MORDERN | 摩登

Mordern White Paper v4.0

MENU

1. Background Introduction

1.1 History

In mid of 2009, Nakamoto has discovered and created the first block of Bitcoin – The Creation Block, since then the concept of open-sourcing and Bitcoin has been brought to the public. Bitcoin has been rapidly grown and developed from a niche currency to a global circulated currency. One of the main elements that causes the succeed of Bitcoin is the innovative idea of mining concept based on the cryptography theory.

1.2 Mining

1.2.1 Brief Introduction

Mining is referring to the process of recording the new transactions into the distributed ledger of Bitcoin. The ledger has been known as the block-chain, where all the transactions will be sealed and kept safely in the block-chain, forming a chain of data bases storage. The function of block-chain is to ensure the security of transaction records and allows it to be safely verify. This function help to prove the accuracy and validity of an individual transaction, which it can efficiently get rid of the potential issue of “Double Payment”.

1.2.2 Design

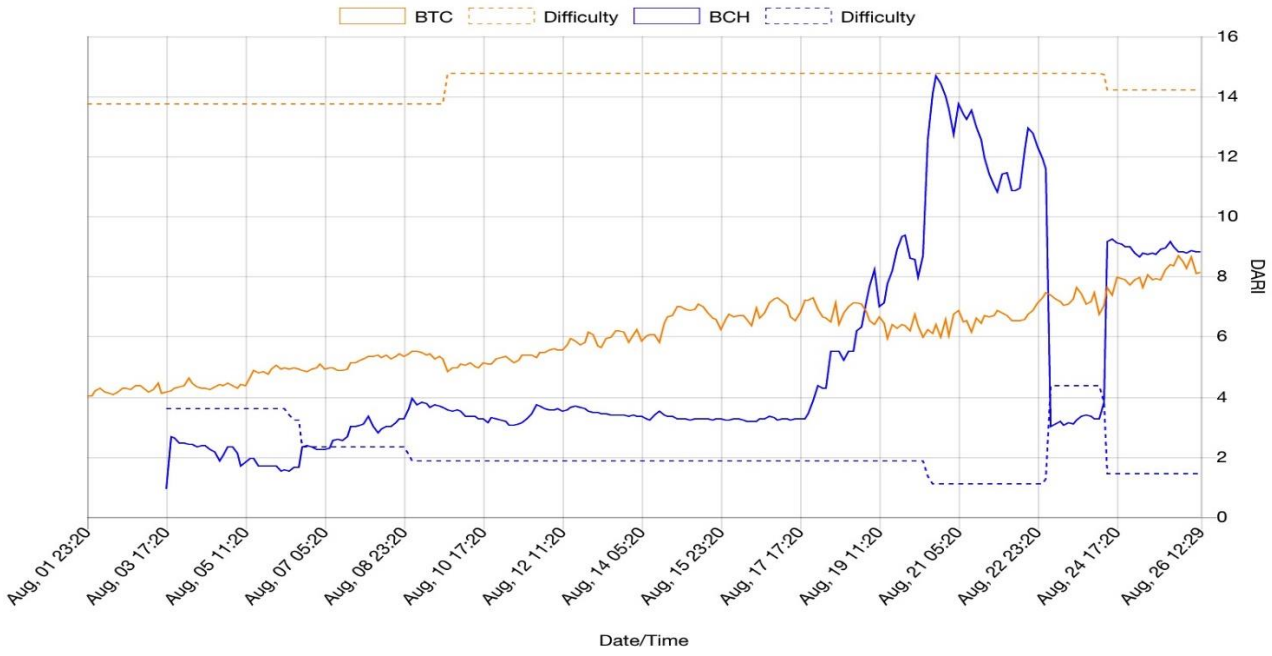
For the intensive resources mining industry, maintain the generation speed of block is a major difficulty. In order to achieve the process, each block needs to contain the proof of work to ensure its validity. Whenever a new block is generated, each node in the network will be receiving the burst information and verify its validity, which will allow all the network nodes to reach a consensus on security and release more tokens in the block-chain network at the same time keeping a healthy inflation rate. The miners who are mining in the pool will be receiving rewards which composed of two parts, one is set in advance by the network, and the other is from the handling fee paid by the transaction initiator during the transaction. This design ensures that the tokens are distributed at a stable rate while encouraging nodes to participate in maintaining the safety of the system.

1.2.3 Proof of Works

The concept of the proof of works is referring to the process of adding a set of transaction record to the distributed network to meet requirements. Each transaction record is packaged and compressed in the block header, the block header also consists of a random string, named NOUNCE. The miner needs to search and calculate for the correct string (NOUNCE) to ensure the block meets certain conditions as a whole. As for Bitcoin, the random string needs to fulfill the hash value of block’s SHA-256 (requires to have a certain number of 0 leading.) The popularity of Bitcoin has improved the visibility of the work-proof in consensus calculation. There are many other early cryptocurrencies have adopted the consensus calculation for the workload proofing in the technology stacks, and have made extensive adjustments and improvements.

1.2.4 The Adjustment of Difficulties

The computational difficulty of block generation will be determined by the calculation to maintain the stability of the block generation growth rate. As for Bitcoin, its difficulty is on the adjustment of changing the number of leading zeros which required in the hash value of SHA-256. The chances of finding a random hash starting with a lot of 0 are very low, hence a lot of experimentation is needed. To ensure that each attempt produces a different result, the random string (NOUNCE) is incremented before each attempt.



The Degree of Difficulty of Bitcoin at different period of time

The rapid growth of network and calculation power of miners will be inevitably leading an increase of network difficulty. As more and more miners join the nodes and better high-efficiency equipment will be insert into the calculations, the overall network computing power will be increase and shorten the block time. Hence, it is necessary to increase the block difficulty to offset the impact brought by the increase of computing power.

