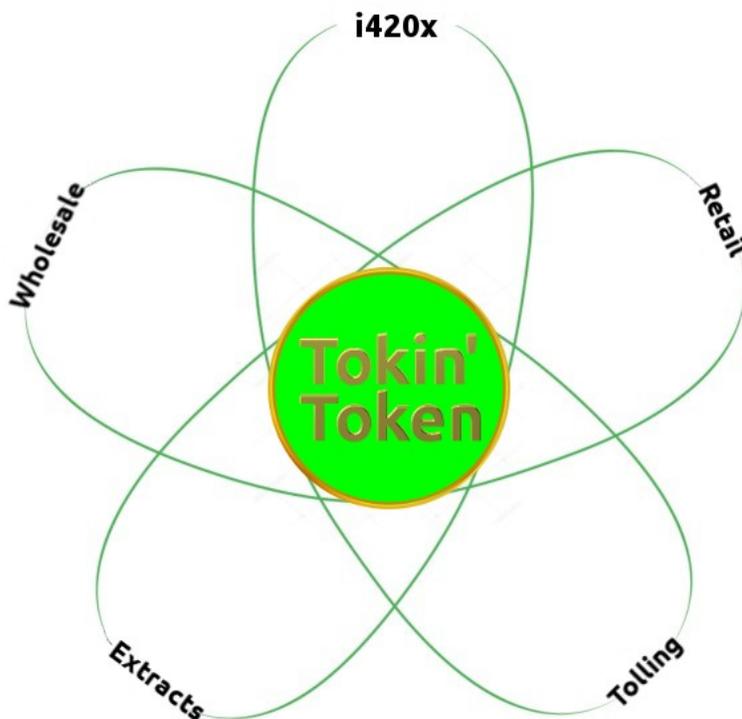


Tokin' Token Whitepaper
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Tokin' Token™

Whitepaper



When a group decides to pitch in on a bowl of marijuana with their respective stashes, their individual nuggets are *tokin' tokens*. At least one token is usually required to participate in the smoking of said bowl.

Source: www.UrbanDictionary.com

This Whitepaper does not imply an offering of Securities.

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INTRODUCTION

The purpose of this Whitepaper is to introduce the Tokin' Token and its upcoming TGE (token generation event).

The Tokin' Token is a “true” utility token which powers the Tokin' Token Network. The “Network” itself is a marketing infrastructure specific to the worldwide “legal” marijuana industry, serving both businesses and individuals.

Unlike most whitepapers, this Whitepaper is directed to non-technical business owners and their customers who will use the Tokin' Token as a means of transacting purchases within the Network. It is not written for the blockchain technologist or the cryptocurrency speculator.

This document uses plain language, verifiable facts, and makes absolutely no attempt to stupefy readers. It is not filled with obfuscating language, meaningless jargon, or buzzwords. We want the reader to fully understand this endeavor – the Tokin' Token token, the TGE (token generating event), and the Tokin' Token Network.

To this end, it is critical to have a decent grasp of 2 key concepts:

1. “Utility” tokens, and
2. The “legal” marijuana industry.

Utility tokens

Cryptocurrency token concepts are well understood by blockchain technologists but for the non-technical person, what is a token, really? A token is just another term for a type of privately issued currency. Businesses do something similar all the time, usually calling it a “coupon”. However, a token can be used over and over – it is a “currency” in that sense.

“Utility “tokens, such as the Tokin' Token, are meant to be “used”. Utility tokens serve a fundamental purpose such as the exchange of a token for goods or services within a given platform.

The “legal” marijuana industry

The term “legal” is used to distinguish government-sanctioned and regulated growing and selling of marijuana and marijuana-derived products from “illegal”, or *not sanctioned* growing and selling.

In the United States growing and selling any form of marijuana (hemp was recently legalized in the latest farm bill) is illegal at the federal level but legal in some states. In Canada, growing, selling, and consumption is legal at the federal level. In recent years, marijuana has been decriminalized and legalized to varying degrees in pockets throughout the modern world.

LEGAL DISCLAIMER

Please read the following carefully before proceeding to read this Whitepaper.

This disclaimer applies to all persons who read this document. Note that this disclaimer may be altered or updated. Any new documentation will supersede this document and be available at <https://TokenToken.net>.

By purchasing, holding, and using Tokin' Tokens, you expressly acknowledge that you are aware of the following:

1. This Whitepaper does not constitute any relationship between you and the Tokin' Token Network ("Company" or "Network") or any of its subsidiaries or entities.
2. This Whitepaper is for information purposes only. The contents of this Whitepaper are not a financial promotion. None of the contents of this Whitepaper serves as an invitation or inducement to engage in any sort of investment activity.
3. Tokin' Tokens are not intended to constitute securities, commodities, digital currencies or any other form of financial or investment product in any jurisdiction. This Whitepaper does not constitute a prospectus or offer document of any sort, and is not intended to constitute an offer of securities or a solicitation for investments in securities in any jurisdiction.
4. Acquisition of Tokin' Tokens is available only after accepting the Terms and Conditions of the Pre-Sale and the Main Sale Token Generation Events. The acquisition of tokens does not entitle the purchaser to any ownership of shares in the Company. The token holder is only entitled to certain rights as delineated within the Terms and Conditions of the Token Generation Events.
5. Ownership of Tokin' Tokens carries no rights, express or implied, other than the right to use the Tokin' Tokens as a means to enable usage of and interaction with the Tokin' Token Network and its members.
6. Prospective purchasers of Tokin' Tokens should carefully consider and evaluate all risks and uncertainties associated with cryptocurrencies. Any purchaser should be familiar with all the information set out in this Whitepaper, Risk Notice and the Terms and Conditions prior to any purchase of Tokin' Tokens.
7. Prospective purchasers of Tokin' Tokens acknowledge and agree that they are not purchasing Tokin' Tokens for purposes of investment, speculation, as some type of arbitrage strategy, for immediate resale or other financial purposes.
8. The Tokin' Token Network and the Tokin' Token makes no warranties or representations as to the successful launch of the Token Sales, or the achievement of any other activities noted in this Whitepaper, and disclaims any warranties implied by law or otherwise, to the extent permitted by law. No person is entitled to rely on the contents of this Whitepaper or any inferences drawn from it, including in relation to any interactions with the Tokin' Token Network and the Tokin' Token sales mentioned in this Whitepaper.
9. The Tokin' Token Network and the Tokin' Token disclaims all liability for any loss or damage whatsoever, whether foreseeable or not, which may arise from any person acting on any

information and opinions relating to the Tokin' Token Network and the Tokin' Token sales contained in this Whitepaper or any information which is made available in connection with any further inquiries, notwithstanding any negligence, default or lack-of-care.

- 10.** Any plans, projections, or forecasts mentioned in this Whitepaper may not be achieved due to multiple risk factors including, without limitation, defects in technology developments, legal or regulatory exposure, market volatility, sector volatility, corporate actions, or the unavailability of complete and accurate information.
- 11.** The Risk Statement details potential risks that you should consider.

We recommend that you seek out independent financial and legal advice before engaging in any sort of business- or financial-related endeavor.

RISKS

There are risks associated with cryptocurrency coins and token sales. You should have an understanding of token sales and the storage mechanisms employed. If you are unfamiliar with cryptographic token sales, it is advisable to consult with your attorney, accountant, or tax professional.

By purchasing Tokin' Tokens you expressly acknowledge and assume all risks and agree not to hold Tokin' Token Network or any related party of Tokin' Token Network liable for any loss, damage, cost or expense (including any special, incidental, or consequential damages) arising from, or in any way connected to, the sale of Tokin' Tokens.

The risks set out below are not inclusive of all risks and are not intended to have any bearing on the likelihood of such risks arising.

If any of the following risks are unacceptable to you, you should not purchase Tokin' Tokens.

You can lose some or all of the money you used to purchase Tokin' Tokens.

By purchasing Tokin' Tokens, you expressly acknowledge and represent that you fully understand that Tokin' Tokens may experience volatility in pricing and will not seek to hold any of Tokin' Token Network employees, its directors, officers, agents and advisors liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected to, the sale of Tokin' Tokens. Use of cryptocurrency exchanges or any other exchange is at your own risk.

You further acknowledge that the Tokin' Token Network is not responsible for lost coins or tokens or cash resulting from actions taken by, or omitted by, you.

There Will Be Future Issues and Sales of Tokin' Tokens

Any future sale or issuance of Tokin' Tokens will likely increase the supply of Tokin' Tokens traded on cryptocurrency market exchanges. This may result in a downward price pressure on those Tokin' Tokens that are being traded. *It is crucial for holders and purchasers of Tokin' Tokens to remember that the primary reason for the Tokin' Token is to use it, not to hoard or speculate.*

In the future, in response to new markets opening up, there will be new Tokin' Token issues and there is a real possibility of new tokens being generated. In particular, Europe is of primary short-term concern as its market size is more than twice the size of the combined North American markets of Canada and the USA. Then, there is the rest of the world.

