

PAID Whitepaper

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Your Borderless Legal Toolkit For All Your Business Needs



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1. Abstract

In this paper we introduce PAID, a decentralized ecosystem designed to redefine the civil legal system, creating a new approach to how we do business with one another in order to drive value and opportunities to our users.

Through the use of easily understood proprietary SMART Agreements, a community-governed arbitration system, reputation scoring and DeFi tools, the PAID platform has the potential to create opportunities for organizations and business professionals to save time and money.

2. Introduction

The current legal system is overly complex, requiring expensive legal counsel in order to do something as simple as drafting an agreement between two parties. These legal fees are often cost-prohibitive, pushing people out of the market for legal services, and ultimately forcing them to forfeit valuable opportunities.

Think about how many introductions you have made throughout your professional career while at a conference, through email, or otherwise. If there were a simple and cost-effective way to enter into a referral agreement, where you could have received compensation in return for the value created by that introduction, you certainly would have done so. This is just one example of a contract that is not feasible to execute in our traditional legal system.

When considering arbitration, the process is equally complex and restrictive. In the current system, each agreement identifies a specific jurisdiction in which disputes will be arbitrated. This may have made sense in the past, but with the worldwide economy we live in today, this is illogical and inefficient.

People are doing business with one another across all corners of the world, and it doesn't make sense to require these parties to understand the laws of a jurisdiction they are not familiar with.

Enter PAID, a platform designed to redefine the civil legal system with the application of decentralized finance. Minimizing expensive and unnecessary legal counsel, eliminating fragmented jurisdictions and empowering the community through opportunities created by peer-to-peer toolsets are just some of the benefits enjoyed by using this platform.

3. PAID DApp

PAID is a decentralized DApp offering users easy-to-use web and mobile apps, enabling them to do business with anyone anywhere, without the need for expensive legal services.

With PAID's proprietary SMART agreement templates, users can quickly fill in terms and execute simplified business contracts from their laptop or mobile phone. Throughout the lifecycle of the agreement the platform provides users an easy and quick way to manage their agreements and communicate with each other. The PAID platform removes the unnecessary complexity of creating and executing documents, as well as breaking down the borders that complicate arbitration. Through the community-governed arbitration system, disputing an agreement has never been easier or more efficient.

In order to support this new system, the PAID platform will introduce a suite of new DeFi tools including staking, insurance, and escrow, allowing users to complete the business agreement process from beginning to end through the platform. These DeFi tools will also create opportunities for the PAID community, enabling them to securely participate in lucrative business sectors which have historically been inaccessible to all but the largest worldwide institutions.

PAID is a decentralized DApp offering users easy-to-use web and mobile apps, enabling them to do business with anyone anywhere, without the need for expensive legal services.

The PAID marketplace will allow businesses and business professionals to post offers or requests for various types of business agreements. After an expression of interest in an offer or a request, community members can engage in negotiations or finalize the existing agreement offer and move forward. This will foster a more robust economy, further driving value to community members by creating increased business opportunities, as well as driving more demand for agreements as these business relationships formalize.

PAID's community-driven DeFi economy will require a system to determine the risk associated with these services. In order to provide comprehensive infrastructure, the platform will feature a reputation-based scoring system composed of feedback from the business interactions happening within the PAID economy. Users will submit feedback about their business experiences with others through a publicly-available, peer-to-peer rating and comment system.

Event-released escrow to secure project funding as projects produce scheduled deliverables, as well as the self-governing arbitration system will help PAID redefine the way blockchain projects engage in token sale agreements with their communities, increasing project accountability and minimizing risk for token sale participants.

By doing so, PAID will further legitimize the blockchain industry through our decentralized, autonomous ICO (DAICO) token sale platform. This platform will include token sale requirements, posted by up-and-coming crypto projects. To ensure that the community receives the value they anticipate, these projects will be held accountable to their timelines and deliverables, with the funds raised via the community token sale being released to developing projects in tranches based on their progress.

The community of token sale participants can intervene at any time if they feel the company is not delivering as promised, and request a vote to cease the release of funds. If the vote to cease funding passes, the remaining funds will be distributed back to these participants proportionally, according to the percentage of their original contributions.

3.1 SMART Agreements

In today's world, drafting, executing and enforcing legal contracts requires expensive and complicated procedures, caused by unnecessarily complex language and clauses. PAID simplifies this process through the use of SMART Agreements.

