The Future of Payments

GhostPay Inc. is a C Stock Corporation registered through the Division of Corporations in the State of

Delaware, in the United States of America.

Abstract

"The Future of Payments" the GhostPay tagline, is the payment platform providing (IaaS) which gives the user choice in which cryptocurrencies they can deposit, transfer, house and use at purchase participating brick-and-mortar and pump locations through the GhostPay application. Once the new client fills in the data required for account activation they can then move their crypto via link address from 3rd party exchanges and trading platforms to their GhostPay wallet. The next step is to download the smart-phone based application, which acts as its mobile successor and contactless payment device. There you have it, you now have a digital cash wallet on your phone to make purchases at select brick and mortar locations. The GhostPay wallet is protected through encryption, and two-level security is available to protect your funds. The application's primary purpose is to connect via IOT through existing QR code and NFC technologies to transact your Crypto at select locations on the go. The application is set to be developed for both iOS and Android operating systems. GhostPay offers the user alternatives when paying at the pump or internally at the point-of-sale terminal. Where, when, and how the consumer uses specific payment varieties is based on the market, preference in terms of coin, or lifestyle choice. This ideology eliminates most cards and their chips from the equation while promising anonymity of transactional history and location.

Current Issue in the Americas

Simply put, the problem at point-of-sale purchase is privacy, quickness, and ease of use. GhostPay plans to offer an alternative, which directly fills this void. Currently merchants accept very few payment methods leaving the consumer stuck with using the EMV chip, prepaid cards, Android Pay/Apple Pay/Samsung Pay linked to traditional credit or debit, or paying in cash. We often hear that governments want a cashless society. More recently there has been a negative connotation and or criminal aspect associated with paying in cash. This is nothing further from the truth, in fact by using cash you are exercising your right of privacy against oppressive surveillance state governments and companies who take advantage of your naivety. As John F. Kennedy, the 35th President of the United States said, "A society which respects civil liberty realizes that the freedom of its people is built, in large part, upon their privacy." At GhostPay our job is to protect your privacy by giving you oversight and access over your information allowing you to transact confidently knowing you are safe from prying eyes.

Additionally, most would argue that paying at the pump is outdated and could use a facelift. Federal regulations will require all pumps in the United States to adopt EMV chips at the pump by 2020. The last thing we need is an EMV chip slowing us down at the gas station. I think we can all agree that filling up is a pain, why not make payment quick and easy?

Worldwide Predicament- Banking Crisis

Most Americans have in one way or another been affected by the banking crisis of 2007-08. Minimal oversight, predatory lending, and shady dealings led to a financial collapse which was crippling on an international scale. There soon after the Dodd Frank Act was enacted, which halted most of these dangerous financial practices, yet throughout history and on the global level we have seen this time and time again. Do yourself a favor and type into a search engine "list of banking collapses worldwide", and you will be astonished at the length of the list. You might be asking yourself why is this a recurring issue, or what is the problem?

The problem is the fractional reserve banking system, inflation, rising population, too much debt, and human nature. This piece is not to persuade you into being anti-establishment but to make you think and understand the complexity of the problem so that you can protect yourself. Most times when you understand a generalized problem you can do a few things: plan for error, fix the problem, or do nothing. For instance, if a river gets too much runoff and floods a bridge in time of heavy rain you can do a few things. One, you can build a bridge parallel to the roadway in higher elevation to provide a detour. Two, you can build a dam upstream to lessen the current water volume in theory eliminating the problem. Three, you can do nothing hope for the best and put a sign up.

Dodd Frank raised costs for banks, and increased paperwork through regulations which in turn put people out of work, while interest rates rose and stock prices remained low after the crash. What reform did was a mix between option one and two above; created a new more complex path along with bailouts (expensive), while

lessening the output of financial products due to demand (less revenue). This made the problem worse economically, given this usually happens when fixing problems but more recently we have lessened banking regulations to a place where bank returns and stock market valuation hasn't been in years. When looking at this predicament on a macro level you would be wise to ask yourself, "When is this going to happen again?" History shows financial collapses happen quite often and have for centuries if you did your homework.

The basic level of investing teaches to not put all your eggs in one basket, or to diversify your portfolio. Why not keep funds in a decentralized borderless bank? Even if these were reserve funds for the purpose of holding or spending, your covered. If the banking system falters your funds are not tied to FIAT currency with the exception of a few stable coins, leaving you with reserve funds. That coupled with the ability to spend at retail locations is what we call being financially proactive.

