



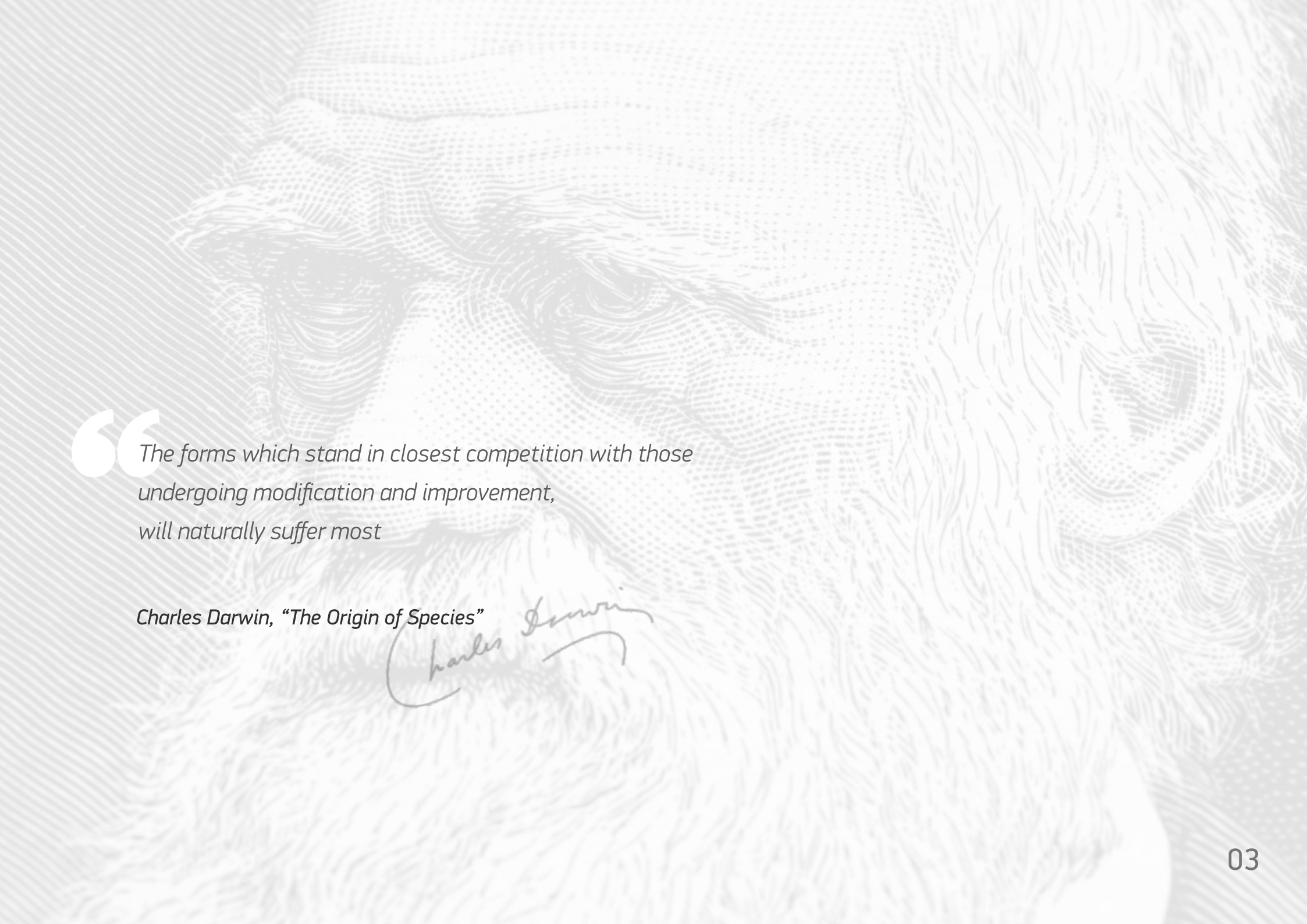
ESCROCO

ESCROW AND INSURANCE SERVICES FOR INVESTORS

ITO
WHITE PAPER

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“The forms which stand in closest competition with those undergoing modification and improvement, will naturally suffer most

Charles Darwin, “The Origin of Species”



Charles Darwin

ARE YOU SCARED OF INVESTING IN THE CRYPTO-ECONOMY?


Japanese consumers reported 33 cases of cryptocurrency-related fraud in the first seven months of 2017, representing more than half a million dollars worth of losses. According to reports from Nikkei and The Yomiuri Shimbun, the National Policy Agency (NPA) reported roughly ¥76.5 million (\$710,848) in fraud-related thefts between January and July. The pace of those complaints appears to have picked up as the year progressed – corresponding to the rising cryptocurrency market – with ¥17.3 million reported stolen in July alone.

From the positive side of the crypto-economy, there has been a recent increase in prices. This is seen in the outstanding units of the Ether currency, whose worth rose to about \$34 billion in June 2017 which is 82 percent of all the Bitcoin at \$43 billion. At the beginning of the year, Ether was only about 5 percent as valuable as Bitcoin.

As promising as the latter may sound, a lot of Investors cannot imagine being a victim of the reports stated in the first paragraph of this paper. This, among other mitigating factors, has caused some investors to develop a perception that the crypto-market is not an ideal place for prioritized transactions, while for some others, it is a place for gamblers.

It may seem that fraud is the only challenge in the crypto-market. Unfortunately, it is not. Other significant factors that frustrate the crypto-economy includes bankruptcy, inflation, and default in remittance of returns to investors and so on and so forth.

