the problem is the lack of intrinsic value since there are no real assets other than digital addresses.

**M**any attempts are made to remedy this by pegging into fiat currencies, gold, real estates, cars, etc. But still the major problem of these cryptocurrencies is the fluctuation of the values day to day, which is unacceptable by the merchants. Even worse, the transaction is not in real time such that the merchants have to bear the risk of such fluctuation in price.

**L**ondonCoinGold is based on accumulation of gold which will be purchased with revenues generated by the transaction fee from LDXT, GoByte crypto asset exchange which will have CEX speed and DEX security, and applications such as FlySafe services monthly to add value and stabilize the price among other things.

**I**D and password theft or lost is prevalent such that people lose money whether crypto or fiat currencies. Patent pending “Distributed password protection on blockchain” will provide secure way to protect users from misuses. This is the most secure and convenient way to use the cryptocurrencies.

### **2. The centralized cryptocurrency exchanges are prone to fraud and cyber attacks**



**T**here were many incidents that cryptocurrencies were stolen from the exchanges such as starting from Mt.Goax to most recently Japanese and Italian exchanges which amounts up to \$550 million from just one exchange has been stolen. GoByte is the p2p decentralized exchange with modified Hashgraph platform and Cosmos Tendermint Zone which will make GoByte the fast and secure exchange without accounts being stolen. Most of the decentralized exchanges do not provide satisfactory UI which GoByte will address by separating the actual transaction and the market data with taking advantages of CEX and DEX.

### **3. The DApp based on blockchain can revolutionize the major industries;**

**D**App such as FlySafe which utilizes LondonCoinGold will revolutionize the Airline flight insurance industry utilizing blockchain technology that a potential \$500 million dollar business is managed by essentially by just one person.

Other DApps are in business development stage at LondonCoinGold which will be useful to on line gamers as well as Internet Café owners as well as KidsCoin, a project which will give more information and control to parents for kids' allowances.

### **4. The Stablecoin**

**A** stablecoin is a type of cryptocurrency where the value of the digital asset is supposed to be pegged to a reference asset, but there have been many issues related to the stability and security of the stablecoin. Ever increasing use of the stablecoin market cap is about \$140 billion US dollars. LDXT is the stablecoin based on the market cap of LDXU which the number of LDXT is the same as the market cap of LDXU thus the value of LDXT is always \$1.0. The market cap of LDXU is created by the transaction fee of LDXT. There are more than 5 million small businesses in Korea where the government authorized association KFME (Korea Federation of Micro Enterprises) which can pay 0.1% of the transaction fee with QR Code payment app compared with typical 1 to 3% fee by VISA, etc.

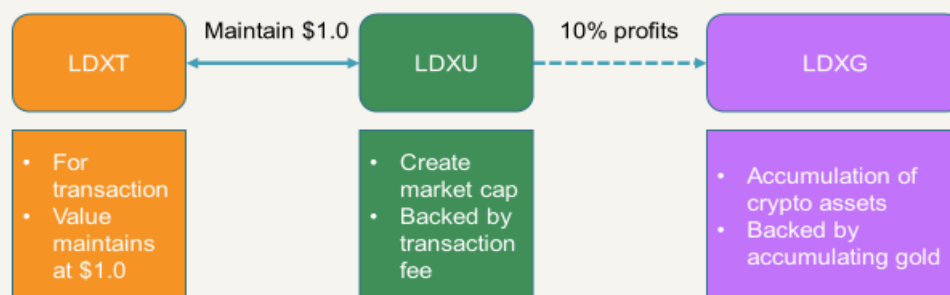


#### 4. COMPETITIVE ADVANTAGES

**L**ondonCoinGold is the only cryptocurrency which value increases by design. This is done by purchasing and storing gold with the revenue generated by LDXT, LDXU, and LDXG transaction fee, GoByte transaction fee, and applications such as FlySafe.

**M**ost of the cryptocurrencies do not have real asset value, even though there are some currencies pegged with fiat currencies, gold, real estate, and energy, etc., but there is no guarantee that the value will increase. LondonCoinGold is the only one which the value increases as more transactions are processed by escrow.

#### ECOSYSTEM – LDXT, LDXU, LDXG



**A**lso, FlySafe service system has been developed already which is in beta testing for LondonCoinGold from April, 2022 as well as decentralized password system to be completed by the middle of October 2023. This minimizes the business development uncertainty for the potential investor of LondonCoinGold, and provides better opportunity than other cryptocurrencies investment proposal with the white paper only without concrete business model and ability to deliver to the market place.

**I**n other words, LondonCoinGold already developed products and services like FlySafe, and nearing completion of the stable coin LDXT/LDXG to be launched soon with exception of LondonCoinGold core and GoByte which need development resources and time.

**T**echnology team at LondonCoinGold is working on aBFT based core which is the modified Hashgraph that uses gossip protocol such that mining is not required. Thus, the transaction fee is minimized not like Bitcoin or Ethereum. Also, in order reduce the transaction fee as well as speed, LDXT/LDXG stable coin along with LDXG are planning to be minted over Cosmos Tendermint Zone sidechain.

**M**anagement team and advisors of LondonCoin Systems, Ltd have significant business networks including 5 million members small business owners' association and global IT and blockchain network to make LondonCoin Ecosystem business successful.

## 5. TECHNOLOGY

### I. Crypto Ecosystem

**W**e are planning to utilize the Cosmos Tendermint Zone technology for the most of LondonCoinGold Ecosystem deployment along with Babble core which Martin Arrivets developed. **A**long with Cosmos Tendermint Zone, we define a reference model about a Crypto Ecosystem consisting of three layers required to drive a Crypto Economy, in which a service layer provides various markets, users, applications, and services; an exchange layer that provides the role of trading and arbitrage, arbitration, an mediation between services and distributed ledgers; and a distributed ledger layer that plays a pivotal role in managing all of the transactions and confirming them in a controlled peer-to-peer communications even under a Byzantine failure model.

**B**y examining all of the major cryptocurrencies in comparison with the traditional one, which is called a fiat currency, and analyzing their pros and cons, we propose three major properties such as stability, security, and scalability from the Crypto Ecosystem.

