

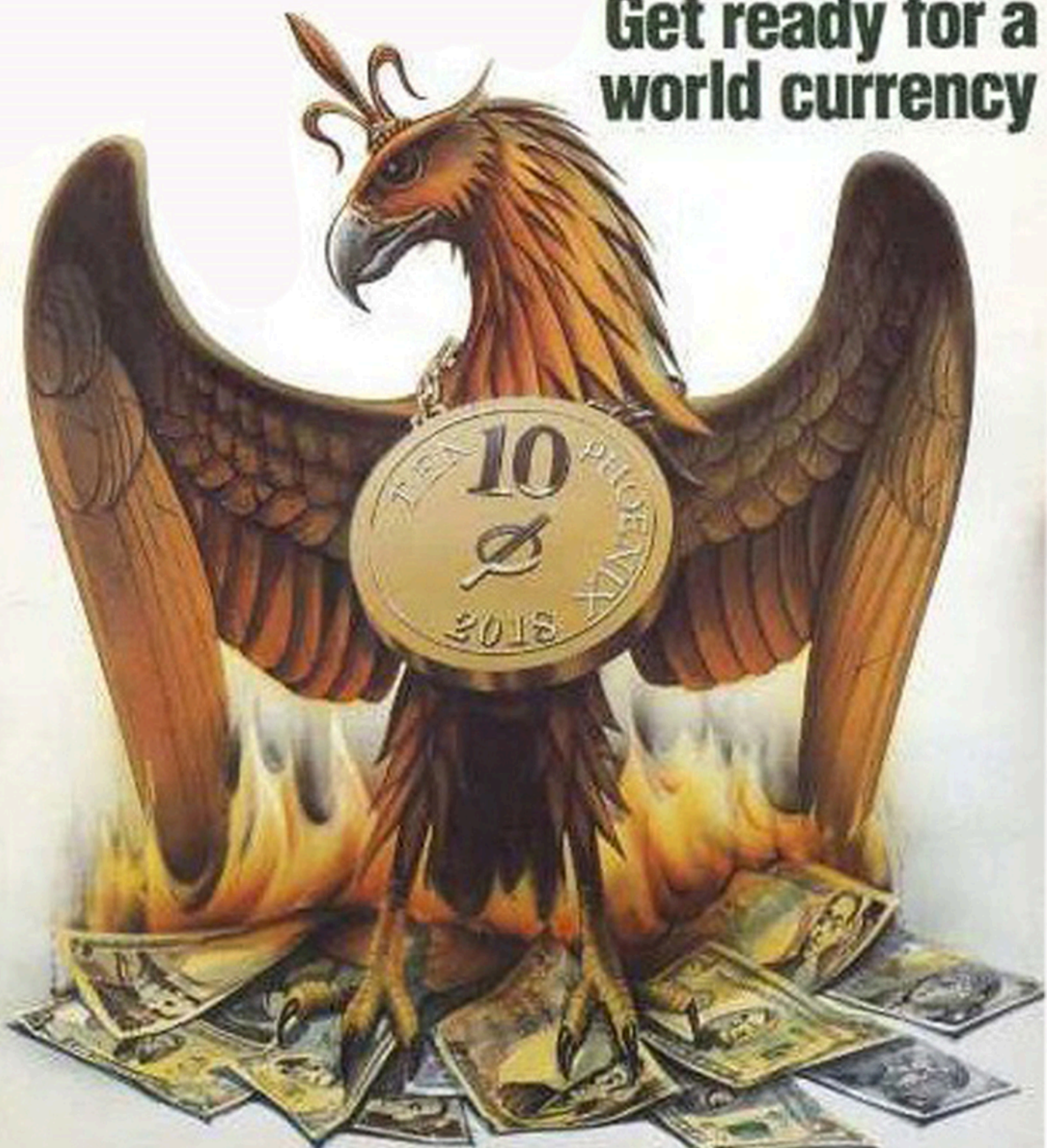
© **FORESIGHT-PROJECT "PHOENIX"**  
**"BLOCKCHAIN ESCROW SYSTEM"**

USPTO  
Application number 62590685

**Part 1.**

U.S. Copyright Office  
case № 1-6031673881

**Get ready for a  
world currency**



**The cover of the magazine "The Economist" for January 1988 year**

## INTRODUCTION

The blockchain escrow system (hereinafter referred to as the System) is an intellectual, self-learning ecosystem in which registered Participants can perform the full range of operations with assets: buy-sell, exchange, invest, credit, deposit, bail (mortgage), sharing, rent, both in traditional (fiat) and in digital (crypto) forms, based on blockchain technologies.

