switch™

Litepaper

Version 1.0

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Contents

| Disclaimer

| Forward-Looking Statement

This litepaper may contain forward-looking statements that involve substantial risks and uncertainties. Forward-looking statements discuss plans, strategies, prospects, and expectations concerning the business, operations, markets, risks, and other similar matters. There may be events in the future that we cannot accurately predict or control. Any forward-looking statement in this litepaper speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ, may emerge from time to time, and it is not possible for us to predict all of them. We do not plan to update or revise publicly any forward-looking statements except, as required by law.

| Abstract

Although internet technologies have evolved rapidly in the past two decades, digital payments have considerably lagged behind the curve. The complexity of digital payments in the current financial system costs merchants heavy processing fees, involve many parties for a single transaction, and take several days to process. These payment solutions are well-appreciated by consumers, but we cannot say the same for merchants, who are left to assume all the growing risks associated with fraud and chargebacks.

As one of the most promising innovations in technology in recent years, blockchain — the technology backbone of cryptocurrencies like Bitcoin — has positioned itself as a reliable solution for safer and simpler transactions. It has also shown itself to be an excellent catalyst of the network effects, leveraging its speculative, and utilitarian potential to rally large communities of loyal advocates behind them.

Unfortunately, because of its more complex nature and the lack of proper integration within user-friendly payment platforms, it has failed to reach mass adoption within traditional finance and commerce. This absence within payment processing solutions prevents the vast majority of retailers and consumers from enjoying the many security and cost-effective benefits that cryptocurrencies offer. It also provides many opportunities for forward-thinking payment companies to capitalize on.

Switch fills that void with a unique solution that integrates all the benefits of cryptocurrencies to a broader audience of consumers and retailers. It also offers a novel loyalty program designed to generate a strong network effect that stimulate rapid, advocacy-driven growth.

| Introducing Switch

Switch will be a blockchain-based financial services ecosystem. The blockchain will be empowered by a global decentralized node network where node licensees will be rewarded, by the blockchain, with SWITCH digital rewards. Switch will offer debit payment solutions for both traditional and cryptocurrencies around the world.

Switch's executive team, with extensive experience in the traditional payment industry, is taking advantage of the security, immutability, transparency, and virality potential of blockchain payments. The team seeks to elevate the standard of payment processing solutions by empowering consumers and merchants, putting both transacting parties on equal footing, and stimulating aggressive advocacy to bring more users on the platform.

What is Virality:

noun

the tendency of an image, video, or piece of information to be circulated rapidly and widely from one internet user to another; the quality or fact of being viral.
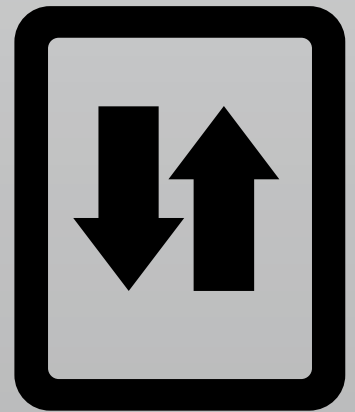
Switch™

The Switch Ecosystem

Switch is a unique payment ecosystem composed of the Switch App, the Switch Card, and the Switch Network. Each component plays a vital role in fostering a more secure, predictable, and reliable payment environment that organically incentivizes strong user advocacy.
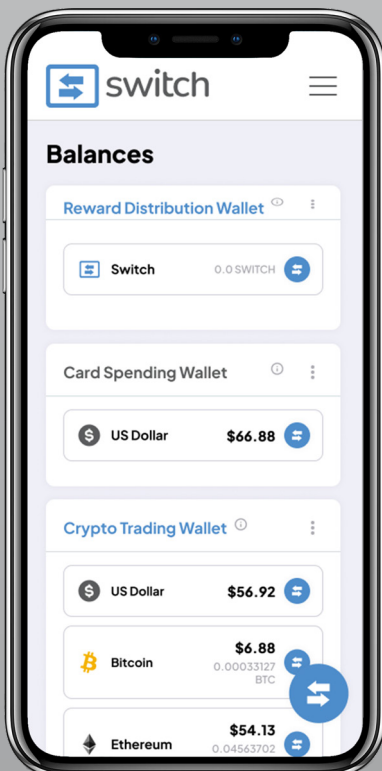
The Switch App

The Switch App is a convenient and easy-to-use payment service and digital asset exchange. This software application enables users to send and receive blockchain-based payments that are secure, irreversible, and near-instant. It is the glue that ties the ecosystem together and allows Switch Members to enjoy benefits that are not possible on legacy payment platforms.

