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Contents

Current status and problems

- ICO Market
- RWA Market
- STO Market

STO Cash

Roadmap

Token Plan

Team & Partners

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ICO Market

An Initial Coin Offering (or ICO) is a method for teams to raise funds for a project in the cryptocurrency space. In an ICO, teams generate blockchain-based tokens to sell to early supporters. This serves as a crowdfunding phase – users receive tokens that they can use (either immediately or in the future), and the project receives money to fund development.

The practice was popularized in 2014 when it was used to fund the development of Ethereum. Since then, it has been adopted by hundreds of ventures (particularly during the 2017 boom), with varying degrees of success. While the name sounds similar to an Initial Public Offering (IPO), the two are fundamentally very different methods of acquiring funding.

IPOs usually apply to established businesses that sell partial ownership shares in their company as a way to raise funds. In contrast, ICOs are used as a fundraising mechanism that allows companies to raise funds for their project in very early stages. When ICO investors purchase tokens, they are not buying any ownership in the company.

ICOs can be a viable alternative to traditional funding for tech startups. Often, new entrants struggle to secure capital without an already functional product. In the blockchain space, established firms rarely invest in projects on the merits of a white paper. What's more, a lack of cryptocurrency regulation deters many from considering blockchain startups.

The practice isn't just used by new startups, though. Established enterprises sometimes choose to launch a reverse ICO, which is functionally very similar to a regular ICO. In this case, a business already has a product or service and issues a token to decentralize its ecosystem. Alternatively, they might host an ICO to include a broader range of investors and raise capital for a new blockchain-based product.

ICOs vs. IEOs (Initial Exchange Offerings)

Initial Coin Offerings and Initial Exchange Offerings are similar in many ways. The key difference is that an IEO is not hosted solely by the project's team, but alongside a cryptocurrency exchange.

The exchange partners with the team to allow its users to buy tokens directly on its platform. This can be beneficial to all parties involved. When a reputable exchange supports an IEO, users can expect the project to have been rigorously audited. The team behind the IEO benefits from increased exposure, and the exchange stands to gain from the project's success.

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ICO Market

ICOs vs. STOs (Security Token Offerings)

Security Token Offerings were once branded the "new ICOs." From a technological standpoint, they're identical – tokens are created and distributed in the same manner. On the legal side, however, they're completely different.

Due to some legal ambiguity, there is no consensus on how regulators should qualify ICOs (discussed in more detail below). As a result, the industry has yet to see any meaningful regulation.

Some companies decide to take the STO route as a way to offer equity in the form of tokens. Also, this could help them steer clear of any uncertainty. The issuer registers their offering as a securities offering with the relevant government body, which subjects them to the same treatment as traditional securities.

How does an ICO work?

An ICO can take many forms. Sometimes, the team hosting it will have a functional blockchain that they'll continue to develop in the coming months and years. In this case, users can buy tokens that are sent to their addresses on the chain.

Alternatively, the blockchain might not have launched, in which case the tokens will be issued on an established one (such as Ethereum). Once the new chain is live, holders can swap their tokens for fresh ones issued on top of it.

The most common practice, however, is to issue tokens on a smart-contract-capable chain. Again, this is done predominantly on Ethereum – many applications use the ERC-20 token standard. Though not all originate from ICOs, it's estimated that there are upwards of 200,000 different Ethereum tokens today.

Besides Ethereum, there are other other chains that can be used – Waves, NEO, NEM, or Stellar are some popular examples. Given how flexible these protocols are, many organizations make no plans to migrate away but instead opt to build on existing foundations. This approach allows them to tap into the network effects of an established ecosystem and gives developers access to tools that have already been tried and tested.

An ICO is announced ahead of time and specifies rules for how it will be run. It might outline a timeframe it will operate for, implement a hard cap for the number of tokens to be sold, or combine both. There might also be a whitelist that participants must sign up to beforehand.

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ICO Market

Users then send funds to a specified address – generally, Bitcoin and Ethereum are accepted due to their popularity. Buyers either provide a new address to receive tokens, or tokens are automatically sent to the address that the payment was made from.

Who can launch an ICO?

The technology to create and distribute tokens is widely accessible. But in practice, there are many legal considerations to take into account before holding an ICO.