Therefore, releases of held tokens and the creation of new tokens will most likely be necessary for businesses and individuals that become members of the Tokin' Token Network in these new markets to conduct transactions and to keep the tokens affordable enough so that individuals will use them.

Escrow Wallets Used in the Token Generation Event

The private keys to the escrow wallets, though designed to be secure, may be compromised and the Tokin' Tokens you purchase may not be able to be retrieved and disbursed and may be permanently

unrecoverable. If such an event transpires, even if the Token Generation Event is successful, the Tokin' Token Network will not be able to receive the funds raised and will not be able to use such funds for the development of the Tokin' Token Network. Any distributed Tokin' Tokens may hold little worth or value.

Wallet Used by You for Deposit of Tokin' Tokens

After a successful TGE and disbursement to you of the Tokin' Tokens you purchased, you can lose access to the tokens if you forget your wallet password and private keys, or if the wallet ID you supplied contains errors. We do not know nor do we have access to your password or keys. Any person that gains access to your password and private key also gains access to your Tokin' Tokens. Purchased tokens will be disbursed to the wallet address you supplied. It is your responsibility to know and secure your passwords, private keys, and wallet address.

The Tokin' Token Network disclaims any and all responsibility for loss, destruction, loss of access or data loss relating to a password, private key, or erroneous wallet ID, all of which are your responsibility.

Delays in Meeting Milestones

While the Tokin' Token Network will make strenuous efforts to complete the Network infrastructure and meet milestones as planned, due to circumstances beyond our control it is possible that there will be delays which may negatively impact Tokin' Tokens.

Blockchain Risk

Any malfunction, unexpected functioning, forking, breakdown or abandonment of the Stellar platform or blockchain may have a material adverse effect on the tokens and Network including, but not limited to, impacting your ability to transfer or securely hold Tokin' Tokens. Such impact could adversely affect the value of Tokin' Tokens.

Hacking

As with all technology systems, hacking is always a threat. To counter this threat, the Tokin' Token Network has and will continue to implement comprehensive security precautions to safeguard the funds obtained from the token sales. Regular security audits will be conducted by internal and external teams.

Transactions are Irrevocable – No Compensation for Incorrect Transfers or Theft of Tokens

Tokin' Token transactions are irrevocable. Cryptographic token transactions are not reversible without the consent and active participation of the recipient of the transaction. An incorrect transfer of a Tokin' Token or a theft of a Tokin' Token generally will not be reversible and there may be no compensation for any such transfer or theft.

Regulatory Actions

The Tokin' Token Network could be impacted by one or more regulatory actions which could impede or limit the ability of the Network in certain jurisdictions and could adversely affect the value of Tokin' Tokens.

Income and Tax Characterization is Uncertain

Worldwide, the income type and tax characterization of tokens is uncertain in many jurisdictions. You bear sole responsibility for any taxation requirements in purchasing, using, holding, and selling Tokin' Tokens.

Success of the Tokin' Token Network Can Not Be Guaranteed

It is possible that, due to any number of reasons, the Tokin' Token Network will not gain a sufficient membership base of businesses and individuals to achieve success. Tokin' Token Network cannot predict the success of its marketing efforts or the efforts of other parties.

Token Owners Have No Governance Rights

Ownership of a Tokin' Token does not confer any governance rights of any kind with respect to the Tokin' Token or the Tokin' Token Network. All decisions involving the Tokin' Token and the Tokin' Token Network will be made by the Tokin' Token Network at its sole discretion, including, but not limited to, decisions to discontinue the Tokin' Token Network, to create and sell more Tokin' Tokens for use in the Tokin' Token Network, or to sell or liquidate the Tokin' Token Network. These decisions could adversely affect any Tokin' Tokens you hold.

Cryptocurrency Trading Exchanges, Volatility, and Liquidity

If secondary trading of Tokin' Tokens is facilitated by third party exchanges and to the extent that these exchanges ascribe a value to Tokin' Tokens, such value may be extremely volatile and diminish to zero. Exchanges are independent of and not operated by the Tokin' Token Network. If you chose to use Tokin' Tokens on exchanges it is at your own risk.

The Tokin' Token Network cannot and does not guarantee market liquidity for Tokin' Tokens. Tokin' Tokens are intended to be used solely within the Tokin' Token Network for Business-to-Business (B2B) and Business-to-Consumer (B2C) transactions. Neither the Tokin' Token Network or members of the Tokin' Token Network control the actions of purchasers of Tokin' Tokens.

New Competitive Cryptocurrencies

It is possible that a competing cryptographic token other than Tokin' Tokens could have features that make it more desirable to a material portion of the cryptographic token user base, resulting in a reduction in demand for Tokin' Tokens. This could have a negative impact on the demand and price of Tokin' Tokens generally but will have minimal effect within the Tokin' Token Network in terms of usage by members of the Network.

Intellectual Property Claims

Intellectual property rights claims, regardless of their merit, may adversely affect the operation of the Tokin' Token Network and the Tokin' Token. Any such claim may reduce confidence in the

Tokin' Token Network's long-term viability or the ability of Tokin' Token owners to hold and transfer tokens. They may adversely affect the value of Tokin' Tokens. Members of the Tokin' Token Network may be prevented from accessing the Network and owners of Tokin' Tokens may be prevented from holding or transferring their Tokin' Tokens.

Unanticipated Risks

There are other risks associated with your purchase, holding, and use of Tokin' Tokens, *including those that cannot be anticipated*. Such risks may further materialize as unanticipated variations or combinations of the risks set out above.

TGE (ICO) PARTICIPATION – RESTRICTED AREAS

Ineligible to Participate

- **United States of America (USA)** citizens, residents (tax or otherwise), or green card holders are *ineligible* to participate in and/or purchase any Tokin' Tokens in the Tokin' Token Generation Events referred to in this Whitepaper.
- **Republic of Singapore** (Singapore) citizens and residents are *ineligible* to participate in and/or purchase any Tokin' Tokens in the Tokin' Token Generation Events referred to in this Whitepaper.
- **Peoples Republic of China** (mainland China) citizens and residents are *ineligible* to participate in and/or purchase any Tokin' Tokens in the Tokin' Token Generation Events referred to in this Whitepaper.
- **Republic of Korea** (South Korea) citizens and residents are *ineligible* to participate in and/or purchase any Tokin' Tokens in the Tokin' Token Generation Events referred to in this Whitepaper.

Participation Restricted

- **United Kingdom of Great Britain and Northern Ireland** (UK or United Kingdom) citizen or resident participants in any Tokin' Token Generation Events are restricted to self-certified sophisticated investors only.
- **Hong Kong Special Administrative Region of the People's Republic of China** (Hong Kong, Hong Kong SAR, or HK) citizen or resident participants in any Tokin' Token Generation Events are restricted to professional investors only.

This Whitepaper or any part thereof, as well as any copies, must not be taken or transmitted to any country where distribution or dissemination of this Whitepaper is prohibited or restricted.

KYC (Know Your Customer) Required to Participate

KYC and AML (Anti-Money Laundering) are processes that have become mandatory in most countries and required by banks and other financial entities to verify the source of funds and know who their customers are. The primary reasons for KYC and AML are in combating illegal activities – drug trade, terrorism, money laundering and other white collar crime, etc.

The Tokin' Token Network is aiming to build the world's largest legal cannabis marketing infrastructure with its own internal industry micro-economy utilizing blockchain technology and the Tokin' Token. To achieve this we need to convert a part of the raised funds into fiat (cash) and to be

able to utilize banking services in order to pay salaries, taxes, daily operational costs, future network development costs, etc.

The legal marijuana industry, worldwide, is an exceptionally regulated and audited industry. Because the Tokin' Token Network is focused on providing services to this industry, we must meet KYC and AML requirements required by various countries and financial institutions.

Funds that are raised but do not go through the KYC and AML processes are “unbankable” and will not be accepted by banks. Hence, we must perform KYC verification on all purchasers who participate in the our Token Sales. This is the same process that most people must go through to get accounts on the larger, regulated cryptocurrency exchanges so that they can buy and sell crypto.

Note that KYC verification will not be required by the Tokin' Token Network once the sales events are completed and the tokens are listed on the exchanges. It is only applicable, in reference to us and you, in the participation of both the Pre-TGE (pre-sale) and the Main TGE (crowdsale).

Registration and Whitelist

Pre-Sale Whitelisting will start on 5:00 PM Pacific/Los Angeles time on INSERT DATE.

The link to the whitelisting form will be available on <https://www.TokinToken.net> at the time of registration.

Registration for the Pre- and Main Sale takes place before each event and includes KYC requirements.

If approved for any event, you are whitelisted. Those whitelisted for the Pre-Sale event will not have to resubmit information to participate in Main Sale.