SMART Agreements are simplified contract templates designed to focus on the specific deliverables associated with business agreements. PAID removes all the unnecessary wording that confuses people and forces them to pay a lawyer and rely on legal counsel.

PAID simplifies this process through the use of SMART Agreements.

These smart contract-based agreements are accessible via PAID apps and will be available for most legal scenarios. This method makes it considerably less expensive for parties to make agreements as they eliminate the third-party legal services that are required in the existing system.

3.2 Arbitration

PAID's SMART Agreements are written in a simplified way for two reasons. The first reason, mentioned above, is for parties to clearly understand the agreement terms without the need for legal counsel. The second reason is that in the event of a dispute, the agreement can be easily interpreted by anyone in order to render a judgement.

This simplification creates an opportunity to decrease the costs of enforcing agreements, eliminating the need for a formal judiciary system and to expend the required resources involved with the conventional arbitration process.

Disputes relating to these SMART Agreements are arbitrated by community members who have a significant stake in the PAID platform. These arbitrators will collect a fee for each dispute arbitrated, further incentivizing them to act in the best interest of the platform's users, thereby maintaining the integrity of the system.

For every dispute, three arbitrators will be chosen at random from the PAID network via a random number generator. The judgement will require a majority vote, meaning that when two of the three arbitrators rule in favor of the same party, a judgement will be made and the dispute will be settled. If an arbitrator is found to have a consistently dissenting opinion with the other two arbitrators, they will be revoked of their arbitrator status and marked as ineligible to be an arbitrator in the future.

3.3 Reputation Scoring

PAID makes use of decentralized identifiers (DID) for its on-chain reputation scoring system. Once a user creates a PAID profile and the system verifies their identity, they will be assigned a reputation score starting at zero. This reputation score will increase or decrease based on feedback from people with whom they do business.

In order to ensure that individuals are unable to create a new user profile if they receive negative feedback on an existing profile, PAID profiles will require digital identity verification on the platform. Users who faithfully and consistently adhere to terms in their business agreements will accrue a positive reputation over time, gained by the positive feedback from their business transactions. This allows other users to clearly evaluate the trustworthiness and integrity of their prospective business contacts.

Conversely, if a user consistently violates the terms of their agreements and is frequently embroiled in contract disputes, their digital reputation score will decrease. This will make user behavior transparent to the rest of the community, thereby allowing users to accurately assess the trustworthiness of potential business contacts, reducing their risk.

In order to ensure users cannot simply create a new profile if they receive negative feedback, PAID profiles will require biometric authentication to ensure the integrity of the reputation system. Duplicate biometric signatures will be identified, and blocked from creating new profiles.

3.4 Escrow & Lending

Counter parties entering into agreements on PAID have the option of offering and requiring escrow, in order to insure and provide guarantees for payments. This escrow can be funded by parties taking part in the agreement or could be borrowed from token holders within the PAID ecosystem.

Escrow funding requirements will be based on the reputation score of the borrower involved in the agreement. Lenders will set the APY and will also have the option to require collateral on the loan if they wish to decrease their risk.

Escrow borrowing and lending will take place via a decentralized p2p marketplace within the PAID platform. Lenders can promote loan offers, while borrowers can submit requests to the community based on their needs or interests. Parties can either accept payment and interest terms, or move into a negotiation phase.

These escrow service contracts will offer guaranteed payments for payees who complete their responsibilities and will earn lenders attractive annual percentage yields from the payer, who will complete repayment according to the loan terms.

Invoice factoring will be another component of our escrow borrowing/ lending services. Individuals or companies which have accounts receivable that are scheduled to be collected in

Escrow borrowing and lending will take place via a decentralized p2p marketplace within the PAID platform.

the future will be able to borrow against or sell their interest in that receivables account, via our P2P DeFi marketplace.

PAID's reputation-scoring system will provide an accurate assessment of borrower integrity in order to minimize the risk exposure to the lender.

3.5 Insurance

Beneficiaries of agreements are able to insure their payments through PAID's decentralized insurance pool mechanism. Stakers within the platform are able to participate in these insurance pools by depositing capital into the pool and receiving premium payments in return.

Insurance premium amounts will be set according to perceived risk, assessed by using the reputation score of the payer.

