



XUSD PRIME Technical Whitepaper

GATEWAY TO THE 4TH INDUSTRIAL REVOLUTION

Version 4.0

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1. ABOUT XUSD

In late December 2017, the leadership of **ICTS Trust ATOA, LLC** had a rather important meeting to discuss several new key business sectors of interest that were to be added to the roadmap for the coming year. One of those new areas of interest happened to be the cryptocurrency market space. Early on, **ICTS** leadership identified the importance of this new market vertical and discovered that cryptocurrency was indeed the best possible solution to elevate the Sovereign indigenous tribes; that the Trust represented; onto a level playing field comparable with modern traditional finance options. This revolutionary realization directly established that blockchain technologies would surely become the game changer that was required to make this equalization a reality. Thus, **XUSD Blockchain Holdings** was born.

During the process of creating the structure behind this new venture, it had become quite clear that the primary focus had to be upon the development of a secure cryptocurrency. To best accomplish this task, **ICTS** leadership; along with the newly founded leadership team at **XUSD**; began an ardent process of thorough research and practical study to determine the best possible plan of action to develop this new currency as well as to discover what laws and treaties might be within the public record to justify its creation.

During this well-founded research process, the team quickly discovered that treaty laws established in the late 1800's with regards to indigenous currency under treaty with the United States of America, as well as the Gold Abrogation laws of 1933, provided the justification of this new cryptocurrency product.

From here, the team then began to fully understand the methodology by which to properly attach traditional commodities and precious metals assets behind the currency. This was to be accomplished via the utilization of provisions found under "*The Common Law System of Debits & Credits*", **The United Nations Commission on International Trade Law (UNCITRAL)**, as well as the **Uniform Commercial Code (UCC)**. Throughout the research process, it became abundantly clear that to create something sustainable over the long term; the development of the proper structure for this new product was vastly important to effectively service the global need.

As the research process continued forward, the leadership teams of both organizations learned that it would be vital to the deployment of the cryptocurrency to create a larger market capitalization at the onset of the process via the minting of more tokens; versus minting more during the later stages of the deployment; this would be required to increase the circulation of the total supply into international markets.

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After thorough observation of the vast array of volatile cryptocurrencies within the current market space, it was quickly understood that it would be necessary to bring forward a stabilized, asset backed product that would limit the volatility that has plagued the marketplace since its inception. To accomplish this requirement, the cryptocurrency would need to be classified as valid collateralization under the **BASEL III** international banking compliance standard, as well as the regulatory standards for normal and customary practices as established by the **Securities Exchange Commission (SEC)**, the **Federal Trade Commission (FTC)** and the **Commodity Futures Trading Commission (CFTC)** of the United States. In addition to limiting the overall volatility of the currency, the leadership teams of both organizations have limited the regulatory exposure of this new currency via the exclusive licensure of a fully approved **United States Patent**¹ for the *"Method For Creating Commodity Assets From Unrefined Commodity Reserves Utilizing Blockchain And Distributed Ledger Technologies"*.

Within the rapidly growing market, it became vital under this new hybrid financial model to effectively bridge the traditional banking system with the newly available, blockchain based ecosystems and technologies that were swiftly becoming the new standard within Fintech sector. Thus the birth of the **XUSD FAMILY OF COINS** had been made a reality.

The **XUSD FAMILY OF COINS** are specifically designed as a new financial system equivalent, one based upon abundance and true equity - not made up fiat paper. This new digital currency provides a way to transition from the current system of depreciation into a revolutionary financial ecosystem of appreciation that has the infrastructure in place to support this state-of-the-art abundance-based economy. The leadership team at **XUSD Blockchain Holdings** believes that humanity has been enslaved by the old financial system for far too long and are in great need of a governmentally independent protocol to securely transact and convey property commercially in real time - **WITHOUT** serving corporate interests. Via the utilization of these secure blockchain technologies, with a simple design premise built upon the ideation of *"Peer-to-Peer"* systems architectures, **XUSD Blockchain** and its technology partners have developed what is believed to be a true financial system that enforces equity, honor and fair trade for the first time in generations!