Overall, the cryptocurrency space is lacking in regulatory guidelines, and some crucial questions are yet to be answered. Some countries prohibit launching ICOs outright, but even the most crypto-friendly jurisdictions have yet to deliver clear legislation. It's therefore imperative that you understand your own country's laws before considering an ICO.

What are the regulations surrounding ICOs?

It's difficult to give a one-size-fits-all answer because there are so many variables to consider. Regulations vary from jurisdiction to jurisdiction, and each project likely has its own nuances that may affect how government entities view it.

It should be noted that the absence of regulation in some places is not a free pass to crowdfund a project via an ICO. So it's important to seek professional legal advice before choosing this form of crowdfunding.

On a number of occasions, regulators have sanctioned teams that raised funds in what they later deemed to be securities offerings. If authorities find a token to be a security, the issuer must comply with rigorous measures that apply to traditional assets in this class. On this front, the US's Securities and Exchange Commission (SEC) has provided some good insights.

In general, the development of regulation is slow in the blockchain space, particularly as the tech outpaces the slow-turning wheels of the legal system. Still, numerous government entities have been discussing the implementation of a more transparent framework for blockchain technology and cryptocurrencies.

Though many blockchain enthusiasts are wary of possible government overreach (which might hamper development), most of them recognize the need for investor protection. Unlike traditional financial classes, the ability for anyone around the globe to participate presents some significant challenges.

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ICO Market

What are the risks with ICOs?

The prospect of a new token granting huge returns is an appealing one. But not all coins are created equal. As with any cryptocurrency investment, there are no guarantees that you'll have a positive return on investment (ROI).

It's difficult to determine whether a project is viable, as there are many factors to assess. Prospective investors should perform due diligence and conduct extensive research into tokens they're considering. This process should include a thorough fundamental analysis. Below is a list of some questions to ask, but it is by no means exhaustive:

- Is the concept viable? What problem does it solve?
- How is the supply allocated?
- Does the project need a blockchain/token, or can it be done without one?
- Is the team reputable? Do they have the skills to bring the project to life?

The most important rule is never to invest more than you can afford to lose. The cryptocurrency markets are incredibly volatile, and there's a major risk that your holdings will plummet in value.

Initial Coin Offerings have been tremendously effective as a means for projects in their early stages to acquire funding. Following the success of Ethereum's Initial Coin Offering in 2014, many organizations were able to acquire capital to develop new protocols and ecosystems.

Buyers should, however, be conscious of what they're investing in. There are no guaranteed returns. Given the nascency of the cryptocurrency space, such investments are highly risky, and there's little by way of protection if the project fails to deliver a viable product.

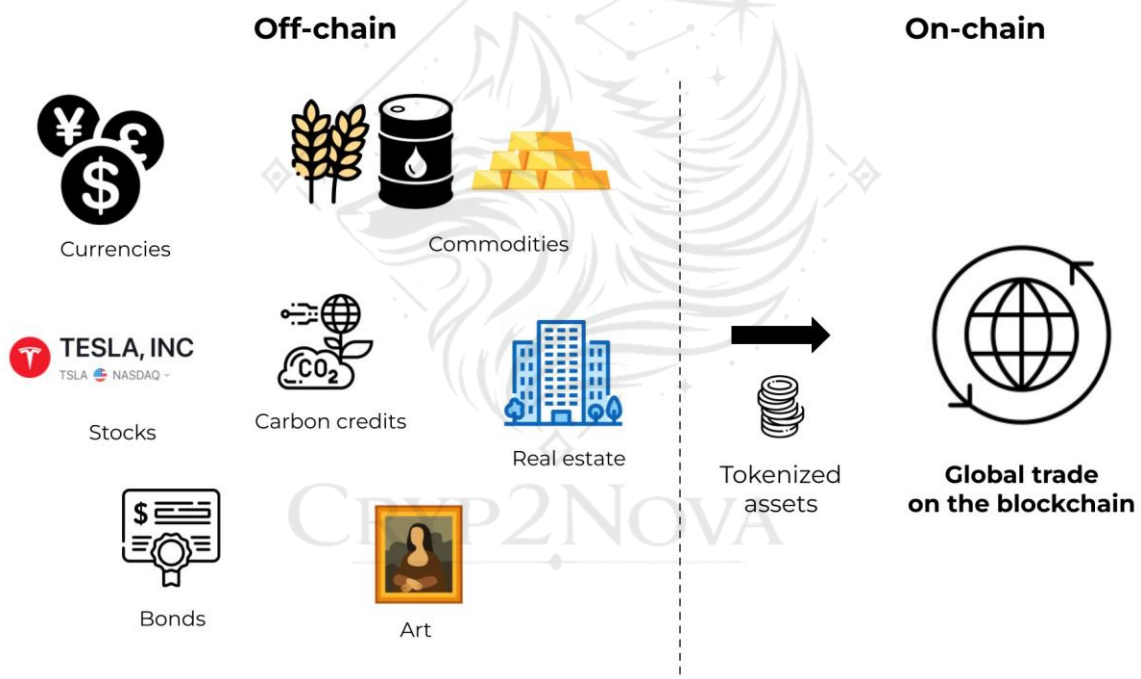
Source: https://academy.binance.com/en/articles/what-is-an-ico