For agreements without escrow, insurance coverage can be purchased for whole or partial payments. Community-based policy backers receive returns on policies through revenue generated by monthly premiums, with returns varying based on the risk score associated with each policy.

For example - Bob and Alice enter into an agreement where Alice will build Bob a website, and in return Bob will pay Alice \$5,000.00 upon completion. Alice wants to make sure she will get paid when finished, but Bob will not provide escrow, as his company is a startup and funds are tight. Alice decides she would like to insure her payment by purchasing an insurance policy from the PAID network. Alice goes to the PAID marketplace and submits the required information for a policy quote. Information submitted includes a copy of their SMART Agreement, as well as both Bob and Alice's DIDs, taking into account their reputation scores and previous transaction histories. Once Alice selects a policy and agrees to premium payment terms, her agreement is insured. As long as she completes the work and is able to present evidence, she is guaranteed to Get PAID.

3.6 DAICO Launch Platform

Blockchain projects often rely on public token sale efforts in order to fund their projects. The current token sale methods today have no accountability measures for projects to ensure they are maintaining scheduled progress and roadmap deliverables. Therefore, this current format does not sufficiently mitigate participant risk.

PAID seeks to set a new standard for blockchain project funding management by redefining the agreement structure between projects and community contributors. Every project launched on the PAID DAICO token sale platform will have funding released in tranches, based on community-monitored progress.

Upon a successful token sale, all funds will be held in smart contracts and will be distributed to the project based upon the predetermined funding release schedule.

If community members who contribute to project token sale feel the progress of the project is in question, they can call a project audit at any time by submitting an audit request to PAID DAICO community arbitrators. Upon approval of the audit, all project funds will be locked via a smart contract-based vote and no additional funding will be released to the company until the audit is completed.

If the progress is determined to be sufficient, the funds will be unlocked and the project can continue to access the allotted funds based on the release schedule. If the project fails the audit, a solution will be determined by a community vote. The project will then either enter into a probationary period with the opportunity to rectify the issues, or lose access to all remaining

Every project launched on the PAID DAICO fundraising platform will have funding released in tranches, based on community-monitored progress.

funding, after which time said funding would be proportionally redistributed back to the token sale participants..

3.7 Governance

In order for PAID to offer the features described above, the platform requires a complex technical design composed of contracts in order to work smoothly. However, certain parameters and assumptions made within these contracts may not hold true at varying points of time.

This necessitates the formation of a system of governance administered by the biggest stakeholders within the ecosystem, the PAID token holders and stakers. The governance system will allow stakeholders to submit proposals that would be voted on by other stakeholders within the PAID platform.

Proposals would require both a minimum number of supporters and voting weight to pass. Those who stake larger numbers of PAID tokens will be granted a greater weight in their voting, therefore increasing the power of their vote. This proposal process will ultimately lead to constant upgrades and feature modifications which would be in the best interests of PAID ecosystem stakeholders.

For example, it may be determined by PAID token holders and stakers that arbitration fees may be set too low, based on the existing fee structure and overall arbitration demand. Token holders may submit and pass a proposal to increase the arbitration fee, in order to align with their expectations. If the number of votes for this arbitration fee proposal meet or exceed the required threshold, the change will be implemented and arbitration fees will be updated to reflect the will of the PAID community.

3.8 Use Cases

Users can leverage the PAID DApp as a system to:

- Create agreements between parties without paying expensive legal fees
- Launch DAICOs to gather funds for project development
- Stake PAID tokens to earn passive income
- Participate in dispute arbitration to earn fees.
- Participate in escrow loans to earn fees.
- Offer insurance coverage for agreements to earn premiums
- Promote their goods or services on PAID marketplace

4 PAID Token

The native digital cryptographically-secured utility token of the PAID platform (**PAID token**) is a transferable representation of attributed functions specified in the protocol/code of the PAID platform, which is designed to play a major role in the functioning of the ecosystem on the PAID platform and intended to be used solely as the primary utility token on the platform.

PAID token is a non-refundable functional utility token which will be used as the medium of exchange between participants on the PAID platform. The goal of introducing PAID token is to provide a convenient and secure mode of payment and settlement between participants who interact within the ecosystem on the PAID platform, and it is not, and not intended to be, a medium of exchange accepted by the public (or a section of the public) as payment for goods or services or for the discharge of a debt; nor is it designed or intended to be used by any person as payment for any goods or services whatsoever that are not exclusively provided by the issuer.