Industry Challenges

Current industry challenges involve speed/bandwidth, price uniformity, acceptance, while accounting for regulation and compliance. It is not if, but when these issues will be improved; creating a trusted network of blockchain companies. Let's briefly talk about speed and bandwidth in blockchain. As we know there are many blockchains some quicker than others but the top two in terms of market cap* are notoriously slow. One reason for this is mining new blocks and the other is due to congestion. On the other hand, there are many blockchains that are less pronounced in terms of trading value and market cap but provide specific application which promise high transaction volumes per second being payment friendly. The only way to know for sure is through acceptance and high-volume beta testing. If GhostPay launches a utility token for transacting, one of our biggest concerns will be this issue of bandwidth capability.

Next comes price uniformity which is a problem that needs to be handled especially in times of conversion and transacting. If values are fluctuating from exchange to exchange and expect to be uniformly transferred over to wallets including GhostPay the issue lies in conversion. How do we expect to price chart a currency with multiple valuations? This will prove difficult in each respectable E-wallet company when it comes to price determination especially if the wallet sources the point of sale.

Acceptance amongst the mainstream market is a big issue with Cryptocurrencies because just like most things it has its pros and it has its cons. Silk road and international drug networks relied on blockchains as means of laundering and paying for drugs while finding a loophole in legal systems. Additionally, in recent years we have seen ICO scamming and frauds including many pump and dumps, which not only leave a bad reputation for a growing market sector but also leave many people out of money. Eventually time will sort out the real players from the bad actors leading to widespread adoption. A specific company in 2019 noted in the competitor's section below seems to be the guinea pig; being backed by big players and a reputable partner provides a sample test in seeing if crypto payments are feasible.

Price volatility amongst coins also plays a part in why some people and companies reject implementing the idea thinking prices are manipulated due to whales in the market, or the government. Although there are many applications in blockchain something that needs to be addressed is that during a transaction price valuation is locked in and processed. Although conversionary delay takes time from say altcoin to fiat, the change is significantly less evident than say how we currently convert foreign fiat currency in most cases. Privacy coins solve this problem for the most part but as mentioned above the sample test proving the POC is not as stable as stability coins themselves (i.e. Tether, Rockz, etc.).

Taxation; the difficult part moving forward is widespread usage amongst brick and mortar retailers involving tax, and the systematic framework in which to operate when it comes to retail corporations accepting Crypto as a means of payment. The retail corporation could always pay the proper percentage after conversion.

Lastly, we look to regulation and compliance as a challenge that serves as a curveball to the list. Reason being is that this is a new playing field and regulators are not exactly sure where, and how they want to regulate. On one hand, they want to promote financial technology and on the other hand they want centralized control and monitoring. The truth is that there is no hiding the potential advantages in Blockchain. Regulation has not

come down too hard on folks even with as many fraudulent ICOs as there have been. Time will tell, where we currently stand the SEC labels ICO tokens (fundraising from investors) as securities which fall under regulation guidelines. Additionally, utility tokens, while providing value do not necessarily provide monetary exchange value in the form of an investment contract. In turn leaving most exempt from regulation, if you would like to explore this deeper please see the Howey Test. Again, it is unclear how regulations will limit blockchain companies moving forward. Jay Clayton, chairman of the SEC made public statements highlighting guidelines in which to operate, also mentioning exemptions (2018). Regulators have let the Cryptocurrency market sort itself out.

Competitive Landscape:

	ICO	Token Usability	Crypto Payment(s)	Privacy	Centralized	Founded	Cards	Mobile	Current Usage
GhostPay	Yes	Yes	Yes, Mostly Privacy Coin	Yes	Centralized-eventually Decentralized.	2018	Possibility down the road	Yes	No
Graft	Yes	Yes	Yes	No	Decentralized	2017	Yes with "Coldcards"	Yes	Alpha
BitPay	No	N/A	BTC BCH	No	Centralized	2011	Yes	Yes	Yes
Coinbase Commerce	No	N/A	BTC BCH ETH LTC	No	Centralized	2012	No	Yes	Yes
Coinpayments	Yes	Yes	1,100 Altcoins	Yes	Centralized	2013	N/A	N/A	Yes
Bakkt	No	N/A	BTC	No	Centralized	2018	Not initially	Yes	No
CryptoHawk	Yes	Unsure	Yes	No	Decentralized	2017	Yes	Yes	Not yet launched
Beluga Pay	Yes	Yes	Yes	No	Decentralized	2014	Yes	Yes	Beta
Stack	Yes	Yes	Yes	No	Connected to Centralized Network	2017	Yes	Yes	Not yet launched
Crypterium	Yes	Yes	Yes, partnered with Apple Pay Samsung Pay and Android Pay	No	Decentralized technically	2017	Yes	Yes	Beta
Wirex	No	N/A	BTC, LTC, ETH, XRP	No	Centralized (Partnered with Visa)	2014	Yes	Yes	Yes
Stripe	No	N/A	XLM possibility	No	Centralized	2011	Yes	iOS	Yes
PayPal	N/A	N/A	No	No	3rd Party but Centralized	1998	Yes	Yes	Yes
Square	N/A	N/A	BTC	No	Centralized	2009	N/A	Yes	Yes
Mastercard	N/A	N/A	N/A	No	Centralized	1966	Yes	N/A	Yes
Visa	N/A	N/A	N/A	No	Centralized	1958	Yes	N/A	Yes

Each company has their specific pros and cons in each respectable column. Speed and bandwidth seem to be the biggest issues in blockchain thus far. Crypterium will have the bandwidth by linking with companies mentioned above. Stack seems to have the processing speed issue down by using their token for payment while utilizing state channels. Square plans to track taxable crypto providing a 1099-B, and the goal at GhostPay is to provide users privacy in purchases and their history.

GhostPay specifically plans to protect users' monies by leveraging not only privacy coins but other measures in promising anonymity while processing transactions. With the use of a VPN the user can mask his/her IP address during checkout. GhostPay servers plan to also protect user transaction history, in fact the plan is to allow clients the choice of whether or not to hide this information from GhostPay representatives. We just ask that you please remember your login credentials. Ultimately, we are making transactions relatable to a digital form of cash; quick but also untraceable.

Why GhostPay

Although we are a new startup company (2018) we are entering the sphere at a good time without major Federal regulation amidst a fast-paced financial landscape globally. There are competitors in the sphere with substantial market share we look at this as a positive. We can sift through our competition to find a more desirable alternative that benefits the consumer. By 2021 mobile payments are projected to reach $282 billion nearly triple the figure from 2016. More people will soon come to realize mobile payments are actually safer and more convenient than the alternative leading to a higher adoption rate toward other developed nations worldwide. Although the rough estimate is that 8% of Americans operate in or own Cryptocurrency we expect to see sustainable growth as people wake up to the financial mismanagement and abuse we see not only domestically but across the globe. Our market will grow as consumers see the positive alternatives in our specific product offering and as Blockchain in general finds more usage. Our philosophy differs from that of the traditional Automated Clearing House (ACH) processes as well as other players in our direct competitive landscape. Although we are similar in some ways we are not a traditional bank, trading platform, or exchange.

We plan to establish and protect a B2C and B2B infrastructure allowing ghost-payments. We stray away from the idea of chip cards as that defeats the purpose of quick anonymous transactions (ghost-payments). We believe that consumers should have the right to bank and transact anonymously. Data results from a GhostPay independent study conducted on a random sample shows: 57% of people **Prefer Anonymity** at the time purchase, 37% say **Maybe**, and only 6% say **No**.

It is clear the majority of consumers prefer anonymity opposed to marketing agencies/governments collecting big data but might not have a viable alternative other than traditional Cash. Cash is great but it has its flaws. GhostPay plans to create opportunity for the consumer and looks to pave way in the Fintech sphere. Not only does this open the possibility of international usage at multinational corporations but will save you time and money along the way. ACH might be here to stay but the blockchain offers an impressive alternative with many applications. We hope to not only rid the negative stigma associated with digital currencies due to prior usage but to also educate on their possibilities in legitimizing a valuable asset that we can all benefit from.

