sugar
EXCHANGE

Cryptocurrency Trading Platform

Sweet for both beginners and advanced traders.

Introduction

If you are reading this White Paper, then you are undoubtedly aware of the exponential growth that has occurred recently in the world of cryptocurrencies. During 2017, Bitcoin's value increased almost 2000% and some newer cryptocurrencies saw returns of 25000% during their ICOs. Despite this unprecedented growth, we assess that 2018 will be another year of explosive growth in cryptocurrencies as millions of new investors enter the market.

Our goal at the Sugar Exchange is to ensure that all investors, regardless of experience level, can be a part of this special movement by providing the market's most usable, compliant, and secure exchange.

Current Market Challenges

As cryptocurrency prices have increased, so too has public intrigue and investment. However, despite these inflows of public capital, it is primarily cryptocurrency miners, venture capitalists, financial analysts, institutional investors and computer scientists that are reaping the lucrative rewards from the cryptocurrency explosion, while the lay investor gets lost in the complex intricacies of the blockchain. For a new crypto-investor, navigating the complex ecosystem of cryptocurrencies and exchanges is incredibly complex and cumbersome. An investor new to cryptocurrencies must first execute a complex verification process, only to then divulge their sensitive payment information to buy either Bitcoin (BTC), Ether (ETH) or any of the other limited quantities of the large, established currencies (Bitcoin Cash, Litecoin, etc.). After one of these cryptocurrencies is purchased, which takes upwards of seven days, the investor then transfers this established currency to another exchange to purchase altcoins and diversify their portfolio. Once this transfer clears, the user is able submit orders for trades after calculating the predictive price of one BTC or ETH relative to each altcoin. This first transaction cycle is not complete until the new user decides which type of order to submit, which presents additional challenges of market pricing discrepancies, liquidity, slippage, and arbitrage.

Assuming a new investor can navigate this arduous transaction process, they still face security issues. While cryptocurrency transactions remain unprecedentedly secure due to blockchain technology, holding cryptocurrencies in exchange wallets remains unsecure. These wallets are managed by the exchange and typically referred to as "hot wallets" as user currencies are accessible online. Hot wallets leave investors vulnerable to cyber-attacks on personally identifiable information, exchange account information, and the broad exchange database. Typically, users will opt to store their coins in a hardware wallet (commonly referred to as "cold storage"), but with a diverse portfolio, a user is required to maintain multiple wallets each with synchronizations, passwords, and private keys.

Because of this complex process and lack of security, the cryptocurrency investment ecosystem has primarily catered to select investors who understand the nuance of wallet security, currency price pairing, and the other intricacies of crypto. The established exchanges, like CoinBase, Poloniex, Bittrex, and Kraken, all maintain these intrinsic disadvantages to new investors on their exchange platforms and cannot effectively fix these issues because of an already established infrastructure. The Sugar Exchange wants to change that.

The Sugar Exchange is a new exchange designed to provide a customizable, tailor-made trading platform meant to optimize the experience of traders of all experience levels. For newer investors, our exchange will bring simplicity to a complex ecosystem and allow users to confidently participate in the booming crypto market. For experienced users who value speed, advanced trading capabilities, innovative features, and a customized user experience, our exchange provides market leading security and exclusive cutting-edge features.

The Sugar Exchange

Sugar Exchange is a crypto-to-crypto trading platform that lists vetted utility tokens ensuring a safe, secure, and compliant exchange environment. Investors can trade these tokens with fiat conversions displayed for maximum transparency and easy of trading.

By exploiting the underlying blockchain technology utilized by cryptocurrencies, we plan to develop an ecosystem that simplifies and accelerates the process of cryptocurrency investment, while providing more robust security and liquidity features. The foundation our platform is its development in the Azure cloud environment, the market leading cloud provider. Azure cloud implementation provides multiple benefits:

1. Azure SQL with database encryption for heightened security
2. Sugar Exchange web and mobile applications
3. Blockchain integration with NBitcoin and NEthereum libraries in order to maximize application development. With this strong developmental foundation, the Sugar Exchange will provide the features and functionality that will allow all users to optimize their crypto investments.