XUSD Blockchain Holdings will continue to perfect this technology for the foreseeable future; while further deploying new cryptocurrencies, commissioning new commodities assets through its partners at **ICTS**, and further integrating cutting-edge network subsystems with its technology partners at **Unified Global Intelligence Corporation** on a global scale.

1. United State Patent No. 11188977B2 - A copy of this patent is included as an annex to this whitepaper.

2. ABOUT XUSD^P™



The **XUSD PRIME (XUSD^P)** tokenization; built upon the Ethereum Network; is specifically designed to be fully backed by our entire active commodities holdings as attached assets. The **XUSD PRIME** cryptocurrency is our premiere digital currency and represents the overall brand as the most asset diversified member of the **XUSD FAMILY OF COINS**. The team at **XUSD Blockchain Holdings** fully realizes that buying and selling cryptocurrencies is not always an easy task, and **XUSD PRIME's** design allows for the long term hold of the digital assets by generally being the most stable of fully diversified digital assets within an investors overall crypto portfolio.

3. ABOUT XUSD^G™

The **XUSD GOLD (XUSD^G)** tokenization; also built upon the Ethereum Network; is directly implemented to be fully backed by our entire active precious metals commodities holdings as attached assets where the pricing is locked to the precious metals markets that are applicable. Originally designed to be backed by only Gold assets, as the precious metals pool provided by **ICTS** has grown and diversified, it became clear that this new addition to the family of digital assets needed to also be diversified to include these new precious metals asset classes. The **XUSD GOLD** cryptocurrency will swiftly become the defacto leader in the market space and will prove to be a valuable yet scalable addition to any investors overall crypto portfolio.



4. ABOUT XUSD^Q™ (coming soon)



The **XUSD QUANTUM (XUSD^Q)** tokenization; built upon a private node of the Ethereum Network; is specifically designed to be fully backed by the active commodities holdings of Central Banking Institutions, registered to the network, as attached assets. The **XUSD QUANTUM** cryptocurrency is our premiere institutional digital currency and represents the best that blockchain technologies have to offer Central Banks for use as a **Central Bank Digital Currency (CBDC)**. **XUSD QUANTUM** is the newest addition to the **XUSD FAMILY OF COINS**, and we believe will swiftly become the definitive leader in the marketplace; forging the future of global **CBDC** standards for year to come.

5. Understanding The Models

In an effort to impart understanding, envision the vast majority of cryptocurrencies within the marketplace under the following terms:

If the earth stopped rotating, it would mean the eventual end of life on this planet. If a fiat currency stopped being used, it would mean the inevitable end of a country. If one of the more recognized **Proof-of-Work (PoW)** or **Proof-of-Stake (PoS)** model tokens were to stopped being traded, it would subsequently lead to its worth equating to zero. With these widely used implementation models being behind a vast majority of today's leading cryptocurrencies, the value of a token highly relies upon how often it's traded within its given market; also known as its rate of trade. This rate of trade is an objective measurement that is often considered when valuing tokens based upon these styles of implementation.

While much of the current media and policy debate regarding cryptocurrencies emphasizes upon the fact that most don't fall within the purview of any government regulatory authority; such as the **SEC**; most of the data disseminated via these outlets often infers that most cryptocurrencies lack the traditional standards enacted to protect consumers. Upon the realization of the erroneous points made in these discussions, it became apparent that a new, value based implementation model for cryptocurrencies would be required to quash this misinformation and ensure a lasting future for the technology.

As the leadership teams of both organizations were deep in further research of the wider crypto marketplace; a detailed analysis of the current standard of cryptocurrency implementation models was performed by the collective technology partner. The data points uncovered during the analysis seemed to suggest that even less attention had been given to several other important yet key features distinguishing cryptocurrencies from both fiat currencies as well as other financial instruments. These key attributes include the lack of a sovereign entity that provides policy interventions to control inflation, the ability of that entity to set exchange rates, and additionally stimulate overall economic activity of the particular market.

Generally, how a government internalizes the way economic actors make decisions and how prices are determined, tends to play a pivotal role in the establishment of expectations upon the future path of the traditional economy. Additionally, these sovereign entities help to stabilize prices as well as exchange rates, by committing to act in an effort to best ensure the forward path.