## Comparison Chart (ACH) vs. (Crypto)

Banking Process	Quickness (TPS)	Anonymity	Oversight	Sustainability	Settlement	Other
ACH (Visa, MasterCard)	Advantage over Crypto	None on the backend	Banks/Feds	Not Sustainable	1-3 days	Centralized
Blockchain (Crypto)	Varies but is improving	Public (transparent) or Private	Miners	Sustainable	Hours to 1 day (GhostPay)	Decentralized

The results speak for themselves: Cryptocurrency although still developing shows lots of promise to be the future in currency. Unmanipulated decentralized currency might possibly turn into one globalized coin, continental coins, like we currently have through partnership unions (although this proves to be very complicated and oppressive) or through private corporations. Regardless less currency divide would make trade easier and could promote a merit-based system.

Payment Flowchart

Below is a rough payment flowchart showing the macro view of a purchase made at the point of sale utilizing current ACH processes alongside blockchain technology. Please note ETH is used in the diagram only as an example in the purchase process flow and does not represent any other planned action or use by the company.

Payment Flowchart Visual
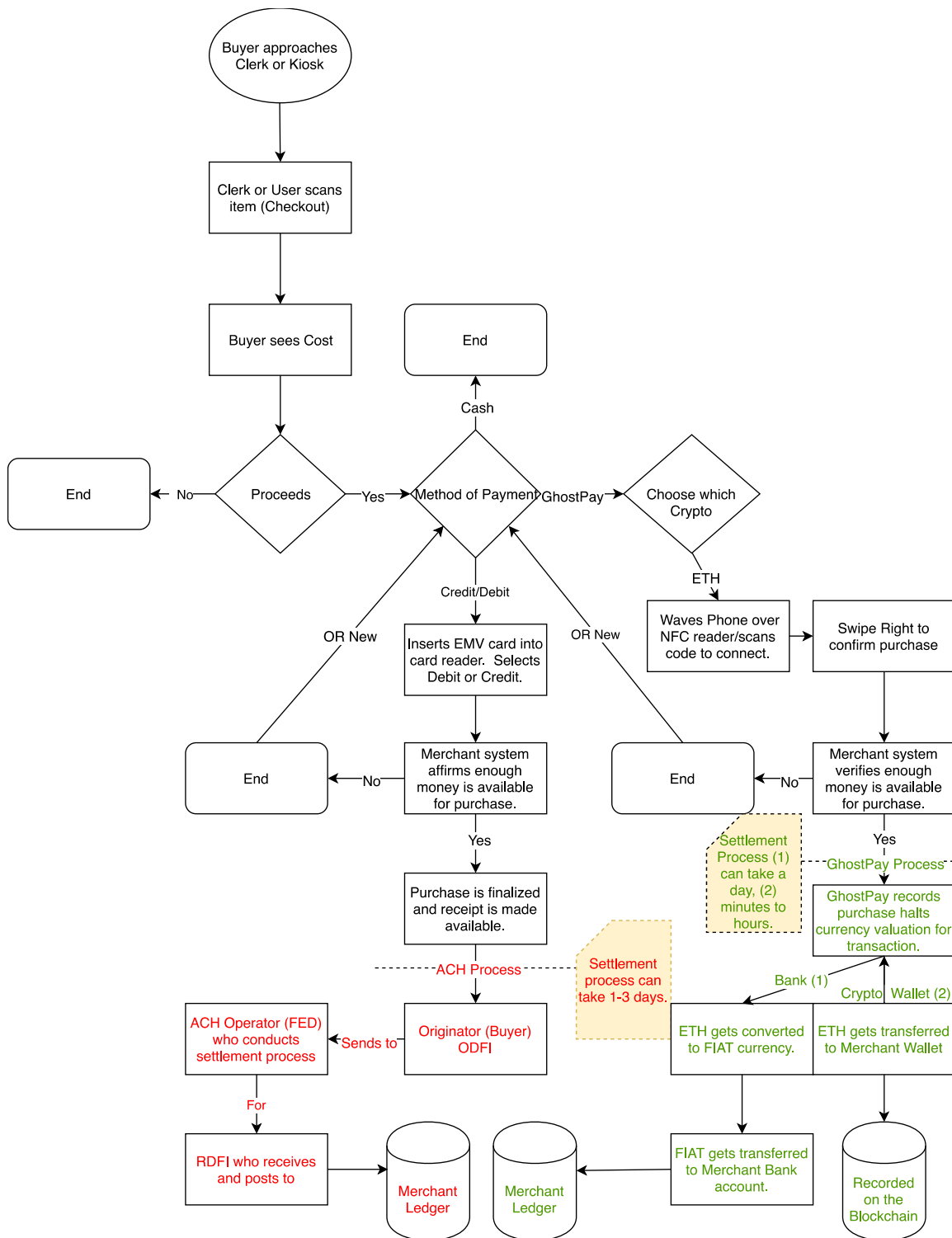
Point of Sale (Merchant)