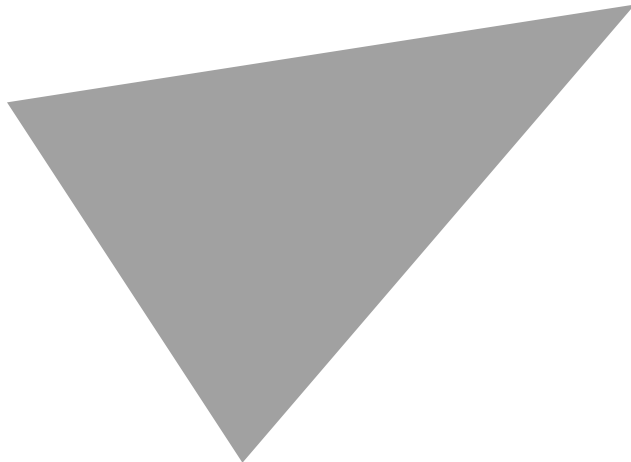
Investors and lenders in today's economy know how beneficial it is to invest in an emerging market; however, they are cautious of the risk attached to such investment. This is on the critical note when it comes to the crypto-market. Emerging businesses are more promising, and the risk of investing in them seems more critical. Confronting these mitigating factors will definitely turn the economic table around and unfold the enviable phase of the crypto-market, thereby making it an ideal place for investors (especially ideal investors) and other participants.



Guarantee is the word. This is what participants crave for in a market. A significant touch of guarantee will not just make the current crypto-economic growth a starting point, but it will also increase its acceptance or approval in virtually every state government of the world.

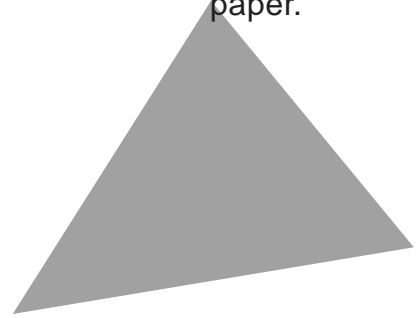
Providing guarantee for investment is the essence of the existence of our business solution. How can we do this?

Our platform seeks to safely maintain the transactional interaction between lenders (investors) and borrower service providers. That is, we are focused on just the satisfaction of contract, without having to deal with, or be in possession of, their investment funds. We intend to achieve this through the application of Escrow architecture and a smart insurance mechanism which makes the middle tier of the market our dwelling place. Also, we intend to give our market less dependence on other investment by creating our own cryptocurrency (Escroco) so as to give our platform more economic power to control its market atomically.



Unlike other business ventures whose increase in coin-value depends on its own market, ours is designed to depend on everyone's investment across the crypto-market, existing or upcoming; thereby experiencing a sporadic and as well exclusive growth irrespective of its age in the market or our market-state at any point. Our coin-value architecture is targeted towards making Escroco limited as well as highly needed, thereby mitigating against inflation, mining and improving control of the currency across the market.

The strategies for the implementation of our business solution will be presented in an elaborate manner in subsequent sections of this paper.



OUR STRATEGY

In order to establish and implement our business solution, a lot of analysis was carried out which yielded the architectural mainstay of our venture. The most significant strategies are present below.

THE MIDDLE TIER

For every market, there are majorly two parties involved in every transaction, the service or product provider and the receiver, who in turn makes an exchange for the received product or services. In today's world, virtually all market services and products are exchanged for currencies. Disputes and other forms of disruption such as bankruptcy and losses are experienced in these markets. At local levels, most service and product providers tend to raise institutions in form of Trade Union so as to protect their interest and manage transactional risk in the course of business.

On the other hand, the receivers also tend to get a Business Protection Right in order to keep their interest safe. In the world's market, it takes more than trade unions or government regulations to manage its disputes or disruption.

Experts in trade law, loan, forensic and related organizations have made dispute management, risk management, and trade-related issues the focus of their establishment. Their role in the market places them in the middle of virtually every transaction as they tend to protect both parties involved in the transaction and provide support or grant where necessary. Thereby lubricating and absorbing the shocks or unexpected mishap in the everyday market and encouraging starters.



The crypto-market is similar to the common or state-defined currency market, except that it does not significantly enjoy the benefit of the middle tier establishments. This has made the crypto-market considerably unsafe for the ideal and prioritized transaction as no one can protect the parties' interest. This also portrays the crypto-market as unwelcoming for participants that are not experts in business psychology or probabilities. It is like closing the market to investors and opening it to gamblers.

The crypto-market is populated with transactions that involve lending and borrowing, and as such, a lot of platforms have sprung up to manage these activities. On such platforms, investment plans of some users are presented to investors who are meant to lend or invest their coin in the investment plan if interested, with the prospect of getting returns on an agreed basis. In as much as these platforms seem to bring the two parties together, it does not mean they are safe, as their funds lie with these platforms, hence if it closes up due to one reason or another, then both parties, especially the investors, will be at an incredible loss.

Our target is now to occupy the middle tier of the crypto-market that manages the transactions between these platforms (The borrowers) and the investors (the lenders) without having to render borrowing services or hold their funds. We are majorly concerned with the satisfaction of contract between the investors and the borrower (as a body). This does not mean our solution is targeted toward eliminating the freedom of the market; rather, it is a bid to make the market free for all, especially for ideal participants.



An illustration of our position in the crypto-market.



SERVICE DEMANDS

Demand and supply is a major entity of any economy, and it is mostly associated with the market of an economy. These entities are very important as they can affect virtually all areas of an economy. If not properly applied, it may lead to inflation, bankruptcy, close of market and even fraud.