PAID token would also provide the economic incentives which will be consumed to encourage users to contribute and maintain the ecosystem on the PAID platform, thereby creating a win-

PAID token is a non-refundable functional utility token which will be used as the medium of exchange between participants on the PAID platform.

win system where every participant is fairly compensated for its efforts. PAID token is an integral and indispensable part of the PAID platform, because without PAID token, there would be no incentive for users to expend resources to participate in activities or provide services for the benefit of the entire ecosystem on the PAID platform. Given that additional PAID token rewards will be awarded to a user proportionate to their actual involvement and contributions, users of the PAID platform and/or holders of PAID token which did not actively participate will not receive any PAID token incentives.

With appropriate financial incentives in place for all parties involved, the entire PAID ecosystem is designed to work in a permissionless manner. Though there would seem to be an infinite number of tokens in the existing crypto ecosystem which could theoretically be used for this purpose, it is unfeasible to do so given PAID's lack of control over the token supply.

4.1 DApp Services

All services offered within the ecosystem would be payable using the PAID token. Examples include creating smart agreements, purchasing and providing insurance coverage, borrowing/lending escrow, dispute resolution and DAICO participation (as the base platform currency for contributions).

4.2 Staking

As an indication of commitment to the system and service standard assurance, PAID tokens can be "staked" (i.e locked up) within smart contracts, giving access to varying levels of features and participation rights across the platform. Staked tokens would function as a type of security deposit in order to ensure service standards and prevent malicious behaviour.

The PAID platform has carefully architected the following phases of staking in order to incentivize participation in the network.

Participant - 15,000 PAID tokens

- Can earn fees by contributing to lending and borrowing liquidity pools
- Can earn fees by contributing to insurance liquidity pools

Manager - 75,000 PAID tokens

- Can earn fees by contributing to lending and borrowing liquidity pools
- Can earn fees by contributing to insurance liquidity pools
- *Participation in presale DAICO token sale opportunities*
- *Governance in DAICO projects*

Participation in presale DAICO token sale opportunities.

Receiver - 150,000 PAID tokens

- Can earn fees by contributing to lending and borrowing liquidity pools
- Can earn fees by contributing to insurance liquidity pools
- Participation in presale DAICO token sale opportunities
- Governance in DAICO projects

Governance in DAICO projects

Professional - 250,000 tokens

- Can earn fees by contributing to lending and borrowing liquidity pools
- Can earn fees by contributing to insurance liquidity pools
- Participation in presale DAICO token sale opportunities
- Governance in DAICO projects
- *Can earn fees through forming their own insurance pool*

Can earn fees through forming their own insurance pool

Arbitrator - 1,000,000 tokens

- Can earn fees by contributing to lending and borrowing liquidity pools
- Can earn fees by contributing to insurance liquidity pools
- Participation in presale DAICO token sale opportunities
- Governance in DAICO projects
- Can earn fees through forming their own insurance liquidity pool
- Can earn fees through arbitrating disputes

4.3 Fee Accrual

Depending on their level of commitment, stakers on the platform can participate in various ecosystem activities such as arbitration, escrow, lending and insurance. In exchange for these services, users would be rewarded with fees (payable in PAID token) proportionate to their user participation.

In order for the PAID platform to function properly, it is important for users to contribute to the lending/borrowing and insurance liquidity pools. Users would need to be incentivised to play the role of liquidity providers and stake their digital assets into these liquidity pools, so as compensation for opportunity costs, these liquidity providers would be rewarded with PAID token (i.e. "mining" on the PAID platform) according to each user's relative contribution after various adjustment and correction parameters.

4.4 Governance

PAID token holders have the largest influence in governance, and hence steer the future direction of the entire PAID ecosystem. In order to participate in future governance opportunities, token holders are required to hold a minimum number of PAID tokens to submit proposals, while all token holders are able to vote according to the number of tokens they hold. The token's intrinsic functionality stems from its ability to enable holders to influence and direct the evolution and development of the ecosystem as a whole.

For the avoidance of doubt, the right to vote is restricted solely to voting on features of the PAID platform; the right to vote does not entitle PAID token holders to vote on the operation and management of the Company, its affiliates, or their assets, and does not constitute any equity interest in any of these entities.