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RWA Market

Tokenization stands out as a fascinating facet of the blockchain ecosystem, representing the conversion of assets or utilities into digital tokens. Real world assets (RWA) involve the tokenization of tangible assets with clear monetary value, such as gold, real estate, and carbon credits, into tradable digital formats.

RWAs have found immense utility in the decentralized finance (DeFi) sector. The integration of RWA in DeFi is often lauded as one of the best examples of traditional finance assets blending with DeFi.



How Do RWAs Work?

Before jumping into RWA's utility in DeFi, let's look at how they work. Specifically, how do we ensure that RWAs are legitimate tokens of the real-world assets they are representing? The entire process can be broken down into three phases: off-chain formalization, information bridging, and RWA protocol demand and supply.

Off-chain formalization

Before a real-world asset can be integrated into a digital ledger, its value, ownership, and legal standing must be unequivocally established in the physical world.

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RWA Market

When approximating the value of a RWA, market price, performance history, and physical condition of the asset are some of the factors that are taken into consideration. The asset must also have undisputed legal ownership, documented by deeds or invoices.

Information bridging

In this phase, we go through the tokenization process, wherein the asset's information is turned into a digital token. Data about the asset's value and rightful ownership are embedded within the token's metadata. Due to the blockchain's transparency, anyone can verify the token's authenticity based on the metadata.

When dealing with assets that fall under regulatory scope or are classified as securities, utilizing regulatory technologies becomes pivotal. These may include employing licensed security token issuers, adhering to crypto-specific KYC (Know Your Customer) and KYB (Know Your Business) standards, and leveraging cleared security token exchanges.

RWA protocol demand and supply

In the last step, which is all about demand and supply, DeFi protocols that focus on RWAs come into play. They have two functions: first, they help bring new RWAs into existence, which means they help make more of these digital assets available. Simultaneously, they also work to get investors interested in buying and trading these assets.

Through this tri-phased approach, RWAs are not merely abstract concepts but become practical, functional, and critical components of the DeFi landscape, carrying the weight and trust of real-world valuation and legal frameworks into the decentralized digital arena.

One of the most important metrics in DeFi is "Total Value Locked" or TVL. The TVL metric measures the amount of capital locked in various DeFi protocols.

Higher TVL roughly equates to higher utility. In November 2021, the overall TVL

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RWA Market

peaked at ~$180 billion, riding the bullish wave of the so-called "DeFi Summer."

However, as the markets moved lower, DeFi TVL slumped to $49.87 billion by June 2022. That's a 72.3% drop in valuation in 7 months! The lack of real utility and poor tokenomics seen in some DeFi protocols certainly didn't help their case, as liquidity leaked from the market.

Consequently, the mindset of the typical DeFi investor has undergone a significant shift. A growing number of these investors are focusing on stable, long-term investment opportunities rather than chasing quick gains. This trend is particularly evident in the post-2021 landscape, where there's been a discernible uptick in pursuing more stable asset classes such as RWAs.

Here are some facts and figures regarding the RWA market, which showcases the increasing interest in this market.