Sugar Tokens (Smart Tokens)

At the core of the Sugar Exchange ecosystem are Sugar Tokens (SGRs). SGRs can be used to pay trading fees and will provide users discounted costs as compared to paying transactional fees with Bitcoin (BTC) or Ether (ETH). But what truly separates SGRs is their ability to operate autonomously throughout the Sugar ecosystem. Smart tokens will have the authority to make autonomous decisions and trade themselves based on predetermined metrics by users and ongoing market conditions. Smart tokens will be similar to a trading bot mechanism, but simplified to allow utilization by investors of all experience levels. With these smart tokens, there is no need for external trading programs that sync to the Sugar Exchange platform because the tokens themselves will be integrated into the platform. Programmed algorithms, and their underlying movement patterns, will be formulated through communication between the user's profile, their SGR holdings, and the Sugar Exchange platform. SGRs will also provide a discount to users when accessing our innovative services on the exchange, including accounting services, Trading Bots, and artificial intelligence (AI) trade recommendations.

An additional feature of our smart SGR tokens is their ability to improve and expedite liquidity when trading multiple coins. Sugar Tokens will be integrated within Sugar Exchange to allow investors to instantly convert all of their holdings into Sugar (SGR). If a user has investments in multiple coins, rather than selling each coin individually through various cumbersome orders and paying the associated transaction fees, an investor on the Sugar Exchange will simply click "Transfer All Holdings to Sugar." Users will then have to conduct only a single transaction to liquify their holdings.

Investor Interface

The defining feature of the Sugar Exchange Investor Interface is customization based on experience level and overall needs. There will be three general user settings that an investor can select: traditional, advanced, and expert. These settings will determine the layout of the application in order to provide tailor made investing experiences to each level of cryptocurrency investor:

Traditional Investor Interface

To reduce the complexity of tracking various coin prices, the Traditional Investor Interface will convert all visible cryptocurrency values into either USD, EUR or CNY based on user preference. This display of fiat currencies removes the need to pair currency prices (the price of BTC or ETH relative to another coin). Additionally, users who select the Traditional Investor Interface will be able to exchange cryptocurrencies without having to place a trade strictly in coin prices. The interface will prompt the user for the fiat value the user intends to convert and also prompt the user for the desired time at which the trade should execute. This will allow investors to place either limit or market orders in fiat currencies depending on their predetermined criteria. Furthermore, the process of tracking portfolio growth will be simplified as all values are displayed in their fiat value. In essence, the traditional investor interface removes much of the complexity of price paring by presenting transactional data in terms that a new cryptocurrency investor can understand – dollars, euros, and yuan.

Another feature that will be provided to all users, but especially those using the Traditional Investor Interface, is integrated explainer videos. The primary barrier to entry for new crypto investors is understanding. Our ecosystem will offer multiple levels of video explanations to effectively guide investors of all experience levels through the crypto market.

Advanced Investor Interface

The Intermediate Investor Interface will be similar to many active cryptocurrency exchanges in terms of the various displayed data and graphs. The user will be able to place bids and ask orders, monitor ongoing trades, and view current coin prices relative to BTC and ETH. An added benefit to our interface not typically included on other exchanges will be the display of all fiat currency equivalent values for each coin.
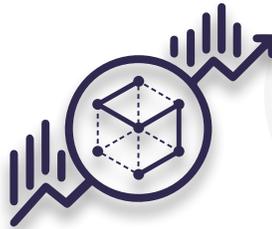
Expert Investor Interface

The Expert Investor Interface will allow experienced investors to optimize their trading with real-time trend tracking across different marketplaces. These trends will be processed with predictive analysis through our platform, and an ease of access API will be available for users wanting to record raw data. Additionally, this interface will allow users to input their own AI algorithms to selectively allocate and transfer funds between different currencies.

