

HEMPCOIN (THC) WHITE PAPER



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Our vision is to overcome the HempCoin's key liquidity issues affecting mainstream adoption and increase usability. The HempCoin is embracing trends in payment technology to provide a real-world banking solution for the legal cannabis industry and easy-to-implement alternative payment solutions for the agricultural and farming industries, industrial hemp industry, cannabis dispensaries, and hemp, cannabis, and tobacco-related retailers.

Hard Fork

THC will hard fork the second quarter of 2018. The new THC token will be an anonymous coin and feature masternode capabilities. The decision to embark on this new direction was one of both want and necessity. With the creation of HempPAYTM and the desire to not only remain competitive but lead the way in the crypto-cannabis sector, the only option was a fork with the outcome being a far superior THC token. The new HempCoin is not only an upgrade from the current token, but the most technologically advanced coin in the cannabis field.

Masternode

After the HempCoin's hard fork, the new blockchain will feature masternode capabilities. The masternode will provide HempCoin with a variety of new features including:

- **PrivateSend.** PrivateSend gives you true financial privacy by obscuring the origins of your funds. All the HempCoin in your wallet is comprised of different "inputs" which you can think of as separate, discrete coins. PrivateSend uses an innovative process to mix your inputs with the inputs of two other people, without having your coins ever leave your wallet. You retain control of your money at all times.^[1]
- InstantSend. This technology will allow HempCoin to compete with nearly instantaneous transaction systems such as credit cards for point-of-sale systems while not relying on a centralized authority. [2]
- Governance and Voting. Decentralized governance allows owners of masternodes to make decisions for the project. Each masternode is allowed one vote for each proposal. If a proposal is implemented it can then be implemented by the HempCoin's developers. [3]
- **Budgeting and Treasury.** While other projects depend on donations and premined endowments, HempCoin is using the masternode to fund its own development and provide funds for individuals performing valuable jobs and tasks.^[3]

For every 20,000 coins held, you can stake one THC masternode. This entry amount will act as collateral and is used to ensure that a masternode owner does not cheat or corrupt the system. In addition to the value of the coins, the masternode payouts offer passive income for the masternode operator. The more nodes one holds, the more money can be made. When the value of THC rises, so does the return on your investment.



HempPAY™ Payment Solutions

Merchant and retailer adoption of cryptocurrency as a viable payment option is growing as point-of-sale systems continue to adapt and savvy developers create solutions for digital asset integration. The main challenge identified by the HempCoin is adoption by mainstream users. HempPAYTM addresses this challenge head-on by offering a variety of payment solutions which mainstream consumers have already gained familiarity. These solutions include:

HempPAY™ Mobile * The HempPAY™ Card * HempPAY™ Online

HempPAY™ Mobile

The growth of in-store payments via mobile apps has grown significantly over the past few years. According to Starbuck's Q4 2017 fiscal report, mobile pay grew 11% year-over-year and now represents 36% of U.S. company-operated sales. ^[4] Target and Walmart, drugs stores, and convenience stores have implemented in-store mobile payment solutions, as well. According to a report by Forrester Research, mobile payments are expected to triple by 2021, going from US\$80.7 billion in 2015 to US\$282.9 billion in 2021.



The HempCoin is positioning itself to take advantage of the growth in mobile payments by creating a mobile payment option for its partnering retailers and users.

HempPAYTM Mobile (HPM) is the HempCoin's in-store mobile payment solution and multifunctional mobile wallet. For the conventional, mainstream consumer HPM is an easy-to-use in-store payment solution. For THC investors, HPM is the HempCoin's mobile wallet – securely storing their public and private keys and interacting with the HempCoin blockchain to send, receive, and monitor their HempCoin balance. Experienced cryptocurrency investors can use HPM to send and receive THC to and from exchanges while mainstream consumers will have the option to reload their THC balance using credit/debit card, Apple Pay, or Google Pay.

HPM will also serve as a directory, allowing users to find nearby retailers, dispensaries, and businesses that accept the HempCoin. An integrated advertising platform will allow merchants and businesses in the HempPAY $^{\text{TM}}$ network to advertise directly to local HPM users.