- RWA on-chain value (not including stablecoins) grew by $1.05B in 2023.
- Of this, $855.7M (82%) came from yield-bearing assets such as treasuries, real estate, and private credit.

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As per research conducted by analysts between January 1 and September 30, 2023:

- Active on-chain private credit loans went up by $210.5M
- Treasuries and other bonds grew by $557M.

What Are RWA Issuers?

RWAs come to life on the blockchain through the efforts of issuers who engage in three key activities:

- They acquire tangible assets from the physical world.
- They convert these assets via tokenization.
- They distribute the tokens to users within the blockchain network.

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RWA Market

Here are some players in the RWA issuance space:

- Centrifuge: One of the biggest issuers of on-chain private credit loans.
- Franklin Templeton: A TradFi giant that was established in 1947. It manages over $1.5T in assets under management (AUM). They have recently started issuing tokenized treasury tokens.
- WisdomTree: A market leader in exchange-traded products with almost $96B in AUM.

Advantages of Using RWAs in DeFi

The tokenization of Real World Assets (RWAs) presents several compelling advantages that reshape investment strategies and the landscape of crypto finance.

- Liquidity boost: Tokenizing assets such as real estate turns traditionally illiquid and slow-moving assets into tokens. These tokens allow a wider pool of investors to engage with the underlying asset.
- Fractional ownership: Fractional ownership is one of the most fascinating use cases of RWAs. By breaking down assets like real estate into tokens, it lowers the barrier to entry for everyday users. As such, a pool of investors can combine their funds to collectively own a property, denoted by the tokens.
- Transparency: The blockchain's transparent ledger ensures that every transaction and ownership detail of an RWA is recorded and openly verifiable.
- Inclusivity: The movement of tokenized assets through DeFi channels paves the way for new markets and financial instruments. This not only brings fresh opportunities to existing investors but also attracts new participants, enhancing the overall stability and growth potential of the financial ecosystem.

Limitations of Using RWAs in DeFi

RWA offers a groundbreaking approach to integrating physical assets with digital finance. However, it has its limitations and challenges.

- Regulatory complexity: RWAs and DeFi are subject to complicated regulatory requirements. These requirements could change depending on the asset

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RWA Market

geolocation, jurisdiction, and even the specific blockchain platform used for tokenization.

- Security concerns: In RWAs, it is crucial to maintain the link between the physical asset and the digital tokens. This link needs to be robust against fraud and legal disputes.
- Scalability: The platforms underpinning RWA tokenization need to be capable of handling a high throughput of transactions and data

RWAs are an exciting development for DeFi, potentially broadening its capabilities and audience. They hold the prospect of a more interconnected financial realm where traditional and decentralized finance converges. Yet, reaching this point will involve overcoming significant hurdles, including strict regulatory compliance and ensuring market integrity.

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Source: https://academy.binance.com/en/articles/what-are-real-world-assets-rwa-in-defi-and-crypto

https://apollocrypto.com/exploring-the-real-world-assets-rwa/?ref=academy.gopax.co.kr

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STO Market

A security is a financial instrument that holds value and can be traded. Under this definition, many of the instruments we see today – stocks, bonds, options – could be considered securities.

In a legal context, the definition is considerably more narrow, and varies from jurisdiction to jurisdiction. Should an instrument amount to a security according to a given country's criteria, it is subject to heavy regulatory scrutiny.

What is a security token?

A security token is a token, issued on a blockchain, that represents a stake in some external enterprise or asset. These can be issued by entities like businesses or governments and serve the same purpose as their incumbent counterparts (i.e., stocks, bonds, etc.).

Why use security tokens?

To draw on an example, let's say that a company wishes to distribute shares to investors in a tokenized form. These tokens can be designed to come with all of the same benefits one would expect from shares – notably, voting rights and dividends.

The advantages of this approach are numerous. As with cryptocurrencies and other forms of tokens, security tokens benefit from the properties of the blockchain they're issued on. These properties include transparency, rapid settlement, no downtime, and divisibility.

Transparency

On a public ledger, the identities of participants are abstracted, but everything else can be audited. Anyone is free to view the smart contracts that manage the tokens or to track issuance and holdings.