Innovative Features and Functionality

Accounting

One of the prominent issues facing cryptocurrency exchanges today is accountability and the imminent threat of regulation, especially from tax regulators. We plan to fix that. Sugar Exchange will allow users to integrate their financial tracking and transactional history through QuickBooks to allow seamless cross-platform integration of both the traditional stock market and cryptocurrency space. When a Sugar Exchange user elects to use our innovative accounting service, Sugar Exchange will utilize secondary software to monitor trading history, including transaction metadata, gains, losses, and, most importantly, comprehensive accounting feedback at the end of the fiscal year. Our secondary software will run on black-box encrypted servers that are inaccessible from any outside person or entity. The only person allowed to receive this data will be the user after two-step identity authorization.

Crypto-Venture Exchange

Initial Coin Offerings are revolutionizing crowdfunding for blockchain technology startups, but it remains virtually impossible to invest using cryptocurrency in start-ups not directly focused on blockchain implementations. Many of these companies have high growth prospects and significant social media followings, but there is currently no option for supporters to invest in the company. Our solution is the Sugar Venture Exchange. This exchange will bridge the gap between traditional venture capital and cryptocapital by allowing users to invest in promising start-ups using their cryptocurrency portfolios.
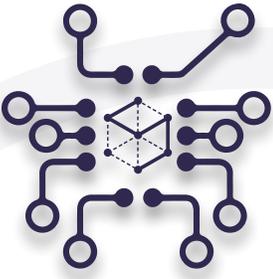
Automated Trading Preferences

As previously mentioned, our smart SGR tokens will have the ability to perform automated trading on the Sugar Exchange. For example, Investor A is holding $100 worth of BTC and has input trading preferences to invest into cryptocurrencies that have the high exponential growth factors. After these assets have appreciated 10%, the user wants to exchange back to BTC (this process will be easily selected through the Investor Interface without requiring additional user inputs). In this scenario, the smart tokens in the portfolio autonomously execute the transaction cycle resulting in no loss in conversions and no delay from bidding. The SGR token works autonomously to satisfy user parameters by leveraging the Sugar Exchange ecosystem.

Trend Analysis

Utilizing a Smart Token for the exchange of funds between different cryptocurrency portfolios will allow the Sugar Exchange platform to track the success of different trading algorithms in real time, essentially giving Sugar Exchange a pool of experimental data to analyze in creating Sugar's Smart Trading Mechanism. This mechanism will implement machine learning to develop the best trading tactics based upon investment patterns observed on the Sugar Exchange. Sugar's Trading Mechanism will be available for use by any Sugar user.

Insured Exchange Funds

Through insuring traded and stored assets, an exchange can manage the risk of cyber-theft. Current events in the world of cryptocurrency have left traders feeling uneasy at the thought of losing their funds to hackers. Industry catastrophes, such as the Mt. Gox hack of $460 million, have more users looking to secure their funds. Sugar plans to implement a comprehensive insurance policy that will insure online funds, which are exposed to the highest risk of hacking. Our insurance policy will cover employee dishonesty, money and securities forgery, and computer fraud. Sugar will only store a small percentage of funds online, while the vast majority will be stored offline in "cold" storage with air-gap isolation, greatly limiting the likelihood of theft. This insurance policy will ensure the longevity of Sugar Exchange and its ability to be a dependable trading platform.

Ease of Adaptive Portfolio Customization

The Sugar Exchange ecosystem will allow users to create their own adaptive portfolios by setting trading preferences linked to traditional stock market and crypto market conditions. For example, Investor B would like to diversify a portfolio by taking positions in the ten highest growth Fintech cryptocurrencies, but understands that Fintech has historically demonstrated higher volatility correlation with a decline in the Dow Jones Industrial Average. To compensate for this trend and hedge Investor B's risk, Investor B would develop multiple "crystallization patterns" (the Sugar interface will seamlessly guide Investor B through this process) in which the Sugar in his wallet automatically shifts during different market events. If Investor B has selected our notional "Crystallization Pattern One," which moves his Sugar evenly into the top ten Fintech cryptos, and notional "Crystallization Pattern Two," which moves his Sugar evenly into BTC and ETC if triggered by predetermined market condition, then the smart tokens will autonomously hedge according to the following parameters: "If the Dow Jones Industrial Average drops at a rate of XX basis points per hour, then, assume Crystallization Pattern One, else, remain in Crystallization Pattern Two." Although the logic in this feature seems intuitive, no other cryptocurrency exchange currently implements this technology giving Sugar Exchange users yet another significant advantage.