THE COMPANY

Headquartered in California, USA, the Tokin' Token Network (hereafter "Company" or "Network") is a membership-based organization similar to an agricultural or independent pharmacy marketing and purchasing cooperative. It is focused on helping small-to-medium-sized cannabis and related businesses succeed in the face of increasing consolidation and competition by "big money" corporations..

We accomplish this by providing a mechanism for efficient "trade" – marketing, buying, and selling – for wholesalers, retailers and their customers, and ancillary businesses across all sectors of the legal marijuana industry via 2 inter-related ecommerce marketplaces.

1. i420x.com – wholesale marketplace
2. i424x.com – retail marketplace

The purpose of these marketplaces is to bring together buyers and sellers and thus maximize our members' sales and minimize their inputs costs. The outward-facing retail marketplace is integrated with the wholesale marketplace because retailers require access to the wholesalers to purchase product for resale. These marketplaces are the "bread and butter" for both the Network and member businesses.

In addition, the Network provides funding to select industry businesses that require additional capital to take them to the next step on their way to profitability. Any such funding and/or investments are meant to further the goals of the Tokin' Token Network.

By being part of an organization that is larger and stronger than any individual our members are better able to accomplish functions and meet goals they could not achieve on their own. Through their own cooperative efforts members businesses can more effectively compete with "deep pocket" organizations and realize better economies of scale and expanded market share while maintaining their independence as small and medium-size operations.

Marketplaces

The Network is a members-only cooperative marketing infrastructure designed specifically for the wholesale and retail segments of the industry, including ancillary businesses and organizations that support the legal cannabis industry.

The infrastructure of the network proper consists of 2 synergistic online marketplaces operating under slightly different business models, each with their own customer type, united for common cause in their own "cooperative network", implementing blockchain technology where appropriate and utilizing the Tokin' Token (an internal cryptocurrency) for business transactions.

Membership Required

Membership in the Tokin' Token Network is required for all wholesale sellers and buyers and retailers desiring to use our platforms. Wholesalers and retailers of cannabis products are *pre-vetted*, meaning they are licensed by their respective states. Membership is not required of, but is beneficial to, retail end-customers.

Storefronts at no cost

All marketplace sellers automatically have their own secure e-commerce storefront. This storefront is immediately available and at no cost, to use or not. Network stores are not meant to replace a member's dedicated website or ecommerce solution should they have them.

Marketing assistance at no cost

Each marketplace provides limited but effective marketing services, at no cost, to their members, such as announcing sales and new products to their customers, press releases, helping them gain new customers, etc.

Shared characteristics of all marketplaces include:

- Sellers can list the products they have for sale and can sell their product at a fixed price, through an auction, or via a "make offer".
- Buyers may search for products, locate suppliers, and post "wanted" listings.
- Sellers and buyers have access to licensed transport and certified testing services.
- Most sales utilize "smart" contract escrow services for the protection of both buyer and seller.

Investment Services

For any number of reasons, smaller industry-related businesses require additional capital but do not have access to the funds that they need. Most traditional financial institutions will not make loans to cannabis-related businesses. Family and friends may be maxed out. Venture Capitalists and Angels may take advantage of this need, demanding more equity or interest than the business is comfortable with. Until now, such businesses had two other options: go belly-up or be gobbled up by vultures.

The Tokin' Token Network's Investment Fund provides funding options with very favorable terms to select industry-related businesses that require additional capital to take them to the next step on their way to profitability. All investments explicitly further the goals of the Tokin' Token Network. Business that we help become members of the Network and accept the Tokin' Token as a primary means used in transacting business, particularly with other Network members.

Income

The Tokin' Token Network's income is derived primarily through the collection of a fee on every marketplace sale. The Tokin' Token will be the medium used for transactions.

Vision

Tokin' Token Network's vision is to be the world leader in providing smaller, independent cannabis businesses the type of services they need to compete in a highly big-business competitive industry. The vision for the Tokin' Token token is to be the leading, most secure and stable crypto used in the transaction of business for the worldwide cannabis industry.

Mission

Our Mission is to help our members realize their full economic potential and succeed in their segment of the world's rapidly evolving legal cannabis industry. We are dedicated to maximizing the profitability of independent cannabis businesses in the face of large, well-financed monopolistic-leaning organizations by leveling the economic playing field, thus empowering and strengthening Network members as viable and successful independent operations.

Keys to Success

The Tokin' Token Network has identified the following as keys to success:

1. Create and control our own ecosystem
The Tokin' Token (a cryptocurrency) powers the Tokin' Token Network, working along side any fiat currency. Sales of the Tokin' Token via TGE (token generation events) provides the capital to establish and jumpstart the Tokin' Token Network, and the funds to invest in or loan money to organizations that further the goals of the Network.
2. Acquire sufficient financing from the "Get Go"
Avoid cash flow problems, have funds to invest in "jumpstarting" the Network
3. Jumpstart the Network
 - Develop subsidiaries: extraction – distribution – retail stores
 - Fund (loans/invest) operations that contribute to the goals of the Network
4. People-oriented – Treat Everyone with Respect
Employees, business clients and associates, customers
5. 5. Create Value for the Customer
Staying focused on creating value for the customer and not on increasing sales. By staying focused, sales will naturally follow.
6. Stay true to the "cooperative" mindset – Strength in Numbers
Network members have joined the Network because, in the face of "big" money and consolidation they know and understand that only through synergistic cooperation can they most effectively compete and succeed. They know that the "whole" is stronger than the "parts".
7. Stay true to the mantra "Quality, Not Quantity"

THE TEAM

Photo

Lee Wiest
CEO
[LinkedIn](#)

Photo

President & COO
MBA – Agriculture
Exchange/Co-ops

Photo

CFO
MBA – Finance &
Accounting

Photo

CMO
BA/MA – Marketing
Psychology

Photo

CTO
MBA-MSc – IS (10 yrs)

Photo

Crypto1 / Developer
MSc – Security

Photo

Crypto2 / Developer
CS – Security

Photo

Web Developer
CS / dB-SQL

Advisors

Photo

(name)
Industry Expert

Photo

(name)
Attorney, Compliance
(cannabis / SEC)

Photo

(name)
Business Advisor
Toronto, Canada

Photo

(name)
Stellar Advisor
Shanghai, China

Backgrounds Looking for: Monetary Policy, Money Trading, International Trading, Banking, Agricultural Commodities ... Other, and Experience Does Count more than Education.

THE “LEGAL” MARIJUANA INDUSTRY

The “Legal Marijuana Industry” is a catch-all phrase used to describe government regulated growing and selling of *Cannabis sativa L.* (marijuana) and related products and services.

The world’s legal marijuana industry is already enormous and growing with medical marijuana accounting for the vast bulk of sales. With the opening up of recreational marijuana worldwide, the industry is expected to explode, reaching upwards of \$200 billion within 10 years. The Tokin’ Token Network’s goal is to be a dominant player in the industry on a worldwide basis, particularly as it relates to smaller businesses collectively having a big piece of the action.

United States

The legal marijuana industry is the fastest growing industry in the United States. Estimates as to its current and potential size range from \$7-9 billion in 2018 to \$20-24 billion in 2022 to over \$100 billion in the near future.

Canada

In Canada, as of 2018, cultivation, distribution, and sale of marijuana and marijuana-based products is legal for both medical and recreational usage. Canada is the largest exporter of medical marijuana and marijuana products in the world and exports are expected to increase.

The Canadian market is estimated to range from \$8.7 billion to \$22.6 billion CAD.

Source: <http://www.macleans.ca/news/canada/how-big-is-canadas-marijuana-market-really/>, June 30, 2017.

Europe

Europe is set to become the largest cannabis market in the world within the next five years. The region’s population is twice the size of the US and Canada together. In Europe’s eight largest markets, legal (medical) marijuana is conservatively estimated at €18 billion (\$21.3 billion USD). Over the next five years, Europe will become the largest legal cannabis market in the world. ...the European medical cannabis market will be valued at almost €50b (\$59.3 billion USD).

Source: *Cannabis Report October 2017*, Prohibition Partners, London, UK.

Recreational marijuana usage, though illegal in most European jurisdictions, is tolerated to a great degree and is currently estimated to be about €40b (\$47.4 billion USD).

Industry Wholesalers

Growers

The cultivation of marijuana, the baseline of the industry, is an agricultural endeavor. Growers are farmers and marijuana is another crop. Growers are experiencing enormous pressure due to competition and consolidation, especially with the entrance of big money and corporations entering the markets. They are starting to specialize in the product that they grow.

Extractors and Processors

Extraction and processing of marijuana into its chemical components is technically a part of the Chemical-Pharmaceutical industry, specifically the API (active pharmaceutical ingredients) sub-

category. These processed components are sold to be either resold “as is” (oils, for example) or to be further processed and used in products that are meant to be sold through dispensaries or retail outlets. About half of marijuana product sold on the retail level is the actual flower, or buds.

Product Manufacturers

The manufacture of products that contain any ingredient from marijuana may technically be classified in a number of sub-industries: pharmaceutical, food and beverage, etc.

