

Sugone Whitepaper v1.3

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AMOND COIN WHITE PAPER

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ABSTRACT

Sugone's vision is to provide equal market opportunities for agriculture participants around the world. The mission is to combine the latest capabilities in agriculture, blockchain and finance to provide exceptional opportunities to all market participants. Sugone will tokenize agriculture products with adequate shelf-life and reliable crop turnover and host these digital assets on a licensed and compliant commodities exchange. The revenue model is based on the fees and market operations of the exchange, not speculating on the price of the digital assets. The proof-of-concept will be executed with USDA verified almonds already secured in backing on a decentralized exchange with a real-world price oracle developed by Sugone and industry partners.

Investors' Summary:

Almonds are a valuable commodity in the global financial system, and the market for almonds is projected to grow at a 5.44% annual rate, reaching \$11.814 billion by 2027. At SUGONE LLC , we are taking this market to the next level by digitizing almonds and making them more accessible to investors. With a tokenized version of almonds, we give investors the ability to purchase, hedge, sell, or trade actual, physical almonds stored in secure vaults, all while enjoying the convenience of a digital wallet.

SUGONE, LLC sees a future where Agri-assets can move globally around the clock in a seamless economy. Almonds are the perfect asset for our efforts due to their high market value and widespread popularity as a healthy food choice.

We are operating as a regulated Trust company and have implemented smart contracts to ensure the security, fairness and transparency of our product. Our goal is to provide affordable access to investment-grade, USDA certified almonds, without the hassle of physical storage and security concerns.

In conclusion, AMOND COIN offers investors the opportunity to own, hold, trade, lend, or move almonds with ease, democratizing access to this valuable commodity on a global scale.

The Almond Market is facing a major challenge - The challenge is providing faster more efficient way to buy and sell almonds on a global scale.

SUGONE LLC has developed **AMOND COIN**. AMOND COIN offers a solution to this problem as an innovative token. Each coin represents the real-time market value of **ONE POUND** of certified and processed almonds, stored in secure cold storage facilities in accordance with USDA requirements and food safety protocols. By

tokenizing these almonds and putting them on the blockchain, AMOND COIN makes it possible for anyone to buy, sell, and trade almonds in real-time.

SUGONE LLC, will be a state-chartered trust company regulated by the New York Department of Financial Services (NYDFS), ensuring the highest standards of customer asset protection. It has established relationships with top almond providers and storage facilities, ensuring that AMOND is supported by the highest quality almonds stored in the best facilities in the world. With a deep understanding of the almond industry and technology, AMOND COIN is uniquely positioned to provide a solution that combines the benefits of physical almond ownership with the speed and mobility of digital assets.

Investors can buy and own real, physical almonds through AMOND COIN, making it possible to affordably own, hold, trade, lend or move high-grade almonds without the worry, cost, or inconvenience of physical storage and security. With AMOND COIN, investors can access a stable, reliable crypto coin that provides access to almonds globally.

The almonds are grown in California and stored and processed in direct accordance with all applicable requirements and food safety protocols set in place by the USDA, Almond Board of California, and accredited 3rd party auditors. Loads will be packed in 880 50 lbs. cases, 44,000 lbs. net weight. If customers own one coin, it can be redeemed for the real time market value of one pound of almonds. On the other hand, ownership can be divided into units of up to 18 decimal points making it possible to own fractions of a coin. In order to redeem for actual almonds, you would need to redeem 44,000 coins which would represent the value of a full load of commercial USDA certified almonds (44,000 lbs.). AMOND is built on as an Ethereum- based ERC-20 token so that it has portability across the Ethereum blockchains extensive network of wallets, exchanges lenders and other platforms.

SUGONE LLC is uniquely positioned to offer an Agri-token as it is the only company to hold all the following distinctions:

1) SUGONE LLC will be a regulated financial institution and qualified custodian.