Rapid settlement

Clearing and settlement have long been regarded as a bottleneck when it comes to the transfer of assets. While trades can be carried out near-instantly, reassigning ownership often takes time. On a blockchain, the process is automated and can be completed within minutes.

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STO Market

Uptime

The existing financial markets are somewhat limited in their uptime. They're open for fixed periods during the days of the week, and closed on weekends. Digital asset markets, on the other hand, are active around the clock, every day of the year.

Divisibility

Art, real estate, and other high-value assets, once tokenized, could be opened up to investors that may not otherwise be able to invest. For instance, we could have a painting worth $5M could be tokenized into 5,000 pieces, such that each is worth $1,000. This would dramatically increase accessibility, while also providing increased levels of granularity over investments.

It's worth noting, though, that some security tokens may have a limit on divisibility. In some cases, if voting or dividend rights are conferred as equity share, there could be a limit on token divisibility for execution purposes.

Security tokens vs. utility tokens – what's the difference?

Security tokens and utility tokens bear many similarities. Technically, the offerings in both groups are identical. They are managed by smart contracts, can be sent to blockchain addresses, and are traded on exchanges or through peer-to-peer transactions.

Where they differ is mainly in the economics and regulations that underpin them. They can be issued in Initial Coin Offerings (ICOs) or Initial Exchange Offerings (IEOs), so that startups or established projects can crowdfund the development of their ecosystems.

By contributing funds, users receive these digital tokens, which enable participation (either immediately or in the future) with the project's network. They may confer voting rights to the holder, or serve as a protocol-specific currency to access products or services.

Utility tokens are not intrinsically valuable. If a project grows to be successful, investors are not entitled to a portion of the profits as would be the case for some traditional securities. We could analogize the tokens' role to loyalty points. They can be used to purchase goods (or can be sold), but they offer no stake in the business distributing them.

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STO Market

As a result, their values are often driven by speculation. Many investors will purchase tokens in the hopes that they will appreciate in price as the ecosystem develops. Should the project fail, there is little by way of protection for the holders.

Security tokens are issued in a fashion similar to utility tokens, though the distribution event is referred to as a Security Token Offering (STO). From an investment standpoint, however, both kinds of tokens represent vastly different instruments.

Even though they're issued on a blockchain, security tokens are still securities. As such, they're heavily-regulated to protect investors and prevent fraud. In this regard, an STO is much more akin to an IPO than an ICO.

Typically, when investors purchase a security token, they are buying equity, bonds, or derivatives. Their tokens effectively serve as investment contracts and guarantee ownership rights over off-chain assets.

What makes a token a security?

As it stands, the blockchain industry lacks some much-needed clarity on the legal front. Regulators around the globe are still playing catch-up with a flood of new financial technologies. There have been cases where issuers believed themselves to be issuing utility tokens, which were later deemed to be securities by the Securities and Exchange Commission (SEC).

Perhaps the most famous metric for attempting to determine whether a transaction amounts to an 'investment contract' is the Howey Test. In short, it seeks to ascertain whether an individual who invests in a common enterprise expects to profit as a result of the promoter (or a third party's) efforts.

The test was produced by the US courts long before the advent of blockchain technology. It's therefore difficult to apply it to the myriad of new tokens. That said, it remains a popular tool for regulators attempting to classify digital assets.

Each jurisdiction, of course, will adopt a different framework, but many follow similar logic.

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STO Market

Security tokens and programmable finance

Given the size of the markets today, tokenization could radically transform the traditional financial realm. Investors and institutions in the space would benefit immensely from a fully-digital approach to financial instruments.

Over the years, an ecosystem of centralized databases has created a great deal of friction. Institutions need to dedicate resources to administrative processes to manage external data that is incompatible with their own systems. A lack of industry-wide standardization adds costs to businesses and significantly delays settlement.

A blockchain is a shared database that any user or business can easily interact with. The functions previously handled by institutions' servers could now be outsourced to a ledger used by the rest of the industry. By tokenizing securities, we can plug them into an interoperable network enabling rapid settlement times and global compatibility.

From there, automation can handle otherwise time-consuming processes. For instance, KYC/AML compliance, locking up investments for set amounts of time, and many other functions can be handled by code running on the blockchain.