Additionally, it allows Switch Members to be rewarded with blockchain-based payments based on actions undertaken within the ecosystem. These actions typically include, but aren't limited to, referring new users to the application, making payments using the Switch Card, and making purchases through select partners in the Switch Marketplace.

This novel blockchain-based reward system, detailed extensively in later sections of this paper, naturally stimulates and incentivizes users to help grow the platform by leveraging the virality and potential for the network effect within cryptocurrencies.

Cryptocurrency Wallet

The Switch App contains multiple cryptocurrency wallets that lets users send and receive blockchain-based payments without financial borders. Payments are secure, near-instant, cannot be reversed (no chargeback), and are near-free regardless of the provenance or destination of said payments.

The Switch App is compatible with various cryptocurrencies, which can be easily and instantly exchanged within the application itself.

Debit Card Management

Switch Members can manage their own cryptocurrency-powered debit card using the application. For example, users can top up their Switch Card by selling cryptocurrencies and exchanging them to fiat. This gives users a convenient and user-friendly way to spend their converted digital assets at any merchant that accepts debit card payments.

The Switch App provides users with more control over their finances and more security against fraud by allowing them to cancel their card or change the PIN right from inside the application.

Note: No cryptocurrency is loaded onto the Switch Visa Card. All assets are converted to local fiat currency prior to loading on the Visa network. Switch provides financial services and is not a bank.

Marketplace

To further embolden consumers to use the Switch Ecosystem, an in-app marketplace and eCommerce solution will let consumers purchase products or services using SWITCH.

To foster greater usage of the marketplace and strengthen the bond between Switch and its users, various promotional initiatives may be integrated into the marketplace directly using SWITCH.

The Switch Card

The Switch Card is a debit card that lets users easily spend various converted cryptocurrencies at any merchant that accepts debit card transactions.

Cards are separated into three products; Digital Cards, Blue Cards and Black Cards. Switch Members, through the Switch App, can also get access to a Digital Card that allows them to make online purchases.

Switch Cards do not require any staking or security deposit to be activated. They are accepted by more than 50 million merchants worldwide.

The Switch Card

The Digital Card

The Digital Card can be activated on the Switch App almost instantaneously and offers the same benefits as the Blue Card but does not include the issuance of a physical card. It allows users to make online payments through the Switch App, by topping up their accounts with fiat from multiple converted digital assets like Bitcoin. For a user to participate in Switch Rewards, they must activate and run a Switch Node. For this reason, each card issuance includes a Switch Lite Node which will facilitate the rewards. However, it is up to the user to host and activate the Node. Earned rewards will be deposited to the Switch App digital wallet daily.

The Blue Card

The Blue Card can be topped up using fiat from multiple converted digital assets. It offers flexibility for the card user as well as the ability to automatically pay bills. In addition, it incentivizes Switch Members to complete transactions with it, by rewarding them with SWITCH based on usage. For a user to participate in Switch Rewards, they must activate and run a Switch Node. For this reason, each card issuance includes a Switch Lite Node which will facilitate the rewards. However, it is up to the user to host and activate the Node. Earned rewards will be deposited to the Switch App digital wallet daily. It is also compatible with tap-to-pay applications such as Apple Pay and Google Pay.

The Black Card

The Black Card offers the same benefits as the Blue Card, as well as some extra benefits. Notably, it provides users the opportunity to earn double the number of points for any point-based action they make within the Switch Ecosystem. It also gives them access to exclusive benefits. For a user to participate in Switch Rewards, they must activate and run a Switch Node. For this reason, each card issuance includes a Switch Lite Node which will facilitate the rewards. However, it is up to the user to host and activate the Node. Earned rewards will be deposited to the Switch App digital wallet daily.