In the absence of such guidance and policy intervention, it's not so surprising that the overwhelming majority of cryptocurrencies are often associated with large price swings, investor confusion, and potentially unforeseen pitfalls often leading to their ultimate failure. The absence of a stabilizing hand also begins to explain why many large investors have an incentive to act as cryptocurrency whales within the active market; thereby depressing the rate of trade and contributing to both the upward and downward swings therein.

6. The Sovereign Entity Problem

Through this discovery during the teams analytical research of the majority of available cryptocurrencies and their implementation models, it quickly became evident that the lack of a sovereign entity had to be resolved in order to best implement a solid model for the deployment of a value based cryptocurrency into the current marketplace. As a result of further discussion amongst the leadership of both organizations, a simple yet effect concept was arrived upon to solve this somewhat negligent issue.

"THE SOLUTION TO SOLVE THIS DEEP SEATED PROBLEM WAS TO ESTABLISH A CENTRALIZED MANAGER THAT WOULD ENABLE THE CURRENCY AND ITS PRICING TO BE TIGHTLY MONITORED AND CONTROLLED AGAINST THE VALUE OF THE COMMODITIES THAT WOULD BE ASSIGNED AGAINST IT."

The solution to solve this deep seated problem was to establish a centralized manager that would enable the currency and its pricing to be tightly monitored and controlled against the value of the commodities that would be assigned against it. This solution would become a true system of value based governance, activated to secure the pricing of the currency and directly protect against acts of market manipulation by economic actors intent on causing harm to the trading market for their eventual benefit.

It was then agreed upon by the leadership of the group that **XUSD Blockchain Holdings** would be entrusted as that centralized cryptocurrency manager to secure and protect the consumer from nefarious parties intent on causing them harm by negative activities. One of the first steps within the developmental process of creating a protective framework around the **XUSD FAMILY OF COINS**, was to enact a governance policy that would properly gauge, establish, and disseminate the price of the cryptocurrencies against the current globally accepted market rates of the commodities that would be attached. This policy would become known as the "*Base Minimum Price*"; or **BMP**; governance model.



The **BMP Governance** model levies a price against the cryptocurrency by effectively determining the best available market price of the commodities to be utilized as value backing; thereby ensuring that the trading price of the cryptocurrency will **NEVER** fall below the value of the commodities attached to them and only allowing for the upward momentum of pricing to be generated via the rate of trade.

In addition to protecting the price of the cryptocurrency from large downward pricing deviations, the **BMP Governance Policy** protects the market from both cryptocurrency whales as well as those intent on harming the trading markets via the employment of what is known as a *"Pump-and-Dump"* scheme.

Pump-and-dump schemes actioned within the cryptocurrency marketplace are comprised of two phases: the pump, in which the price of an asset is driven up, and then the dump, when a mass selloff is preformed that ultimately drives the prices down. The following is a deeper analysis of how these types of cryptoeconomic warfare by market actors are carried out.

Often during the first phase, a group investors try to get others to buy a coin by hyping it up or by spreading misinformation about it. Imagine, for example, a promise like this one: *"Buy this crypto and make millions this month, it's going from \$0.01 to \$1.00 because it's so unique and special!"* It might be accompanied by many memes featuring rocket ships heading to the moon with different cryptocurrencies depicted on them. Meanwhile, the investors spreading the misinformation already hold a large portion of the coins available.

Once enough crypto holders have been convinced to buy the new token, the second phase of a pump-and-dump scheme begins. After waiting for the price to rise to unreasonable levels, the original investors begin selling their tokens. This causes the price to fall significantly, possibly inducing others to sell as well. The result: the investors who got in late typically wind up taking heavy losses.

Cryptocurrency pump-and-dump schemes where these nefarious investors drive up the price of a coin only to sell it all (or dump it), driving the price back down, are not technically illegal yet, though there is some movement in that direction. But legality aside, knowingly participating in one of these schemes may be one of the riskiest moves an investor can make and has the potential to lead those investors to be **"blacklisted"** by many of the leading exchanges for their participation in such activities.