1.3 Encrypted Currencies and Operation of Hash

1.3.1 Operation of Hash.

A hash operation is referred to a process of inputting an arbitrary length of string to obtain a given length of string. In the case of Bitcoin, it utilized the SHA-256 hash calculation to input all the transaction information and gained a fixed 256-bit string. This is extremely important in block storage where the number of transactions in each block are different.

1.3.2 Functions of Encrypted Hash Operations

An encrypted hash operation is referring to a hash function which consist of a special function and a special category:

- Ensuring that a hash operation of any given information will always outcome a same result by default.
- Able to rapidly calculate the hash values of any given information
- The Hash Operations are irreversible and can only be continually attempted to obtain the requested information.
- Any minor modification to the information will lead to a completely different outcome.
- Different information does not produce the same result.

1.3.3 The Mechanism of Mining

In the early stage of mining, the miners are mainly relied on CPU and GPU mining. As the development and profit of digital currency industry increased, the special mining machines such as application-specific integrated circuits (ASICs) are gradually adapted in mining, improved the mining efficiency an order of magnitude higher than the traditional hardware. These special mining machines are not only powerful than the GPUs, they also consumed lesser electrical power which it reduces the mining costs and ultimately increases the profitability. The two main mechanism of mining at the current stage is GPUs and ASICs, every mechanism are capable of mining different cryptocurrencies.

1.3.4 Proof of Work Mechanism of Hash Operation

Initially, the Hash Operations was existed only as a proof of workload. However, as the cryptocurrencies are getting popularized, the upgraded hardware and the advent of more specialized mining machines, there are many cryptocurrencies has been modified the calculation of hash operation. Hereby, it introduced its own hash operation system to improve the resistance of ASIC. Thus, improving the fairness of the entire network and parts of the hash operations even began to consider how to prevent the threats brought by the quantum computing.

The current hash operations are as listed below:

- SHA-256 is the original hash operation used by Bitcoin. It was initially designed by the US National Security Agency and adopted the one-way compression function of Merkle-Damgard structure. ASIC were firstly developed to adapt the hash operations, which it has prompted other cryptocurrencies to develop their own anti-ASIC calculations.

- Scrypt is a simplified calculation as it is easy to be carry out the calculations on the existing CPU, and consumes less energy than SHA-256, hence it is more popular then SHA-256. Besides, the revolving time of transaction is rapid, however it is commonly considered to be more susceptible to the securities concerns. ASIC is developed to be used for this operation.

- X11 is a safer way of hash operation where GPU and CPU can be both used in the operation. As the requirement of processing power is lower, it managed to cool down at least 30% temperature of the GPU and make sure it will not be over-heated. This will also lower down the electrical power costs of mining the cryptocurrencies. It is now adopted by a several number of cryptocurrencies, included Dash.

- Ethash is the hash operation based on the Keccak structure which adopted by Ethereum. Keccak is a hash operation which standardized according to the rules of SHA-3. The specialty of Ethash is, it is designed to resist ASIC and provide ease on verifications.

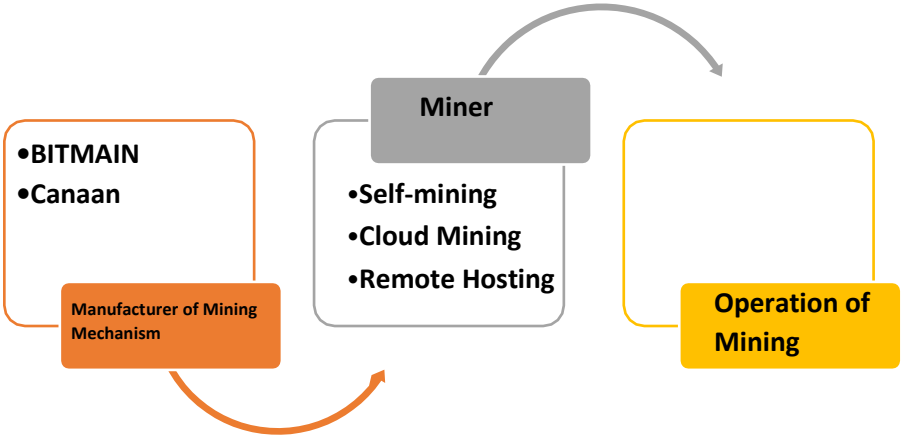
2. Introduction of the Current Market

2.1 Globalized Cryptocurrencies Industries

As of 2017, the cryptocurrencies industry has accumulated a total profit of 200 million dollars. The investment return rate of partial mining pools has reached up to 1000% only in 2017. The high return rate and trendy concept has attract more and more people to step into this industry.

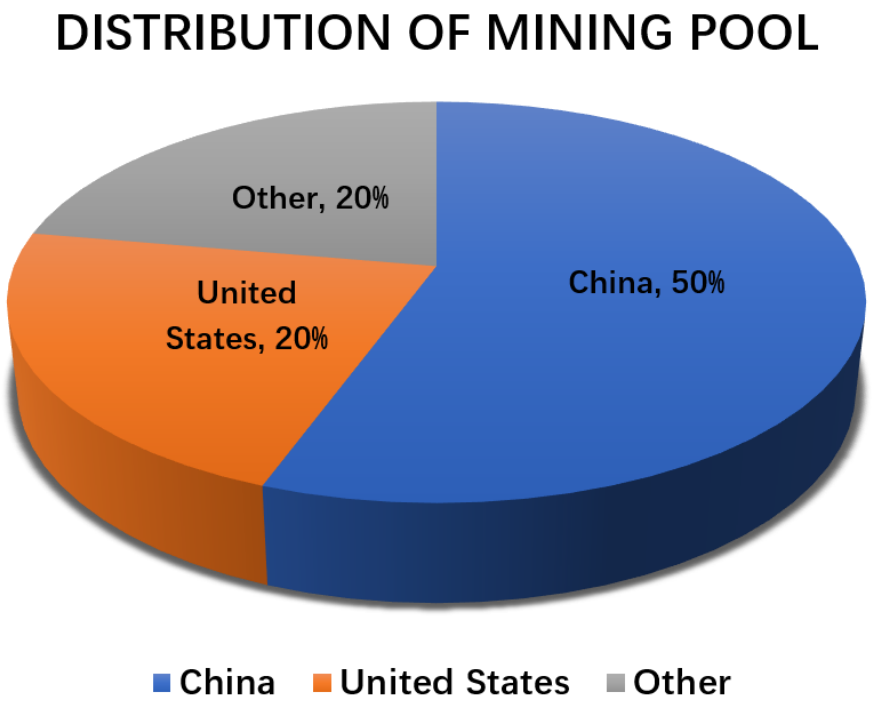
2.1.1 Division of Work for The Encrypted Currencies Mining