#### 1. Stability

We do not expect for the traditional currency to be wiped out completely and replaced by the cryptocurrency in the nearby future. Thus, the cryptocurrency will coexist with the fiat currency for the time being, and people may freely use their cryptocurrencies like the fiat currency such as buying and exchanging, paying, transferring, withdrawing money from an ATM or banks. In order for things to properly work under this scenario, the exchange price of the cryptocurrency in a market has to be stable in accordance with a case of the fiat currency. In an actual market, the prices of most cryptocurrencies are unexpectedly fluctuating.

Thus, it makes it difficult to trade them since merchants are reluctant to accept them due to the uncertainty of the traded price. Therefore, maintaining stability is an important

and challenging objective. However, most cryptocurrency supporters do not want to acknowledge this reality.

### **Our solution**

**W**e raise a primitive question on whether a cryptocurrency has its own intrinsic value, and how the cryptocurrency is endowed with some acknowledgeable value. Some people say that an expense itself that is invested for mining cryptocurrency such as electricity and mining rigs is of value, but we believe that it is only a number that exists in a cyber world. At present, prices of cryptocurrencies including Bitcoin are skyrocketing due to the speculative frenzy that is similar to the case of the tulip trade in 1637. But if the values are decreasing, how can they protect their values?

**W**e want to bring back a gold-backed cryptocurrency, which is reminiscent of a historical event that occurred in August 1971 when the US government unilaterally terminated the convertibility of the US dollar to gold. There are two alternatives for this issue.

**T**he first solution is to integrate gold with a cryptocurrency. As usual, there are no mining fees in our cryptocurrency unlike other cryptocurrencies on the market, and transaction fees are only collected during the confirmation of transactions. 10% of the fees are given to computer nodes, which participate in consensus works as an incentive, and the rest of the fees can be used to purchase gold and to deposit it. As the LONDONCOINGOLD is traded and transacted, the amount of the deposited gold also increases since the gold will accumulate by escrow.

**T**hus, compared to others, our cryptocurrency always creates value, as well as the ability to stabilize the prices. Gold can usually be traded at an exchange by a unit of an ounce or a gram (or kg). The second one is to make our cryptocurrency pegged to gold. In this case, a basic unit of the cryptocurrency is set to a 1/10 of a gold gram. Once we

start an ICO, we will then publish an elaborate plan.

## 2. Security

**W**e enumerate all the computers and devices, which are participating in a cryptocurrency network, thereby expecting potential security vulnerabilities from various attacks. A computer that connects to the cryptocurrency network called **anode**. In the case of Bitcoin, there are full nodes that fully enforce all of the rules of the Bitcoin, and a SPV (Simple Payment Verification) node, which is a client that only downloads the headers of blocks during the initial syncing process and then requests transactions from the full nodes as needed. And a Bitcoin wallet can refer to either a wallet program or a wallet file. Wallet programs create public keys to receive Bitcoin and use the corresponding private keys to spend those Bitcoins. Wallet files store private keys and (optionally) other information related to transactions for the wallet program.

**B**ecause there are no limits for the number of nodes that can participate in the cryptocurrency network, all of the nodes may not have a definite chance to update to the same software version and commit transactions at the same time, commonly resulting in a permanent divergence in the blockchain known as hardware fork, coin fragmentation, and double spending. All of the nodes that are participating in a peer-to-peer based cryptocurrency network may cause some security vulnerabilities.

**S**ome of the nodes may be working in a malicious manner, and other nodes with powerful computing resources may collude to the proof of work and disrupt the whole trust in the network. Some nodes may act as a host for masquerading DoS (Denial of Service).

**C**isco estimates that smartphone traffic will exceed PC traffic by 2021 and traffic from wireless and mobile devices will account for more than 63 percent of total IP traffic by 2021. Therefore, it means that a wallet device is shifting from a PC or a notebook to a smartphone where the device has a limited amount of computing power and storage.

The wallet device usually connects to an adjacent node in the cryptocurrency network to make transactions. Thus, all of the digital wallets stored in a mobile device like a smartphone might get lost, resulting in the illegal theft and usage of it.

**A**side from nodes and wallets, which are used for cryptocurrency transactions, there exists a set of computer nodes at an exchange, which can be used for trading. It was an exchange that failed due to the equivalences of a bank run, and exchanges failed because the operators of the exchange were frauds, and also due to numerous break-ins. In fact, the statistics are not encouraging, but a study in 2013 found that 18 out of 40 Bitcoin exchanges closed due to failure or due to an inability to pay out the money that the exchange had promised to pay out.

**T**he most famous example of this is the Mt. Gox case. Mt. Gox used to be the largest Bitcoin exchange, and it eventually became insolvent, and it was unable to pay out the money that it owed. Mt. Gox was a Japanese company, and it declared bankruptcy, which left a lot of people wondering where their money had gone. So, this is an example of a cautionary tale concerning the user of exchanges. Connecting this idea back to the banks, we do not see a 45 percent failure rate for banks in most developed countries, which is partly due to regulations; governments regulate traditional banks in various ways.

**G**overnments often impose a minimum reserve requirement on banks. In the United States, the fraction of demand deposits that banks are required to have in liquid form is typically 3-10 percent, so that the bank can handle a surge of withdrawals if necessary. In exchange for the application of these forms of regulations, governments typically try to help banks or to help their depositors. First, governments issue deposit insurance. That is, the government promises the depositors that if a bank that follows these regulations encounters financial problems, the government will return at least a portion of these deposits.



**M**oreover, governments sometimes act as a “lender of last resort.” If a bank experiences difficulty but remains solvent, the government may step in and give a loan to the bank to tide it over until it can move money around as much as necessary to get itself out of the current situation. So traditional banks are regulated this way but cryptocurrency exchanges are not. Unlike the banks, without any regulations and reserves how can we trust an exchange?

### Our solution

**W**e want to control nodes in a cryptocurrency network to countermeasure security threats by determining a node’s trust into a good node or a bad one. As a separate issue, it is known that moral hazards, collusions, and security weaknesses are mainly generated from the current centralized-based exchange site, and not from a blockchain technology, and we propose a decentralized one to prevent it from security incidents and threats that occur at the centralized exchange.