Industry Retailers

Medical Marijuana Dispensaries

Over 60% of US states have legalized “medicinal” marijuana. There are restrictions on who can qualify to purchase from the dispensaries permitted in these states. Furthermore, a doctor’s recommendation is required, and even then, depending on the state, only certain “conditions” qualify for such recommendations.

In states where recreational marijuana is permitted, being a card-carrying medical marijuana patient has advantages, such as no or greatly reduced sales tax. Some medicinal products are not permitted to be sold through recreational outlets. Most medical marijuana dispensary businesses are required to grow, process, test, and manufacture the products they sell but that is changing.

Recreational Marijuana Sales

8 states have legalized marijuana for recreational use. These 8 states are responsible for over 90% of the “potential” market, with California alone exceeding the whole of the Canadian market.

Trends

Presently, the USA and Canada make up the largest market for legal marijuana, but Europe and other countries are not far behind. Europe alone is expected to quickly exceed both markets once legalization takes place. At that point, European output capacity is also expected to be greater than the USA and Canada combined.

Wholesale prices dropping

The recent trend of wholesale prices decreasing is a normal supply-and-demand issue. Because demand has been high and supply was short, prices were high. Hoping to capitalize on this, more marijuana was grown, supply outpaced demand... and prices dropped. As time progresses, the number of growers, the quantity grown, and wholesale pricing will level out.

Consolidation

As in almost all growth industries there will be a consolidation. This means the number of large growers will increase, to the detriment of smaller growers. Individual dispensaries and retail stores will start to be purchased by bigger operators and “chains” stores will start to proliferate.

This also means that smaller operations in all areas of the industry will start to be “squeezed”, entry into the industry will start to cost more, and many smaller operations will be forced to exit. Consolidation has already started.

Conclusion

Prices for mainstream marijuana (wholesale) are anticipated to stabilize between \$500 - \$1,400 USD per pound, depending on quality, in the near future. As the industry starts its upward path to maturity, the following trends have been observed:

- Craft cannabis, like craft beers, is an emerging trend. Increasingly, growers will grow special strains in limited quantities and release them at high price points.
- Europe's medical marijuana cultivation capacity and processing infrastructure will quickly put the region on par with the North American medical marijuana market.
- When recreational marijuana becomes legal in Europe, Europe's capacity will quickly exceed the North American capacity.
- Throughout the world, the battle for control of the medical marijuana segment is likely to heat up as major pharmaceutical and API-related companies enter the space. This presumes that there is sufficient demand for medications that include THC as one of the compounds.
- Throughout the world, as CBD usage for medical purposes increases, the industrial hemp industry is likely to overtake the marijuana industry for extracted CBDs.

IDENTIFIED PROBLEMS

Big Cash-Rich Corporations are Forcing Smaller Cannabis Businesses “Out-of-Business”

Throughout the world the legal cannabis industry is a highly-fragmented industry with thousands of small-to-medium-sized growers, active ingredient extractors, product manufacturers, and retailers. Competition is becoming fierce, with the larger players in a better position to ride out the upcoming shakeout – consolidation. In addition, outside big business with deep pockets are entering the market. This leaves smaller businesses struggling in terms of access to market share and capital. Many will fail.

The phenomenon of a major industry shakeout is not new. There have been industry disruptions in automobiles, internet service providers, PC manufacturing, tires, televisions, antibiotics, venture funding, etc. The number of producers typically peaked – and then fell by 70 to 97 percent.

Why Smaller Operations are Not Able to Effectively Compete:

Ineffective Sell-Buy-Sell infrastructure – both Wholesale & Retail

The sell-buy-sell marketing infrastructure chain for the legal marijuana industry, from grower to end-consumer, is highly inefficient, ineffectual, and fragmented to an extraordinary degree. It is hard for buyers and sellers to find each other, agree on pricing, make transactions, arrange for delivery, etc. in the most efficient and beneficial manner. By not maximizing efficiency they can not compete effectively.

In general, the legal marijuana industry is a highly-fragmented industry exacerbated by inefficiencies and across state lines different rules and regulations. This is unlikely to change.

Over Reliance on Brokers

Many “hands on” businesses in the industry, from growers to retailers, rely on brokers. This is the “old” way of doing things and is not unique to the legal marijuana industry. The use of brokers is a holdover and still common practice in the agricultural industry – but it is changing relatively fast because of technology. It is also wasteful, expensive, and has a negative effect on the bottom-lines of sellers and buyers. As competition increases and harvest selling prices decrease for growers, this is a cost that can be controlled by a reduction in the practice of using brokers.

No Centralized Marketplaces *Per Se* for Wholesalers or Retailers

The “industry” is comprised mostly of smaller growers growing thousands of different “strains”. Because of consolidation in the industry smaller growers will become “craft growers” and specialize in high-quality strains. The larger growers will dominate. In any case, to improve their bottom-lines small-to-medium-size growers need more convenient and greater direct access to buyers. What negatively affects the grower negatively affects the manufacturer and retailer as well.

- There are few convenient and dedicated marketplaces for wholesale growers, extractors, product manufacturers, and retailers (who purchase wholesale for resale) to find each other, peruse each others wares, and transact business.

- There is no consolidated and effective marketplace for retailers which serves both their wholesale needs as well as their forward facing retail customers. There are, however, a number of “locate a product or business” websites – essentially just search engines.

The Well-Known Banking Problem

Legal marijuana businesses, like any business, need bank accounts in order to deposit their cash revenues, pay their bills, acquire new supplies, pay employees, and pay taxes.

In the United States, most cannabis and cannabis-related businesses do not have easy access to traditional financial institutions (banks and banking). This is well-known worldwide problem and is not unique to the United States. The reason for this is that marijuana is illegal in most countries.

Banks are prohibited from doing business with illegal entities. However, in the USA, if banks follow certain federal guidelines they can do business with legal marijuana-related businesses. According to FinCEN’s Q1 2017 *Marijuana Banking Update*, nearly 300 banks and 50 credit unions in the United States were providing banking services to marijuana-related businesses. FinCEN (Financial Crimes Enforcement Network) is a bureau of the United States Department of the Treasury. Still, for a number of reasons, most banks shy away from doing so.

In Canada the banking problem is not the same.

Medicinal cannabis has been legal for almost 2 decades and recreational marijuana becomes legal throughout the whole country in 2018. The Bank of Montreal, Toronto-Dominion Bank, Alterna Savings and Credit Union Ltd. are emerging as the financial institutions of choice for Canada’s burgeoning marijuana industry (estimated at \$7.3 billion by 2021 – \$6 billion recreational).

Standalone Cryptocurrencies Do Not Solve the Banking Problem.

The use of cryptocurrencies *in and of themselves* do nothing to alleviate the banking problem. Most do little to add value to the industry but are instead players in the speculative trading arena. In any event,

1. converting to and from cryptocurrencies and fiat (government issued money) still requires a bank, and
2. businesses in the “hands on” part of the industry are required to demonstrate total transactional accountability and transparency (cryptocurrency can meet this requirement).

Moreover, the industry has been reluctant to embrace cryptocurrencies due to their constant fluctuation in value by speculators which makes it difficult to establish accurate pricing and can also have a substantial impact on revenue stability.

“The banking issues are going to be solved in such time that the people in this industry are going to gravitate toward traditional banking.”

Source: Jeffrey Zucker, Green Lion Partners

Use of Cryptocurrency from the Customer's Perspective

From a retail consumer standpoint, the advantages of using cryptocurrency versus cash appear marginal. One benefit is low fees—or none at all. But why bother fussing with an app and buying cryptocurrency if you can find an ATM and just pay with cash? Furthermore, although cryptocurrency is reportedly accepted at some cannabis businesses, few people are actually using it.

“We have a bunch of shops that accept DopeCoin, but no one uses it,” says Adam Howell, creator of DopeCoin ... “I haven’t seen one actual dispensary or marijuana company use one of these marijuana cryptocurrencies to store their money or conduct daily business. It’s more of a gimmick at this point.”

Source: <https://www.leafly.com/news/science-tech/why-cannabis-and-cryptocurrency-have-yet-to-hit-it-off>

The Goal of Industry-specific Cryptocurrencies

The goal of industry-specific cryptocurrencies is to facilitate secure transactions within a particular industry or company. However, standalone cryptocurrencies, such as Potcoin or Paragon Coin, do not meet that goal and offer little value or use to most buyers or sellers. Merchants accepting cryptocurrency can already use Bitcoin or any number of other standalone digital currencies.

Presently, without a wholly-integrated cryptocurrency such as the Tokin’ Token, seed-to-sale solutions and bank interconnected blockchain-based platforms are more effective mainstream solutions to the banking problem.

Conclusion

In the worldwide legal marijuana industry, any cryptocurrency must first be *used*. Above all, it **MUST** be beneficial for all in the industry, from nursery to retail customer. Only one, the Tokin’ Token, a dedicated and totally-integrated cryptocurrency, is designed to meet the industry’s needs and benefit all.