High demand for products or services is always the initial interest of any investor. Hence, the reverse will not be our case. Presenting our services as one which will not alter both parties' freedom of transaction, places our platform on the list of the market participants.

Ideal investors will always choose to pay a token (little service fee) for transaction security services so as not to lose a chunk. While the borrowers will see its affiliation to our services as a mark of trusteeship to its audience, this will also increase the demand for our services.

As a centralized system, the awareness and patronage of our coin (Escroco) are promising since payments that are within our scope are done with it. It is projected that borrowers will consider switching to our currency to increase their chances of patronage by investors considering the offer of convenience in conversion (there will no need for multiple conversions). Also, emerging borrowers can see our currency as a good one to start with, especially when they consider its growth.



CURRENCY CONTROL

Our new token or coin (Escroco) is designed majorly for our investors, borrowers and other participants or supporters.

The token is created based on the Wave Blockchain technology which is one of the fastest growing cryptocurrency platforms.

Escroco (ESC) is also designed to move across the market in a controlled manner so as to control inflation, mining, and growth of our market.

A limited amount of 3.1 million ESC is to be produced. This is necessary for the creation of partial scarcity. Excesses will give room to inflation, thereby reducing its value and increasing our cost of production and a decrease in demand. With 2 million in circulation, there will definitely be scarcity at a certain point, which will create a rise in the price of ESC and increase returns for investors.

According to coinmarketcap.com, there were 886 mineable currencies in circulation with a total capitalization of about 142.5 billion USD as of September 13, 2017, excluding Bitcoin. This has given room to coin pumps at irregular intervals. The risk of mining includes reducing the coin value of initial investors as more coins are pumped in at no financial cost, hence, less demand for that of initial investors. If not well managed, coin mining also keeps a currency value at a stagnant rate upon startup. For us, in order to give our investors a full grasp in terms of control of their coin, we intend to close our door to coin mining. Thereby increasing the demand and controlling the currency more efficiently.



A controlled currency does not attract fraudsters as it gives no room for unideal usage or transactions.

PRIVACY MANAGEMENT

Identity is an enemy of fraudsters and defaulters. We intend to verify borrowers, so we will be able to track anyone who fails to comply with the terms and conditions associated with the respective contract.

This does not mean that our borrower's identity will be disclosed on any incidence of mistrust. It will only be used in extreme cases such as bankruptcy and fraudulent act.



INSURANCE

Interactions that are to be managed on our platform are sensitive and need to be treated as such. Insurance is simply defined as a contract, represented by a policy, in which an individual or entity receives financial protection or reimbursement against losses, from an insurance company.

Our insurance scheme or mechanism makes the core part of our services. And its activities are summarized by the definition about (Insurance). The implementation of the scheme majorly covers for the loss of an investor in the case of borrowers' un-notified exit from the market due to bankruptcy, fraudulent motives or another vice.

In order to grant reimbursement against losses, there has to a Fund-Reserve somewhere that can finance such activities. The following sub-section presents the three major ways in which our insurance Fund-Reserve (or account) is funded.



HOW ARE FUNDS RAISED FOR THE SCHEME?

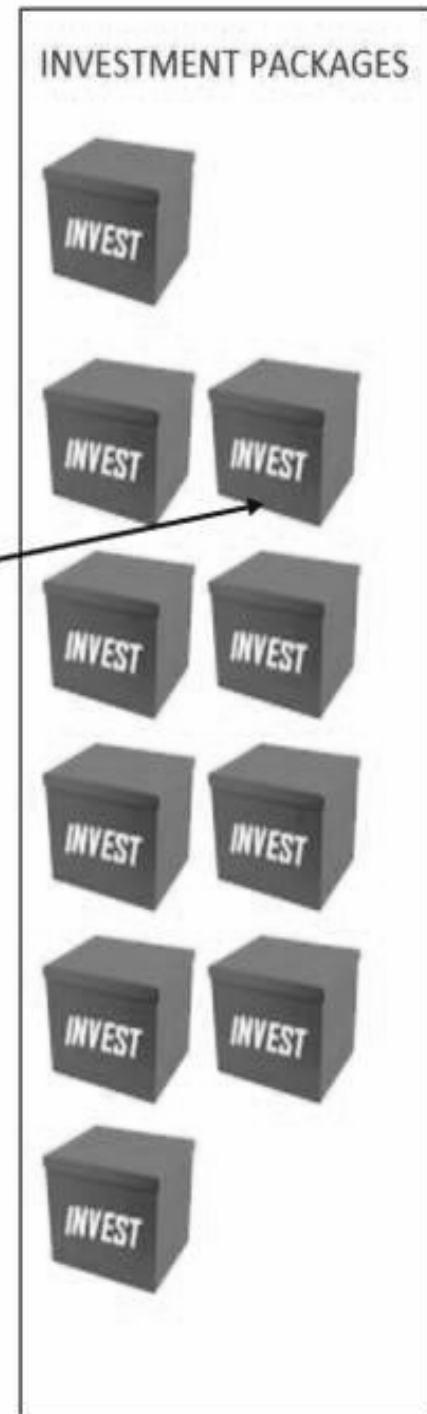
	FUND	DESCRIPTION
1	Frozen Deposit	When a borrower wants to borrow large amounts of Bitcoin, he will have to have some Escroco token. which then he will freeze in an Escrow account. At the end of his package, he can get Escroco back.
2	Referral Charges	This is a fee that is tagged to investment packages. It is to be paid by the borrower that created the package based on its patronage. These charges are based on a percentage of investment cost. The fee is collected only when investors successfully establish a contract of investment on a particular package.
3	Token Appreciation	During the course of business, it is expected that our tokens should increase in value. This increase can also be a source of income, considering the fact that deposit and referral charges will have extra worth on them.
4	Safety Fund	From the token production, 2 million out of 3.1 million will be in circulation, while 1.1 million will be in the Safety Fund Account and used for such purposes.
5	Interest Fees and Transaction Fees	A very small percentage of the investors profit will go to a separate insurance account .