**W**e separate a wallet device into two parts to enhance the security level. The upper part is a smartphone with an app which supports trading and transactions with a public key, and the lower part has a digital hardware-based wallet known as a SSEN Wallet, which is a biometric system on-card that integrates a current EMV (Europay, Mastercard and Visa) chip credit card by embedding a fingerprint sensor and a display with a secret key. It is going to bridge the fiat currency with a cryptocurrency at the same time.

### **3. Scalability**

**A** scalability is defined as the capability of a system, network, or process to handle a growing amount of work, or its potential to be enlarged, in order to accommodate that growth. For example, suppose that a cryptocurrency is designed to cover up worldwide economic transactions including cash. To provide global financial services, we need to



know our competitor's transaction performance. For example, in the case of Visa, it handles around 2,000 transactions per second (tps), 4,000 tps in a daily peak, and 56,000 in a peak capacity. Visa itself never achieves more than about a third of 56,000 even during peak shopping periods. PayPal processed an average transaction rate of 50-100 tps in late 2014. The Bitcoin is designed to process about 7 tps.

**T**o be able to withstand DoS attacks, it implies that our currency will be set to a target comparable to Visa's. In order to achieve high performance computing and real-time payment comparable to Visa's transaction processing speed, several exemplary protocols are thoroughly reviewed such as IOTA, Algorand, PBFT, ripple, and hashgraph protocols because these candidates are to some degree known to produce phenomenal results even though the simulation and testing results were set up and tested in a limited testing environment.

### Our solution

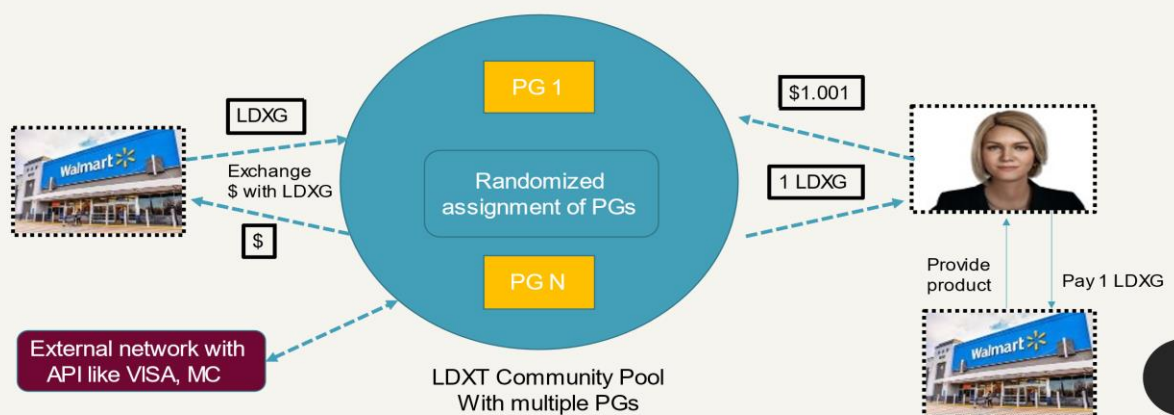
**T**o provide real-time payment and transactions, we have been looking for an extraordinary consensus mechanism called a hashgraph, not a PoW (Proof of Work) based consensus and a blockchain structure. We add some functionality on the hashgraph by reinforcing gossiping (or rumor spreading) with push-pull features in order to accelerate information dissemination, and to promptly reach consensus with the aid of a snapshot. LONDONCOINGOLD's performance will match that of Visa's or outperform that of Visa's.

## 6. SOURCES OF REVENUE

**LondonCoinGold** is the only cryptocurrency which generates revenue by itself whenever LDXT and LDXU pair is utilized for transaction, p2p exchange, and distributed applications;

**T**ransaction fee which will be charged to the merchants when the merchants accept LDXT as a payment for the goods and services provided. 0.1% of the total amount paid will be charged as the transaction fee, which is very competitive compared with VISA and MasterCard with about 1 to 3%. This can be done by utilizing the LondonCoinGold app on the smartphone of the merchant which will accept the credit card with NFC will interact with the smartphone as well as another smartphone. The profits from this fee will be used to purchase gold, and purchase gold will be stored at the secure storages in Seoul, London, Dubai, Toronto, and NY to be accumulated permanently by escrow.