7. The Proof-of-Value Model

With these facts now fully understood, it became clear that by pairing the **BMP Governance Policy** with a new value based implementation model, that these factors would swiftly become the mandatory integration elements necessary for the proper deployment of a cryptocurrency that truly supplies a definitive, yet meaningful trading value. The well founded establishment of true value via the application of this new, state-of-the-art implementation standard; known as the **Proof-of-Value (PoV)** model; would prove vitally important to the cryptospeculator, the accredited investor and institutional investors alike.

In the diagram listed within this document as Figure 01, as well as the following description; it will be further discussed as to how this new **Proof-of-Value** model applies to the **XUSD FAMILY OF COINS**, and how **XUSD Blockchain Holdings** and its partners intend on forging the path of the cryptocurrency marketplace for the foreseeable future.

Within this model¹, value is securely, yet transparently assigned via the creation of a pool of commodities assets, gathered and placed under contract by a collectivizer; or as in the case of the **XUSD FAMILY OF COINS**, by **ICTS Trust ATOA**. In latter sections of this whitepaper, it will be further discussed as to how both State as well as Privately Owned Mineral Resources are positioned for this process to be properly enacted. After the terms of an agreement are reached between the commodities asset owner and the collectivizer, the assets are assigned to the collective commodities pool.

From this point in the process, an agreement is then made between the collectivizer and a cryptocurrency manager; or in this case, **XUSD Blockchain Holdings**; to digitize and thereby monetize the underlying value of the commodities assigned to the pool.

To accomplish this digitization and monetization of the commodities contained in the collective pool, **Uniform Commercial Code** filings are then made; known as **UCC1** filings; to effectively and efficiently attach those commodities to the blockchain digital ledger. The digital currency assignments made via this method are deployed with the proper apportionment and distribution of the pooled commodities at the sole discretion of the cryptocurrency manager. This functionality presents great opportunities in the facilitation of the attachment of additional assets from the pool and allows for further diversification of asset assignments made to specific tokens within the **XUSD FAMILY OF COINS**.

Upon these pooled asset assignments being made against the tokens, the cryptocurrency is thereby made available to the general public for purchase at the market rates established by the cryptocurrency manager at the time of assignment.

1. See the diagram referenced as Figure 01

8. The Commodities Puzzle

The validation behind the attachment of commodities against cryptocurrencies is often made to be far more complex than necessary. The team of both organizations have jointly developed a definitive methodology for both private organizations as well as Nation States to prepare proven mineral reserves as well as probable mineral exploration assets for attachment to cryptocurrencies as a value backing. This methodology is memorialized in the graphic attached to this whitepaper as Figure 02 and further explained in Figure 03, and will be further discussed within the following descriptions:

Exploration¹ based Mineral Assets can be classified in one of two differing ways: either as inferred mineral resources or as probable mineral reserves. Inferred mineral resources are those determined by the actual mining of a mineral claim, where in the determination of probable mineral reserves are backed by geological surveys and core sample analysis WITHOUT actual mining taking place.

Mineral Reserves are classified in also one of two ways: Either as probable mineral reserves; as previously described; or a proven mineral reserve. In general, a proven mineral reserve is backed by geological surveys and core sample analysis WITH actual mining haven taken place on the claim at a previous point in time.

When applying a valuation to such assets, proper consideration must be given to the mining, processing, metallurgical assay, as well as the economic, environmental, social, infrastructural, legal and governmental impact factors of such valuation and monetization activities of a given claim. In addition to these modifying factors, the underlying effort to effectively market the valuation and monetization activities thereof, also play a role in the overall action of properly determining the valuation of those reserve assets.

With these key modifying factors identified, the process² by which these assets are assigned, digitized and then distributed to provide the assessed value against the digital ledger, becomes a rather straight forward process. The following description is how this process is functioned to assign these mineral assets:

State or Privately owned mineral resources are pledged either directly or through their respective country. The asset claims are then assigned to a Foreign Private Mining Company who makes the promise to return the claim to either the private or State asset holder via contract. The Foreign Private Mining Company then digitizes those claims through an asset manager to the blockchain.

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1. Please see the diagram referenced as Figure 02 for this description.
2. Please see the diagram referenced as Figure 03 for this part of the description.