SUGONE LLC will be a state-chartered trust company regulated by the New York Department of Financial Services (NYDFS) and must uphold the highest standards of customer asset protection. Additionally, the NYDFS has approved and regulates AMOND.

2) SUGONE maintains relationships with large institutions in the almond market.

Due to the SUGONE's history in the farming industry, it has been able to secure almonds and storage facilities providing post trade products including confirmation and affirmation services, to the almonds and the broader Agricultural commodity market. As a result, we have been able to secure relationships with top almond providers storage facilities to ensure AMOND is supported by the highest quality almonds secured in the best storage facilities in the world.

3) SUGONE has established success in the almond industry.

SUGONE understands the intricacies of the technology and the business requirements needed to build a product and create a market for this class of offering.

SUGONE solves the challenges of today's almond market by marrying the benefits of physical almond ownership with the speed and mobility of digital assets.

A BRIEF HISTORY OF ALMONDS

Almonds have a long and fascinating history. They are native to the Middle East and South Asia and have been cultivated for thousands of years. There is evidence that almonds were consumed by the ancient Egyptians and were a popular food in the ancient Greek and Roman empires. Almonds were also widely cultivated in the Islamic world and were a staple food in many Mediterranean countries.

In the Middle Ages, almonds were used in cooking, confectionery, and cosmetic products, and they played an important role in traditional medicine. The almond tree was also a symbol of hope and renewal in many cultures and was often planted in graveyards.

Today, the state of California is the biggest producer of almonds, growing approximately 80 percent of the world's supply. Almonds are California's top agricultural export and largest tree nut crop in total dollar value and acreage. They also rank as the largest U.S. specialty crop export.

THE MODERN-DAY ALMOND MARKET

Almonds are consumed worldwide due to their health benefits and are also utilized in the form of food inclusions. Hence, the growing food inclusion market will have a positive impact on the growth of the global almond market during the forecast period. Almonds can be preserved for a longer duration in comparison to fresh fruits, and they also serve as handy snacks, especially for long journeys, and there is no need for refrigeration either, which is why they are widely accepted around the globe.

In the modern era, almonds have become a major crop in many countries, including the United States, Spain, and Australia, where they are grown for their sweet, crunchy nuts, as well as their oil, which is used in cooking and cosmetics. Today, almonds are widely consumed and are considered a healthy snack due to their high protein and healthy fat content.

The European region holds a substantial share of the market

The market for almonds is expected to grow due to the increasing demand for vegan and organic food in the region. The growth of major economies in the food and beverage industry and investments by big market players to increase their market share are also contributing factors. The rising number of vegans and changing consumer preferences for meat alternatives are driving growth in the market. For example, the number of vegans in the United Kingdom has grown significantly in recent years and is expected to continue to grow in the future.

Market players are focusing on promoting the health benefits of almonds and marketing to consumers, as well as exploring opportunities in developing markets such as India and China. The growth of the e-commerce industry in the United Kingdom is attracting new market players and increasing competition, which is driving growth for manufacturers and vendors. The e-commerce market contributed over 7.12% of the United Kingdom's GDP in 2018 and the country is the third largest B2C market in the world, with online sales estimated at \$174.2 million in 2016.

The rising adoption of almond milk is creating opportunities for new players to enter the market.

The prevalence of lactose intolerance is caused by the inability of the lactase enzyme produced by the cells present in the lining of the small intestine to break down or digest lactose (milk sugar). Hence, consuming almond milk provides an alternative for individuals suffering from lactose intolerance, which is considered lactose-free without compromising the nutritional benefits. Lactose-intolerance present in infants is due to congenital lactase deficiency, also known as congenital Anastasia, a disorder, caused by mutations in the LCT gene. Newborns are unable to break down lactose present in breast milk or the milk formula. This type of disorder is a rare disorder and the incidence at present is unknown. However, as per the National Institutes of Health (NIH) estimates, lactose intolerance in infants is reported to be around 1 in 60,000 in Finland. Adults, not able to digest lactose comprise over 60% of the human population. The disease at the time of adulthood is prevalent among individuals of East Asian descent,

affecting over 70% of the population. Also, lactose intolerance is found prevalent among the population of West African descent, Arab, Jewish, Greek, and Italian descent, hence, providing an opportunity for the market to grow in the forecast period.