### LDXT PAYMENT OPERATION

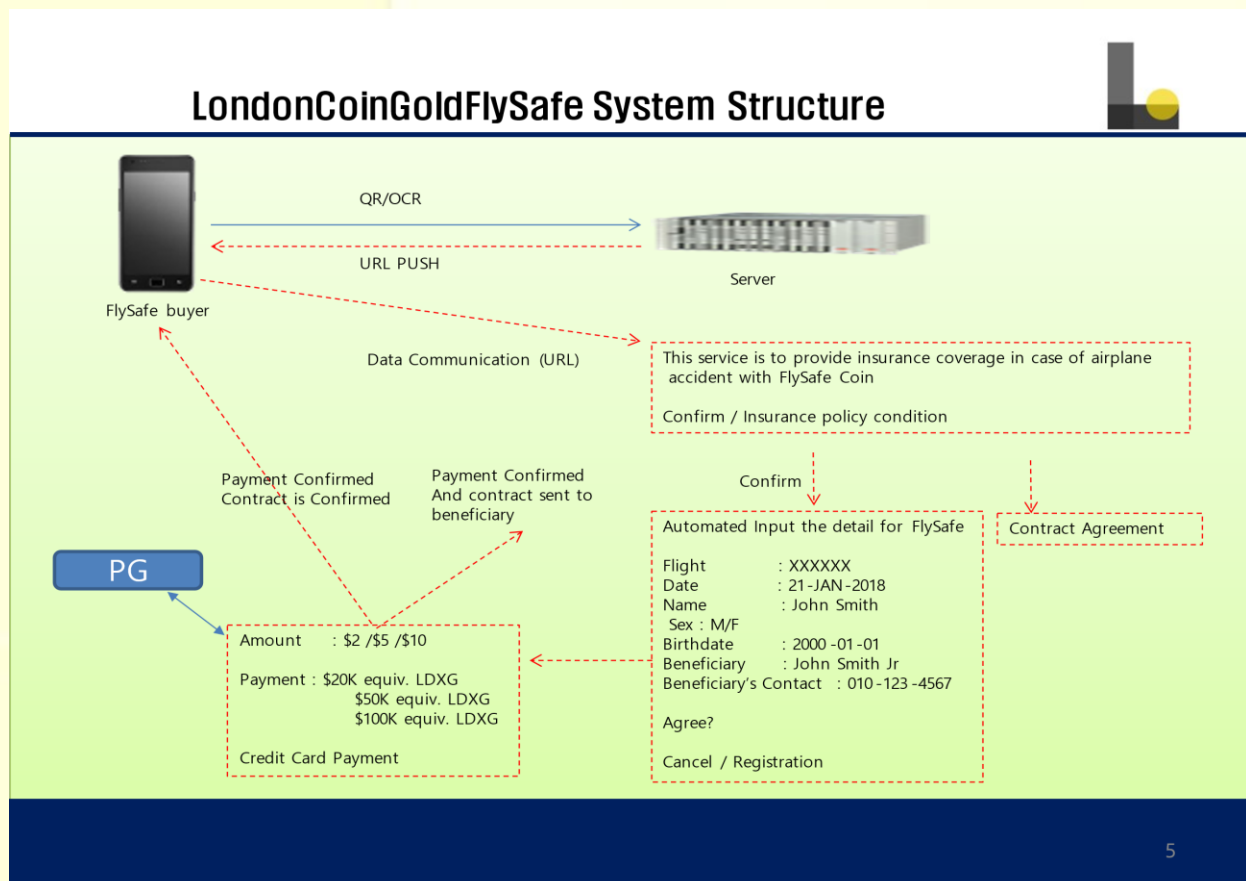


**G**oByte is the p2p exchange which only cryptocurrencies will be traded without worrying about hacking and slow transaction time due to overloaded server, etc. The only secure and fast p2p cryptocurrency exchange platform will be charging

0.1% of the transaction fee. The profits from GoByte operation will be used to purchase gold to be accumulated as above.

**F**lySafe is the airplane accident insurance which all the transactions are on smartphone platform. By using the app which can be downloaded from GooglePlay Stores at Beta at this time or calling the number advertised on boarding gates the insurance contract is sent to the caller, and caller can choose the option to pay with credit card to buy the LDXG.

**W**hen there is an accident, then the beneficiary will receive 3000 times the original LDXG purchased to sign up for the contract. The profits generated by FlySafe will also be used to procure gold to be accumulated.



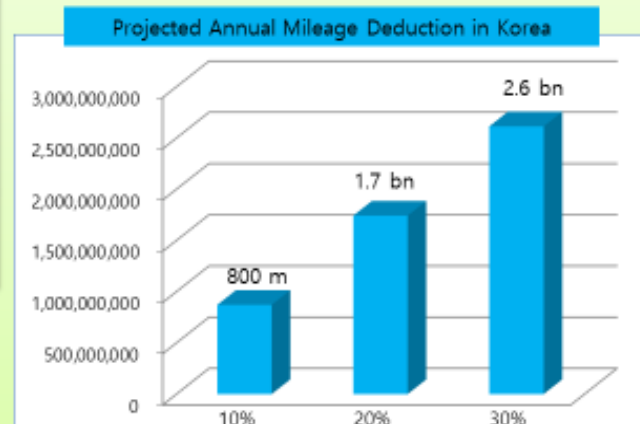
**R**evenue forecast of FlySafe which includes frequent flier mileage that can be spent with

FlySafe services are shown below which is just Korean market, but FlySafe will expand rapidly globally.

## Annual Sales

With 26 Million of Outbound Travelers in Korea (2020) (Not including domestic flights)









Projected Annual Mileage Deduction in Korea				Note
Passengers	10%	20%	30%	
\$5	\$13,000,000	\$26,000,000	\$39,000,000	
Mileage Points	871,000,000 Points	1,742,000,000 Points	2,613,000,000 Points	



## 7. MARKETING STRATEGY

LondonCoinGold ecosystem is multi-function cryptocurrency with utility and application along with p2p decentralized cryptocurrency exchange GoByte which will generate revenues to purchase gold which will be accumulated in order to keep the intrinsic value of the LDXT/LDXU which will stabilize the day-to-day price fluctuation to minimum. Unlike other cryptocurrencies like Bitcoin which are mainly rely on FOMO(Fear Of Missing Out) for value creation such that without real asset that the price fluctuates vastly, LDXT's stable day to day price change will set the condition for the merchants to accept the LDXT as the alternative payment tool.

**W**e will focus on the male age 25-34 group since they are the most likely group to accept the LDXT as the day-to-day payment along with 5 million small business owners association. From this segment, we will expand to the general public.

#	Name	Price	1h %	24h %	7d %	Market Cap ⓘ
1	 Bitcoin BTC	\$27,663.37	▲0.35%	▲1.27%	▼8.59%	\$535,402,933,519
2	 Ethereum ETH	\$1,878.36	▲0.54%	▲1.25%	▼10.16%	\$226,176,911,003
3	 Tether USDT	\$1.00	▼0.01%	▲0.00%	▼0.04%	\$81,463,920,717
4	 BNB BNB	\$331.31	▲0.20%	▲1.23%	▼1.52%	\$51,640,047,459
5	 USD Coin USDC	\$0.9999	▼0.01%	▼0.02%	▲0.02%	\$30,799,155,143
6	 XRP XRP	\$0.469	▲0.32%	▲3.25%	▼9.70%	\$24,273,424,416
7	 Cardano ADA	\$0.3921	▲0.28%	▲0.34%	▼12.12%	\$13,641,833,108
8	 Dogecoin DOGE	\$0.0804	▲0.36%	▲1.54%	▼9.90%	\$11,180,288,863