Those newly digitized claims, now an **XUSD FAMILY COIN**; are then deposited to a Domestic Bank as collateralization for fiat currency loans from the Central Bank of that Nation State. The Domestic Bank then transfers those **XUSD FAMILY COINS** to the Central Bank, whereby the Central Bank then loans fiat currency equal to the value; plus interest; of the claims assigned. The Domestic Bank thereby makes fiat currency loans or lines of credit; minus the applicable interest charge; available to the Foreign Mining Company. The Foreign Mining Company then has the fiat capital necessary to complete work on the claim whereby mining the assets on behalf of the private asset holder. In the event of a Nation State being involved, the asset claim is mined on their behalf by the Foreign Mining Company; whereby proper dividend returns against the claim can made to the respective Nation State. In respect to the completion of the contract, the claim is then released to the asset holder based upon the respective contractual obligations agreed upon by both parties.

9. The XUSD Difference

To date, **XUSD Blockchain Holdings**, its associated asset holders, as well as our collectivizer partner have compiled a physical asset pool valued well in excess of \$3.4 Trillion US Dollars allocated as collateral against the **XUSD FAMILY OF COINS**. With our new PoV cryptocurrency documentation plan and the BMP Governance Model, all Smart Contracts deployed by **XUSD Blockchain Holdings** have proven to provide an unmatched level of functionality that truly presents great opportunities in the facilitation of additional asset assignments as well as creates an overall scalability of the **XUSD FAMILY OF COINS** that far outpaces any other cryptocurrency that is currently available within the marketplace today.

10. The Team



James "Jim" Nelson

Founder & Managing Partner

A true leader and pioneer in the creation and leadership of unconventional start-ups, Mr. Nelson has assembled a team of subject matter experts that rival many Fortune 500 companies. Under his expert leadership, Jim has lead XUSD Blockchain Holdings towards a bright and prosperous future.

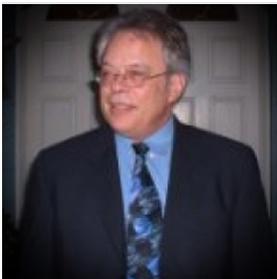


Dr. Brian K. Fontenot II

Senior Code Scientist

Founder & CEO ~ Unified Global Intelligence Corporation

Former Intelligence analyst and communications specialist with a software development concentration in cryptography and data sciences. Dr. Fontenot has been a leader in both legal policy and procedural development for Central Bank Digital Currencies globally.



Walter Kimberling

Director of Information Management

CIO ~ ICTS Trust ATOA, LLC

Serving as CIO for ICTS since almost it's inception, Mr. Kimberling has enjoyed an illustrious career within the information technology sector for nearly 30 years. A strong specialist in database systems and information management, he leads the way forward for ICTS as its subject matter expert within the space.



Steven Andersen

Public Information Manager

PIO ~ Unified Global Intelligence Corporation

Highly Accomplished Podcaster and Live Streaming Pioneer, Mr. Andersen has lead the charge for UGIC as well as XUSD Blockchain Holdings in providing direct and insightful press engagement as well as public marketing via social media and select online outlets.



Jareth Thomas

Network Systems Architect

CNSO ~ Unified Global Intelligence Corporation

Former Deputy Sheriff and Network Systems specialist with over 20 years of experience, Mr. Thomas has proven his skill in the advent of special decentralized network architectures that are highly secure and super scalable.



Ivis "Bo" Davis

Senior Data Scientist

Research Scientist ~ Unified Global Intelligence Corporation

Serving in the U.S. Navy as an aviation electrician and his later years as a Field Service Engineer brought him into contact with advancing technologies, whetting his interest in the sciences. An inventor and advanced technology pioneer.

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PURCHASERS SHOULD ONLY PURCHASE XUSD FAMILY OF TOKENS IF THEY FULLY UNDERSTAND THE NATURE OF THE XUSD FAMILY OF TOKENS AND ACCEPT THE RISKS INHERENT TO THE XUSD FAMILY OF TOKENS.

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THE UNCERTAINTY IN TAX LEGISLATION RELATING TO CRYPTOGRAPHIC TOKENS AND DIGITAL ASSETS MAY EXPOSE CRYPTOGRAPHIC TOKEN HOLDERS TO TAX CONSEQUENCES ASSOCIATED WITH THE USE OR TRADING OF CRYPTOGRAPHIC TOKEN.