THE TOKIN' TOKEN NETWORK™

“If someone could gain market share, they’d be the only game in town and they’d be phenomenally successful. ... I can also appreciate the idea that it makes sense to build a network for cannabis businesses.”

Cory Flanigan, CTO, Tokken.

Source: <https://www.leafly.com/news/science-tech/why-cannabis-and-cryptocurrency-have-yet-to-hit-it-off>

Welcome to the Tokin' Token Network™

The *DHGate* of the Wholesale Cannabis Industry

The *Taobao* of the Retail Cannabis Industry

People Use the Tokin' Token Network to Buy,
Not to Shop

Powered by the

Tokin' Token™

The Right Time, the Right Place

In the face of consolidation it is particularly critical that smaller businesses have a place to market their products to a wide audience of buyers for a fair price without being “pushed” out by the “big guys.” For extractors, product manufacturers, and retailers access to many high-quality growers and the marijuana they produce helps assure them of producing and selling high-quality products.

The Tokin' Token Network, powered by the Tokin' Token, is a worldwide membership-only network whose members co-exist in a collective partnership to create a more inclusive, cohesive and relevant industry. In today's cannabis world, the Tokin' Token Network is the only network of its kind.

Secure Trade Lanes

- The network perspective is essential in order to address economic and security threats in the modern economy. Networks of trusted traders are the basis for secure trade lanes.
- Tokin' Token Network members work in tight coordination to optimize network performance and the realized benefits are shared amongst the network partners.

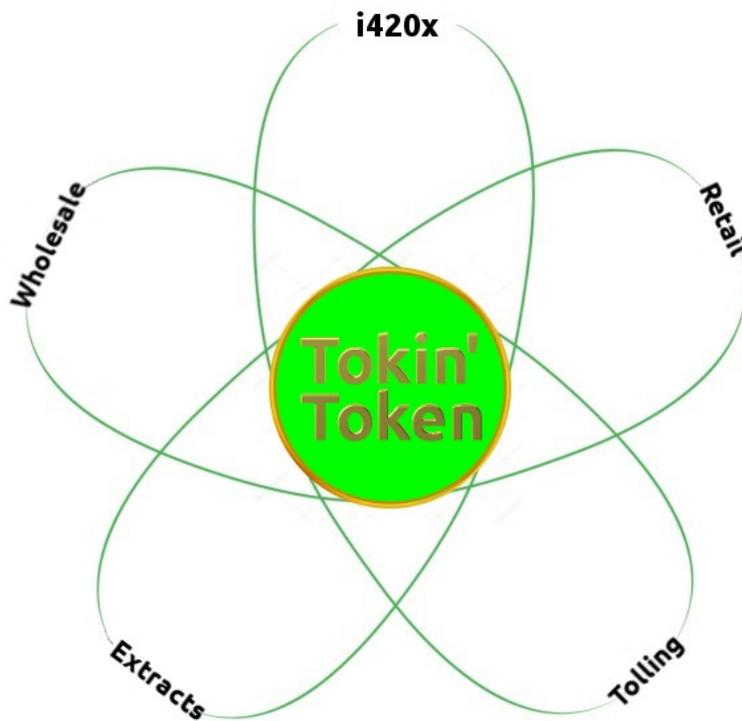
Secure Channels

- Network members collaborate in order to prove the existence of end-to-end control over the whole network. This is known as a “secure channel”, where Network *Partners* prove full traceability from the origin to the destination of goods, including all the components involved in the manufacture, distribution, and sale of these goods.
- Because the legal marijuana industry is a highly-regulated industry with mandatory requirements, Network partners collaborate in order to achieve end-to-end control of both physical and information assets, maintaining transparency in their operations, accumulating and aggregating information from all of their partners and suppliers and making it accessible to any government organization that needs to see it.

Blockchain Secure

The Tokin’ Token Network is positioned to take advantage of and capitalize on the distinct phases of the worldwide legal marijuana industry, from grower to retail customer. Powered by the Tokin’ Token, the Network utilizes blockchain technology wherever appropriate.

The Tokin’ Token Network



Safe Payment – Escrow Protected

On the Tokin’ Token Network payments are transacted using the Tokin’ Token. To better protect all parties, wholesale payments are completed using escrow services. In escrow, the buyer’s “money” goes to a third-party (in this case the smart contract) and the seller ships to the buyer. Upon acceptance by the buyer, the escrow service is notified and releases the funds to the seller. Of course, if the buyer does

not accept the shipment he/she sends it back to the seller. Once the seller accepts the return, the escrow service releases the funds, minus any fees, back to the buyer. If there is disagreement, it is settled through arbitration.

Pre-Qualified Sellers and Buyers

All wholesale B2B buyers and sellers are “vetted” - meaning they must be licensed by their respective states. Licensure will be verified. Retail dispensaries and recreational stores are B2B buyers when they purchase product for resale.

B2C sellers are dispensary and recreational stores. They too are vetted. Retail customers do not have to be members of the network though there are incentives to be so, such as additional discounts or accumulation of credits on future purchases. Ancillary businesses and advertisers may or may not be members of the network.

i420x.com – the *DHGate* for the Wholesale Cannabis Industry

i420x.com is a business-to-business (B2B) e-commerce website that facilitates the wholesale sale of cannabis and related products between independent small- and medium-size businesses. The wholesale marketplace is applicable to the entire wholesale supply-chain, from growers to retailers. Similar to 1688.com and Dhgate.com, wholesale sellers on i420x.com list their wares and have access to their own storefront. Buyers purchase from the sellers while i402x.com handles the transaction.

Wholesale Seller Benefits:	Buyer Benefits:
<ul style="list-style-type: none"> • significantly increase their exposure to a pre-qualified audience and acquire new customers. • effectively compete with larger operations while simultaneously maintaining their independence. • highlight their company and products through i420x’s continuous marketing efforts. • access to their own online storefront, at no cost, to assist them in product exposure, increase sales, and make purchasing of their products simpler for buyers. • better ensure their odds of success in a highly-competitive industry. 	<ul style="list-style-type: none"> • access to and assurance of high-quality raw materials from top-of-the-line nurseries, “craft” growers, and extractors that take enormous pride in their product. • support of like-minded and fellow member businesses while at the same time purchasing high-quality product at favorable prices. • realize economies of scale in product, facilities, equipment, and supplies purchases. • ability to view multiple sellers and their products. • ease in making purchases, whether from one or multiple sellers. • assurance that they, the buyer, will get what they paid for. The seller does not get paid until the order is accepted by the buyer. • satisfaction in knowing that they are purchasing from an independent, smaller enterprise dedicated to quality instead of a large so-so conglomerate.

Benefits for Retailers:	
<ul style="list-style-type: none"> • access to and assurance of high-quality products that use only the highest-quality raw materials from smaller “craft” growers and manufacturers that take enormous pride in their product. • ability to view multiple sellers and their products. • ease in making purchases, whether from one or multiple sellers, at favorable prices thus increasing their profitability. 	<ul style="list-style-type: none"> • where permitted, purchase online, self-pickup or delivery of purchased product. • additional purchase price savings when using the Tokin’ Token as the transaction currency. • satisfaction in knowing that they are purchasing from an independent, smaller enterprise dedicated to quality instead of a large so-so conglomerate.

Wholesaler’s Marketplace Stores

Marketplace sellers automatically have their own storefronts on the platform for which they have membership. This storefront is immediately available and at no cost, to use or not. These stores, although feature-rich, are not meant to replace the seller’s dedicated website or ecommerce solution. They are meant for buyers to immediately view a store owner’s other offers, make additional purchases, or start a transaction if desired. The Tokin’ Token is used for transacting business between the buyer and seller. The use of fiat is also permitted when necessary. Advertising on network stores by competitors is not permitted.

i424u.com – the Taobao of the Cannabis Industry

Powered by the Tokin’ Token, i424u.com is a business-to-consumer (B2C) e-commerce marketplace that facilitates the retail sale of cannabis and related products from Network member retailers to their customers. Similar to Taobao.com but laser-point focused on legal cannabis, i424u.com retailers list and sell their product inventory, buyers purchase from retailers, and i424u.com handles the transaction. As with the wholesale marketplace, retailers have access to their own storefront for showcasing their products, making additional sales, special offers, etc.

Retailer Benefits:	Retail Customer Benefits:
<ul style="list-style-type: none"> • effectively compete with larger operations while simultaneously maintaining their independence. • realize economies of scale through the combined efforts of Network members. • have access to the highest-quality products at favorable rates, especially when using the Tokin’ Token. • highlight their own company and products on their own storefront. • increase sales and product recognition through i424u’s continuous marketing efforts. • significantly increase their exposure to the buying public and acquire new customers. 	<ul style="list-style-type: none"> • assurance of highest-quality products produced from “craft” growers and manufacturers. • ability to view multiple sellers and their products. • ease in making purchases, whether from one or multiple sellers. • where permitted, purchase online, pickup at the store. • additional purchase price savings when using the Tokin’ Token as the transaction currency. • satisfaction in knowing that they are purchasing from an independent small enterprise business dedicated to quality instead of a large so-so conglomerate.