The premise is to use current NFC and or QR code generation technology (which ever Merchant uses) and connect via the GhostPay application made available via download in your phone providers App. store. This ideology is similar to that of existing Apple Pay, Samsung Pay, and Android Pay but unique in the fact that it incorporates blockchain technology as a ledger system for purchases made by the client and remains anonymous on the receiving end (merchant ledger system). The plan is for the purchase to come up as "GhostPay" for all user purchases in the merchant ledger which lets the merchant see the date, time, amount but no other information such as name and billing address leading you back the client, very comparable to cash. We believe this is insignificant as long as the merchant is paid in full for their products and or services.

User Connectability (IOT)

As mentioned in the above piece the connectability aspect is dependent on whether the merchant hosts NFC payments or QR codes through their payment reader or terminal. This will or will not change dependent on whether the user pays at the pump remotely or pays at the merchant's electronic point-of-sale terminal in store as these two locations might host one or both of the options mentioned. The remote option gives the buyer choice as to their desired method of payment enabling the customer 24-hour access away from inclement weather. One thing will not change and that is that the user will have to own a smartphone with the GhostPay application or an authorized device mentioned below to use the service. The GhostPay application will generate a code to be scanned (in the case of say McDonalds or Starbucks) or scan the QR code generated on the interface/electronic terminal to pair the user account to the merchant's system to process payment.

An additional form of connectivity can be processed by means of a "cold system" through connecting a cold-storage crypto wallet device to the interface via USB. Currently the point of sale reading devices do not allow for USB connectability but this would be a viable payment option down the road. The only difference in payment would be that the sending unit (Cold storage wallet) is offline and the receiver (POS terminal) would be online. A cold card could work the same way as the wallet described above. Although these technologies are not new the process of housing a multitude of payment varieties based on lifestyle for use at brick-and-mortar locations, is.

Payment Processing:

If the user decides to use GhostPay and pay in altcoin, one the user must know that transactions through the blockchain system are irreversible (only on Blockchain hosted coin) and vary in terms of processing time dependent on the cryptocurrency chosen. Payments will be confirmed with an electronic confirmation code made available through the application at purchase and can also have the receipt sent to your email. If that is not an attractive option as users always have the option to screenshot the confirmation code just in case of dispute. The transaction will also be stored in the internal GhostPay ledger for you and only you to see if you deem necessary (you can control these settings for account recovery and customer service specialists in case of dispute).

Merchant System:

The plan is to pay the merchant like they are normally paid via ACH. The only difference is the settlement time in which the money is transferred. Meaning our solution to the merchant is to provide a service offering that is not only innovative but that tailors to the needs of the company. If the merchant wants to receive payment in cryptocurrency we would be more than happy to provide that solution to the merchant. Otherwise standard fiat is the currency in which the merchant will be paid for the given product or service offering they provide.

Disputes

Transactional disputes come with the business, as a company building on trust and reliability, planning is huge. Our plan for disputes is to provide clients with a customer service team that will handle inquiries regarding these disputes. As mentioned above, our clientele has the option of making their purchase history internally private. Come dispute time this will be an issue for GhostPay representatives- so when the account is on exploratory status we ask that you undo this privacy option for your own benefit. Otherwise, we will be unable

to assist you in the dispute as we will not be able to see proof of the transaction. All merchant disputes will be handled by the GhostPay team.

Pay as you go

As the client, you have the choice of creating an account to fund short term "travel usage" or even one-time use. Just note that an additional fee will be accounted for using this service offering to account for unexpected transactional fees and processing. There is a tiered offering availability in which the user can choose an extra layer of security. We're here for you, wherever your lifestyle takes you.

Subscribe

By subscribing on a yearly basis, the user gets the most out of the GhostPay offering through not only a breakdown in price but additional reward program incentives. The subscription covers the costs associated with transactional related costs and usage is unlimited. The rewards program shall refund you a percentage of your money that you spent. Whether you would like a check written out in your name, or spending credit is up to you.