DIGITAL ASSETS AND RELATED PRODUCTS AND SERVICES CARRY SIGNIFICANT RISKS. POTENTIAL PURCHASERS SHOULD TAKE INTO ACCOUNT ALL OF THE ABOVE AND ASSESS THE NATURE OF, AND THEIR OWN APPETITE FOR, RELEVANT RISKS INDEPENDENTLY AND CONSULT THEIR ADVISERS BEFORE MAKING ANY DECISIONS.

11.12. Professional advice

YOU SHOULD CONSULT A LAWYER, ACCOUNTANT, TAX PROFESSIONAL AND/OR ANY OTHER PROFESSIONAL ADVISORS AS NECESSARY PRIOR TO DETERMINING WHETHER TO PURCHASE XUSD FAMILY OF TOKENS.



11.13. Caution Regarding Forward-Looking Statements

THIS WHITEPAPER CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS REGARDING THE BUSINESS WE OPERATE THAT ARE BASED ON THE BELIEF OF XUSD BLOCKCHAIN HOLDINGS AS WELL AS CERTAIN ASSUMPTIONS MADE BY AND INFORMATION AVAILABLE TO XUSD BLOCKCHAIN HOLDINGS, LLC FORWARD-LOOKING STATEMENTS, BY THEIR NATURE, ARE SUBJECT TO SIGNIFICANT RISKS AND UNCERTAINTIES.

FORWARD-LOOKING STATEMENTS MAY INVOLVE ESTIMATES AND ASSUMPTIONS AND ARE SUBJECT TO RISKS, UNCERTAINTIES AND OTHER FACTORS BEYOND OUR CONTROL AND PREDICTION. ACCORDINGLY, THESE FACTORS COULD CAUSE ACTUAL RESULTS OR OUTCOMES THAT DIFFER MATERIALLY FROM THOSE EXPRESSED IN THE FORWARD-LOOKING STATEMENTS.

ANY FORWARD-LOOKING STATEMENT SPEAKS ONLY AS OF THE DATE OF WHICH SUCH STATEMENT IS MADE, WE UNDERTAKE NO OBLIGATION TO UPDATE ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE ON WHICH SUCH STATEMENT IS MADE OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