5 Implementation and Architecture

PAID, at its core level, is a system of smart contracts. All smart contracts used by the platform are publicly accessible and verifiable.

5.1 Staking pools

Staking pools on PAID are a set of smart contracts which allow users to deposit and lock PAID tokens into the liquidity pools for a predefined amount of time, based on the node type selected. Liquidity pool participants can withdraw token-staking rewards up to the time of the most recently mined block, by utilizing the "redeem reward" function on the platform.

These staking pool contracts are used as references to verify stakers' permissions to participate in and collect fees for arbitration, escrow, lending, insurance and DAICO rewards.

5.2 Insurance

Insurance contracts allow PAID token stakers to participate in insurance pools. Insurance pools are composed of groups of individuals who wish to provide insurance coverage, collecting returns from premium payments made by policyholders.

PAID will feature an initial insurance pool in which stakers within the platform can participate. Higher-tier stakers may form their own insurance pools, with or without other community members. The newly-formed pools will have the opportunity to define the insurance terms of their own policies, maintaining a fair and decentralized competitive landscape. Each pool will have the opportunity to receive an increased percentage of the total premiums paid based on the chosen business model of the pool. This opportunity will further incentivize participation in the higher-tier staking required for independent insurance pool formation and participation.

A corresponding proportion of insurance premium payments will be paid to each pool participant, depending on each individual's liquidity contribution to the insurance pool. In the event of an insurance claim, the pool would disburse the claim amount, deducted from the total pool. Each individual's balance will receive deductions proportionate to their contribution.

Beneficiaries who want to insure their agreements can purchase full or partial coverage for the fees they are owed. They can request insurance coverage by linking their agreement IDs and the IDs of the benefactor, detailing their desired coverage amount, and submitting their quotation request to the PAID insurance ecosystem.

Insurance pools can then view quotation requests, the associated DIDs and reputation scores linked to all related beneficiaries and benefactors. Pools will then provide a policy quote defining specific terms, including premium payment amounts to be paid.

Insurance pools would then have to lock in their insurance collateral for the duration of the agreement. Collection of premiums will begin once an agreement becomes active. This active status will be based on the premium schedule dictated by the policy.

In the event the beneficiary defaults on their premium payments, insurance coverage will be cancelled and the locked insurance collateral released back into the insurance pool. Premium payments made up to this point will also be redistributed back to benefactors within their respective coverage pools. As a result of default, the beneficiary's reputation score will be negatively impacted.

In case of benefactor default at the time of payment to the beneficiary, the beneficiary would claim the insured amount and the insurance pool would keep all premium payments made. As a result of default, the benefactor's reputation score will also be negatively affected.

5.3 Oracles

Smart contracts, unlike web-based backends, cannot independently pull external data from other APIs or data sources. In order to utilize external data outside PAID's blockchain, external data will be pushed to the smart contract.

This needs to be done in a trustless and auditable manner, in order to avoid any potential incoming data-tampering of these contracts.

PAID makes use of on-chain oracle contracts to communicate with off-chain data provider APIs. This establishes a high-integrity, tamper-proof and trustless oracle system to be used within these contracts.

Insurance contracts allow PAID token stakers to participate in insurance pools.

Fortunately, there are a few solutions that aim to solve this problem within the cryptocurrency space such as Provable, Chainlink, Band Protocol etc. PAID smart contracts will make use of Chainlink as the oracle system to pull the needed data from external data sources.

5.4 Arbitration

Arbitration within the PAID ecosystem is done by community members in the highest staking level-arbitrator. Through the utilization of the most committed community members, PAID ensures the highest possible level of integrity in its arbitration system.

Parties engaged in a dispute can request arbitration, and must submit a collateralized fee (in PAID token) held by arbitrators. If the party requesting arbitration wins the dispute, the arbitration fee will be deducted in PAID token from the settled amount and the collateral will be returned to the signer who requested the arbitration.

Three arbitrators will be randomly selected to arbitrate a dispute, using a Random Number Generator. The arbitration process begins once the arbitrators have been selected. At this time, signers of the agreement can post evidence and claims related to the dispute. Arbitrators will then use this information to decide the outcome of the dispute.

The dispute would be settled when two of the three arbitrators rule in the same direction. After a dispute has been settled, arbitration fees would be distributed equally among participating arbitrators.