The Switch Network

Blockchain-based transactions are different from traditional payments made through legacy banking systems because of their distributed nature.

Contrary to legacy payments, cryptocurrencies are validated by a distributed network of nodes, as opposed to a single authority, and each participant independently validates all the transactions happening on the network. This removes any central point of failure, and makes payments near-instantaneous, almost costless, immutable, transparent, irreversible, and fraud-free. The Switch blockchain network will run on a Proof of Authority consensus protocol.

The Switch Ecosystem allows for the easy management of various digital assets such as Bitcoin, Ethereum, and coming soon, Switch's very own reward: SWITCH. Switch will also add other cryptocurrencies as they see fit.

SWITCH Digital Reward

Switch Nodes
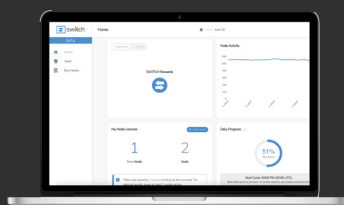
Proof of Action

SWITCH Digital Reward

To reward the work performed by Switch Nodes, Switch will run an innovative digital reward program through the Switch Network.

SWITCH rewards will be paid to Switch Node operators. SWITCH will be a digital reward native to the Switch Network that the community may use as a cryptocurrency. SWITCH can be minted as an ERC-20 token on the Ethereum blockchain, although it is initially distributed on a Layer 2 blockchain on a predetermined schedule that is set at the network's genesis.

Total Distribution: 50 Billion
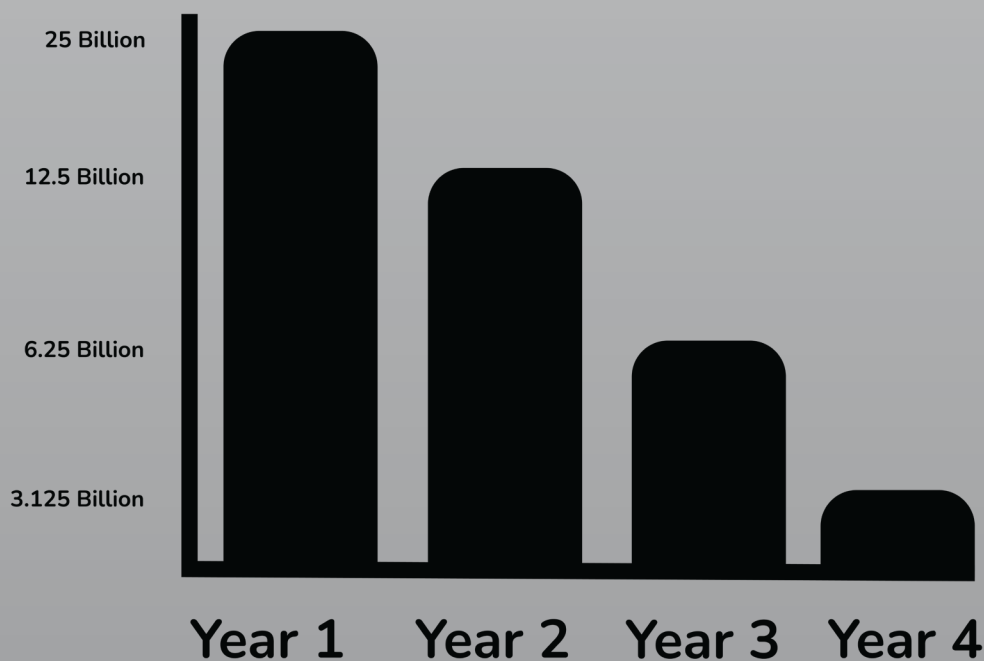
And so on with annual halvings until 50 billion SWITCH is distributed...

Switch Nodes

The Switch Network's native token, SWITCH, is minted and distributed to Switch Nodes based on a predetermined schedule.