If you'd like to read more about the subject, check out How Blockchain Technology Will Impact the Banking Industry.

Security tokens appear to be a logical progression for the financial industry. Despite their use of blockchain technology, they're much closer to traditional securities than cryptocurrencies or even other tokens.

There is still some work to be done on the regulatory front, however. With assets that can be easily transferred around the globe, authorities must find ways to effectively regulate their issuance and flow. Some speculate that this, too, can be automated with smart contracts that encode certain rules.

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STO Market

Should the promise of security tokens come to fruition, the operations of financial institutions could be significantly streamlined. In time, the use of blockchain-based tokens in place of traditional instruments may very well catalyze the merging of legacy and cryptocurrency markets.

Some even expect this industry to surpass the market volume for cryptocurrencies in the next five years.

In terms of proceeds, the global security token market could reach $3 billion by 2025, growing at 56.9%, compounded annually, according to security token marketplace Area2Invest.



Source: https://academy.binance.com/en/articles/a-beginners-guide-to-security-tokens

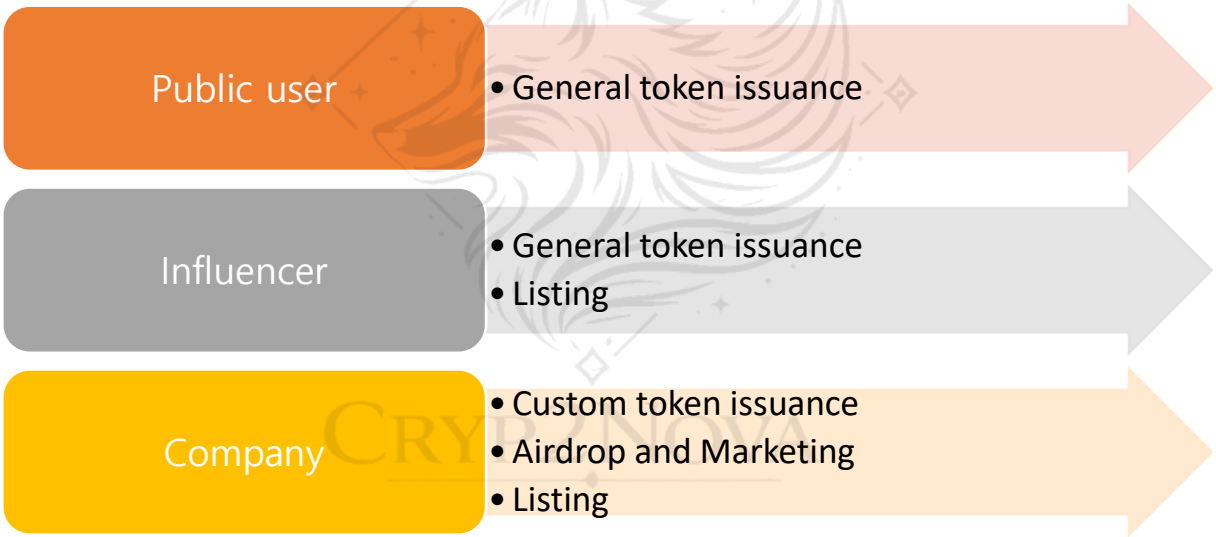
https://www.coindesk.com/markets/2021/06/22/security-token-market-shows-signs-of-resurgence/

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STO Cash

To expand the decentralized blockchain ecosystem, we plan to provide a platform where all users can issue token and conduct ICO, and update the tokenization of real assets and securities to prepare for the market.

STO Cash is a relay platform that provides professional guidance and a progress system for the procedures required for WEB 3-based token issuance, ICO and STO progress. STOC tokens are used for token issuance, usage fees, and payments within the STO Cash platform. And for STO, you can purchase products from experts who comply with the laws and procedures of each country. We will continue to secure a variety of partners and users.



Token issuance

You can issue tokens based on Ethereum, Polygon, and Binance.

Simply select the desired token network chain and enter the token name, token symbol, and total issuance amount.

ICO provides a system that the general public, influencers, companies, etc. can use for their own purposes, and STOC tokens are used as a fee and payment method.