- April 23, 2023, Top 8 cryptocurrency market

## TARGET MARKETS

- **Total Available Market**

**F**inancial industries including banking, insurance, and trading as well as governments which LondonCoinGold ecosystem can eliminates the inefficiencies so that the benefits can be passed to the general public. As for money owed by every single person and country in the world, the grand total is \$215 trillion, with some 33% of it borrowed in the last decade. For purists, who believe “money” refers only to physical “narrow money” (bank notes, coins, and money deposited in savings or checking accounts), the global total is somewhere around \$36.8 trillion. All told, anyone looking for all of the U.S. dollars in the world in July 2013 could expect to find approximately \$10.5 trillion in existence, using the M2 money supply definition. In 2010, the total volume of foreign currency transactions is \$995 trillion. \* Due to the COVID-19 pandemic dollar explosion, the reference year 2013 was chosen to be realistic. As the alternative to such fiat currencies, LondonCoinGold ecosystem will take major step to become the first cryptocurrency which will be used as the day-to-day payments.

- **Service Available Market**

**L**ondonCoinGold will generate revenue on following areas to accumulate the value based on the gold.

### **Credit Card Platform Payment Market**

LondonCoinGold’s ability generate revenue from transaction fee whenever LDXT is used to purchase goods (0.1% of the total amount purchased to be charged to merchants compared to 2~3% by VISA or MasterCard) will make the LDXT as the first choice for the merchant.

### **Cryptocurrency exchange market**

Global cryptocurrency markets are now averaging the same daily trading volumes as the New York Stock Exchange. Twenty-four-hour trade volume in the cryptocurrency market passed the \$50 billion mark, [according to the data provider CoinMarketCap.com](https://www.coinmarketcap.com). That is

close to the average daily volume of trade on [the New York Stock Exchange this year](#). Daily trading volumes on the London Stock Exchange hover at about £5 billion, or \$6.7 billion.

**B**ut current centralized cryptocurrency trading platform is vulnerable to cyberattacks and internal theft. GoByte, the p2p decentralized exchange platform will eliminate these problems. GoByte will provide easy and safe cryptocurrency exchange platform with modified Hashgraph platform along with Cosmos Tendermint Zone sidechain.

### **Applications market**

FlySafe is the airline accident insurance which covers only accidental death which supplements existing travel insurance. Total airplane insurance premium is about \$1.4 billion dollars annually where initially FlySafe will be focusing on \$140 million dollars supplemental death coverage market.

### **Serviceable Obtainable Market**

**P**re-paid card payment market: We will focus on the small business owners in Korea with 6 million store owners with B2B payment market utilizing fingerprint authenticated card payment market in Korea at first, and globally with partners in those countries.

**C**ryptocurrency exchange market: GoByte is the p2p distributed cryptocurrency exchange platform which does not trade fiat currencies which KYC and AML requirements will be delegated to the suitable local partners such as bank and insurance companies.

**A**pplication market: FlySafe will be provided to the partners such as travel companies in each country as well as airports and airlines.

## **INTERNET ADVERTISING**

**Banner ads** will be the primary method of acquiring B2C subscribers. Banner ads will be placed on multi-site networks, such as Google and Yahoo. This medium is highly efficient because we will receive constant feedback, and can redeploy resources into the avenues that are most fruitful.



We will test the cost-effectiveness of different offers, such as “The Coin with Great Value ” and “ENTER TO WIN \$\$\$”, as well as different creative banner designs.

**Affiliates:** LondonCoinGold ecosystem will make extensive use of affiliate marketing for B2C traffic, including a full-time staff position to handle the affiliates and membership with turnkey affiliate marketing companies. The cost for this activity is relatively low, and the results will build gradually, but the long-term impact is expected to be very high in attracting users to our site. We must provide an incentive for web sites to become an affiliate of LondonCoinGold ecosystem, which we will base on our average acquisition cost.

**Search engine publication:** LondonCoinGold will appear any time anyone uses any search engine and types in key words like “digital currency”, “cryptocurrency”, etc. We will publish the site on every major search engine and make appropriate use of Meta files to ensure good exposure.

**Viral Marketing:** According to *Business 2.0*<sup>1</sup>, Mr. Jurvetson of Draper, Fisher & Jurvetson, coined this term. It means using creative techniques to encourage your customers to pass your marketing message along to friends and associates. LondonCoinGold will develop programs that are designed so that users will want to use SNS and e-mail to their friends and associates. Some examples would be simple computer games, special interest cursors, or incentives for doing so. Comet Systems used this technique and has 40 million users, but never ran a single old media advertisement.

## **MEDIA ADVERTISING**

**B**ecause of the expense involved, media advertising to the general public will be avoided initially for B2C markets. Later we may test some limited use. Media advertising may be tested for ethnic marketing because the cost is often well below mainstream advertising rates. We will test highly targeted media, such as trade publications and overseas periodicals for the cryptocurrency.

## **PUBLIC RELATIONS**

**C**reating buzz starts with a solid commitment to **public relations**. Our commitment will begin with the retention of a highly professional PR firm KWR International ([www.kwrinternational.com](http://www.kwrinternational.com)) to provide us with the high level of “free advertising,” attainable through opportunistic media mining and public exposure.

**We** are budgeting \$10,000 per month to achieve exposure in newspapers, magazines, trade publications, radio and television; to identify and exploit speaking opportunities at appropriate conferences; to identify opportunities for event exposure; to identify partners for joint public awareness events; to pursue exposure opportunities at trade shows and similar affinity group events and related communications.

## **IMAGE OF OUR CRYPTOCURRENCY**

**We** will establish and maintain an image of the only coin which generates revenue by itself and accumulates value such that future value is always better than now with state-of-the-art technology. This image must be reflected and reinforced in all interfaces with the public, including: Web site graphics, design and navigation Brochures, sales kits and direct mail materials Stationary, business cards and signage, and Telephone and email correspondence.

## **8. POTENTIAL STRATEGIC PARTNERS**

- **Korea Federation of Micro Enterprise (KFME)**

KFME has more than 6 million smallstore owners as a member which needs to provide lower credit card transaction fee.