There are many types of nodes on the Switch Network, each with a different purpose, cost, and token emission rate. The types available for purchase are Lite Nodes and Smart Nodes.

Lite Nodes are affordable nodes that may be awarded a small number of tokens daily for the small amount of work they contribute to the Network. While these nodes are much more affordable than a Smart Node the Switch Reward earning power of the Lite Node is ever decreasing. To determine the points earned by a Lite Node, you need to divide the current price of the Lite Node by the current price of the Smart Node (definition below). This calculation will give you the points earned by the Lite Node in comparison to the Smart Node.

Smart Nodes are more expensive nodes that also get awarded a much larger number of points for their owners because they establish the backbone of the Switch Network and do the majority of the work.

The cost escalation plan is that a Smart Node license increases in price by the following amounts as nodes are sold based on the total number of Smart Nodes sold:

- $1 for the nodes 20k to 24,999

- $0.50 for nodes 25k to 34,999

- $0.25 for nodes 35k to 54,999

- $0.125 for nodes 55k to 94,999

- $0.0625 for nodes 95k to 100K

The above formula makes it more expensive to purchase licenses as the network grows, which encourages early adoption.
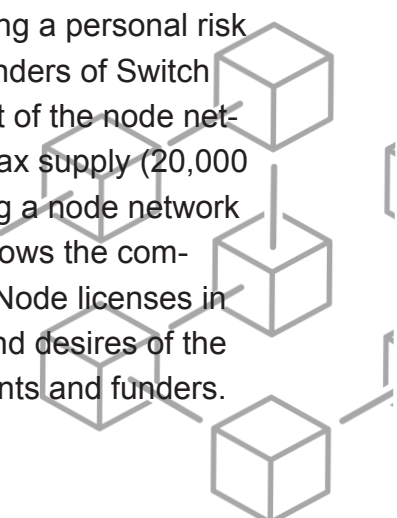
Switch Nodes

The license is sold by Switch, but is up to the license owner to activate the node by installing the software and hosting it online. This allows the Node to participate in the Switch Network and earn points based on Switch Actions and be eligible to receive daily distributions of SWITCH.

The SWITCH that a node owner earns is distributed by the Switch Distribution Engine, which automatically distributes Switch Rewards (paid in SWITCH) based on a point system. (This "point system" is further explained later in this paper.)

The minting and distribution of SWITCH will happen in the Switch App digital wallet that is created during the setup process of the node owner's Switch Account. The distribution process is secured and validated by a distributed network of nodes.

Switch's blockchain will be built upon a network of nodes owned and operated by Switch Members to form the Switch Network and also a community. Though integrated with the Ethereum blockchain (L1), the Switch blockchain will incorporate Layer 2 (L2) and Layer 3 (L3) solutions that Switch Nodes will power and secure. We plan to release additional details relating to the Switch blockchain in the future. The node ownership structure will allow for 100,000 Smart Nodes and 25,000,000 Lite Nodes to guide and shape future decisions about the direction of Switch. The more nodes that are activated and run, the more decentralized the Network will become. Switch's goal is full decentralization of its Network.

Switch is a typical start-up with individuals leaving other positions and taking a personal risk and sometimes, cut in pay, to be a part of the Crypto world. The early founders of Switch own the first 20,000 Smart Node licenses as part of the initial development of the node network., The percentage of founders' Switch's Smart Nodes is 20% of the max supply (20,000 of 100,000 Smart Nodes), which is enough to begin the process of creating a node network that will eventually become a blockchain that confirms transactions, but allows the community of Switch Node owners to own the vast majority of Switch's Smart Node licenses in the future. This ensures new initiatives are aligned with the perspective and desires of the community. Switch operates without the pressure of outside debt instruments and funders.

Switch Nodes

Switch Node owners wishing to earn rewards need to install the node software and host their node online. Then, they begin to earn digital rewards (SWITCH) commensurate with the support they provide the community through a protocol called Proof-of-Action (PoA) (which is different than the consensus protocol). For nodes, these actions consist of providing the memory, processing power, and energy necessary to maintain the blockchain and confirm transactions. Other actions can be rewarded as well.