5.5 Escrow

Escrow services are an integral part of the PAID SMART Agreement system, allowing benefactors to guarantee payments as required by agreement beneficiaries. Escrow funds are held in smart contracts and will require both parties' (benefactors and beneficiaries) consent to authorize release of the funds.

In the event of a dispute, or the refusal by either party to release funds, the agreement settlement would enter into arbitration where the community of arbitrators would determine the outcome. Arbitration fees would be deducted from the escrowed funds before being distributed to the winning party.

5.6 Lending

In the instances where escrow is required and the benefactor does not have the available funds at the time of signing to cover the required escrow amount, the benefactor can submit a loan request to the community of PAID stakers by submitting their requirements, amounts and terms, along with their DID's.

These loan requests will be reviewed by token stakers, to assess the level of interest and the associated risk of the loan based on the loan terms and the borrower's reputation score. Stakers can then choose to accept the proposed loan terms, or make a counteroffer if they find the proposed terms to be unacceptable.

The loan will then enter into the PAID escrow process and be distributed according to the escrow process.

5.7 DAICOs

PAID allows for simplified launches of DAICOs. PAID's DAICO launch contracts allow stakers to launch DAICOs by simply using a "launch" function on the platform, along with the offer parameters.

The parameters to be set are basic token supply metrics, amount to be raised, contribution details such as purchase price and vesting period, roadmap milestones and funding release schedule.

Upon a successful token sale, all funds will be held in smart contracts and will be distributed to the company based upon the established fund release schedule.

Community members who participate in the token sale can intervene at any point if they feel the progress of the project is in question, through submitting an audit request to the PAID DAICO community. Upon approval of the audit request, all project funds will be locked via a smart contract-based vote and no additional funding will be released to the company until the audit is completed.

If the progress is determined to be sufficient, the funds will be unlocked and the project can continue to access the allotted funds based on the release schedule. If the project does not pass the audit and is deemed not to be delivering as promised, a remedy will be decided through a community vote. The project will then either enter into a probationary period with the opportunity to rectify the issues, or lose access to all remaining funding, after which time said funding would be proportionally redistributed back to the token sale participants.

6 Tokenomics

The initial supply of PAID is 19,884,000 and the total supply of PAID will be 594,717,456.

PAID token does not in any way represent any shareholding, participation, right, title, or interest in the Company, the Distributor, their respective affiliates, or any other company, enterprise or undertaking, nor will PAID token entitle token holders to any promise of fees, dividends, revenue, profits or investment returns, and are not intended to constitute securities in Singapore or any relevant jurisdiction. PAID token may only be utilised on the PAID platform, and ownership of PAID token carries no rights, express or implied, other than the right to use PAID token as a means to enable usage of and interaction within the PAID platform.

The initial supply of PAID is 19,884,000 and the total supply of PAID will be 594,717,456.

PAID token are designed to be consumed/utilised, and that is the goal of the PAID token distribution. In fact, the project to develop the PAID platform would fail if all PAID token holders simply held onto their PAID token and did nothing with it. In particular, it is highlighted that PAID token: (a) does not have any tangible or physical manifestation, and does not have any intrinsic value (nor does any person make any representation or give any commitment as to its value); (b) is non-refundable and cannot be exchanged for cash (or its equivalent value in any other virtual currency) or any payment obligation by the Company, the Distributor or any of their respective affiliates; (c) does not represent or confer on the token holder any right of any form with respect to the Company, the Distributor (or any of their respective affiliates), or its revenues or assets, including without limitation any right to receive future dividends, revenue, shares, ownership right or stake, share or security, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property or licence rights), right to receive accounts, financial statements or other financial data, the right to requisition or participate in shareholder meetings, the right to nominate a director, or other financial or legal rights or equivalent rights, or intellectual property rights or any other form of participation in or relating to the PAID platform, the Company, the Distributor and/or their service providers; (d) is not intended to represent any rights under a contract for differences or under any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss; (e) is not intended to be a representation of money (including electronic money), security, commodity, bond, debt instrument, unit in a collective investment scheme or any other kind of financial instrument or investment; (f) is not a loan to the Company,

the Distributor or any of their respective affiliates, is not intended to represent a debt owed by the Company, the Distributor or any of their respective affiliates, and there is no expectation of profit; and (g) does not provide the token holder with any ownership or other interest in the Company, the Distributor or any of their respective affiliates.