- **Hashgraph Middleware Babble**

We are in talk with middle ware company with Hashgraph platform to cooperate in

developing LondonCoinGold. In coming days, we are planning to work with this partner.

- **P2P Decentralized Exchange**

We are in talks with a company which developed p2p decentralized exchange where they provide code so that we can build the Hashgraph based p2p exchange faster.

- **Online Game Publishing Companies**

Online game publishing companies such as WebZen, Nexen, etc. will be engaged to benefit both by using LondonCoinGold as the means of charging their prepaid cards and subscriptions/game item trading.

- **Korea Card Marketing Association**

With 50,000-member credit card marketing channel, KCMA members distributed over one million credit cards in Korea.

## **9. BUILDING LOYALTY AND RETENTION**

**B**ecause of the plethora of new offerings hitting the Internet every day, building customer loyalty is more difficult than in the Old Economy. Web-surfers are used to trying out new sites and then surfing on, never to return. Also, recent Internet traffic from mobile services which LondonCoinGold's products and services are designed around to keep giving the consumer a reason to come back.

- **PRODUCT QUALITY**

**L**ondonCoinGold with LDXT/LDXU is dedicated to providing the highest quality of service.

- **CUSTOMER SERVICE**

**T**he need for direct customer service will be minimized by online help facilities and initial product quality. However, in those circumstances where human interaction is necessary, we are committed to providing friendly, helpful service. A review of customer feedback

on cell phone providers shows that people are vociferous about getting polite, helpful service when they have problems. LondonCoinGold will be the beneficiary of customers switching coins and exchanges because of dissatisfaction with the way other customer service reps handled them.

- **SITE DESIGN**

**T**here is an old saying: “You only have one chance to make a first impression”. The appearance of LondonCoinGold’s home page will ensure that the consumer’s first look at us is positive. Graphics will reflect a quality company. Interaction will be user-friendly. Navigation will be logical, simple, and user-friendly.

- **ON-LINE HELP MENU**

**A**t any point in the process, the customer can trigger an online Help menu to avoid unnecessary frustration.

- **AUTO RESPONSE**

**O**ur goal is to offer best-in-class customer service. An auto responder provides prompt replies to the most often asked questions and allows us to focus human resources against the critical few. New registration triggers an automatic email welcoming the new customer and providing helpful information.

- **FREQUENT USER REWARDS**

**C**ustomers can earn rewards for frequent use of the LDXT, LDXU, LDXG, GoByte, and FlySafe to get the free promotional gifts and FlySafe flight insurance.

- **PAREMETERS FOR PRIVATE SALE PREPARATIONS**

**W**e will prepare the Private Sale on May 24<sup>th</sup>, 2023 with marketing focused on below items.

**Messaging**

“**T**he Coin with Great Value”, “The coin generating revenue by itself”, “The aBFT core with fast and secure transactions” and other messages will be created to deliver the value and speed as well as safety.

**T**elegram, Twitter, Facebook, and other SNS such as Instagram will be used to promote LondonCoinGold with the messages created above.

**PR (Publishing on Forbes, Inc, Entrepreneur, etc.)**

**B**y closely working with PR firm KWR International([www.kwrinternational.com](http://www.kwrinternational.com)), LondonCoinGold will have maximum exposure to professional and crypto focused news and magazines as well as press releases.

**C**ryptocurrency related organizations such as bitcointalk, bitcoinwiki etc. will be engaged to get better exposure.

**O**ne of the favorite gathering places of cryptocurrency participant Reddit will be engaged by LondonCoinGold technical team.

• **Reputation Management**

In order to show the true value of LondonCoinGold, we will engage with Weiss Rating Agency which rated major cryptocurrencies were Ethereum received a “B”, and Bitcoin received a “C+”. There was no “A” rating for the cryptocurrencies which LondonCoinGold will pursue to get an “A” rating which the parameters were published.

• **Community Management**

Telegram, Twitter, Facebook, GitHub, and other SNS communities will be built with volunteers, ambassadors, and administrators of LondonCoinGold.

## **10. COMPETITIVE ANALYSIS**

**T**here are about fifty major cryptocurrencies on the market, with Bitcoin in the lead and simple forking of Bitcoin such as Litecoin, Bitcoin Classic as well as Ripple, Ethereum, IOTA which has difference source code. These cryptocurrencies are mostly focused on technology that lack business model to be useful at everyday use such as stable price and value creation to benefit the coin holders more than transaction fee. Even though there are several cryptocurrencies which generates revenue by charging transaction and transfer fee, these revenues do not provide benefit to coin holders. Bitcoin and other blockchain based cryptocurrencies two major problems to be used as a payment tool.

**F**irst, the processing time is too slow with 7 transactions per second compared with 2,000 per second with VISA. The other is mining fee has to be paid to miners which has been increasing recently such that transferring less than \$200 with Bitcoin costs more than regular bank transfer.

**L**ondonCoinGold is the only cryptocurrency in the world which generates revenue by itself with transaction fee, GoByte, as well as FlySafe.

## **11.LondonCoinGold Distribution**

**L**ondonCoinGold has a distribution structure as below; The “Application Reserve” is the coin which we will be utilized to back up the applications built around LondonCoinGold such that the Reserves will be used to pay for the contract when airline accident coverage is not enough, and it was planned to setup “Price Stabilization Fund LDXG Asset Foundation” which is to maintain the value of LondonCoinGold, but with the development of LDXT/LDXU stablecoin more public release is planned.

## 12. USE OF PROCEEDS

- Initial private sale up to \$5 million dollars will be used to develop the core, ABM Wallet, FlySafe, and LDXT/LDXU stablecoin as well as operations including marketing.

• LondonCoinGold Core Development	\$1.2 M
• ABM Wallet Sales & Marketing	\$1 M
• GoByte Development	\$1 M
• FlySafe marketing	\$0.8 M
• Operations	\$1M

- 10% of the Operations private proceeds of LDXG will be used to purchase gold and store as described in the table above.