Point-of-Sale (POS) Systems Integrations

To become an in-store mobile payment solution, HempPay™ will need to be integrated with the merchant's POS system. The HempCoin's team of market researchers have identified the most popular POS systems in the industries we serve, and our developers are working to integrate HempPAY's™ merchant processing software.

Peer-to-Peer Transactions

Due to the InstantSend feature offered through the use of masternodes, HPM is able to effectively compete with the speed of credit/debit card transactions. Transactions from HPM to HPM will be nearly instantaneous. A sender can easily scan a receiver's public address via QR Code, specify the amount of THC, and send payment instantly to the receiver. This is the easiest and most cost-effective solution for smaller merchants and merchants not using a modern POS system.



HempPAY™ Card

For merchants unable to implement HPM, HempCoin will be introducing the HempPay™ Card (HPC). The HPC will work with a card issuer (Visa or Mastercard) to allow users to swipe a magnetic strip or insert an EMV chip into a payment terminal. HempCoin's payment network will confirm that a sufficient amount of THC is on the card to cover the fiat equivalent of the transaction. Once confirmed, payment can be made.

HempPAY™ Online

To expand current market visibility and increase online usability, the HempCoin is establishing key partnerships with online cryptocurrency payment gateways. Once the integrations are fully implemented the HempCoin will be automatically available as a payment solution in a variety of popular ecommerce shopping cart solutions, including: WooCommerce, Magento, OpenCart, PrestaShop, OSCommerce, and more.

Rebranding/Industries We Serve

Since the HempCoin's inception, we've been primarily focused on the Agriculture/Farming industry and the Marijuana/Hemp Industry. As part of our rebranding efforts we actively searched for other industries to penetrate that were already inline with our demographic. The industry we have chosen to add to our target market is the Tobacco industry. The addition of the tobacco market not only opens HempCoin's usability to all 50 states but also allows for increased global adoption in this US\$770 billion global industry.

Legal Cannabis Industry

Over the past few years, the legal use of marijuana has grown exponentially, and sales of legal cannabis in North America are rising even faster than experts predicted. From 2016-2017 the industry saw a 33% increase, and by 2021 the legal cannabis market is predicted to reach sales of \$25 billion. With many states legalizing marijuana for recreational use and Canada set to begin nation-wide sales on July 1, 2018, there is no other industry changing as rapidly as the cannabis sector, aside from cryptocurrency.

In the United States, recreational use is legal in Alaska, California, Nevada, Oregon, Washington, Colorado, Maine, Massachusetts and The District of Columbia. And while the United States presses forward state by state, many nations around the world have either already passed laws or are moving on the path to legalization.

As of now, some of the countries with the laxest cannabis laws are The Netherlands, Spain, Australia, Argentina, Canada, Chile, Colombia, Costa Rica, the Czech Republic, Ecuador, Estonia, India, Italy, Israel, Jamaica, Mexico, Peru, Portugal, South Africa and Uruguay.

Uruguay was one of the first Latin American countries to create a plan to legalize cannabis, as well as, legalize the sale of recreational marijuana in pharmacies. And in Canada, medical marijuana has been legal since 2001. Currently, the Prime Minister Justin Trudeau is working to legalize cannabis across all of Canada, and released legislation in 2017 to make Canada the first industrialized country to legalize cannabis nationwide.

Below, you can review a map of the United States of America which highlights the levels of cannabis legalization by state.

MARIJUANA LAWS BY STATE



Legalized

dults can purchase, possess and cultivate marijuana for personal use, whether nedical or recreational.



Decriminalized

Typically means no arrest, prison time, or criminal record for the first-time possession of a small amount of marijuana for personal use. All of these states, excluding Nebraska, also allow medical marijuana and/or CBD use.



Medical/CBD Use Only

No state-level criminal penalties on the use of medical marijuana. Some of these states have CBD-specific laws singling out the non-psychoactive component of marijuana.