SWITCH will have a maximum supply of 50,000,000,000 tokens, 25,000,000,000 of which will be distributed to node owners in the first year. Each year thereafter, the amount of SWITCH issued through the node network is half of the previous year's allocation. The start of year one distribution is February 25th, 2022, and is also the start date for annual halving.
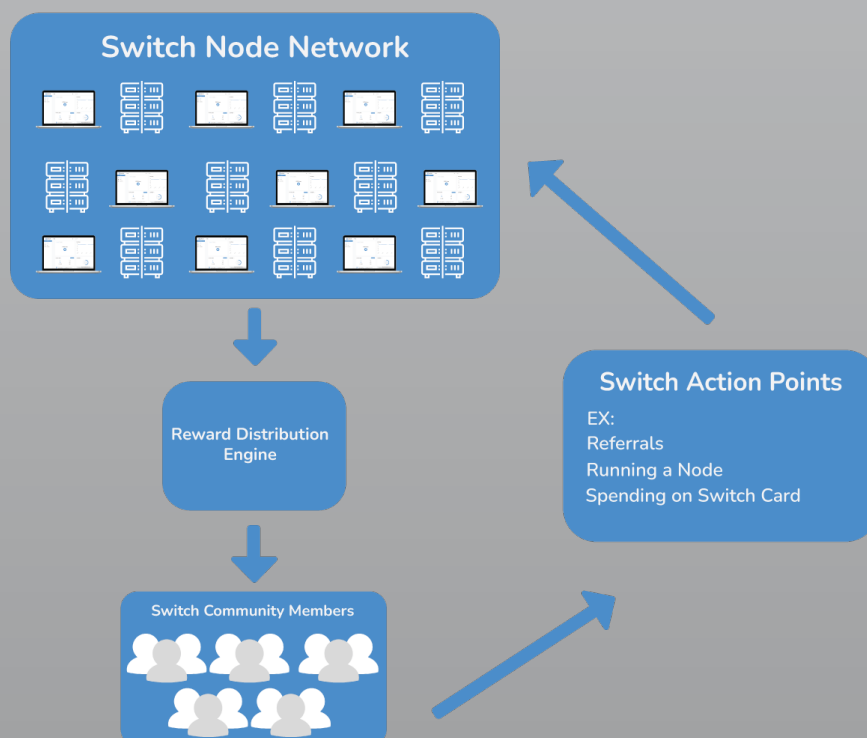
Node Features	switch™ Smart Node	switch™ Lite Node
Total Quantity	100,000	25,000,000
Consensus Vote	Yes	Yes
Price Per Node	Increases Over Time	Fixed at $25
Distribution	Full	Fractional

| Proof of Action

The Switch Network rewards dedicated users for actions undertaken within the ecosystem through a protocol known as Proof-of-Action (PoA).

Proof-of- Action (PoA) recognizes energy usage, storage capacity sharing, and active user contributions tied to a given blockchain. This amplifies the potential for the network effect and rapid user growth, by directly rewarding users for bringing more users to the platform and more nodes to the network.

Switch Node Network

Reward Distribution Engine

Switch Community Members

Switch Action Points

EX:
Referrals
Running a Node
Spending on Switch Card

Switch Distribution Engine
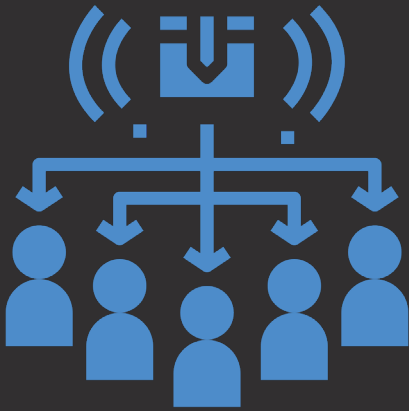
The Switch Network rewards Switch Members by distributing rewards through the Switch Distribution Engine based on a point system. (Please see "Switch and Node Governance" below for important disclosures relating to reward distribution.) Points are earned from different actions revolving around referring, promotion, user acquisition, and activity through select Switch partners.