AN ILLUSTRATION OF OUR INSURANCE SCHEME

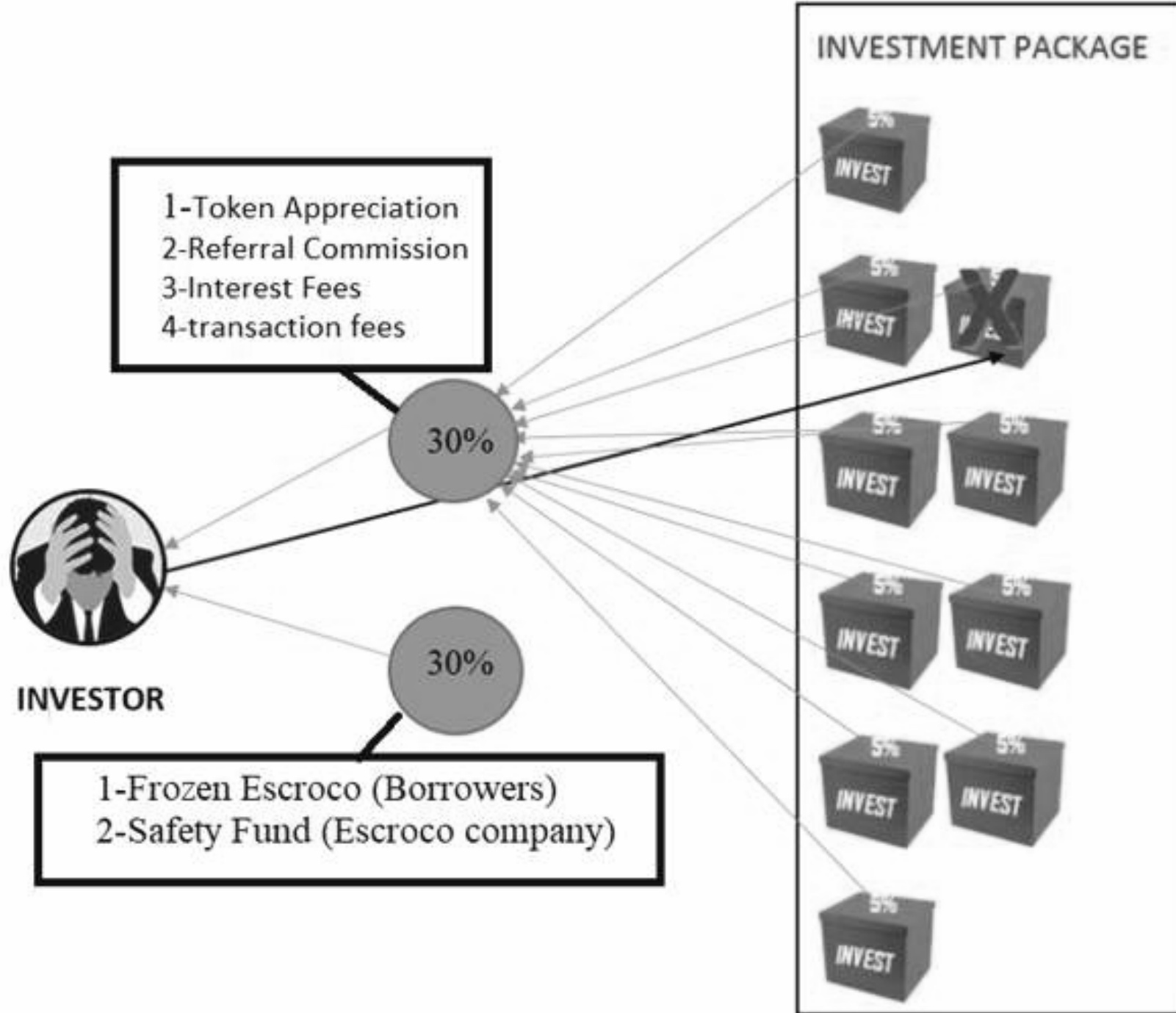
The diagram on the right shows the relationship between the investor and the investment packages. For the illustration, we assume that all packages were invested on.



INVESTOR



Initial investment state



A reimbursement approach for investors upon loss of asset



Note: Not all cases of loss get 100% reimbursement, as this is based on investment ratings. A sample of such cases is presented as follows.

Assuming we have 10 investors who invested in each of 10 different borrowers' packages. All the packages have the same amount of investment and each package is expected to return weekly or daily interest. The following funds will be generated from their transactions.

Fixed funds: The amount on each package upon leverage is estimated to be 5% of its cost.

Referral Fees: The charges received for referral to the packages are estimated to 2% of investment cost for each package.

Interest funds: Upon return of interest, let's say there are 0.3% charges (this is multiplied by the number of returns).

Now, if at the end of a business year or cycle, it is discovered that 4 out of the 10 investments were lost to bankruptcy, fraud or another vice; then the following implementation will be carried out.