There are 5 main activities and characters in the encrypted currencies mining industry:
1. Miner – Referring to use their own mining mechanism to manage transactions and gain the mining rewards and the transaction costs for personal and organization use.
2. Mining Pool – Increase the possibility and frequency of block-bursting by combining the operation power from numbers of miners. The mining rewards are distributed to the participants based on the proportion of contributing computing resources.
3. Manufacturing the mining hard wares – Structural designing and building the special mining mechanism.
4. Cloud Mining Services – Organization of processing and having mass data of computing resources and leasing the computing power to the customers.
5. Remote Hosting Services – Organization of hosting and maintaining the mining mechanism owned by customers.
*Ownership is the main mining mechanism difference between Cloud Mining Services and Remote Hosting Services.



The mining process is an important component to all kind of cryptocurrencies. Miner are responsible of managing the unverified transactions to ensure the safety of entire block-chain. Besides, voting process will be held by the miners to decide the potential development direction of cryptocurrencies, and at a certain level, the major minors are able to influence the consensus development of block-chain and cryptocurrencies.

2.1.2 The Geographical Distribution of Mining Pool



More than 3 quarters of the mining pool are mainly distributed in China and US, where China has 58% of the entire mining pool. The main reason causing this major distribution is due to the lower cost of electrical power in China. However, as China is enforcing the supervision of cryptocurrencies mining and the attitude changes of people towards cryptocurrencies, the numbers of distributions might occurs changes.

2.2 The Existing Problem in the Current Market

2.2.1 High Threshold and Manipulation

The technical characteristics of the block-chain itself have turned many people out. Before building a mining machine, miner are required to understand the performance of the mining machines, familiar with the building steps, master the characteristics of block-chain technology and need to analyze the market conditions. The complicated and lengthy process will cost the investors a lot of time and efforts. Besides, the additional equipment of mining is also a huge expense. The price of a mining machine of ASIC needs more than 10,000 RMB. In order to efficiently collecting the mining profits, there are at least several of mining machines need to be operated in parallel. Hence, an averaged person couldn't afford such a high costing. Due to the consensus mechanism based on the workload proof, it is hard to offset the advantages brought by the integrated computing power in the calculation. As the computing power of Bitcoin is gradually increasing their scale and impact, the ordinary miners are difficult to compete with the giant competitor, Bitcoin.

2.2.2 The Risks of Policy

Due to the unique financial characteristic of cryptocurrencies and their relatively new technological status, there are some possible risks of policy as listed below:

- The influence towards the prices brought by the policy

The governance regulations can compose limitations and challenges on the mining and use of cryptocurrencies. The direct or indirect policy orientation of the regulator will greatly affect the overall market value of the cryptocurrency, which in return affecting the profits of mining. The decline in cryptocurrency prices may not immediately affecting the difficulty of mining networks, but it is potentially threatening the security of the block-chain network.

- Taxation on the profit of mining cryptocurrency

Taxation on the profit of mining cryptocurrency will directly affecting the profit rates of miner and obviously lowering the gains. As of now, the main income of the miners' rewards are sourced from the block-chain rewards to operate the basic operation costs of mining facilities, including the electricity costing, manpower costing, geographical costings and the maintainance costing.

- The prohibition of cryptocurrencies by the government

The total banning on cryptocurrency or mining from the government will eventually result in the loss of its value from the purchased mining equipment, especially ASICs. In comparison of GPU and ASICs, GPU still can be sell or for other usage, however, ASIC do not have any other values other than mining and managing the cryptocurrencies.

2.2.3 The Risk of Operation

The prices of cryptocurrency are greatly affecting the mining industry. The operation decision will be greatly impacting the profiting power of miner. As the prices declines, operation decision needs to be made and predict on the future prices to decide whether or not to sell out and calculate the owned asset at a lower price of cryptocurrencies. If it is a no to sell out the cryptocurrencies, the miner will need to bear with the operational costs of all the mining equipment.

2.2.4 Competition and The Risk of Circulation

A high competitive market will increase the difficulty of network and lower down the rate of successful mining by the miners. Hence, lowered down the profiting power of the miners. At the same time, as different cryptocurrency will have different hard ware requirements, miners are not able to transfer the mining to another new cryptocurrency where the cryptocurrency has the risk of circulation.

2.2.5 The Non-Transparency

Remote hosting and Cloud Mining has reduced the burden of users at a certain level, where the users are able to purchase the computing resources directly from the cloud and gain the profits. However, the process of the purchase is non-transparent where the user data will be controlled by the centralized system of cloud mining. The profits of users will eventually affect by exploitation at a certain level.