Buying and Selling Almonds

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Global Almond Market Scope:

- **By Application**

- Confectionaries
- Bakery Products
- Dairy Products
- Desserts & Sweets
- Breakfast Cereals
- Others

- **By Distribution Channel**

- Online
- Offline
 - Convenience stores
 - Others

- **By Geography**

- North America
 - United States
 - Canada
 - Mexico
- South America
 - Brazil
 - Argentina

- Colombia
- Chile
- Others
- Europe
 - Germany
 - Spain
 - United Kingdom
 - Italy
 - Netherlands
 - France
 - Others
- Middle East and Africa
 - South Africa
 - Kenya
 - UAE
 - Saudi Arabia
 - Others
- Asia Pacific
 - China
 - Japan
 - India
 - Australia
 - Indonesia
 - Vietnam
 - South Korea
 - Others

There are a few primary ways to acquire high quality USDA grade almonds. Over the counter trading and retail almond outlets

Retail Almond Outlets

Almonds of varying weights can be purchased directly through over-the-counter retailers or almond dealers. At retail, consumers typically purchase fractional amounts of almonds such as ounces or pounds. Smaller portions have a higher retail markup, and their freshness is difficult to guarantee. The average retail buyer does not have the money, or the storage capabilities required to buy large commercial sized loads nor the ability to source and manage the complexity of acquiring a large commercial load.

THE DESIGN OF AMOND

BASICS:

AMOND is a digital asset where one token represents the real time value of one pound of USDA CERTIFIED almonds. 44,000 coins will represent a full commercial load (44,000 lbs.)

Anyone who owns one AMOND owns the real time market fiat value of one pound of almonds which is held under the custody of SUGONE LLC. The value of AMOND tracks with the real time market value of almonds.

AMOND is built as an Ethereum-based token following the ERC-20 standard, making it compatible with all Ethereum wallets that accept ERC-20 tokens. All transactions operate

according to the rules of the smart contract on the Ethereum blockchain. Because of this smart contract, transactions eliminate human error, and the system operates only as programmed.

Like any Ethereum-based token, AMOND is available 24/7 to facilitate settlement against

various assets. Unlike traditional almonds, which is only available to settle trades during banking business hours, AMOND can move anywhere, anytime.

AMOND is built as an Ethereum-based ERC-20 token so that it has portability across the

Ethereum blockchain's extensive network of wallets, exchanges, lenders, and other platforms.

Key Product Benefits:

- **Allocated** AMOND is backed by physical almonds and is allocated down to the lot number of each individual load. Because AMOND operates on the Ethereum blockchain, it is also instantly transferable globally. The allocated ownership moves with the token transfer, which makes trading of allocated almonds easier and faster than ever.
- **Redeemable** - AMOND is redeemable in several forms, unlike any almond products available today. Customers can convert their AMOND into physical allocated almonds, or fiat. Through ALMONDCOIN.COM, customers can redeem full-sized USDA Commercial grade almond loads.
- **Programmable** Due to the digital and programmable nature of the smart contract, AMOND ALMONDS are easy to convert, trade or use in many other ways. Programmable almond loads create significant new functionality in the trading world
- **Regulated** - AMOND is issued by SUGONE LLC. Trust Company, a financial institution regulated by the New York Department of Financial Services which also regulates AMOND COIN individual products, ensuring greater customer protections and higher standards of operation.
- **Available to Anyone - Any individual or institution can buy AMOND.**
- **Low Fees** AMOND has low fees and is a significantly more attractive vehicle for investment as compared to other almond products. There are no storage fees and low creation/destruction fees that are tiered based on volume. For transactions that occur on-chain (transferred via Ethereum), there is a low AMOND Coin transaction fee (0.03%) as well as the usual Ethereum gas fees (typically a few cents).
- **Bankruptcy Remote** - Since AMOND is issued by a state-chartered trust company, customer assets are kept separately from the company's assets. All almond loads represented by AMOND tokens are custodied by SUGONE LLC. for AMOND holders and do not become a part of the company's estate in the event of the company's insolvency.
- **Decentralized** - By operating on an open blockchain, AMOND COIN maintains the inherent nature of almonds. No single entity or group controls access to the asset or can control the entire market.