	Fund	Total Income Generated	Allocation for each of the 4 loses
1	Fixed Funds	$5\% \times 10 = 50\%$	$50\% / 4 = 12.5\%$
2	Referral Fees	$2\% \times 10 = 20\%$	$20\% / 4 = 5\%$
3	Interest Funds	$(0.3\% \times 50 \text{ returns}) \times 6 \text{ successful investment} = 90\%$	$90\% / 4 = 22.5\%$
		TOTAL	40% each

Added to the 40% for each lost package, an estimate of 15% increase in ESC value is accessible for reimbursement. Hence, 40% + 15% gives 55%.

From the calculation above, we will see the possibility of 55% reimbursement offer, if 4 out of 10 investments is lost. This is a rare case, but our design still takes care of such cases.

Note: The values used in the above calculation are estimated. It is mainly for illustration of our insurance paradigm.

HOW WE HANDLE WORST CASES

One may want to ask how we will handle a case of an investor whose lost or stolen asset is worth more than we can afford.

Not to worry, we handled that through the collection of borrowers' true identity at registration. This, as stated above, will be required at such point. The identity of the borrower will be disclosed to the investor, who may decide to prosecute or take any appropriate action.

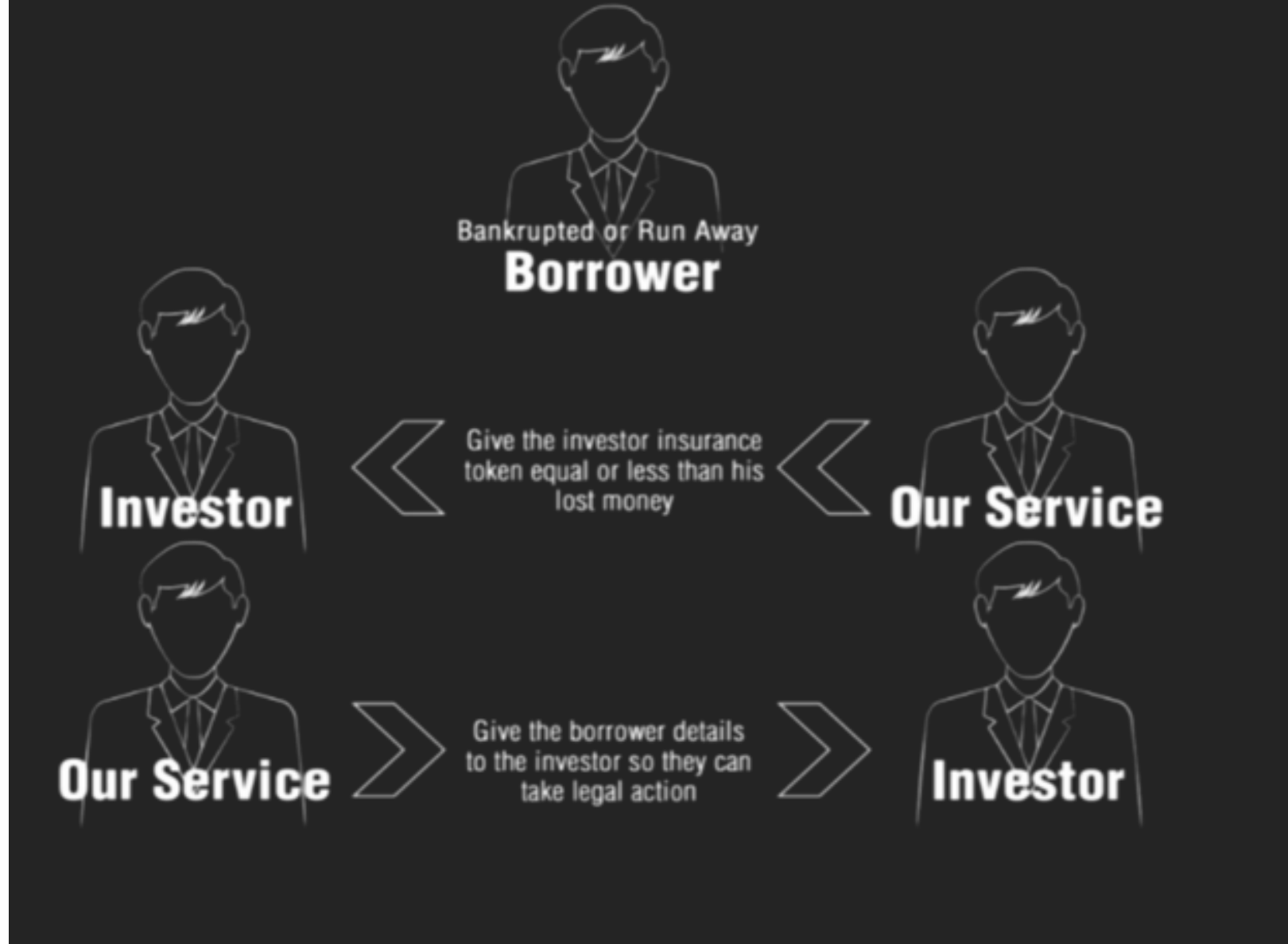




The investor involved in such situation will still be compensated with the initial deposit of the borrower as well as other benefits from our platform, while the disclosure of borrower's identity will be made if the investor shows interest in prosecuting or enhancing the trace.

Worst case senario

The diagram below explains the technique for handling severe or worst cases of loss.



OUR PLATFORM

In order to create a comfortable and centralized spot for our users, we designed a web-platform which is implemented based on the Escrow technology.

Escrow is a contractual arrangement in which a third party receives and disburses money or documents for the primary transacting parties, with the disbursement dependent on conditions agreed to by the transacting parties. Escrow gives us the right conceptual tool for the development of a system that will meet objectives.


The platform is divided into two sub-platforms. One of the sub-platforms provides a control panel or dashboard for the investors and the other for the borrowers.