2.3 MORDERN

Due to the listed issue as above, the MORDERN team has suggested a new solution for all issues which is a decentralized mining pool based on the block-chain technology. MORDERN will be building up an open, fair, transparent and low threshold decentralized digital currency mining pool, with the technical specialty of block-chain technology and the advantages of cloud mining pool. At the same time, MORDERN is providing the best services for the customer from all around the world combining with their rich industry experience.

2.3.1 The Brief of MORDERN Mining Pool

The headquarter office of MORDERN is located in Seychelles, while the technical developing team was set up in US. The first mine was laid out in Southeast Asia.

The mine laid out in Southeast Asia is having the natural advantages as stated below:

- The region is sparsely populated: electricity costs, land use costs and labor costs are significantly lower than the world average.
- The region is experiencing a large amount of power wastages, the introduction of mining pool is conducive to the rational use of electricity.
- The region is a typical temperate monsoon climate area: The winter is long and cold, and the summer is warm and short which it can greatly reduce the cost of mine cooling.

2.3.2 The Mining Mechanism of MORDERN

	ANTMINER S9	ANTMINER T9+	AVALON821
PRICE (USD)	$ 2,400	$1000	$2,900
MHASH/S	14,000,000	10,500,000	11,000,000
MHASH/S/$	5,833	1,658	3,800
WATTS	1,375	1450	1,200

MORDERN will be using ANTMINER S9 model mining machines as the bitcoin mining tank which is also the most advanced mining machine in the world.

MORDERN will also gradually expanding other digital currency pools such as the Ethereum mining pool and the Litecoin mining pool. Users are allowed to mine for different types of digital currency by holding tokens in the MORDERN system. It has helped to solve the circulation issue of mining different digital currencies for the customers. (Read the economic model for details.)

	Operability	Availability	Low Threshold	Circulatory	Transparency
Personal	✓	✓	✗	✗	✓
Cloud Mining	✗	✗	✓	✓	✗
MORDERN	✓	✓	✓	✓	✓

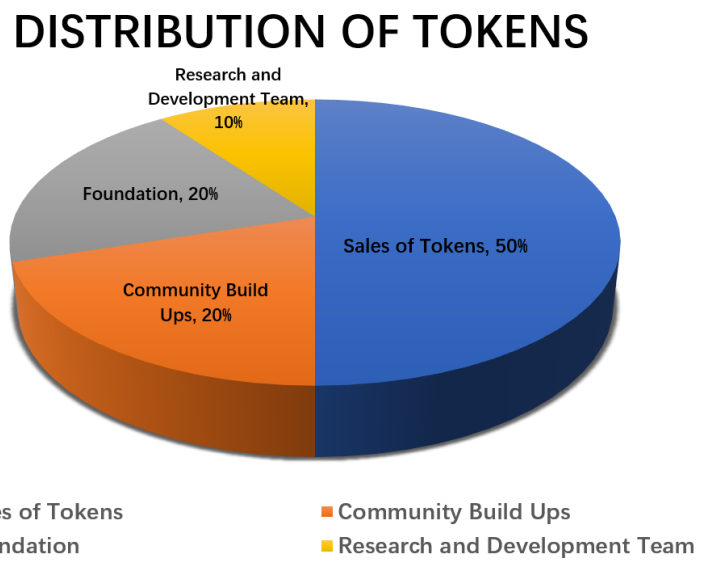
3. The Prototype of MORDERN Token

3.1 The Significance of MORDERN

MORDERN is the ERC-20 token which established on the Solidity of Ethereum. It serves as a general equivalent in the ecology of MORDERN mining pool. The MORDERN holders are allowed to use MORDERN pledge to obtain the computing resources in order to represent the contributions of the entire computing network. It can also be use to participate in the community activities such as community building, mine machine renewal as well as the technical support of mining system.

3.2 The Distribution of MORDERN

The project sponsor of MORDERN will issue a total distribution of 68 million of MORDERN token. 50% of MORDERN will be distributed to different community groups, 20% will be used for community build ups and reward programs. 20% will be kept by the Foundation and 10% will be used to motivate and encourage the development team of MORDERN. Meanwhile, the tokens held by the Foundation and the development team will be lock in the warehouse and gradually unlock according to the progress of the project development.



Usage	Ratio	Amount
Sales of Token	50%	**34 Million MORDERN**
Community Build Ups	20%	**13.6 Million MORDERN**
Research and Development Team	10%	**6.8 Million MORDERN**
Foundation	20%	**13.6 Million MORDERN**

3.3 The Sales of MORDERN

The Sales of MORDERN will be divided into 3 stages to proceed:

• Interchange of Cornerstone

During the development process of MORDERN, there are many industry leaders and institutional investors have made outstanding contributions to the construction and operation of the MORDERN network. In order to maintain a long-term collaboration relationship with this group, and to show appreciation towards their contributions, they are prioritized to obtain MORDERN at a discounted price. These parts of investors will receive 3 million of MORDERN.

•Private Placement

In order to thank the early supporters of MORDERN and better introducing the resources to assist MORDERN's development, 13.6 million of tokens will be issued to the qualified investors and institutional investors with a conversion ratio of 1ETH: 4500 MORDERN.