### 1 % FROM TURNOVER WITH ASSETS

The world economy, relative to the share of GDP is estimated in nominal terms \$ 74 trillion, all shares and corporate bonds - \$ 116 trillion, the monetary value of gold and silver - \$ 2.5 trillion, the volume of derivatives - 1 quadrillion. <sup>1</sup>

Real estate, based on the Savills research for February 1, 2017 - \$ 228 trillion. <sup>2</sup>

The total volume of transactions with real estate in the first half of 2017 reached \$ 289 billion. According to David Green-Morgan's forecasts, by the end of 2017, it will equal 650 billion dollars. <sup>3</sup>

The system within 7-10 years assumes to cover up to 1% of transactions of turnover with assets.

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<sup>1</sup> [http://demonocracy.info/infographics/world/lqp/liquidity\\_pyramid.html](http://demonocracy.info/infographics/world/lqp/liquidity_pyramid.html)

<sup>2</sup> <http://www.finqint.info/vsya-mirovaya-nedvizhimost-otsenivaetsya-v-228-trln/>

<sup>3</sup> <https://minfin.com.ua/2017/07/14/28905572/>

## **GEOGRAPHY OF USE**

The system works outside the borders of states, economic and political alliances. Functioning in specific locations is carried out by a partial transfer of rights, licenses, franchising, partnership. Such partners can be associations, unions, alliances, funds, companies, corporations, banks that meet the requirements of the internal certification of the System and national legislation.

## **FEATURES OF FUNCTIONING OF THE SYSTEM**

The system consists of three platforms: functional (exchange), escrow (fund) and fintech (virtual bank).

The system assumes work with a different set of functionality. Limitations, choice and accessibility depend on the technological level of development of the location, features of the legislation, as well as on the subjective needs and requests of each Participant.

In the work of the System it is envisaged to use blockchain technologies, artificial intelligence for analysis and data processing, as well as for interaction with other external digital platforms and systems.

The adopted algorithms and rules accept solutions within the System.

The system issues tokens - the internal obligation is equivalent to 1: 1 to the SDR analog, through which the various assets are valued and exchanged.

The System interface allows you to select a virtual video-voice assistant consultant to work with the System and the manager.

In each specific situation, the Participant can model and predict the economic outcome of the action, as well as miscalculation of possible alternatives with the aim of choosing the most effective scenario with the help of an intelligent adviser.

The system applies Fintech technologies, online banking and other payment services depending on locations.

For analysis, forecasting and modeling in the System, the possibility of using various analytical platforms (PROGNOZ PLATFORM 8, TODOS, PALANTIR, RAND CORPORATION and others) is considered.

The system can act as the customer of new programs, technologies, and also take part in the development of artificial intelligence.

## **SCALING AND INTEGRATION**

The system adapts and integrates with existing digital databases, E-services and blockchain models (Red Belly Blockchain, Ethereum and others) with the possibility of developing and replacing them with more advanced by the principle of the LEGO-constructor.

To scale, standardize smart contracts, develop common algorithms for working with property registries and adapt the work of financial services, cooperation is anticipated and possible partnership with Enterprise Ethereum Alliance, Yandex.Market, Dubai Future Foundatin, Global Blockchain Council, Alibaba Group, eBay, IMF and others.

## **FUNCTIONAL PLATFORM (EXCHANGE)**

The functionality of the functional platform is based on segmentation by types of assets (real estate, movable property, investment projects, start-ups, securities, IP facilities and others) and the level of services for operations with assets.

There are seven levels, each of which is assigned one of the primary colors of the light spectrum.

### **1. Red level**

The level at which the registered Participant, at his own discretion, can offer assets for sale at a price fixed by the owner in a fiat currency.