Will and Testament Cryptocurrency Policy

For our users who desire the ability to name beneficiaries to their cryptocurrency funds, Sugar will offer a beneficiary policy. Currently, cryptocurrency's advanced security protocols have acted as a roadblock to grieving beneficiaries of deceased investors. Many times, administrators of exchanges and/or wallets can be difficult to contact, therefore the process to attain access to a private key is arduous. Our policy aims remove all contention and ambiguity from the allocation of funds from a deceased user's account. The form will name the beneficiaries and their allotted portion of the deceased's wallet. It will be stored on the blockchain and serve as a single, immutable source of truth. Through this policy, beneficiaries will be notified of the deceased user's account and their claim to the funds, thereby ensuring that the funds do not go undiscovered. Beneficiaries will be sent access to the private and publics keys of the wallet, ensuring a seamless transfer of funds.

Third Party Insurance Product

The Sugar Exchange will be offering a supplemental insurance policy to its users. The policyholder will pay a monthly premium and in the event of theft or mishandled funds, the policyholder will recoup the value of losses in SGR tokens directly. This policy can be purchased with the SGR token and will provide an added layer of protection to our already secured platform.

Offline Multi-Wallet Integration

Through Sugar Exchange, users will have the ability to link their online exchange profile to their offline, desktop multi-wallet. Sugar Exchange will provide a unique offline wallet for the user that will add additional technical benefits, such as trend tracking and further authentication steps. For ease of integration, current investors will also be able to link their personal multi-wallets to their accounts in order to instantly move any cryptocurrencies from Sugar Exchange to their desktop. This transfer will be automated to execute as a result of an economic event, on a temporal basis, or instantly after each executed trade. Once a user disconnects, the wallet will become a cold wallet, inaccessible to anyone but those with physical possession.

For security on the exchange itself, only a predetermined fraction of assets will be available in an online wallet, while the remainder remains in cold storage. Excess amounts of cryptocurrency will be automatically moved to their respective cold wallets as an exhaustive security measure. Each cryptocurrency on the exchange will have its own online and cold wallets and cold wallets will be maintained outside of the system both physically protected and divided between multiple geographical locations as a distributed security network.

Sugar (Sgr) Token Distribution

Sugar tokens (SGRs) are used to pay trading fees and provide users with a discount, when compared to paying with Bitcoin (BTC) or Ethereum (ETH). Sugar tokens provide the same discount to users when accessing our innovative services on the exchange, including: Accounting, Trading Bots, and Artificial Intelligence (AI) trade recommendations.

Token Name: Sugar Exchange

Token Symbol: SGR

Decimal: 8

Contract Address: 0xCB5A05beF3257613E984C17DbcF039952B6d883F
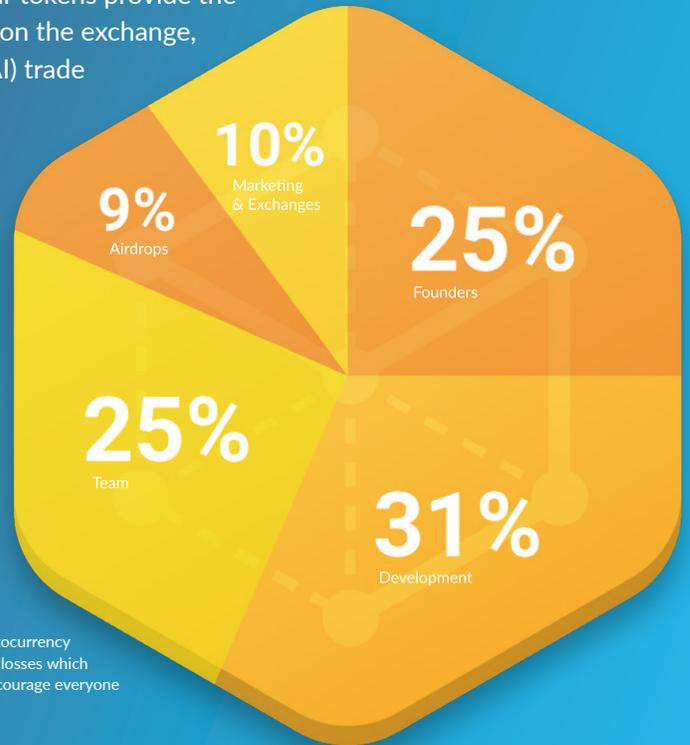
Total Supply: 80,000,000