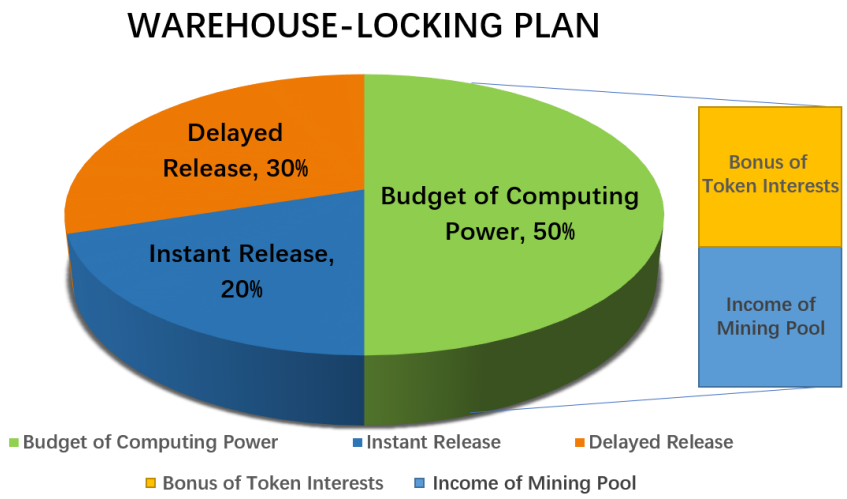
•Public Offering

A total of 13.6 million of MORDERN will be issued with a conversion rate of 1ETH:3500MORDERN. MORDERN will aim to raise a total of 40,000 of Ethereum in the public offering stage. The sales of MORDERN will be stop once reach the sales of 27.2 million tokens. The soft top sales of these three-stages is 20,000 Ethereum.

Selling Period of MORDERN:	**18th November 2018 to 19th December 2018**
Purchase Unit:	**ETH (Ethereum)**

3.4 The Warehouse-Locking plan of MORDERN

All the sold tokens will be participated in the warehouse plan as listed below, the MORDERN team will be giving rewards to the investors according to the warehouse lock-timing.



All MORDERN purchased by the investors will be participating in the warehouse-locking plan, which includes:

1. 50% of MORDERN will be slowly released：

- 20% will be distributed after the end of selling
- 15% will be distributed after a month of the end of selling
- 15% will be distributed after 2 months of the end of selling

2. 50% of MORDERN will be locked and forced to be added into the computing power budget. Users are allowed to choose different lock periods and get different token interest rates as rewards.

- 6 months（Annualized ROI=4%, Locked up to 10,000 MORDERN, Users will be receiving 10,200 of MORDERN upon expiration）
- 9 months（Annualized ROI=5%, Locked up to 10,000 MORDERN, Users will be receiving 10,375 of MORDERN upon expiration）
- 12 months（Annualized ROI=6%, Locked up to 10,000 MORDERN, Users will be receiving 10,600 of MORDERN upon expiration）
- 15 months（Annualized ROI=7%, Locked up to 10,000 MORDERN, Users will be receiving 10,875 of MORDERN upon expiration）
- 18 months（Annualized ROI=8%, Locked up to 10,000 MORDERN, Users will be receiving 11,200 of MORDERN upon expiration）
- 21 months（Annualized ROI=9%, Locked up to 10,000 MORDERN, Users will be receiving 11,575 of MORDERN upon expiration）
- 24 months（Annualized ROI=10%, Locked up to 10,000 MORDERN, Users will be receiving 12,000 of MORDERN upon expiration）

- 3. After the MORDERN operation begins, parts of the locked up MORDERN will be inserted into the mining pool to exchange the computing power for users. Users will be receiving the tokens interest rates, at the same time, users will also be sharing the income generated by the mining pool.

4. Economical Mode of MORDERN

4.1 The Exchange of Computing Power

The holders of MORDERN are allowed to obtain the corresponding computing power by pledging MORDERN, the specific rules are as listed below:

1. The holder are pledging MORDERN to obtain the usage rights of computing power.

2. The computing power ratio is determined by the price of the mining machine and the market price of MORDERN. (For example, when the price of MORDERN is 1 yuan, the selling price of an ANTMINER S9 is 6,000 yuan. 6000 MORDERN can be used to redeem an ANTMINER S9 which consist of the computing power of 13.5T. Whichmeans, the higher the market price of MORDERN, the higher the computing power that can be redeemed with a single unit of MORDERN.)

3. The smallest exchange unit is 1T.

4. Users are able to choose the pledging time freely (the minimum pledging time is 6 months). MORDERN will be returned automatically into user's account upon expiration, users are allowed to resume the pledging agreements before the expiration to continue enjoy the profits generated by the mining pool.

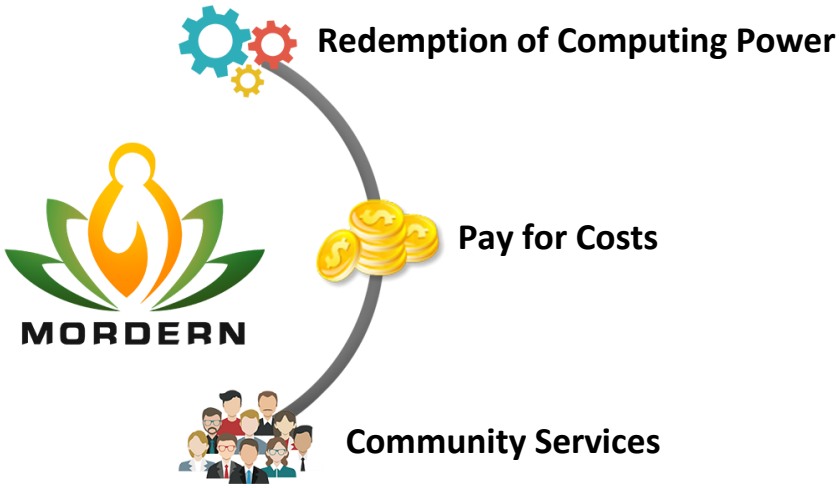
5. Users who pledged or locked up their MORDERN will be receiving the token interests, the pledging rules and interest rates are the same as listed in the warehouse-locking rules and interest rates during the selling period.

6. The bursting block bonus will be distributed in real-time according to the user's computing power contribution.
Notes: The time frame of receiving the bursting block information might be affected by the network acknowledgement delay, network failure, website maintenance, program failure or etc. Hence, the revenue distribution time may be delayed.