Figure 01: Proof-of-Value Model Diagram

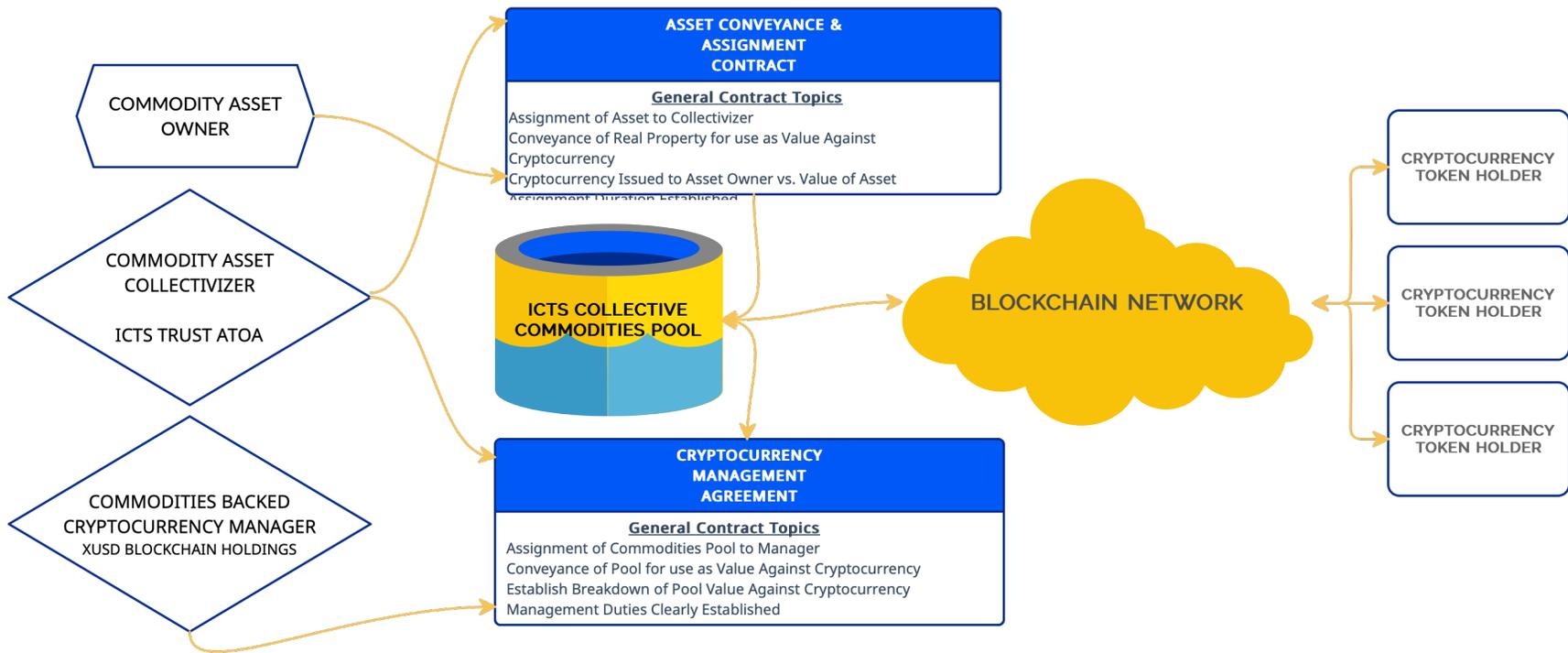


Figure 02: Mineral Exploration vs. Reserve Model

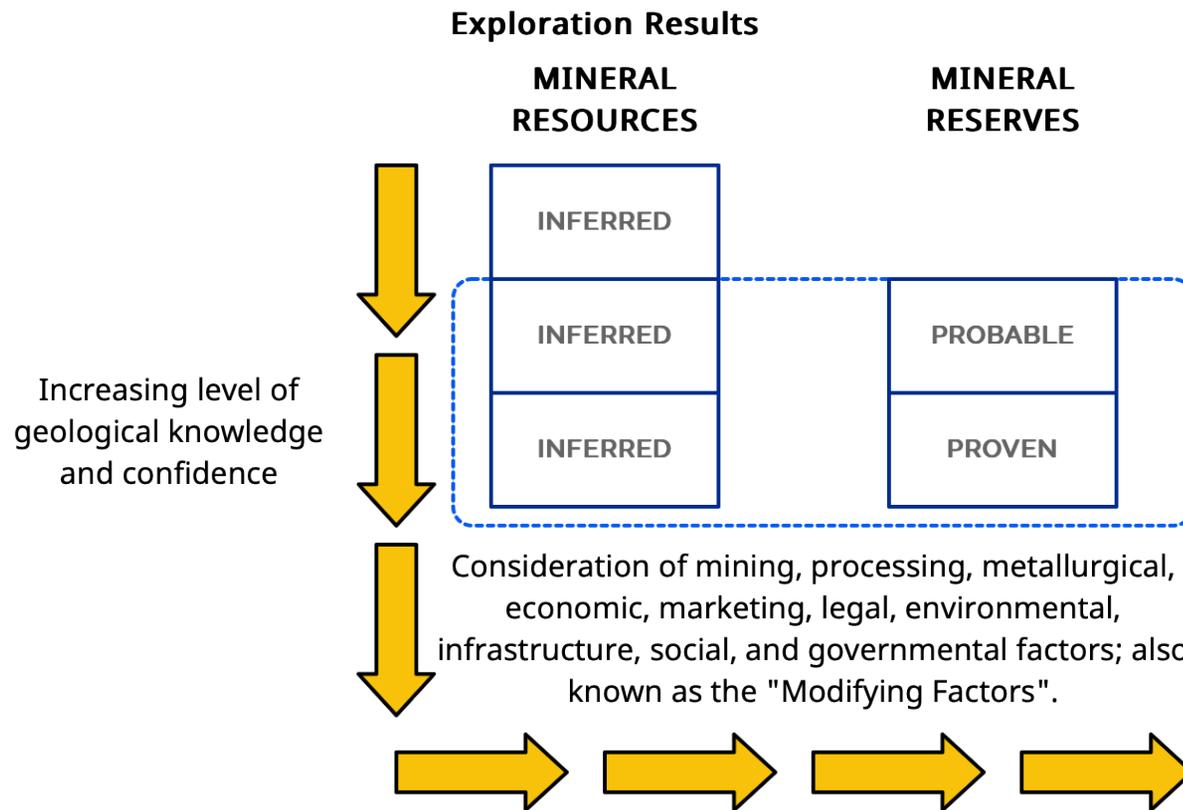
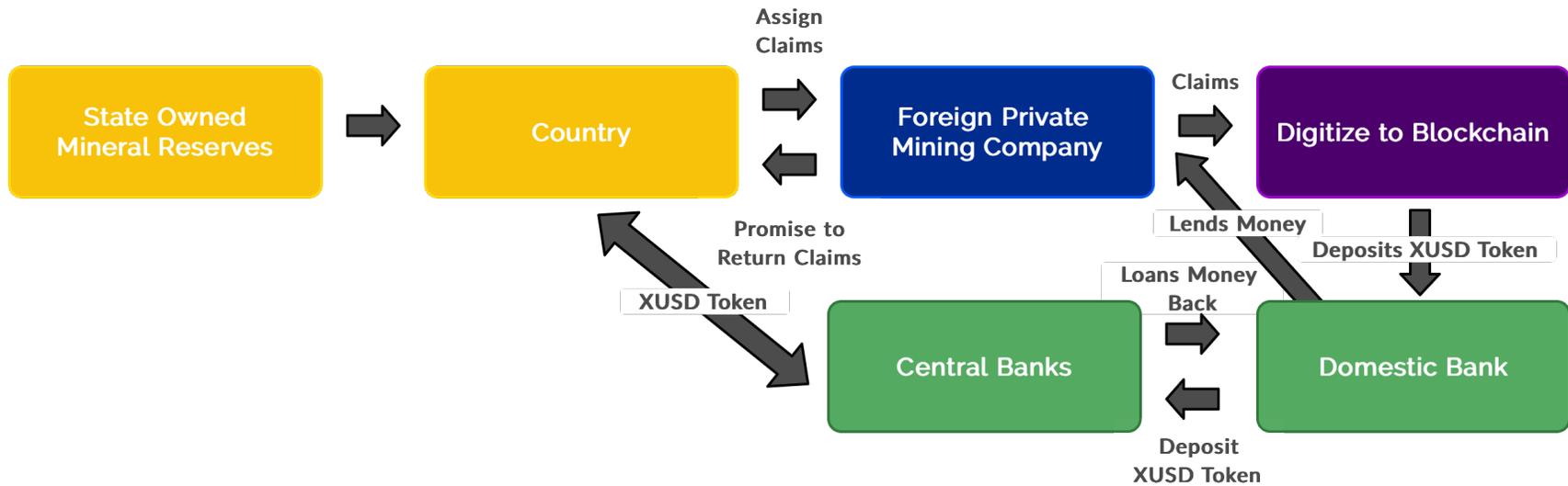


Figure 03: Mineral Reserve Assignments



12. The Conclusion

Predicting the future of the weird and wonderful world of crypto might be a lot to ask for from even the most prolific of market "psychics". To think that just a mere eight (8) years ago Bitcoin was recovering from its first crash and was trading at around \$283 – with many of the world's top industry analysts & experts continually dismissing cryptocurrency as a bubble that would be bound to pop! Cryptocurrencies will play their respective role in rendering paper money and banking obsolete in the coming years, and that is a fact. Albeit that this prediction is far from bold – it's a safe bet; considering the current fears surrounding the pandemic; that you're currently carrying much less physical, fiat cash in your wallet compared to, say, five or even ten years ago – but the widespread adoption of a secure, crypto based payment solution would certainly be a noteworthy one. We are attempting to take the entire crypto marketplace by surprise over the next months and years, so it would be in the best interest of all crypto investors and physical asset holders to stay tuned for some of the exciting news that we will be sharing over that time – because we can assure you that it will be groundbreaking!