Retailer's Marketplace Stores

Marketplace sellers automatically have their own storefronts on the platform for which they have membership. This storefront is immediately available and at no cost, to use or not. These stores, although feature-rich, are not meant to replace the seller's dedicated website or ecommerce solution. They are meant for customers to immediately view a retail store owner's other offers, make additional purchases, or start a transaction if desired. The Tokin' Token is used for transacting business between members. The use of fiat is also permitted when necessary. Advertising on retail stores by competitors is not permitted.

The Network as an Advertising Platform

For advertisers, the Tokin' Token Network is an ideal platform for reaching almost any audience involved in the production, distribution, and retailing of cannabis products. Advertiser know they have a highly-targeted, vetted, and interested audience.

THE TOKIN' TOKEN™

When a group decides to pitch in on a bowl of marijuana with their respective stashes, their individual nugs are *token' tokens*. At least one token is usually required to participate in the smoking of said bowl.

Source: www.UrbanDictionary.com

Because all legal marijuana industry businesses are highly-regulated and *must* comply with regulations, the Tokin' Token Network also places strong emphasis on being regulatory compliant. Tokin' Token tokens are true “utility tokens” specific to and designed for transacting business within the Tokin' Token Network.

Built on the Stellar Protocol

Tokin' Token tokens are built on top of the Stellar Protocol. The primary purpose of Tokin' Token tokens is to be used as a medium of exchange with other Tokin' Token Network members in the course of conducting business. The blockchains and protocols we evaluated were Ethereum, Ripple, Stellar, and NEO. Both Ethereum and NEO have expensive transaction fees and require “gas” for each transaction. On the other hand, both Ripple and Stellar are very fast, have significantly inexpensive transactional costs, and are out-of-the-box more secure.

Both Stellar and Ripple are payment systems and though similar they serve 2 different purposes and markets. Ripple targets large financial institutions and banks whereas Stellar targets smaller entities and individuals as the user base. Stellar is designed to facilitate currency-to-currency transactions and makes sure liquid markets exist between any asset or coin combination. We chose Stellar.

Reasons for selecting the Stellar platform include:

1. It is much easier and less expensive to convert to fiat and back.
2. Speed – an individual's transaction will take 3-5 seconds.
3. Low Transaction Fees – <0.00001 or about \$0.01 / 1-300,000 transactions (depends on market exchange prices).
4. Built-in Security, such as Multi-Signature Authorizations, using the Ed25519 algorithm.
5. Built-in Compliance Protocol (KYC – Know Your Customer and AML – Anti-Money Laundering).
6. Tokens are more secure than with Ethereum or the ERC20 protocol.
7. Built-in ability to “freeze” assets (tokens) in someone else's account (particularly handy in case of theft or if you've mistakenly entered the wrong wallet address.).
8. Limit on who can hold tokens.
9. Built-in Decentralized Exchange (Tokens can be instantly traded, on Day 1 if programmed to do so, without relying on third party exchanges.)

Stellar Smart Contracts

Smart contracts are software code that runs on a blockchain or a protocol. Stellar Smart Contracts (SSC) are compositions of transactions that are connected and executed using various constraints.

A smart contract “is a computer program that directly controls some digital asset ... and the program runs this code and at some point it automatically validates a condition and it automatically determines whether the asset should go to one person or back to the other person, or whether it should be immediately refunded to the person who sent it or some combination thereof.”

Source: Vitalik Buterin

When a pre-programmed condition is triggered, the smart contract will execute the corresponding contract terms. Smart contracts can restrict behavior, requiring the parties to adhere to certain conditions. This is extremely important in regards to regulatory compliance as required in the legal marijuana industry. Smart contracts permit regulatory auditors to verify compliance by showing proof that certain conditions were met or not met and when.

Future Looking Statement of the Tokin’ Token

The Tokin’ Token is the preferred medium for transactions within the Tokin’ Token Network. It is designed to be “spent.” Over time this will necessarily result in a decrease in the number of tokens which requires “money market-like” mechanisms to be in place to help stabilize it’s value . Regardless, the token is anticipated to appreciate in usage as the Tokin’ Token Network expands worldwide in the fast growing legal cannabis industry.

- Legal cannabis market in Europe will be worth £115,000,000,000 (\$151,100,000,000 USD) within ten years. ... Europe could be the largest dealer of cannabis in the world by 2028.
Source: Prohibition Partners, London, UK, The European Cannabis Report™ - 3rd Edition, July 2018
- The Canadian market is estimated to range from \$8.7 billion to \$22.6 billion CAD. (\$6.64 to \$17.25 billion USD – Exch. Rate of 0.76 on 18 March 2018)
Source: <http://www.macleans.ca/news/canada/how-big-is-canadas-marijuana-market-really/>, June 30, 2017.
- In the United States, the market is estimated at \$5.1 billion to \$6.1 billion in 2017 and projected to increase to \$11.9 billion to \$17.1 billion in 2021.
Source: Marijuana Business Daily Factbook 2017

Different sources have different estimates with most indicating that in 5-10 years time the worldwide legal cannabis industry will be between \$100-300 billion (USD). These differences are due to the fast growth of the industry and the haphazard way that data is currently being collected, if available at all. No matter the size, the Tokin’ Token Network and the Tokin’ Token token are uniquely positioned to become a major player within this industry, on a worldwide basis.

TOKIN' TOKEN COMPETITION

The Tokin' Token is the world's only "integrated" cannabis-related cryptocurrency dedicated specifically to be used as part-and-parcel of a real-world business. It powers the Tokin' Token Network, the world's only cannabis marketing infrastructure and network of its kind, complete with its own internal micro-economy. Combined, the Tokin' Token and the Tokin' Token Network have no discernible competition.

Token Competitors

It can safely be stated that there is no cryptocurrency that will dominate the legal marijuana industry or replace fiat. The industry is just too huge – \$200 billion directly and approaching \$600-650 billion when including ancillary businesses and industries. *That is over 60% of 1 Trillion dollars!* Once banking regulations change, which seems quite possible in 2019-20, most "standalone" cryptocurrencies such as POTcoin and Paragon coin will become insignificant.

The Tokin' Token is not designed to compete with these standalone currencies or any other cannabis-leaning crypto, nor is it designed as a replacement for fiat. Instead, it is designed to be used as a unit of exchange within the Tokin' Token Network and while it is the preferred medium for conducting transactions within the network, the Tokin' Token will work along side any fiat or any cryptocurrency as well.

POTcoin is our closest competitor – sort of

While we believe we do not have any direct competitor with the integrated Tokin' Token, POTcoin, a Canadian-based standalone coin is the most serious contender with regard to the current batch of cryptocurrencies and the cannabis industry. However, it is a standalone coin, adding little value to the industry as a whole. It is marketed primarily as a "banking solution to the cannabis industry" despite the fact that a bank is still required to use the coin in any meaningful way.

Other Cannabis-leaning Cryptocurrencies

- **Dopecoin** is the bad boy of the cannabis-focused cryptocurrencies. They do focus on marijuana, to a degree, but make no judgments as to who is using their currency, where their currency is used, or what their currency is used for. They leave that decision to the user. By its very nature, and the regulatory requirements of the legal cannabis industry, Dopecoin is not considered to be a viable cryptocurrency for the legal cannabis industry.
- **Paragon coin**, a 2017 entry in the cannabis crypto market, is somewhat of a contentious and confusing operation. The value they add to the cannabis industry is not clear and remains to be seen. For the present, emphasis seems to be shared space, real estate related.
- **Greenmed** – is a payment platform catering specifically to the medical marijuana industry, but there is no reason to assume they could not expand into recreational markets as well. Using a credit card, debit card, or bank account, customers can use GreenMed to browse a selection of local dispensaries. Problem is – credit card companies and banks are subject to federal law and marijuana is still illegal.

GENERAL INFO RELATING TO THE SALES EVENTS

The sale of Tokin' Tokens is final and non-refundable. Any and all proceeds, regardless of the funding amount raised, will be used to fund the development of the Tokin' Token Network and ecosystem. Adaptations to the Project Roadmap may be required.

Anyone purchasing Tokin' Tokens expressly acknowledges and represents that they have carefully reviewed this Whitepaper and fully understand the risks, costs, and benefits associated with the purchase of Tokin' Tokens.

Why “Tokenize”?

The Tokin' Token Network business model requires its own internal cryptocurrency in order to most effectively meet its mandate and industry-specific priorities.

Going forward in the new age of legal cannabis, crypto and blockchain technology, and worldwide collaborative and cooperative marketing and sales the cannabis industry needs

1. a specific cryptocurrency focused on providing liquidity of trade for both wholesale and retail trade and transactions. Existing cryptocurrencies have other purposes.
2. a sheltered environment with its own ecosystem where money is safe and that this safety does not depend on a third-party cryptocurrencies.