The computing power system will be shown at the same time on the webpage as well as the mobile application. Users obtained the computing power by pledging with MORDERN, the mining pool of MORDERN will be allocating the revenue based on the percentage of computing power owned by users. During the entire process, the users no longer need to consider a series of problems, such as equipment construction, maintenance, site, safety and etc. The system is maintaining a fair, efficient, transparent and greatly reduces the entry barriers of the industry. Besides, it also allowing all individuals are able to participate in the mining process and enjoy the bonus distributed by the industry.

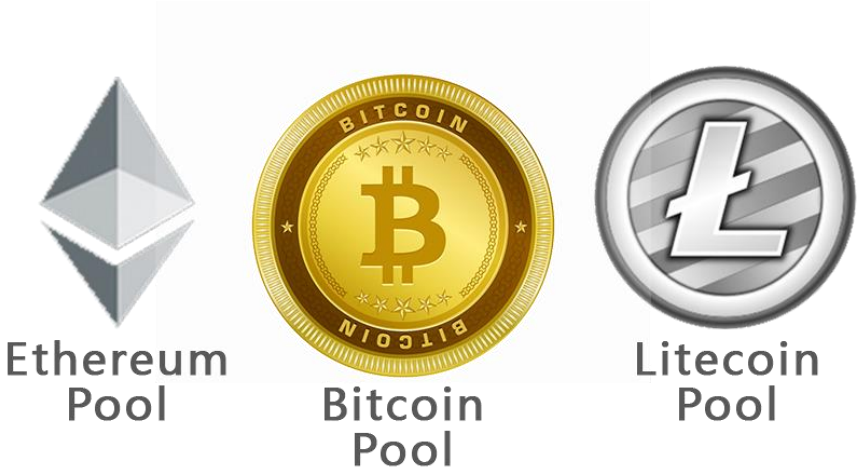
4.2 The Losses and Adjustable Costings

The block generation mechanisms based on the workload proofs can result in high power costs, land costs, as well as the labor costs. All the mining costs and losses in MORDERN mining pool are represented by MORDERN. The computing power system of MORDERN, the users who received the block bonus will be deducted by a certain amount of MORDERN to pay for the variable costs which required for the operation of the mining pool. The amount of payment is depending on the user's computing power and the specific loss of the entire mining pool. The efficient and convenient computing power system and the scale effect of the MORDERN pool will greatly reduce all the costs incurred by the users who participated in the mining activities. Besides, parts of the operation costs, depreciation and the depletion of equipment will be borne by the MORDERN Foundation.



4.3 The Mining Pool of Currencies

The early stage of MORDERN mining pool includes the Bitcoin mining pool, Ethereum mining pool and Litecoin mining pool. The mining pool of MORDERN will subsequently adding on the mining equipment according to the demands of users and the actual conditions. Users are allowed to choose which mining pool to join according to their preference and income comparisons which it greatly reduces the high mining cost caused by information asymmetry, other indirect reason and etc. Besides, it has indirectly realized the dynamic balance of mining incomes from different currencies.



4.4 Community Services and Technical Support

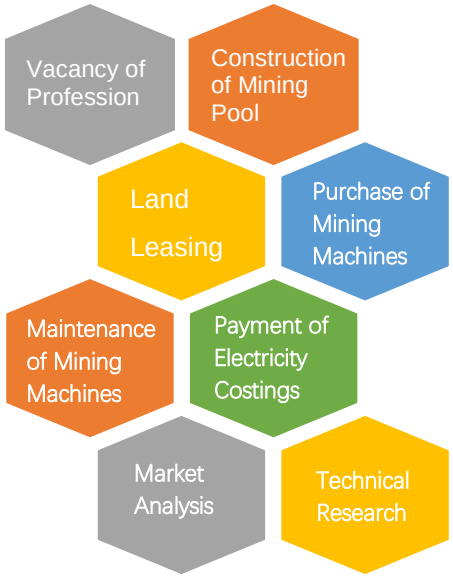
Other than exchanging the computing power, MORDERN is designed to be used in the scenarios as stated below:

• The holders of MORDERN are able to vote and participate in the construction and development of the new mining pool.

• The holders of MORDERN are able to vote and participate in the update and replacement of the mining machines.

• The holders of MORDERN are able to enjoy the community services of MORDERN.

The usage of MORDERN has covered the entire ecosystem of MORDERN and realized the completion of closed cycle. The purchase and management of mining machines, the exchange and use of computing power as well as all the mining costs are all calculated in the system by using MORDERN.



MORDERN

5. The Capital Distribution and Road Map

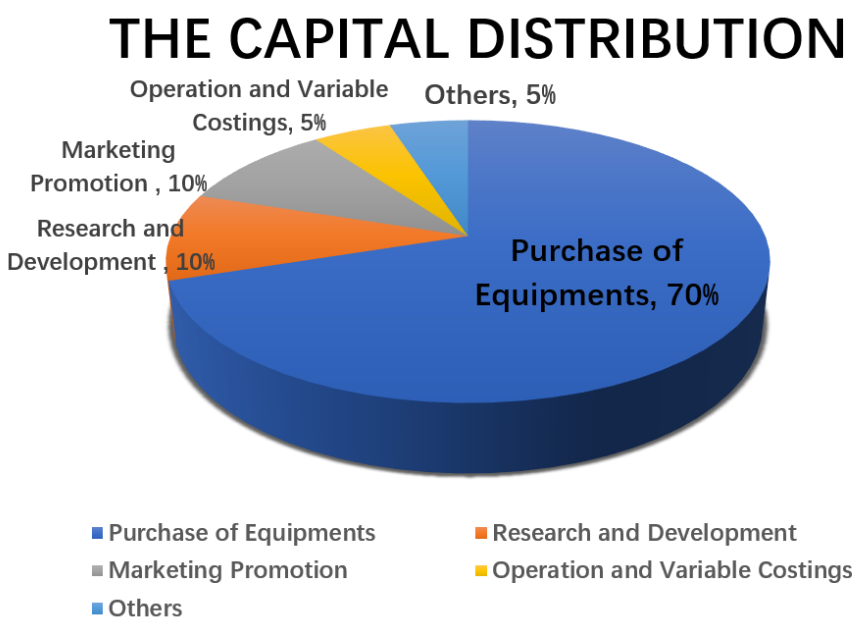
5.1. The Capital Distribution

5.1.1 The Source of Capital

The MORDERN projects will only raising the Ethereum from the institutional investors and qualified individuals who comply with the laws and regulations. Investors are required to pass the verification of KYC before investing in the MORDERN project.