No active laws legalizing the use of marijuana

Hemp Industry

According to the National Conference of State Legislatures, at least 34 states passed legislation related to industrial hemp. Policy makers have addressed the definition of hemp, licensure of growers, regulation and certification of seeds, state-wide commissions and legal protection of growers. [6] Globally, approximately 30 countries grow hemp, with China being the largest hemp producing and exporting country, responsible for an estimated 1/5 of total global production. [8] While hemp products are now legal in the United States, ingredients and end products are currently imported from other countries – particularly Canada. [7]



According to a research study conducted by Cornell University, US\$688 million hemp products were sold in the US in 2016, indicating 20% growth over the 2015 retail value estimate of US\$573 million. [8]

Hemp has been cultivated around the world for 12,000 years and has up to 50,000 uses. Once US restrictions (due to the 1938 Marijuana Tax Act) are lifted, hemp has the potential of becoming a billion-dollar industry.

Hemps industrial applications include: medicine, rope/cordage, building materials, textiles, dynamite & TNT, plastics and fuel.

Below are uses for various parts of the hemp plant.

Hemp Seed	Hemp Oil	Hemp Fiber
Confectionary Snacks Dietary Fiber Beer Flour Baking Animal Feed Non-Dairy Milk and Cheese	Cooking Salad Dressing Dietary Supplements Body Care Products Fuel Detergents Spreads Paints	Fabric Insulation Pulp & Paper Carpet & Flooring Paneling Auto Parts Animal Bedding & Mulch Recycling Additive

The Cornell University study also identified barriers to growth in the US industrial hemp market and the HempCoin is uniquely designed to help tackle these challenges. The identified barriers to growth include:

- Re-establishment of agricultural supply chains
- Upgraded and/or specialized harvesting equipment
- Processing and manufacturing in New York
- · Access to certified seed
- US Government drug policies and drug enforcement administration concerns
- Global competition
- Limited agronomical information on varieties

Details of each barrier to growth can be found in Cornell University's study, Industrial Hemp from seed to market.

Tobacco Industry

The inclusion of the tobacco industry to our target markets allows The HempCoin to operate in all 50 US states and nearly every nation that does not prohibit the use of cryptocurrency.

According to research conducted by the Campaign for Tobacco-Free Kids, in 2016 global cigarette retail sales were US\$683.4 billion. Over 5.5 million cigarettes were sold to more than one billion smokers worldwide. In addition, between 2002 and 2016, global cigarette volume sales increased by 1.3% while retail sales increased by 27.6%. [10] In the US, 2016 retail sales of



smokeless tobacco reached US\$6.14 billion and global sales volume grew to reach 750 thousand metric tons of smokeless tobacco.[11]

Head shops, which will be one of the HempCoin's market focuses in the tobacco industry, generate more than US\$10 billion annually in the US. A head shop is a retail outlet specializing in paraphernalia used for consumption of cannabis and tobacco and items related to cannabis culture and related countercultures. In the United States, head shops are legal in all 50 states so long as they sell items used for legal substances, primarily tobacco.^[5]

HempCoin's other market focuses in the tobacco industry include, but are not limited to:

- Convenience stores
- Gas stations
- Cigar bar/lounges
- Nightclubs

Agriculture/Farming Industry

HempCoin remains the only cryptocurrency for Agriculture, a trillion-dollar worldwide trade business. With the global population expected to grow by over a third between 2009 and 2050, global food demand will also continue to grow. ^[12] In their report, *Global agriculture towards 2050*, the High-Level Experts Forum projects feeding a world population of 9.1 billion people in 2050 would require raising overall food production by some 70% between 2005/07 and 2050. $^{[12]}$

According to the US Department of Agriculture, agriculture exports in 2016 totaled US\$129.7 billion, surpassing their forecast. Between 2009 and 2016, the strongest period for US agricultural exports in history, the total value of US agriculture exports was US\$1 trillion. Global import and export revenues dwarf these numbers.

Some of the biggest challenges facing importers and exporters involve financing, currency conversion, and money transfers. HempCoin plans to leverage the liquidity and speed of transfer offered with HempPay'sTM payment solutions to address and eliminate these challenges.

Community Outreach, Growth, and Adoption

The HempCoin's flagship resource is HempPay™. National and global adoption is reliant on our marketing efforts coupled with the strength and backing of the THC community. The HempCoin community's demand for HempPay™ payment solutions will ultimately be the driving force behind merchant adoption. To achieve community growth the HempCoin started the THC Ambassadors Program.