Notwithstanding the PAID token distribution, users have no economic or legal right over or beneficial interest in the assets of the Company, the Distributor, or any of their affiliates after the token distribution. To the extent a secondary market or exchange for trading PAID token does develop, it would be run and operated wholly independently of the Company, the Distributor, the distribution of PAID token and the PAID platform. Neither the Company nor the Distributor will create such secondary markets nor will either entity act as an exchange for PAID token.

6.1 PAID platform economy

The economy of the PAID platform will be based on fee income generated from SMART Agreement purchases and monthly subscriptions, as well as various fees from escrow borrowing and lending services, insurance policies, arbitration and DAICO token sales.

6.2 Sustainability

The PAID platform aims to create a self-sustainable ecosystem where all users are able to spend and earn PAID token incentives, keeping the tokens in circulation within the ecosystem without the need to rely on external facilities. All fee income will be paid to the Company, and then distributed under various community incentive programs (e.g. to stakers, contributors and service providers).

6.3 Supply inflation/deflation

PAID tokens is inflationary in terms of the token distribution. Stakers are rewarded PAID for locking up their PAID tokens in staking nodes.

6.4 PAID Network (PAID) Token Metrics

Summary

Token name:	PAID
Total supply:	594,717,456
Hard cap:	\$2,270,000
Seed sale:	\$500,000
Private sale A:	\$750,000
Private sale B:	\$700,000
Public sale:	\$249,000
Initial market cap:	\$835,000
Initial circulating supply:	19,884,000
Total Diluted Market Cap:	\$24.98m

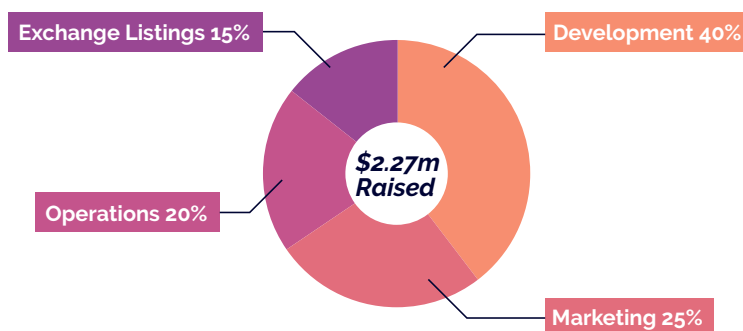
Sales Stages

Stage	Token Price	Funds Raised 100%	Market Cap @ Round
Seed	0.0150	\$500,000	-
Private A	0.0250	\$750,000	\$497,000
Private B	\$0.035	\$700,000	\$696,000
Public Sale	\$0.042	\$249,000	\$835,000

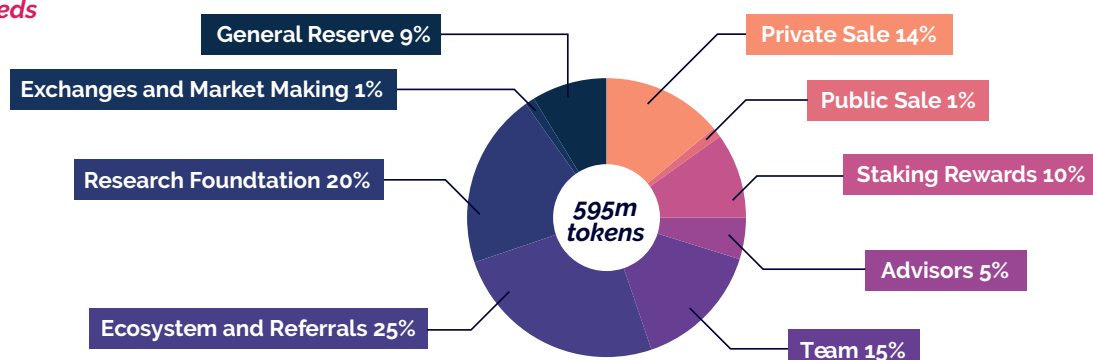
Vesting Periods

Seed	1 month lock, then daily linear unlock 9 months
Private A	10% at listing, then daily linear unlock 6 months
Private B	25% at listing, then daily linear unlock 3 months
Public	100% at listing
Advisors	Unlocks month 2, then daily linear unlock 24 months
Team	Unlocks month 12, then daily linear unlock 24 months
Research	Unlocks month 7, then daily linear unlock 60 months
Ecosystem growth and referrals	Unlocks month 2, then daily linear unlock 60 months
Exchanges and market-making	100% at listing
Early staking	Disbursed to stakers at 30% APR
General reserve	Unlocks month 7, then daily linear unlock 60 months