5.1.2 The Capital Distribution

The preparation capital of the MORDERN projects is mainly use for the purpose as listed below:



Out of the capital of 70% of the capital will be used for the mining machine procurement and resettlement costs; 5% of the funds will be used for variable costs which required by the operations which includes the labor costs, electricity costs, land leasing fee, mine maintenance costs and etc. Besides, 10% of the funds will be used for the technology research and development and the updates of mining machines; the remaining funds will be used for marketing and other purposes.

5.2 The Road Map

The project launching – October of 2018

The MORDERN team studied the feasibility and profitability of cryptocurrency mining. The team studied existing mining pools such as antpool and cloud mining facilities. The study concluded that

the development of a system with equity distribution mechanisms to manage large-scale of cloud mining is an ideal solution. Hence, the MORDERN team has successfully developed MORDERN and will be officially launching MORDERN in October 2018.

The Pre-Sales of MORDERN – October of 2018

The MORDERN team will be pre-selling the MORDERN tokens in bulk to the high-net-worth investors. The majority of the capital collected from the pre-selling will be utilized to purchase for the mining equipment.

Equipment Procurement – November of 2018
The MORDERN team will be contacting the hardware suppliers to purchase the mining equipment in bulk, and the funds for this phase will be used to pay for the down payment of the equipment and to survey the viable locations to build the mining facility.

The Construction of Mining Facilities – November of 2018
The MORDERN team has completed the site layout in northern China, which will be supervised and complete the placement of the mining machines.

First Payment of Mining Incentives – January of 2019
MORDERN planned to pay the first mining bonus to all users with MORDERN pledged account at this phase.

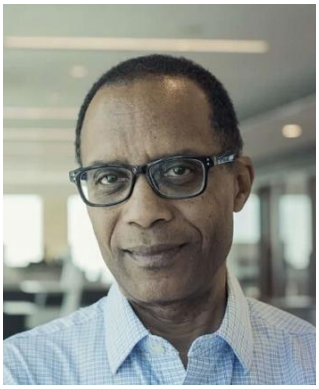
Expanding of Mining Facilities – March of 2019
MORDERN planned to utilize part of the mining pool revenue to purchase and install new mining machines to increase the size and profits of the mining pool.

6. The Core Team of MORDERN

EVAN ROTHMAYER VP，Engineering

Worked for 13 years in Microsoft, Amazon and startups.

Served as an architects in a team which composed of 130 engineers in DevOps engineering and cloud engineering team. Responsible for leading the application developers to launch a number of "zero start" products in Amazon. Besides, he holds a Bachelor's Degree in Computer Science from Lowa State University.



CRAIG AUSTIN，Business Development

Worked in Microsoft and AQR capital management company for 12 years ($208 billion hedge fund). He served in AQR and was responsible for leading the research project on allocating the asset. He was assigned to in charge a team of 18 developers. He holds a Master's Degree in Computer Science from Carnegie Mellon University.

ERIC ROGSTAD，Blockchain Development

Worked in Microsoft and Amazon Corporation for 7 years. The founder of the social entrepreneurship company. He is an encrypted currency traders and an early investor on the relevant field. He has bought in Bitcoin at a price of 0.25 US dollars. He holds a Bachelor's Degree in Computer Science from Duke University.

JANIK CLINTON， Chief Technology Officer （CTO）

Janik Clinton was born in Canada Toronto in 1973. Graduated in Bachelor of Business Administration from Kwantlen Polytechnic University (KPU).

During the age of high school, Janik Clinton loves to explore and create some program designs, especially communication tools and game classes. He also developed a software program named ZuckNet, which allows his father to communicate with the dentist at home. This system was then regarded as the original version of the Canadian online real-time communication software.

In 1998, Janik Clinton co-founded the Scour.com website with his 6 good friends. At first, they wanted it to be a web search engine. Unexpectedly, it has become the world's first P2P file download resource search engine. However, in 2000, the website was prosecuted for the copyright infringement by 29 companies in Hollywood and claimed a total compensation of 250 million US Dollar.

Janik Clinton was then joined the Power Corporation of Canada in 2006, where the corporation was then ranked by Fortune as the 249th among the world's TOP 500 largest companies in the world in 2007 and 2012.

Janik Clinton is also a senior coach of Taekwondo. He has an affinity towards Taekwondo and he has established several Taekwondo studios in various regions of Canada.

In 2018, Jerrison Moore co-founded the MORDERN platform to discover "how to generate values with active circulations”.

JERRISON MOORE, Chief Executive Officer (CEO)

Jerrison Moore was born in the United States in 1958. He graduated from Carnegie Mellon University CMU with a Bachelor's Degree in Computer Engineering from Carnegie.

At the age of 15, Jerrison began working as a programmer where he was an intern in a digital distribution company, Mira. At that time, the company was racing against time to complete a project of its customers.

Jerrison Moore was the Chief Computer Engineer of US Boston consortium in 2004.

In 2007, Jerrison Moore decided to join Melaleuca and won the famous presidential Club Award in 2010.