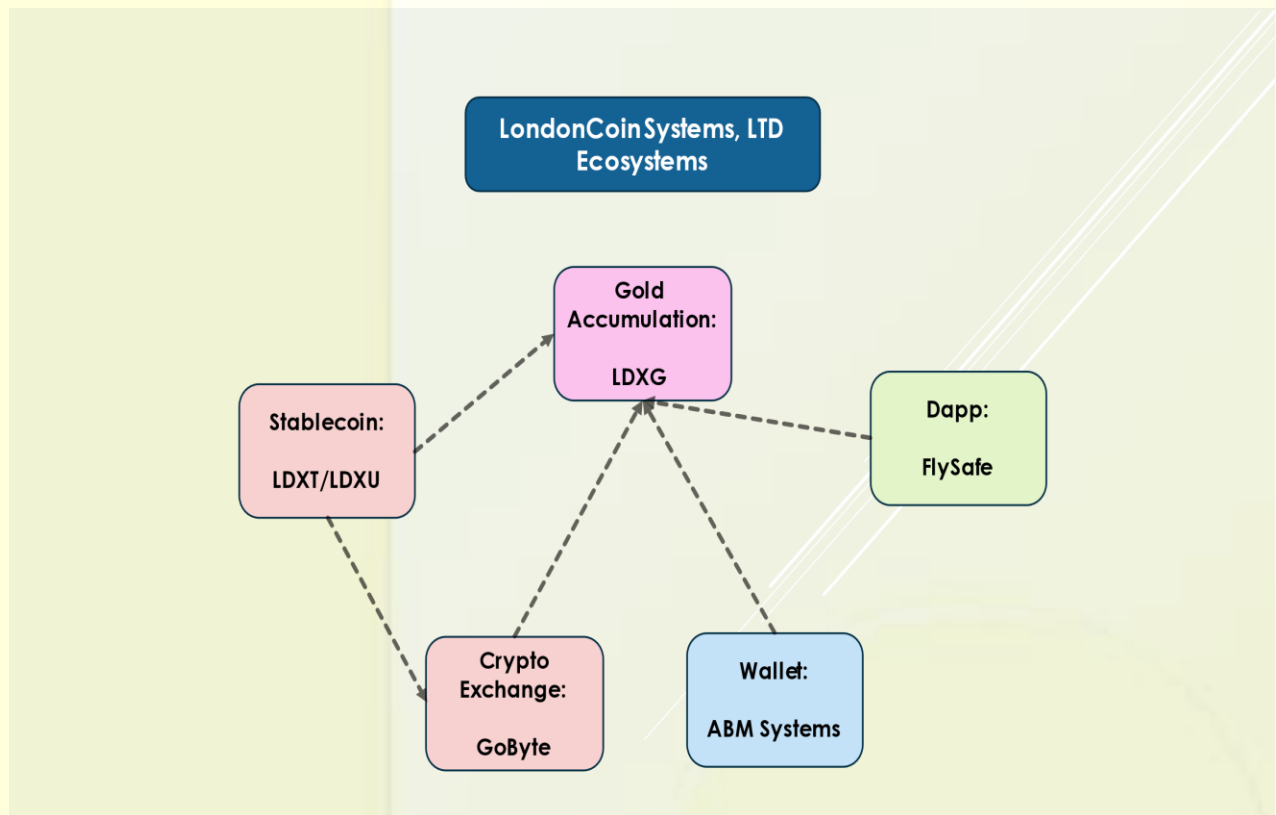
## 13. BUSINESS UNIT ECOSYSTEM

**L**ondonCoinGold is built around business units which LondonCoin Systems, LTD acting as holding company with LDXT/LDXU stablecoin system, GoByte generating revenue for LondonCoinGold with transaction fee and cryptocurrency exchange fee as well as FlySafe which will provide airplane accident insurance and other application business.

**T**he LondonCoin Systems, LTD Business Ecosystem is designed to maximize the value of LondonCoinGold which the intrinsic value is tied to gold accumulated by the LondonCoin Systems, Ltd asset Management Foundation whose role is to purchase gold and store with the fund provided by entities LondonCoinGold, FlySafe, LDXT/LDXU stablecoin.



The LondonCoin Systems, LTD Asset Management Foundation is independently operated by escrow in order to ensure the gold accumulated will be exchanged if LondonCoinGold holders make such request. All the business ecosystems for LondonCoinGold as well as other entities will be operated by DAO.



## **14. MANAGEMENT TEAM**

- **B.K. “Brian” Kim, CEO**

Mr. Kim is the CEO of SSEN Corporation. His experiences include SSEN Corp., GTE, Pantronix(Silicon Valley), PCO, Inc.(IBM&Corning Joint Venture). Mr. Kim received MS in Industrial & Systems Engineering from San Jose State University.

- **Dr. MyongSu Choe, CTO**

Dr. Choe served as a CTO at SSEN Corp, KT, Samsung Electronics, and received PhD Computer Science McGill University

- **Mun Ung Lee, CMO**

Mr. Lee has been active in marketing spanning from DaeWoo Trading as well as political parties with BA in International Trading from Inha University.

- **Dr. SeokHee Lee, CFO**

Dr. Lee’s experiences in Korea Telecom in the Business Research Organization with real estate projects in Korea and overseas. Dr. Lee received his PhD from University of Maryland.

- **SungChul Kim, Legal Counsel**

Mr. Kim is the partner at Won&Kim LLC law firm in Seoul, Korea with BA degree from Seoul National University

### **14-1. ADVISORS**

- **DR. CS Kim**

Dr. Kim has vast IT and telecom industry experiences which include KT, ETRI, and Korea Broadcasting Commission. Dr. Kim received his PhD from Stanford University

in Management Science.

### **Keith Rabin**

Mr. Rabin is the CEO of PR firm in New York with more than 30 years of PR and other marketing experiences with MS from Columbia University.

### **Martin Arrivett**

Martin is the well-known experts in the blockchain industry which he developed Babble core. He received MS from University of Chicago in Financial Mathematics.