- **Easy to Trade** - On AMONDCOIN.COM and other exchanges, AMOND will trade against fiat and digital assets.

Using AMOND COIN: AMOND tokens are created and destroyed by SUGONE as needed. AMOND COIN account holders can convert AMOND COIN into U.S. Dollars or unallocated almonds, and vice versa. If a customer holds 44,000 AMOND, they can redeem their tokens for a physical almond load. SUGONE LLC. charges fees for creating and destroying tokens according to the fee schedule tiered by volume, posted on www.almondcoin.com. The purchase minimum on the SUGONE platform is one (1) AMOND (plus a 0.03% minimum AMOND creation fee).

At any time, AMOND holders can go to the Sugone website to retrieve the serial number and physical characteristics of the vaulted almonds they own. The only input required is an Ethereum address holding AMOND COIN tokens.

The AMOND asset presents a compelling investment opportunity for a diverse range of market participants, including retail and institutional investors, active traders, and those both inside and outside of the cryptocurrency ecosystem.

AMOND shares many characteristics with Bitcoin, such as decentralization, scarcity, borderless recognition, and independence from government liability. As such, it is likely to attract Bitcoin enthusiasts who are looking to diversify their portfolios and trade in a familiar ecosystem. AMOND will be listed on global cryptocurrency exchanges and can be traded directly against Bitcoin and other cryptocurrencies.

For individuals who are interested in physically investing in almonds, AMOND offers an attractive alternative as it eliminates storage fees, is allocated to high-quality almonds, and is highly accessible. Those who already hold physical almonds may find it beneficial to transfer their holdings to AMOND.

Finally, AMOND is expected to play a significant role in the lending and borrowing of almonds and other agricultural products. This asset is likely to be adopted by cryptocurrency lending platforms, providing users with the potential to earn interest on their AMOND holdings. This feature is expected to be particularly appealing to those who already hold almond assets.

Technology:

The AMOND asset will initially be launched on the Ethereum blockchain, with the possibility of being launched on other chains in the future if it presents compelling

benefits (such as an L2 like Arbitrum). The Ethereum contract address for AMOND is yet to be determined.

Each AMOND token represents ownership of One Pound of a specific USDA certified almond load, identified by its LOT and LOAD number, and weight. As a result of the buying and selling of AMOND tokens, it is possible for a customer to hold fractional ownership of multiple almond loads. Sugone will strive to allocate AMOND tokens to the fewest number of almond loads per unique Ethereum address, with the allocation process occurring daily. If customers are not allocated full ownership of an almond load, they will hold a proportional share of that load based on their AMOND token holdings.

AMOND tokens may also be reallocated to different loads to accommodate transfers, conversions, and other transactional activity. Holders of AMOND tokens can always visit almondcoin.com to view the serial number(s) and weighting of each load to which their tokens are allocated at any given time.

The Sugone smart contract includes several distinctive features, with additional details available in the smart contract code repository.

Fees:

SUGONE LLC, charges a set fee rate for all on-chain transfers of AMOND. The fee controller can set the fee recipient and the fee rate (measured in 1/100th of a basis point).

SUGONE LLC, will never change the fee rate without prior notice as we take transparency very seriously. The fee rate will likely only change rarely.

Asset Protection Role:

As required by our regulators, we have included a role for regulatory compliance to freeze or seize the assets of a criminal party if, and only if, required to do so by law, including by court order or other legal process.