Token Allocations



Use of Sale Proceeds



7 Summary

- ✓ PAID Network simplifies the process of creating complex legal agreements and token sales by providing the proper blockchain technology tools for users.
- ✓ Smart agreements on PAID allow multiple entities to sign on a set of legal agreements, while holding funds in escrow.
- ✓ Entities involved in agreements can make use of escrow, lending, arbitration and insurance via PAID.
- ✓ PAID token stakers can earn passive income via token inflation, as well as by providing the aforementioned service to the entities involved in smart agreements.

8 Risks

You acknowledge and agree that there are numerous risks associated with acquiring PAID token, holding PAID token, and using PAID token for participation in the PAID platform. In the worst scenario, this could lead to the loss of all or part of PAID token held. *IF YOU DECIDE TO ACQUIRE PAID token, YOU EXPRESSLY ACKNOWLEDGE, ACCEPT AND ASSUME THE FOLLOWING RISKS:*

8.1 Uncertain Regulations and Enforcement Actions

The regulatory status of PAID token and distributed ledger technology is unclear or unsettled in many jurisdictions. The regulation of virtual currencies has become a primary target of regulation in all major countries in the world. It is impossible to predict how, when or whether regulatory agencies may apply existing regulations or create new regulations with respect to such technology and its applications, including PAID token and/or the PAID platform. Regulatory actions could negatively impact PAID token and/or the PAID platform in various ways. The Company, the Distributor (or their respective affiliates) may cease operations in a jurisdiction in the event that regulatory actions, or changes to law or regulation, make it illegal to operate in such jurisdiction, or commercially undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction. After consulting with a wide range of legal advisors and continuous analysis of the development and legal structure of virtual currencies, a cautious approach will be applied towards the distribution of PAID token. Therefore, for the token distribution, the distribution strategy may be constantly adjusted in order to avoid relevant legal risks as much as possible. For the token distribution, the Company and the Distributor are working with the specialist blockchain department at Bayfront Law LLC.

8.2 Inadequate disclosure of information

As at the date hereof, the PAID platform is still under development and its design concepts, consensus mechanisms, algorithms, codes, and other technical details and parameters may be constantly and frequently updated and changed. Although this whitepaper contains the most current information relating to the PAID platform, it is not absolutely complete and may still be adjusted and updated by the PAID team from time to time. The PAID team has no ability and obligation to keep holders of PAID token informed of every detail (including development progress and expected milestones) regarding the project to develop the PAID platform, hence insufficient information disclosure is inevitable and reasonable.

8.3 Failure to develop

There is the risk that the development of the PAID platform will not be executed or implemented as planned, for a variety of reasons, including without limitation the event of a decline in the prices of any digital asset, virtual currency or PAID token, unforeseen technical difficulties, and shortage of development funds for activities.

8.4 Security weaknesses

Hackers or other malicious groups or organisations may attempt to interfere with PAID token and/or the PAID platform in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, smurfing and spoofing. Furthermore, there is a risk that a third party or a member of the Company, the Distributor or their respective affiliates may intentionally or unintentionally introduce weaknesses into the core infrastructure of PAID token and/or the PAID platform, which could negatively affect PAID token and/or the PAID platform.

Further, the future of cryptography and security innovations are highly unpredictable and advances in cryptography, or technical advances (including without limitation development of quantum computing), could present unknown risks to PAID token and/or the PAID platform by rendering ineffective the cryptographic consensus mechanism that underpins that blockchain protocol.

8.5 Other Risks

In addition, the potential risks briefly mentioned above are not exhaustive and there are other risks (as more particularly set out in the Terms and Conditions) associated with your acquisition of, holding and use of PAID token, including those that the Company or the Distributor cannot anticipate. Such risks may further materialise as unanticipated variations or combinations of the aforementioned risks. You should conduct full due diligence on the Company, the Distributor, their respective affiliates, and the PAID team, as well as understand the overall framework, mission and vision for the PAID platform prior to acquiring PAID token.