To earn rewards, Switch Members can complete a series of actions aimed at growing the number of users and incentivizing partners to sign up with the platform. Each action has a corresponding point value, which the Switch Distribution Engine monitors, in order to distribute rewards paid in SWITCH. The more points a user accumulates by advocating for the platform, the more SWITCH they receive in exchange.

Points will initially be given to node owners for promoting the mission of Switch by making their node available (>6 hours/day) and referring others who extend the Switch network through node purchases.

Actions and their corresponding point values will be released upon Card Program launch with points weighted in favor of Black Cards and referrals.

Distribution cycles run daily, and rewards are calculated based on the number of points they've accumulated in total for that day.

Switch and Node Governance

Control over the distribution of SWITCH will reside with the Switch DAO. The Switch DAO is comprised of Switch node owners and will be set up to ensure Switch does not have veto authority over Switch DAO governance. The Switch DAO will operate according to its charter, which will be approved by the Switch Node Network.

The Switch DAO is being set up by an independent third party, Node Governance, which is a Swiss-based company focused on administration of governance for node networks and blockchains. Although the initial Proof-of-Action protocol has been designed by Switch, it will not be effective without DAO approval. Future changes to the protocol will have to be approved by the DAO according to its charter.

SWITCH and Utility
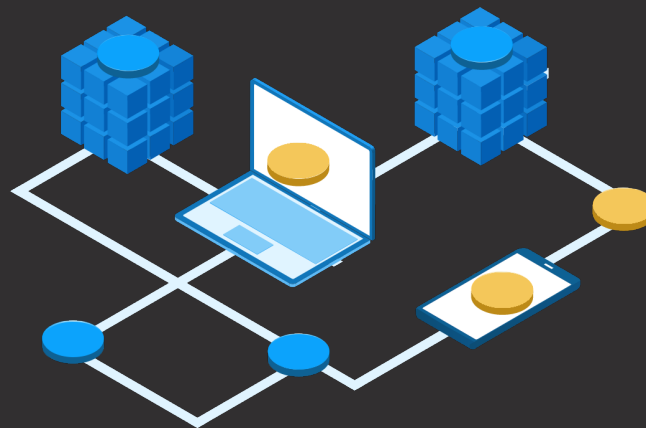
SWITCH does not represent any financial value but provides Switch Members with various tangible benefits within the ecosystem.

These rewards, aggregated from several third-party service providers and partners, cover a broad spectrum that includes, but isn't limited to:

- Bank fees, annual fees and other fees associated with using the Switch Card
- Coupons & gift certificates;
- Redeemable material rewards;
- Loyalty points balance;
- Exclusive discounts through participating partners;
- VIP treatment (i.e., online merchandise shopping, concierge services, travel and experience);
- Exclusive promotions (i.e., free samples with an order);
- Redeemable rewards based on promotions, loyalty, purchase history, etc.;
- Extra benefits (i.e., double points for loyalty program participation of users in promotional settings)

Rewards and other benefits that users receive are redeemable with participating merchants as a discount when purchasing a product or service. They are not intended, in any way, to be financial compensation.

Future Roadmap

As this is Version 1.0 of the Switch Ecosystem Litepaper, there are additional product plans for future rollout in the roadmap of the Switch Ecosystem.

Lending

Switch Lending will be designed to give users the ability to utilize their blockchain-based assets without having to sell them. Wallet users will be able to take collateralized short-term loans against their favorite blockchain asset like Bitcoin. Switch's system will allow you to take loans against your digital asset. Switch Lending could contain products such as Consumer Loans, Mortgages, Credit Cards and other similar products.

Merchant Processing and eCommerce

Switch will onboard into the Switch App various merchants within both the retail and eCommerce sectors. This will enable them to accept consumer and partner payments that are near-instantaneous.

They will then be able to convert these payments into local fiat cryptocurrencies at a fraction of the costs charged by legacy payment systems, or avoid that extra charge entirely by keeping them in cryptocurrency.