The HempCoin (THC) Ambassadors Program

The goal of the THC Ambassadors Program is to promote the mission, vision, and recent developments pertaining to the HempCoin organization. The primary media for promotion include but are not limited to Facebook, Twitter, Instagram, Discord, Telegram, Bitcoin Talk, YouTube, Medium, and Steem.

Investors, partners, merchants and supporters are all welcome to join the THC Ambassadors Program by filling out the form here. The HempCoin's Community Outreach Manager will appoint certain people as moderators for one of our various social media channels or for other necessary roles.

After filling out the form you are automatically inducted into our THC Ambassadors Program and are committing yourself to promoting the HempCoin and aiding the organization in achieving success using your skills and talents. THC promotion activities can include, for example:

- Hosting Local HempCoin Meetups. Establish a coalition of passionate supporters that encourage investing in THC and urge local merchants to adopt a HempPayTM payment option.
- **Video Production**. Produce videos announcing your support of the HempCoin and post them to your YouTube channel.
- Writing articles and blog posts. Use your influence amongst your social media followers or website to promote HempCoin adoption.
- **Creating artwork.** Are you an artist? Promote HempCoin adoption through your artistic medium and we will use our social channels to display it to the world.
- Word-of-mouth. A face-to-face conversation is one of the best forms of marketing out there.

The various avenues of promotion are endless.

Being a THC Ambassador means you will be the first to hear about recent developments and advancements within the HempCoin organization. The Community Outreach Manager will convey information from the development team directly to the THC Ambassadors as it becomes available, in an effort to keep everyone on the same page.



Merchant Adoption

As a first-generation blockchain coin, THC's value lies in its increased adoption and usability. To increase usability, the HempCoin is developing HempPay's $^{\text{TM}}$ various payment options, however, the challenge will be merchant adoption.

We plan to meet this challenge head-on using targeted marketing campaigns, in conjunction with the strength and influence of the THC community. Once the HempPayTM Card is complete and distributed amongst the THC community, we will use this data to find the areas most saturated with HempPayTM Card holders and Ambassadors. The HempCoin marketing division will then compile lists of merchants in the area operating in our niche and devise a coordinated strategy, with our Ambassadors and card holders, to encourage, entice, and onboard these merchants into the HempPayTM system. By the time the HempPayTM Card reaches the THC community, we expect our collective buying power to be the catalyst for mass merchant adoption.

Similar merchant adoption strategies will be devised and implemented when HempPayTM Mobile and HempPayTM Online are made available.



FIRST QUARTER











SECOND QUARTER

GOVERNANCE SYSTEM

IMPLEMENT A GOVERNANCE SYSTEM INCLUDING VOTING





CRYPTO CARD SYSTEM

START THE CRYPTO CARD SYSTEM CONNECTIONS FOR HEMPPAY





THIRD QUARTER



AGRICULTURE BRAND AWARENESS

IMPLEMENTING BRAND AWARENESS WORLDWIDE

IMPROVING THE HEMPCOIN CODE

CONTINUE TO IMPROVE THE HEMPCOIN CODE TO IMPLEMENT MORE CAPABILITIES







FOURTH QUARTER



AGRICULTURE INDUSTRY

CONNECTING WITH AGRICULTURE INDUSTRY TO IMPLEMENT HEMPCOIN







DISPENSARIES TO USE HEMPCOIN

The THC Team

Tim Renzetti

Founder & CEO

Matthew Shreve

Marketing Director

Ricky Esneault

Public Relations

Zachary Dokuchic

Community Outreach Manager

Romont Johnson

Business Development

Jonathon Jones

Dispensary Liaison

3 Anonymous Developers

Coders

Our growing team of THC Ambassadors!

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Contact & Community Information

Website: www.hempcoin.org

CoinMarketCap: https://coinmarketcap.com/currencies/hempcoin

Coinlib: https://coinlib.io/coin/THC/The+Hempcoin

Social Media:

Twitter: https://twitter.com/TheHempCoin

Reddit: https://www.reddit.com/r/thehempcoin

Discord: https://discord.gg/z7pbkTr

Telegram: https://t.me/HempCoinOfficial

Facebook: https://www.facebook.com/HempCoin/