BORROWER PANEL

Investment packages or plans are to be created by the borrowers which will be made visible to investors on the Investors' panel. In order to achieve this, the borrower will have to register on our platform if satisfied with our terms for membership and participation.

Once the borrower gains approval, access to package creation will be granted and the borrower will be able to place investment packages with cognizance to service charges. In a bid to avoid system security breach, a borrower will be forced to provide a second level verification which is quite extensive, if he needs to borrow more coins than the specified or agreed limit. Below is a pictorial view of the borrower's activities on the system.

VIRTUAL COMPANY					
Daily Return 1-1%		COMPANY NAME: Virtual Copmany			✓
Period 180 Days		INCOME SOURCE: Volatility Software			NOT VERIFY
Capital Return No		SAFETY TOKEN: 10000 Escrow Token			✓
Note: More Item Can be Added		ESCROW INSURANCE: 100 BTC			✓
		INVESTMENT LIMIT: 0.01 - 10 BT per person			✓
Last 5 Days Return	1.1%	2.5%	3%	1%	1.6%

5

FIVE WAY TO INCREASE THE VALUE OF THE ESC TOKEN

MORE INVESTMENT PACKAGES WILL CAUSE MORE DEMAND

THE HIGHER THE INVESTMENT VOLUME THE MORE TOKEN NEED TO BE FREEZE AS INSURANCE

THE TOKEN VALUE WILL INCREASE AS BITCOIN PRICE SOAR

THE MORE PEOPLE HOLDING IT DUE TO THE INCREASE PRICE THE MORE RARE IT WILL BE

APPLICATION WE ADD TO THE PLATFORMS THE MORE VALUABLE IT WILL BE

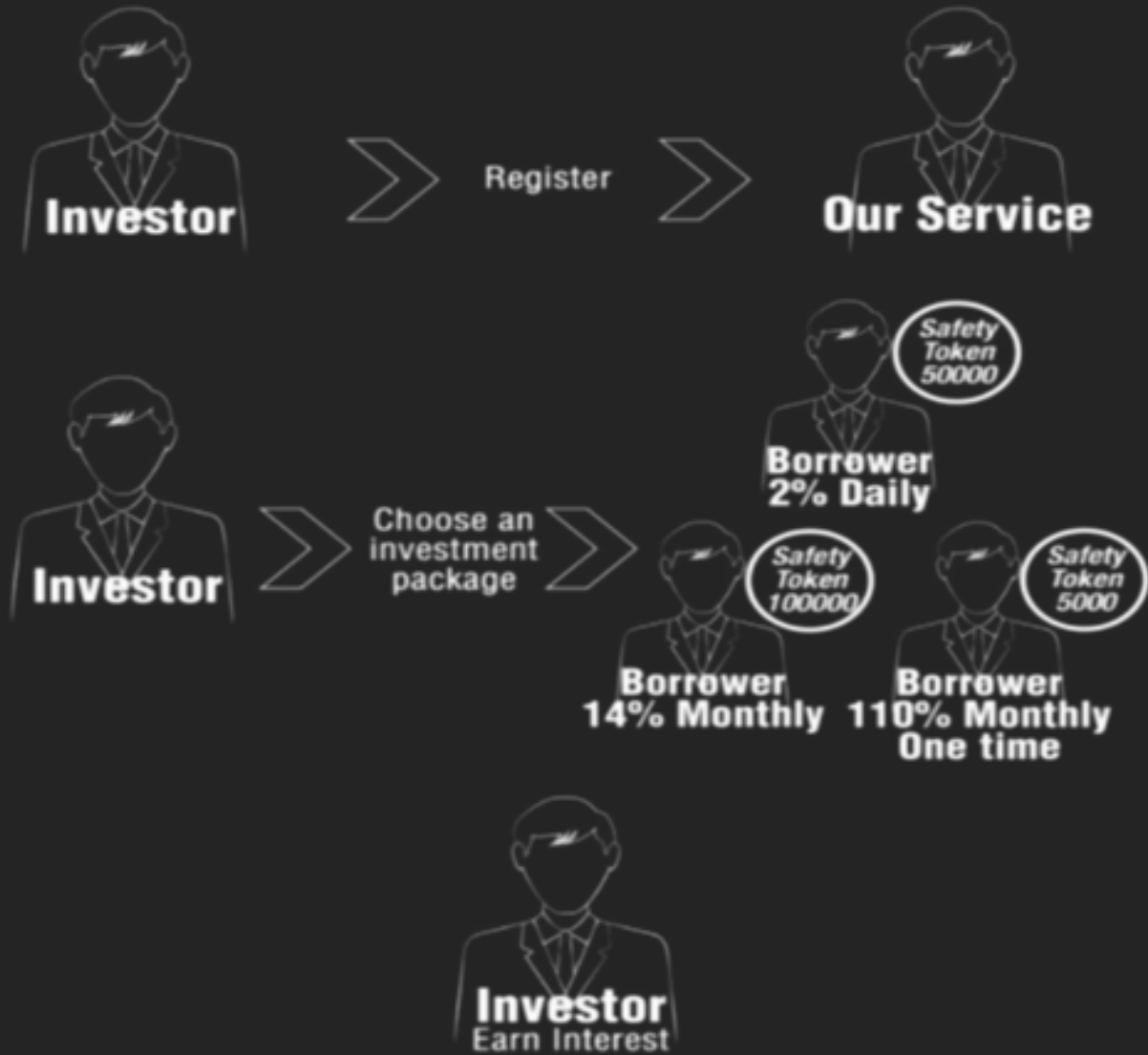


Investing Process

INVESTOR PANEL

On this panel will be displayed the investment packages created by the borrower, but in order for an investor to access these packages, he will have to register on our platform if satisfied with our terms for membership and participation. Upon successful registration, the investor will be allowed to access these investment packages, which are created by different borrowers and are linked to their platform. If the investor is interested in any, he can simply invest in it after meeting our terms of participation, which includes payment of service charges.