Standard Subscription

Standard users can use the wallet to store and spend their cryptocurrency at partnered locations. With this subscription, the user still gets the benefits of anonymous payments and can view their purchase history on the encrypted network. As mentioned above, you have the option to completely eliminate GhostPay representatives from the equation in terms of payment history. Please be careful not to lock yourself out of your account as this would make account recovery very timely and more difficult for both parties.

Premium Subscription:

We've got you covered- whether you are using the "pay as you go" option or subscribing, you will have the option to pay for a premium offering. Premium users can enjoy a built in VPN offering in the application, an alias with the option to chat with other members, and access to directly send money to one another via P2P network. The difference between the premium "pay as you go" and premium subscription offering is that the ladder gets everything offered above while the "pay as you go" members just get the additional VPN service offering.

Technology and Application

GhostPay.io is in its early stages and will house accounts containing mostly private POS-friendly cryptocurrencies that transfer from trading platforms and exchanges via link address. We will collect the least amount of information required for account creation. The problem is that not everything works perfect, we will need to collect certain information for account recovery and compliance. GhostPay.io will be identical to the GhostPay application minus some technical features. The technology will include Blockchain for payments, VPN and masking software programs, along with the development framework to substantiate the payment-based platform.

Market

The target market (B2C) is current Cryptocurrency holders/traders, early adopters and innovators. After reaching out to industry leaders throughout the world in Financial Technology (Fintech) and the Blockchain field we received some great feedback. A notable response was "I would pay extra for this service and so would my associates" -Blockchain Developer (Hungary). The demographic market would be focusing on technological hotspots not only domestically but internationally. The target market (B2B) is targeting most all convenience stores/oil companies and their subsidiaries for their internal and pump application, as well as brick and mortar retailers.

Market Segmentation and Growth

GhostPay plans to segment the market by offering solutions for not only retail locations (B&M) but remotely pay-at-the-pump and EV-charging stations. Seeing the demand for EV-powered vehicles like Teslas and other

brands offering EV powered vehicles to the market; GhostPay plans to act as a payment variety for the EV-charging stations. Currently there are a wide variety of charging stations, some of which are free, faulty or provide limitations regarding payment. As these quirks get ironed out, new models become available and this technology progresses GhostPay plans to partner with these companies in providing consumer usability and convenience. Additionally, as usability grows and consumers see that the offering works, we can also prove that it is in fact private. The hope is to gain the trust of investors, our initial, and prospected client offering. We can than directly market GhostPay to upper level executives, celebrities, politicians, etc. while creating a safe way to pay via mobile, cold card or authorized device. Clearly security and anonymity is very important sometimes more so to these subgroups mentioned above.

Investors

Although an ICO offering is a great way to raise capital and provide token usability we would still like to offer standard funding methods to expand our network and get traction in a dense market. Seeing that GhostPay is a C-stock corporation we have the ability to provide preferred and standard stock to those interested in investing. Please contact GhostPayInquiries@ProtonMail.com if you would like more information or you are interested in investing in us.

ICO

GhostPay plans to launch a utility token on a private blockchain for funding and a use case at the point of sale. The ICO is really for consumers and less about investors. The point is pre-paying for later usage through either a reduced rate or free trial period (See Consumers).

Consumers

We really hope to expand our network and get people excited about GhostPay, especially the customers using the application. Most companies want your money but we also want your trust. We want to provide you with a method of payment that is not only quick and convenient, but secure. Our job is not to sell your data or monitor your spending habits but to keep your personal data and private life, private. Essentially consumers would invest through the ICO to later use the service. We hope to keep in contact with this community throughout our development. The idea is that our community would also get to test the concept through our Beta to see if they like the service and provide feedback. The point is to create a UX that is fit to your wants and needs. We will grow together as a community in providing a revolutionary change to the payments sphere and a new way to view data. Personal data is expensive, why do people give it away for free to people or organizations we do not trust?

Hopeful Partnerships

We are hopeful to partner with companies in Retail, Oil and their subsidiaries, alternative energy charging stations, Uber, Lyft, Airbnb and private taxi companies.

Team

GhostPay is looking to fill many positions and grow moving forward into 2019. If you think you can contribute or would like to join the GhostPay team please send your Resume or CV to GhostPayCareers@ProtonMail.com
along with a cover letter substantiating intended involvement in the team. Seeing that we stand behind decentralization we are also open to hiring for remote positions across the globe. That being said feel free to reach out with any questions or concerns as we move along. We will get back to you as timely as possible.

Media