Features of the implementation:

- ✓ Price proposals can be submitted in any fiat currency;

- ✓ To ensure stability and stability, the system automatically translates the bid price into conditional payment units (similar to SDR's);

- ✓ A registered Participant-Buyer may issue counter offer prices. Anonymous offer is possible. The system has the ability to form counter offers;

- ✓ With the consent of the Trading Member, the application of the principles of the Dutch auction, the price reduction in percent for a certain period, is possible;

- ✓ Participants can order an escrow transaction service.

## 2. Orange level

The level of sale of assets in a denominated currency, where higher requirements are imposed on the participants of the transaction and assets, while increasing the likelihood of a transaction.

Features of the implementation:

- ✓ The transition to the Orange level occurs at the request of the Participant;

- ✓ Transition implies the implementation of a full range of procedures for identifying and verifying participants and the proposed asset (if necessary, an audit and preparation of a package of documents);

- ✓ The price of the asset offer on the Orange level is equal to the market value, which the system evaluates independently (expertly or using automatic evaluation), then System Assessment;

- ✓ The system acts as a guarantor (escrow) in the transaction;
- ✓ Participant-seller transfers the right of asset management to the System;
- ✓ At any time, the Merchant Seller can return to the Red level - if the asset is not realized at that time;
- ✓ With the consent of the Participant, it is envisaged to introduce an automatic phased reduction of the initial price in case of asset non-delivery at specified time intervals;
- ✓ There is an option of "counter offers".

### **3. Yellow level**

The level at which the assets are placed at a reduced price.

Features of the implementation:

- ✓ Assets are placed after an urgent repurchase, as well as collateral assets when the loan agreement is not executed;
- ✓ Price of objects - 60% (plus / minus) from the System Assessment;
- ✓ The entire history of the asset is available from the moment it appears in the System.

### **4. Green level**

The level of barter of assets with a possible surcharge in a fiat currency for similar or for assets from other classification groups.

Features of the implementation:

- ✓ Transition to the Green Level means that participants and assets have been fully identified and verified (if necessary, an audit and preparation of a package of documents);

- ✓ Assets placed at the Green Level have been systematically evaluated;

- ✓ The transferor delegates the right to trust the asset to the System;

- ✓ It is possible to offer assets with compensation for the difference in value in a fiat currency;

- ✓ The system ensures the conclusion of the transaction and acts as an escrow;

- ✓ It is possible to simultaneously place an asset on the Orange and Green levels;

- ✓ The option of barter may include a series of matched transactions taking into account the interests of all participants;

- ✓ There is an option of "counter offers".

## **5. Blue level**

The crypto level at which, in order to ensure the effective implementation of the asset, the system valuation of assets and the

transfer of value to tokens are recalculated. Token - the internal obligation of the System is equivalent to 1: 1 to the SDR analog.– внутреннее обязательство Системы эквивалентно 1:1 к аналогу SDR.

Features of the implementation:

- ✓ Participants and assets at the Blue level undergo full verification and identification (if necessary, audit and preparation of the package of documents);

- ✓ Assets must be registered in block registries, with the possibility of transferring ownership of the smart contracts;

- ✓ The participant transfers to the system the right of trust management of the asset;

- ✓ The value of all assets at the Blue level is represented in the tokens;

- ✓ The participant receives the right of free sale - sale and exchange with a possible additional payment to any of the assets in the Blue Level;

- ✓ After a certain period of time, it is assumed that there may be a justifiable decrease in the asset's value over a certain period of time;

- ✓ The system ensures the release of tokens at the time of the transaction and guarantees the exchange of received or remaining 1: 1 tokens to the SDR analog;

- ✓ All transactions are made under smart contracts;

- ✓ The system provides escrow transactions.

## 6. Dark blue level

The level of rational use of investment opportunities for assets, income generation, through investment, transfer to temporary use, rent, sharing, superficies, emphasis, timeshare and others. Participants in the Orange, Green and Blue levels can go to the Dark blue level or take advantage of its additional features.