After investment, the investor can also be given access to the analysis section of his panel to view returns and market status of his investment. Below is an illustration of the investor's activities on our platform.





OUR MARKET

Our business structure gives a strong indication that it will experience a value-boom in a short time when considering the growth rate of the crypto-market. Also, the possibility of falling seems unrealistic as our coin (ESC) is not just tied to our platform for its growth, but to all ventures of our borrowers and investors. Hence our opportunities are well spread across multiple ventures, giving room to a sporadic boom in our market value as well as putting our business far apart from bankruptcy due to unlimited business chain which acts as pads. These, among others, increases our market expectation from short to long-term perspectives.

INCOME GENERATION

There are lots of income opportunities for our venture which will efficiently fund the insurance scheme and still raise a ground-breaking profit. Basically, the following are possible ways of generating funds through the business cycle.

- Sales of the token (ESC): At startup, the main source of income is the sales of the ESC token to investors in the crypto-market. We intend to put out 2 million coins and hope to generate a lot of income from there. Irrespective of the fact that most of these incomes are seen as startup capital, some part of it can make up for profit, especially the surpluses.
- Deposited (Freeze) ESC: This is the income generated from users' (investors and borrowers) who intend to use our platform for their transactions. For the investors, the cost of participation is fixed, while for the borrower, the cost of participation is based on their package worth and number. This is expected to bring a boost to our profit when we have fewer cases of loss from both parties. Even when there seems to be a loss, the charges and other funds are also

available to augment the loss, thereby giving this deposit the chance to still grow at all points and so with other accounts.

- Safety fund: One may wonder how the reserved 1.1 million ESC will increase profit or be a source of income. This can occur when used for marketing activities, such as awards to affiliates based on participation.

The affiliate would, on the other hand, increase our market with new participants and of course; contributing back to the general purse. On the side of coin appreciation, the safety fund will definitely enjoy the extras.

- Number of package fund: Apart from the fixed deposit that the borrower makes, in order to participate on our platform, there are charges attached to the interest of each investment, but this is based on the number of packages. For instance, for every 10 packages created by a borrower, there is percentage remittance to make based on the total investment made. This interest is based on a group of packages and not on single or less number of packages, thereby leaving the smaller borrowers out of it.



AWARD AND INCENTIVE

As a means of incentivizing our Affiliate-participant, we plan to implement a 2-level marketing in the ITO; which will boost our market population, thereby attracting investors and keeping existing ones.

This is a better incentive than mining awards. This is because miners will always want to have it all, thereby refusing or being reluctant to advertise a coin to others in order to increase his chances of more coin. For this market section, we have the following plans as awards or incentives for the invitation of new affiliates:

- First Level: 5% Escroco Token + 5% BTC

- Second Level: 3% Escroco Token
After we launch the platform, there will be a different commission structure, as we are planning to give the borrower the full control over the commissioning system, which makes that also a marketing opportunity for the borrowers. It will be, of course, at their expense.

- Referral Fund: This is like the percentage interest of packages but received from both parties based on successful transactions or investment. This is attached to each package but is not to be paid when they are patronized.
- Token Appreciation: A growth in the value of the currency will definitely increase our income, ranging from the safety fund, frozen deposit, through package interest and other related transactions.
 - Interest Return Fund: This is received from every return the borrower makes from an investment which can be daily, weekly, etc. Though minimal, the rate of returns are expected to be frequent, thereby generating large amounts from minute but multiple occurrences.