The value of the Tokin' Token is more stable as it is more aligned with the value of cannabis than with third-party cryptocurrencies or the inflation rates of any particular fiat currency. By using the Tokin' Token, members of the Tokin' Token Network generate substantial savings in fees and other costs that are unavoidable when using traditional banking systems.

When a token has a flaw in its economic model, it will fail. A standalone crypto in any industry is almost guaranteed to fail. This is true regardless if it had a successful ICO or not as can readily be attested to in the performance of approximately 80% of tokens and coins issued in 2017-18, including several standalone cryptocurrencies that have targeted the cannabis industry.

The key to the long-term viability of the Tokin' Token is that it is not a standalone cryptocurrency but integrated directly into the legal cannabis industry, on a worldwide basis, through the Tokin' Token Network.

The Tokin' Token Network, using its own internal secure token for transactions, will change the legal cannabis marketing infrastructure landscape for its members and only by “tokenization” can we accelerate the work to implement it.

Event Registration / Whitelisting / KYC Required

Registration is required by all who wish to participate in the Pre- and Main TGE sales events. During Whitelisting registration, all registrants will need to provide KYC information to confirm their identity and to ensure that no funds are derived from illegal sources.

Restrictions

Certain jurisdictions are prohibited from participating in these sales events. *Please refer to TGE (ICO) Participation – Restricted Areas* of this Whitepaper.

BTC, ETH, and XLM will be Accepted for the Token Sales

An XLM Wallet is Required to Receive Tokin' Tokens?

1. It is absolutely essential that you have your own wallet and
2. that the wallet accepts Stellar (XLM) protocol cryptocurrencies. *Otherwise you, the purchaser, will lose the tokens purchased with no recourse for recovery of funds.*
3. **For your security, make sure your wallet has a private key that you control.**

IMPORTANT: Your exchange account (e.g. Binance/Poloniex/Bittrex/Kraken) DOES NOT COUNT as your own wallet, *as you do not control **their** private keys.*

Technically, exchange wallets are owned by the exchange, not by you. If you send a cryptocurrency from an exchange, you WILL NOT get the Tokin' Tokens when they are distributed since the transfer originates from the wallet of the exchange and not from your own private wallet. Upon distribution, what you think are your tokens will instead go to the exchange – not to you. What you will have done is gifted the exchange and because blockchain transactions are irrevocable, you will have lost your money.

Depnding on the Stellar-compatible wallet, you may need to hold 20 XLM to use the Stellar network, although Stellar only requires 1-2 XLM. To purchase XLM, you typically must go to an exchange and purchase XLM with another cryptocurrency (ETH or BTC, for example). Then transfer those XLM to an exchange offering Stellar (Stellar DEX, Binance, Kraken, etc.). From there, transfer to your Stellar wallet.

List of Wallets

Astral	Papaya	Stargazer
Centaurus	Stellar Desktop Client	Stronghold
Ledger Nano S (safest offline storage)	StellarPort	SAZA
Lobstr		

Anti-Opportunist and Anti-Whale Measures

A Pre-Sale event is an amazing opportunity for opportunists to make a quick buck to the detriment of the project, other participants who purchase small quantities, and to the purchasers of tokens in a Main Sale event.

Therefore, to give all supporters a better opportunity to purchase Tokin' Tokens now and in the future, to help prevent “pump and dump” schemes, and to promote stability within the Tokin' Token Network itself

- we have spread the sales of tokens over 4 weeks for each event,
- we limited each participant's purchase to a maximum equivalent of \$100,000 USD, and
- Pre-Sale purchasers are locked up from selling for a variable number of days ***after*** the Main Sale event concludes ***and*** the token gets listed on its first exchange (Stellar DEX).

We really want everyone who desires to be part of our journey and the creation of a solid and sustainable ecosystem for the legal marijuana industry to participate in our both of our sales events. Implementing conditions into the token's smart contracts is the best that we can do now and we will continue to seek out ways to prevent “whales” and “opportunists” from dominating any sale and potentially damaging the project before it has a chance to succeed.

Token Issuance and Distribution

- We will initially issue a total of 500,000,000 Tokin' Tokens. Time will tell if this is enough as the worldwide market expands. Currently, we are addressing a potential \$200-300 billion USD world market. When ancillary businesses are included it is a \$600-800+ billion market (that is *60-80% of 1 Trillion!*).
- 100,000,000 (100 million) tokens will be distributed in a Pre-Sale event, followed by the distribution of 160,000,000 (160 million) tokens in a Main Sale event. The remaining 240,000,000 tokens are held in reserve for future use within the network. *Any tokens not sold in the events will be deposited into the reserve for anticipated future use within and by the network itself.*
- The Tokin' Token Network has allocated a total of 240,000,000 (240 million) tokens to its reserve fund. These “reserve” tokens will be used to incentivize potential Tokin' Token Network business participants to on-board and use the system. This may be done through the Network gifting or discounting Tokin' Tokens to growers, processors, manufacturers, dispensaries and recreational retail stores as well as support businesses that have a consumer base and are ready to become participants in the Tokin' Token Network and ecosystem.

Tokin' Tokens which are gifted or discounted will be held in escrow for a minimum period of time, typically 1 - 3 years, after they are distributed to ensure that they are used within the Network.

Reserve tokens may be used for future funding needs of the Network and may also be released in such a manner as to help keep the ecosystem stable. In the event of “buy-back” in market stabilization efforts, such tokens will be added to the reserve funds.

- Additional tokens may be generated to meet network requirements as the worldwide legal marijuana industry grows. These tokens may or may not be released to the public. If they are issued to the public, it will be tightly controlled and at market price.

Repayment of Debt Incurred

- 1.25% of funds raised in the Pre-Sale will be used to repay debts incurred.

Founders and Developers

- In total, 7.5% of tokens issued are designated for the founders and developers. 10% in the Pre-Sale and 5% in the Main Sale. These tokens will be held in escrow and released on a scheduled basis.

Price Volatility Counter Measures

Conditions Triggering a Controlled Release of Reserve Tokin' Tokens.

The total number of Tokin' Tokens in circulation is anticipated to gradually decrease as they are "spent" for products and services within the Tokin' Token Network by its members and users of the tokens. In addition, there may be speculators who hold enough tokens to artificially decrease supply and increase value, both of which are detrimental to the utility of the token. As a result, the tokens value may increase. In the event that this causes severe volatility in price, the Tokin' Token Network will sell tokens from its reserve to gradually bring market price back in line with a minimum deflationary goal in line with the monetary targets of the USA and/or the EU.

Conditions Triggering a Buy-back of Tokin' Tokens.

If excessive sell volumes on cryptocurrency exchanges results in a significant drop in price value of the Tokin' Tokens, the Network may intervene by buying back tokens using the reserve funds (held in escrow from the proceeds of the token sales) to help stabilize the market. These buy-back tokens will be added to the Tokin' Token reserves. If we implement a buy-back, there is no guarantee as to *when* or *how* or even *if* the buy-back tokens will be released back into the market.

THE PRE-SALE

THE PRE-SALE IS SCHEDULED TO RUN FOR 28 DAYS.

This sale may end earlier. The quantity of tokens for sale is capped at 100,000,000 tokens. When the cap is reached, the sales event will conclude. Any participant funds received after reaching the cap will be denied and never leave the sending wallet.

Tokens purchased in this event are subject to lockup. See *Token Post-Sale Distribution*, below.

Start Date / Time	End Date / Time*
INSERT Day/Month/Year 4:20 PM (Pacific/Los Angeles)	INSERT Day/Month/Year 4:20 PM (Pacific/Los Angeles)

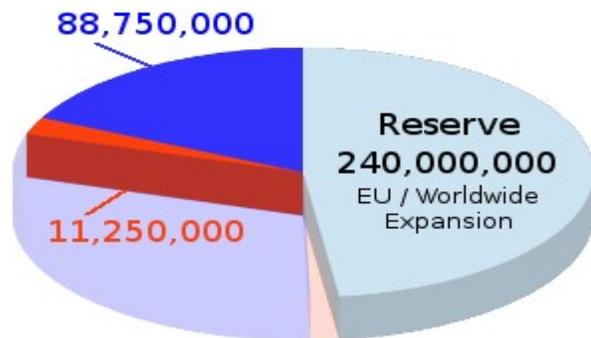
See <https://www.timeanddate.com/worldclock/> if you need help with referencing the time.

Total Tokens Authorized: 500,000,000

Tokens Issued for Pre-Sale Distribution: 100,000,000

100,000,000 tokens are released for the Token Generation Event Pre-Sale.

- 88,750,000 tokens are available for purchase by the public. (88.75%)
- 11,250,000 have been put into escrow for founders and developers. (11.25%)
- 160,000,000 are held in reserve for the Main Sale, and 240,000,000 are held in reserve for future expansion into the EU and other countries.