Features of the implementation:

- ✓ All assets undergo a systematic assessment of the right of temporary use and / or a systematic assessment of the investment value of the asset, depending on the participant's objectives;
- ✓ In respect of the new Participant and the asset, a full range of identification and verification procedures is performed (if necessary, an audit and preparation of the package of documents is carried out);
- ✓ A participant transfers the right to trust the asset to the System, depending on the purposes;
- ✓ The system acts as a guarantor (escrow) in the transaction.

## 7. Purple level

The level opens the possibility of an immediate repurchase of assets at the request of the participant or lending, including against pledge of the assets being contributed.

Features of the implementation:

- ✓ Calculation and credit is made in System tokens at the rate of 60% (plus / minus) from the System Assessment;
- ✓ The cost of 1 token within the System 1:1 relative to the SDR analog;
- ✓ In the event of an immediate repurchase of an asset or a non-repayment of a loan in accordance with the terms of the contract, the assets are realized by the System at the Yellow level.

### **ADVANTAGES OF THE SYSTEM**

- ✓ Integrates the whole spectrum of operations with assets - buy-sell, exchange, investing, obtaining a loan, urgent redemption, sharing and leasing in both digital (crypto), analog (notarial) and mixed (hybrid) forms;
  - ✓ Conduct transactions with any types of assets: movable and immovable property, investment projects, start-ups, securities, IP facilities and others;
  - ✓ Allows you to generate income and profit through the rational use of assets (rent, sharing, etc.);
  - ✓ Lack of intermediaries and reduced transaction costs;

✓ The registration of all deals and transactions in the System is made on the basis of technology blockchain, which ensures absolute openness, transparency, fast and security;

✓ "Living", developing, self-learning ecosystem, whose architecture allows the replacement of various services and technologies on the principle of LEGO-constructor;

✓ The system is sustained by the release of tokens, which is limited by the value of assets;

✓ All operations within the System are made only after full identification, verification and audit of Participants and assets;

✓ Inside the System, there is a procedure for credit scoring and rating of Participants;

✓ The system allows to ensure its high-quality functioning in a variety of conditions, phased implementation based on the features of the location, the level of technological development of the territory, legislative restrictions, and the conscious choice of each Participant;

✓ For all operations, the System acts as an escrow agent;

✓ All operations for the transfer of ownership of assets are subject to insurance in the location and reinsurance of the Escrow Fund.

## **ESCROW PLATFORM**

The escrow platform is represented by the Escrow Fund, which:

✓ Administers and manages the System;

✓ Ensures its functioning;

- ✓ Selects the necessary modules and programs;
- ✓ Concludes contracts;
- ✓ Guarantees the conclusion (escrow) of all deals;
- ✓ Issues tokens and shares;
- ✓ Represents the System on ICO and IPO;
- ✓ Is responsible for insurance, maintaining the registers of asset owners and opening accounts;
- ✓ Creates and controls the operation of the Fintech platform.

## **FINTECH PLATFORM**

A virtual bank of financial instruments and services that provides account management, settlement and conversion in both forms: fiat and crypto forms. The development and filling of the fintech platform depends on partnership; features of locations; level of technological development of the territory; legislative restrictions.

### **PART 2.**

#### **PLAN AND STRATEGY FOR DEVELOPMENT**

Within three months, until April 10, 2018, there is a discussion of the project.

From April 10th to July 1st, 2018, proposals for possible partners on the form and type of their participation (financial, technological, organizational and others) are considered.

From July 1 - October 1, 2018, legal registration of the first pool of partners, delineation of functions and authorities for the development of the project, preparation of a promo version.

From October 1 - December 31, 2018, a demonstration of a promo version and the definition of a development strategy.

From January 1 to April 1, 2019, partners will, if necessary, consider options for additional investment of the project (private subscription, IPO, ICO or hybrid).

The implementation scenario of the System can be implemented in three versions (the information is open for future partners).

## **ADDITIONAL INFORMATION:**

Application for obtaining a certificate of copyright in U.S. Copyright Office No. 1-6031673881 dated 23.11.2017.

Provisional application for a patent of 27.11.2017 No. 62590685; application for the trade mark of November 29, 2017 No. 87700898 in the USPTO.

Registration Blockchain Escrow System, Ltd, dated 05.12.2017.

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