By making chargebacks impossible by design, Switch reinforces the predictability, reliability, and security of their merchants' operations.

Additionally, partnerships and exclusive deals with Switch will allow them to tap into a vast network of engaged users.

Conclusion

Switch will be a blockchain-based financial services ecosystem. The blockchain will be empowered by a global decentralized node network where node owners will be rewarded with SWITCH digital rewards. Switch will offer debit payment solutions for both traditional currencies and cryptocurrencies around the world.

An open financial system is a global community where everyone has access to the same opportunities. Such an ecosystem fosters innovation and helps to improve people's lives. This is the perfect solution for fixing the issues of centralized points of failure and fraud within legacy payment systems. As this is a growing project, we are keen on receiving feedback from our users and the broader blockchain community; it is how we can bring forth a safer, more efficient, and more transparent financial world for all.

Addendum A

The tables below describe actions one can take in Switch's Proof of Action blockchain to earn Action Points.

The actions listed below are worth 500 points ***

Action
Smart Node Referral: Every time someone you referred (using a Switch referral code) buys a Switch Smart Node.

The actions listed below are worth 100 points ***

Action
Smart Node: Every day your Switch Smart Node is active for at least 6 hours.

The actions listed below are worth 25 points ***

Action
Card Referral: Every time someone you referred (using a Switch referral code) activates their Switch Black Card.

The actions listed below are worth 1 point ***

Action
Direct Deposit: For every $20 USD, or equivalent currency, Direct Deposit made to the Switch Card up to $5,000 USD per month.
Spend: For every $40 USD, or equivalent currency, spent on a Switch Card up to $4,000 USD per day.
Crypto: For every $20 USD, or equivalent currency of crypto bought or sold on the Switch exchange up to $10,000 USD per day.
Spend Referral: When someone you referred (using a Switch referral code or Connect referral code) spends at least $40 USD, or equivalent currency, in a 24-hour period on their Switch Card.

Addendum A

The actions listed below are worth a fractional point

Action
Lite Node: Every day your Switch Lite Node is active for at least 6 hours you will earn a small fraction of a point: 2000 divided by the Smart Node price. Starting at 1 point on February 25th, 2022 and decreasing to a fractional point as the Smart Node price increases.

Notes About The Actions

● Points will not be rewarded in fractional values. A customer must meet 100% of the criteria outlined in the Action. The only exception is the Lite Node Action.

> o For example, if a card holder spends $39.99 USD (or currency equivalent) on a purchase, they will not earn a point that day until they spend the additional $.01 cents necessary to put them over the $40 USD (or currency equivalent) threshold to earn the point.

● Black card holders are eligible to receive double points in the following month if they fulfill either of the requirements listed below.

> o Crypto Action: Buys or sells at least $2,500 USD (or the equivalent currency) in crypto on the Switch exchange within a month, they will receive double points the following month.
> o Spend Action: Spends at least $5,000 USD (or the equivalent currency) within a month, they will receive double points the following month.

Notes about the Switch Reward Card ("Switch") Proof-of-Action ("PoA") Blockchain:

· No SWITCH digital rewards, tokens, or coins will ever be sold to anyone by Switch.

· There will be no representations of future value of SWITCH rewards or the Nodes by Switch.

· Every SWITCH reward is distributed daily based on a mathematical formula to the Node owners through the Node Network.

· Nodes are performing work by confirming transactions on the Switch blockchain. Node owners earn SWITCH rewards every day for actions that support the Node Network.

· Switch does not control private keys for any owner's SWITCH rewards non-custodial wallet where the daily rewards will be distributed.

· All Action Point earning activity are eligible for doubling by qualifying Black Card activities. Points earned from Smart Node Hosting are eligible for doubling up to 10 Smart Nodes and Unlimited Lite Nodes.

· If your node was available for development from February 25th, 2022- November 1, 2022, you will receive 100 action points per day per node.

***On chain confirmed digital receipts will be recorded by the Node network and/or Switch blockchain regarding the action items pointed out in this document