The Asset Protection Role can freeze and unfreeze the AMOND balance of any address on

chain. It can also wipe the balance of an address after it is frozen to allow the appropriate

authorities to seize the backing assets.

Sugone will not execute these functions on its own accord, will utilize it extremely rarely (if at all) and only under extenuating circumstances. The list of frozen addresses will be

made available.

Beta Delegated Transfer:

This feature allows gas fees for on-chain transactions to be covered by a specified party (for example, if a specific platform wants to cover gas fees for all AMOND COIN transactions for their customers). The implemented code is a variation of EIP-865. The public functions Beta Delegated Transfer and beta Delegated Transfer Batch allow an approved party to transfer AMOND on the end user's behalf given a signed message from said user. Because EIP-865 is not finalized, all methods related to delegated transfers are prefixed by Beta. Only approved parties are allowed to transfer AMOND on a user's behalf because of potential attacks associated with signing messages. To mitigate some attacks, EIP-712 is implemented, which provides a structured message to be displayed for verification when signing.

Partnerships:

With respect to sourcing of physical almonds, streaming of almond pricing, and swapping of AMOND COIN tokens for allocated or unallocated almonds (and vice versa), SUGONE LLC. will leverage the services of reputable institutions in the physical almond trade.

SUGONE LLC. has opened accounts with several reputable almond handlers and storage facilities, which will maintain the vault or vaults for storage of allocated almonds corresponding to AMOND tokens. As a fiduciary and qualified custodian, SUGONE custodies almonds for AMOND COIN token holders in a segregated account at the vault. For sourcing of almonds, SUGONE LLC. also maintains an account with well-established almond-trading and wholesale institutions, that sells almonds to SUGONE LLC. and buys almonds from AMOND COIN as needed for token issuance and redemption.

Customers can also purchase or redeem AMOND at participating websites and exchanges.

We expect AMOND to be available on partner exchanges, wallets, lending platforms and more.

Oversight:

AMOND COIN has always sought to be highly transparent with robust third-party oversight. With this foundation, it hopes to be a leader amongst blockchain-related companies in regulatory compliance. As a regulated trust company to trade digital assets, AMOND continues to work closely with regulators and other supervisory authorities in the existing financial services ecosystem.

Regulatory Approval:

SUGONE LLC has secured the advice of legal counsel. In addition, AMOND should not be considered a security or futures contract under U.S. securities and commodities laws.

Financial Audit

AMOND COIN works with a third-party, independent, trusted, nationally top-ranking public accounting firm to review and attest monthly that AMOND COIN tokens correspond 1:1 with pounds of USDA CERTIFIED almonds held in vaults by verified third-party partners.

Smart Contract Audit

The AMOND COIN smart contract is based upon the AMOND COIN Standard smart contract which will be audited by three third-party specialists in September-October. In January, once the AMOND COIN smart contract is developed, AMOND COIN will engage two third-party specialists:

Chain Security and CertiK Chain Security, a leading research lab in blockchain security.

Transaction Monitoring and Surveillance

Sugone utilizes third party analytical tools to monitor transactions on its platform and on the blockchain. Monitoring is conducted to detect and investigate potential instances of fraud and money laundering. Because Sugone is built on the Ethereum blockchain, it is also possible and easy for anyone to review the entire history of transactions on the chain.

APPENDIX

About Sugone

Sugone is a regulated institution on a mission to create a global, frictionless economy.

By building infrastructure to enable the movement between physical and digital assets, Sugone is creating a future where all Agri-assets, money, and commodities to securities

—are digitized and can move instantaneously, 24/7.

Today, as a regulated Trust company for digital assets, AMOND COIN technology makes it possible to custody, tokenize, trade, and settle assets.

Currently seeking 100k pre-seed investment to formalize security offering to publicly raise 5m seed.

Contact Miguel Lizárraga for inquiry

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