## **15. HISTORY**

### **1. Past**

**A.** Established SSEN Corp. from JIOS Aerogel as spin off project in 2017 to start the blockchain project with CEO BK Brian Kim, CTO Dr. MS Choe. Initial participants include Mike and Henry Cho both are cousin of Jae Yong Lee (Chairman of Samsung), Peter Kim and team from JIOS Aerogel.

**B.** SSEN Corp. was setup to engage in blockchain/crypto business

**C.** Minted 5 billion LondonCoin(LDX) over ERC-20 platform

**D.** Pre-ICO funding \$1.5M finished

**E.** Developed a prototype cold wallet with fingerprint authenticated VISA card.

**F.** Listed on TokenJar DEX

**G.** Awarded the EV charging patent by Korean patent office which LondonCoin Systems has 10% ownership+

**H.** Due to regulatory issues on crypto in Korea, SSEN Corp. was closed.

### **2. Present**

**A.** Setup LondonCoin Systems, LTD in London, UK to continue the blockchain/crypto business.

- B.** Setup ABM Systems, LTD in London, UK to develop the crypto wallet to transfer cryptos with telephone number and credit card
- C.** Minted LDXG(LondonCoinGold) which is 100% direct conversion coin with LDX(LondonCoin)
- D.** Listed LDXG at [www.aax.com](http://www.aax.com) which has been closed now
- E.** Filed a patent on DeFi FlySafe project
- F.** Filed a patent of Anti-Counterfeiting System
- G.** Passed the listing requirements by KuCoin and waiting for listing at KuCoin. We will list on KuCoin when DeFi FlySafe service is launched soon.
- H.** Setup GOBYTE, a crypto exchange to be established at Blockchain Special Zone. LondonCoin Systems, LTD owns 41% of the shares.
- I.** Developing a health screening service company AISA which is in the business of detecting multi-cancer with breath. Seven patents have been filed along and signed the joint business development contract. LondonCoin Systems has 5% ownership of AISA which will be used to purchase gold to back up the LDXG when exits.

### **3. Future**

- A.** Develop DeFi FlySafe business with major airlines including Korean Air, EgyptAir, etc. MilitarySafe, etc. will be launched with similar business model. This business will be developed further to meet the needs of micro insurance industry.
- B.** Develop GOBYTE, the new crypto exchange focused on real time crypto payment with 5 million SMEs in Korea first to go global step by step.
- C.** Complete Babble core and mint LondonCoin utilizing the Babble core platform.
- D.** Plan to be a default app at Samsung smartphones which are sold over 200 million units annually. This app will be updated regularly to add functions such as “WhatsApp”, “TikTok” etc. as needed.
- E.** Stablecoin LDXT/LDXU will be launcher.
- F:** ABM wallet project will be launched.

## **16. RISKS**

### **1. MARKET RISK**

**G**iven the success of other entrants in this industry, there is no significant risk of market failure.

- **MAJOR NEW ENTRANT DOMINATES MARKET**

**B**ased on the experience of the cryptocurrency market, the business tends to allow for numerous industry participants, constantly changing customer loyalties. Although it is likely that several major new competitors will enter the market, there will be ample opportunity for other market participants.

- **TECHNOLOGICAL FAILURE**

**W**ith any technology-based new venture, there is always the possibility of failure to successfully implement systems. However, this risk is significantly mitigated for LondonCoinGold because of the availability of proven technology from Ethereum, and will be developed on the modified Hashgraph platform. This risk is further mitigated by the presence in management and on the board of individuals with significant technological knowledge and experience.

- **TECHNOLOGICAL OBSOLESCENCE**

**G**iven the nature of cryptocurrency, there is always the risk that technology will evolve so as to make LondonCoinGold's technology obsolete. However, we are starting with state-of-the-art technology, and are committed to ensuring that we stay abreast of any new technology that arises in our industry.

### **2. REGULATORY RISK**

**T**here are major financial and government enterprises with a vested interest in maintaining the current expensive form of fiat currency service who will not be willing to adapt to new cryptocurrency platform.

### 3. FINANCIAL RISK

The principal risks for suppliers of cryptocurrencies are declining profit margins and technological obsolescence of inventories. LondonCoinGold is careful to match the pricing terms of its products with the terms we obtain from our suppliers, both in terms of magnitude and horizon. LondonCoinGold intends to have no significant inventory on its balance sheet at any time and will carefully manage its accounts receivable.

In the “old economy”, undercapitalization was the greatest cause of failure for start-up companies. For cryptocurrency companies there is a companion nemesis: failure to realize intrinsic advantages from the cryptocurrency. This latter factor is most noticeable among the plethora of start-ups that were nothing more than glorified catalogue sales companies that simply used the cryptocurrency to distribute their tokens and replaced fiat currencies.

LondonCoin Systems has taken great pains to ensure that the financial forecasts are realistic and not overly optimistic. Our projections of customers and usage are based on the experience of similar companies. Furthermore, we have an advantage over those other companies because the quality of digital currency is evolving and the potential market is growing with it. It is also noteworthy that members of the management team have been involved in start-up situations before, have significant business and fiscal experience, and will not suffer the pitfalls of the inexperienced members of so many cryptocurrency start-up teams.

### 17. FINANCIAL SUMMARY

The following is the pro forma financial summaries include consolidated results from operations. The value of LDXG will be increased as the profit will be used to purchase gold and accumulate. – To be provided with NDA

## 18. MILESTONE

**P**rogress Schedule: LondonCoinGold has been minted and was listed on AAX. LDXG will be listed with major exchanges .



### <LondonCoinGold Private Sale Release Schedule>

The first phase of private sale will be closed when it reaches \$5 million dollars at \$0.5 per LDXG, afterwards LDXG will be sold at \$1.50 per LDXG which is planning to be listed with major crypto exchanges.



## 19. BUSINESS LICENSE



### CERTIFICATE OF INCORPORATION OF A PRIVATE LIMITED COMPANY

Company Number **13249829**

The Registrar of Companies for England and Wales, hereby certifies that

**LONDONCOIN SYSTEMS LTD**

is this day incorporated under the Companies Act 2006 as a private company, that the company is limited by shares, and the situation of its registered office is in England and Wales.

Given at Companies House, Cardiff, on **8th March 2021**.