Pre-Sale Token Price: 2 XLM

The initial token price for the Pre-Sale will be set at 2 XLM. The price will remain at 2 XLM for the duration of the Pre-Sale or until all tokens are sold.

Minimum Purchase Amount: 1,000 XLM
Maximum Purchase Amount: 500,000 XLM

Each participant is limited to a minimum of 1,000 XLM and a maximum of 500,000 XLM. This allows many more early supporters to purchase at Pre-Sale discounted prices.

Payment Method(s)

Accepted payment methods: BTC, ETH, XLM.

At the time of purchase, the crypto used to make the purchase will be evaluated against the current price of XLM and the price to purchase 1/8 oz. (3.54 grams) of high-quality cannabis bud. The adjusted purchase price will be prominently displayed on the Tokin' Token Network and published prominently on the front page of TokinToken.net on the date of the sale. The buyer will get the exact amount of Tokin' Token tokens that their crypto of choice is worth at the time of transaction.

Token Post-Sale Distribution

Token distribution will be provided approximately 15-45 days after completion of the Pre-Sale Event, taking all checks and safeguards into account.

Tokens purchased in the Pre-Sale Event are subject to a lockup. The Pre-Sale tokens will be unlocked after the Main Sale Event concludes.

Lockup for Pre-Sale

Event Purchasers	Founders and Team Members
<p>Lockup Time: 7 Days after Listing on the Stellar DEX (Stellar Decentralized Exchange).</p> <p><i>Listing takes place <u>AFTER</u> the Main Sale Event concludes.</i></p> <p>Reason: To prevent Post Main Sale dumping of Pre-Sale tokens, be more fair to participants in the Main Token Sale, and to keep a more stable token price.</p>	<p>Lockup Time: For the Pre-Sale - 15 Days after Listing on the Stellar DEX for 5% of their holdings; 60 days for 15%; 6 months for 40%; and 12 months for 40% of their holdings.</p> <p>Reason: To prevent dumping at any time, be more fair to participants in the Main Token Sale, and to keep a more stable token price.</p>

Any unsold tokens will be added to the EU / Worldwide Expansion Reserve.

THE MAIN SALE

THE MAIN SALE IS SCHEDULED TO RUN FOR 28 DAYS.

This sale may end earlier. The quantity of tokens for sale is capped at 160,000,000 tokens. When the cap is reached, the sales event will conclude. Any participant funds received after reaching the cap will be denied and never leave the sending wallet.

Tokens purchased in this event may be subject to lockup. See *Token Post-Sale Distribution*, below.

Start Date / Time	End Date / Time*
INSERT Day/Month/Year 4:20 AM (Pacific/Los Angeles)	INSERT Day/Month/Year 4:20 AM (Pacific/Los Angeles)

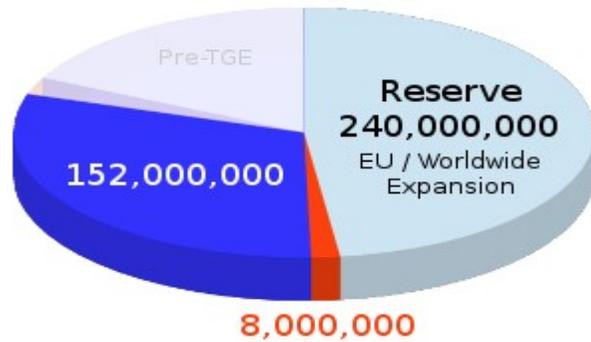
See <https://www.timeanddate.com/worldclock/> if you need help with referencing the time.

Total Tokens Authorized: 500,000,000

Tokens Issued for Main-Sale Distribution: 160,000,000

160,000,000 tokens are released for the Token Generation Event Main-Sale.

- 152,000,000 tokens are available for purchase by the public. (95%)
- 8,000,000 have been put into escrow for founders and developers. (5%)
- 240,000,000 are held in reserve for future expansion into the EU and other countries.



TGE Main Sale Token Price: 3-4 XLM (estimated)

The initial token price for the Main Sale will be set at the time of the event. At this time it is estimated to be set at 3-5 XLM.

Minimum Purchase Amount: 1,000 XLM (estimated)
Maximum Purchase Amount: 500,000 XLM (estimated)

Each participant is limited to a minimum of 1,000 XLM and a maximum of 500,000 XLM. This allows many more people to participate in the Main Sales event.

Payment Method(s)

Accepted payment methods: BTC, ETH, XLM.

At the time of purchase, the crypto used to make the purchase will be evaluated against the current price of XLM and the price to purchase 1/8 oz. (3.54 grams) of high-quality cannabis bud. The adjust purchase price will be prominently displayed on the Tokin' Token Network and published prominently on the front page of TokinToken.net on the date of the sale. The buyer will get the exact amount of Tokin' Token tokens that their crypto of choice is worth at the time of transaction.

Token Post-Sale Distribution

Token distribution will be provided approximately 5-14 days after completion of the Main Sales Event, taking all checks and safeguards into account.

Lockup for Main Sale

Event Purchasers	Founders and Team Members
<p>Lockup Time: There is NO lockup in place for Main Sale purchasers.</p> <p>Listing will be on the Stellar DEX 15 days after the Main Sale token distribution concludes.</p> <p><i>Tokens from the Pre-Sale will be unlocked 14 days after Listing.</i></p>	<p>Lockup Time: For the Main Sale - 28 days after the initial Listing on the Stellar DEX exchange.</p> <p>Reason: To prevent dumping, be more fair to participants in the Main Token Sale, and to keep a more stable token price.</p>

Any unsold tokens will be added to the EU / Worldwide Expansion Reserve.

ALLOCATION OF FUNDS

The Tokin' Token Network aims to achieve all milestones on its Project Roadmap, regardless of the funding amount raised from the Token Sales. Depending on the quantity raised, the Project Roadmap will be adapted as required.

From Pre-Sale

The proceeds from the Pre-Sale event are designated for use in the establishment and solidification of the Tokin' Token Network. Funds will be used for infrastructure development, operation, maintenance, ecosystem implementation, new product/services development, and marketing in preparation for the full Tokin' Token Network and Tokin' Token rollout in North America. From the 11.25% founder and developer token set-aside, 1.25% of funds raised will be used to repay debts incurred. The remaining tokens (10%) will be held in escrow and released via a predetermined schedule.

Assuming the full amount is raised, allocation of funds are approximately:

Designation	Allocation
Pre-Sale TGE and associated costs	0.42%
G&A, Network and Platforms Development	54.58%
Marketing	15.00%
Legal and Tax Fees	25.00%
Contingency Reserves	5.00%

These funds will not be accessed and distributed to employees or investors as any sort of cash payout.

From Main Sale

The proceeds from the Main Sale event are dedicated to the build-out of the Tokin' Token Network via investments in legal cannabis-related businesses that align with the goals of the Tokin' Token Network. All businesses invested in will become members of the Tokin' Token Network and use the Tokin' Token as the preferred means for transacting business. This will add significant value to the Tokin' Token Network and may or may not add value to the Tokin' Token which powers the Network. 5% of tokens issued (founder and developer set-aside) will be held in escrow and released via a predetermined schedule.

Allocation of funds raised are approximately:

Designation	Allocation
Legal and Tax Fees	25.00%
Network Build-out (acquisitions and investments)	65.00%
Marketing	10.00%

These funds will not be accessed and distributed to employees or investors as any sort of cash payout.

PROJECT ROADMAP

May 2017– May 2019	Concept Development. Develop marketplace prototypes.
June - Aug 2019	White Paper & Concept Validation (peer review) Finalize White Paper. Continue marketplace prototypes development. Develop Event Website.
Aug 2019	Pre-Registration for token Pre-Sale and Main Sale begins. KYC / AML verification process begins. Eligible participants are notified.
TBD 2019 15-45 days after event concludes (lockup applies)	Pre-Sale Token Generation Event Token distribution. Tokens are locked until 7 days after listing on the Stellar DEX (listing is 15 days after Main event concludes).
TBD 2019 5-14 days after event concludes.	Main Sale Token Generation Event Token distribution. There is no lockup, however, token will not be listed until 15 days after the event concludes.
TBD 2019 15 days after Main Sale Completed	Tokens listed on Stellar DEX . Sales of advertising for industry support organizations will begin.
TBD 2019	Network Data Center development complete, brought online. Initial industry members acquired. Initial Deployment of marketplaces. Initial Other Company Investments. First marketplace sales.
TBD 2019	The following will have been developed , tested, and implemented: <ul style="list-style-type: none"> • Mobile App. Developed and tested for Android and iOS. • Tokin’ Token Wallet. A customized version of the Stellar wallet. • API interfaces to Seed-to-Sale and Point-of-Sale providers, concentrating on State-sanctioned providers. • Marketplace support for other shopping carts and other crypto-fiat-crypto providers. • Jumpstart subsidiaries operational. • Gift cards issued. • EU development started
TBD 2020	The whole of the Tokin’ Token Network will be rolled out to Europe.