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Airdrop

You can make multi-transfers by entering the wallet address and amount to be transferred, then selecting the chain and paying the fee in STOC.

ICO list

When conducting an ICO, you can register and share information.

ICO listing

You can select the desired exchange, fill out the listing form, and apply for official listing.

RWA, STO Now

There is a guide product from an authorized partner regarding the laws and procedures of each country so that RWA (Rear World Assets) and securities-related products can be tokenized on the blockchain using STOC Token, and STOC Token is used for transaction fees and payments.



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Roadmap

2023. 1Q

- ICO Platform Market Research

2023. 2Q

- ICO platform planning

2023. 3Q

- ICO platform development
- Airdrop Platform Market Research

2023. 4Q

- ICO platform development
- Airdrop platform planning

2024. 1Q

- ICO platform Test
- Airdrop platform development
- STO Platform Market Research

2024. 2Q

- ICO platform service
- Airdrop platform development
- STO platform planning

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Roadmap

2024. 3Q

- ICO Platform update
- Airdrop platform test
- STO platform development
- CEX Listing

2024. 4Q

- ICO platform update
- ICO Project Registration
- Airdrop platform service
- STO platform development

2025. 1Q

- ICO, Airdrop Platform update
- STO platform test
- STO Project Registration

2025. 2Q

- ICO, Airdrop Platform update
- STO platform service

2025. 3Q

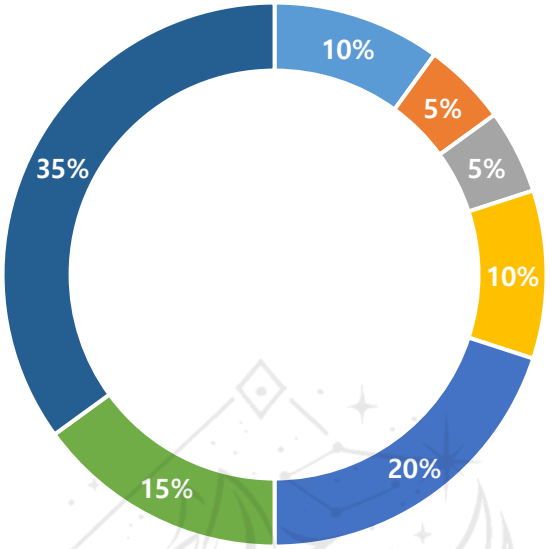
- ICO, Airdrop, STO platform update

2025. 4Q

- ICO, Airdrop, STO platform update

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Token Plan



Total Sum		**10,000,000,000**	**100%**
Councile (30%)	**Foundation**	1,000,000,000	10%
	Partners	500,000,000	5%
	Advisors	500,000,000	5%
	Team	1,000,000,000	10%
Marketing		3,000,000,000	30%
ECO system		1,000,000,000	10%
Token Sale		3,000,000,000	30%

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Team & Partners



Rahul Kumar CEO

Country Head at Digital Nexus Capital
Business development - BlockTech Factory
Head of Marketing in Sea Submit,
Team Lead for The Blockjet

Education: Diploma in Management, Banaras Hindu University



Brijesh Kumar BD

Senior executive: Alterverse
Marketing Head: Shiba saga
South asia head: metaverse space
Sales Head - Infratech
Team lead: Matrix Partners

Education: MBA from Delhi University



Suraj Kumar Maurya PD

Fund Manager- Bittech LLC
Data Scientist at Ringel Web Tech
BD - Shiba Saga
Intern- Tata Consultancy Services

Education: Data Science, Harvard University. Diploma in Travel Management

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Block Inside
China's Large Blockchain Fund

Hero Global
Investment and financial services companies

LD Capital
Investment and financial services companies

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Nothing in this White Paper should be treated or read as a guarantee or promise of how STO Cash(STOC)s business or the tokens will develop or of the utility or value of the tokens. This White Paper outlines current plans, which could change at its discretion, and the success of which will depend on many factors outside STO Cash(STOC)s control, including market-based factors and factors within the data and cryptocurrency industries, among others. Any statements about future events are based solely on STO Cash(STOC)s analysis of the issues described in this White Paper. That analysis may prove to be incorrect

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