ROADMAP

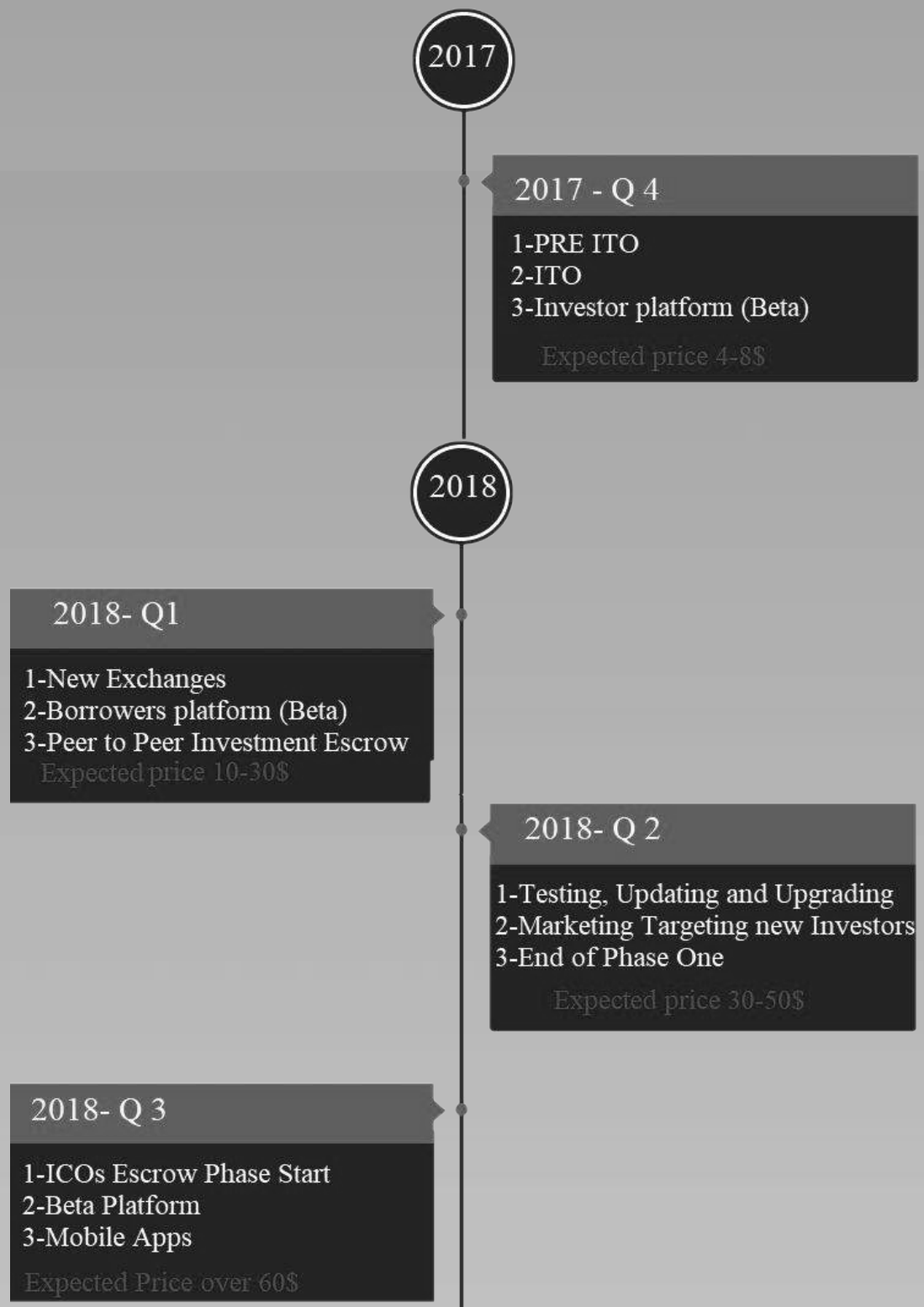
As a roadmap, Escroco as a venture will be implemented and actualized based on the following phases or milestones.

- Phase 1: This will begin with the release of Pre-ITO where the initial investors will have an opportunity to purchase the ESC.
- Phase 2: After the ITO (Initial Token Offering) is rolled out, the web-platform will be launched as a website but only for investors at this point. Accessibility to the platform will be restricted to countries which do not tax the crypto-currency framework such as Dubai, etc.
- Phase 3: At the end of a successful launch, we will give the investors an opportunity to purchase more tokens using our web platform.
- Phase 4: After the investors are finished with making purchases for ESC, the borrowers' accessibility to the platform will be launched.
- Phase 5: When the borrowers' sub-platform is set and running, the peer to peer crypto Escrow service will be launched by our company on the web platform, which makes us ready for the full business activities.

Upon completion of the five (5) phases or milestones, we will be available to steer the wheels of keeping our investors and borrowers safe in their market.



An illustration of our roadmap





CONCLUSION

The strategies and prospect of our business are scientifically and financially proven to be a venture that is worth investing.

Our position in the market seems delicate, but it is actually safe for smart innovators, which is why we took interest in occupying that position due to having discovered that we have the solution to holding such a huge space in the crypto-market.

The rate of investment and the fear associated with it in the crypto-market is overwhelming, which is further reasoning for deciding to provide a solution that is research-demanding but safe for all. Our thorough research made it possible for us to run an Escrow service without having to hold the funds involved in the transactions of both parties.

This brings an answer to the question of being an intermediate service provider and keeping the peer-to-peer architecture of the crypto-market. All at once. We are basically here to ensure safety, transparency, genuine freedom, flexibility, and convenience in their market experiences.

TERMS AND CONDITIONS

WARNING: DO NOT PURCHASE ESC WITHOUT A GUIDE, IF YOU ARE NOT EXPERIENCED IN DEALING WITH CRYPTOGRAPHIC TOKENS AND BLOCKCHAIN-BASED SOFTWARE SYSTEMS.

WARNING: CRYPTOGRAPHIC TOKENS MAY EXPERIENCE EXTREME PRICE VOLATILITY.

ALL PURCHASES OF ESCROCO ARE NON-REFUNDABLE
ALL PURCHASES OF ESC ARE FINAL. PURCHASES OF ESC ARE NON-REFUNDABLE. BY PURCHASING ESC, THE PURCHASER ACKNOWLEDGES THAT NEITHER OUR VENTURE NOR ANY OTHER OF OUR PARTIES ARE REQUIRED TO PROVIDE A REFUND FOR ANY REASON, AND THAT THE PURCHASER WILL NOT RECEIVE MONEY OR OTHER COMPENSATION FOR ANY ESC THAT IS NOT USED OR REMAINS UNUSED.

PRIVACY

ALTHOUGH WE WILL REQUIRE THAT PURCHASERS PROVIDE AN EMAIL ADDRESS, WE PROMISE NOT TO PUBLISH ANY IDENTIFYING INFORMATION RELATED TO ESC PURCHASES, WITHOUT THE PRIOR WRITTEN CONSENT OF THE PURCHASER. PURCHASERS MAY BE CONTACTED BY EMAIL REGARDING A PURCHASE. SUCH EMAILS WILL BE INFORMATIONAL ONLY. WE WILL NOT REQUEST ANY INFORMATION FROM PURCHASERS IN AN EMAIL.