25,000,000 Development (31%)

20,000,000 Team (25%)

20,000,000 Founders (25%)

6,750,000 Airdrops (9%)

8,250,000 Marketing & Exchanges (10%)

The purpose of the airdrop is to give away free tokens to participants. After trading commences, the Cryptocurrency market will determine SGR's value. The Sugar Exchange team does not take any responsibility for financial losses which may occur during the trading of SGR, nor are we accepting any outside investment for that reason. We encourage everyone trading SGR to seek professional investment advice.

10% Marketing & Exchanges
9% Airdrops
25% Founders
25% Team
31% Development

Roadmap for 2018

PHASE 1 - Q1 (JAN-MAR)

- Sugar Exchange ongoing development
- Release Whitepaper v1.2
- Continue with regulatory compliance in select countries
- Crypto-to-crypto trading of SGR limited to select countries (US not included)

PHASE 2 - Q2 (APR-JUN)

- Press release with additional features (i.e. insurance, will, accounting, crypto venture)
- Explore partnerships with established and innovative blockchain companies
- Achieve US regulatory compliance
- Launch beta version of Sugar Exchange

PHASE 3 - Q3 (JUL-SEPT)

- Announce new additions to the Sugar team (management, partnerships, and advisors)
- Explore incentivized development partnership deals
- Sugar Exchange launches
- Beta launch of wallet integration (iOS, Android, desktop)
- Announce partnerships

PHASE 4 - Q4 (OCT-DEC)

- Full integration and functionality of additional features
- Trading bots
- Insurance offerings
- Will
- Accounting
- Crypto Venture
- Wallet integration

Modulus ®

Strategic Partnerships

At Sugar Exchange, we are proud to announce our ongoing strategic alliance with one of the most highly esteemed providers of financial technology products and services for the trading industry, Modulus Global. Their company has provided advanced trading engines, platforms, and technologies for some of the biggest names in the financial sector including: J.P. Morgan Chase, Bank of America, Credit Suisse, Barclays Capital, Goldman Sachs, Merrill Lynch, and Fidelity, to list a few. Modulus' record provides us with the confidence to move forward into new technological endeavours that blend traditional with cutting edge.

By utilizing the current technology of Modulus' MyExchange utility platform, Sugar Exchange will have a much shorter period between conception and implementation. MyExchange platform allows Sugar Exchange to integrate a vast amount of additional benefits to the user including two-factor authentication, optional SMS text verification, high performance order matching, and advanced liquidity options. On top of this, users will have the option to trade cryptos against fiat currency, futures, and equities all on the same interface. Modulus has used their decades of experience to efficiently process the most complex logic including complex orders, partial fills, cancels, rejections, and other complex order types like Good-Till-Cancelled, One-Cancels-Other, and Trailing Stops, which will all be possible through Sugar Exchange. Lastly, all of these capabilities are based upon an extremely scalable architecture, the framework can expand to hundreds or thousands of servers if necessary due to an influx of orders. The depth, breadth, and adaptability of Modulus will benefit Sugar Exchange immensely going forward, and prove to be a mutually beneficial strategic partnership for both parties.

Legal Disclaimer

The purpose of this White Paper is to describe the intention of the Sugar Exchange project to potential users and token holders. The information within this document does not imply any contractual relationship between the user and the Sugar Exchange team or platform. Nothing in this White Paper shall be deemed to constitute any sort of offering to buy any securities in any jurisdiction. Certain statements or claims within this White Paper constitute forward-looking statements that are subject to uncertainties, the actual events or platform associated with Sugar Exchange may differ from the estimated results outlined in this document.

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EXCHANGE

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