In 2012, Jerrison Moore founded Square, a mobile payment company. The main vision of Square is to redefine the way of interaction between small businesses and customers and to facilitate the cash flow circulation in cities and around the world.

Jerrison Moore was then become the largest mass producer in the United States for 3 consecutive years since 2013 with Qivana. Jerrison, was selected as a master trainer, and published his personal books in the magazine.

In 2016, Jerrison Moore realized that the technology of block chain had a great impact on the future development of the world, and realized how to generate values with circulation.

In 2018, Jerrison Moore has officially launched a new mobile payment platform, MORDERN with Janik Clinton, which it has made the circulation valuable and destined to become a legend in the financial field.

7. MORDERN Foundation Management

MORDERN is currently building up the MORDERN Foundation Management (MFM). The MORDERN Foundation Management is a NGO organization and it is designed to accelerate the adoption of block-chain technology and the development of MORDERN system. Membership registration is acceptable in the MORDERN Foundation Management. It accepts any donations as the developing funds for block-chain technology and MORDERN system. MFM has been registered as a guaranteed limited company in Seychelles.

7.1 The Management Principles

The principle of MFM is to support and coordinate the resources and supervision of the block-chain community, ensure and guarantee the healthy operation of MORDERN mining pool. At the same time, assisting people to be acknowledged about the changes brought by the block-chain technology and the developments of MORDERN investment projects. Through the joint efforts in education and publicity activities, all enthusiasts of MORDERN, developers, regulators, technicians, practitioners and users from worldwide are encouraged to use the block-chain technology and related technologies.

7.2 The Organization Structure of MORDERN Foundation Management

MFM will be engaged in the following activities as listed below:

- Guide and regulate the development of MORDERN and the maintenance of system.
- Adopting the best practice of governance principles, to improve the safety and stability of the block-chain ecosystem of MORDERN
- Financially supporting the ecosystem of MORDERN and other related developing activities.

7.3 The Consultancy Committee

The committee of the consultancy are:

- Committed by at least 5 persons, including at least one MFM member and at least 2 individual consultants.
- Hold at least four meetings a year.
- Advising the members of MFM on the management of MFM.
- To ensure the continuity, the initial term of each committee member is 1 year and 2 years. Thereafter, all the consultants will have a two-year commitment term.

The members of MFM are responsible for appointing or disqualifying the MFM's management team. MORDERN will be appointing a treasurer and a legal supervisor to form the initial management team of MFM for operations. The management team will be responsible for:

- The Financial and Legal Management
- Supervision on the authorization management process, including the management of application, financial tracking and reporting, and operational delivery and reporting.
- Constantly reporting to the advisory committees on a regular basis.

8. The Legal Risks and Disclaimers

8.1 The Legal Risks

As a combination application of distributed data storage, point-to-point transmission, consensus mechanism, encryption algorithm and other technologies, the block-chain technology has become a hot topic in the research and discussion of international organizations such as the United Nations, the International Monetary Fund Organization, and many other governments in recent years. The business industries have also inputted great support on the block-chain technology. At present, the application of block-chain has been extended to many fields such as the logistics of Internet, smart manufacturing, supply chain management and digital assets trading, where it is bringing in new opportunities for the development of next-generation information technologies such as cloud computing, mass data, and mobile internet. It is capable to trigger a new round of technological innovation and transformation in the industry.

The block-chain is in the transitional period from the initial developing stage to the individual application of the technology. Some typical applications have been presented where it showed a bright prospect of application in the financial industry and the commodity industry. The scope of application can be roughly distinguished into three sections, which is before, during and after the transaction. The pre-transaction links included customers understanding, anti-money laundering, information disclosure and etc; while during the transaction, it includes stocks, shares and bonds, collective debt instruments, issuance and transfer of derivatives. The post-transaction links, includes registration, depository, clearing, settlement, data sharing, share splitting, shareholder voting, dividend payout, collateral management, and crowdfunding management. At present, the countries are having different attitudes and regulations towards the block-chain technology.

In December 5th, 2013, the People's Bank of China, the Ministry of Industry and Information Technology, the China Banking Regulatory Commission, the China Securities Regulatory Commission, and the China Insurance Regulatory Commission jointly issued the Notice on the Prevention of Bitcoin Risk (Yinfa 2013, No. 289). The main content of the Notice is as follows: clarify the properties of Bitcoin. It is believed that Bitcoin is not issued by the monetary authorities, where it does not have the monetary attributes, such as legal and mandatory, and it does not consider as a real currency. In terms of nature, Bitcoin is a specified virtual commodity that does not have the legal status equivalent to the currency. In another words, it is not supposed to be used as currency in the market. Financial institutions and payment institutions are prohibited from conducting business related to Bitcoin. Financial institutions and payment institution are required to prohibit the use of Bitcoin on the price settings for products or services, and not allowed to buy or sell or trade Bitcoin as a central counterparty. The related institutions are not allowed to underwriting any insurance business which related to Bitcoin or accepting Bitcoin into the scope of insurance responsibilities. Besides, no services related to Bitcoin are allowed to be directly or indirectly provided to the customers, which includes: providing the services of registration, trading, clearing, settlements and other services; accepting Bitcoin or use Bitcoin as the payment tool; providing

exchange service of Bitcoin with RMB or foreign currencies; providing businesses of saving, maintaining and pledging for Bitcoins; distributing any financial products related to Bitcoin; setting up any investment plans as mutual funds or foundations with Bitcoins. The government were requested to enhance the management of the Bitcoin Internet site. The Internet sites that providing the registration and transactions must be filed with the telecommunications regulatory agency in accordance with the relevant regulations of the Telecommunications Regulations of the People's Republic of China and the Measures for the Administration of Internet Information Services. It is also required to strengthen the prevention of the risk of bitcoin money laundering.

First of all, all the branches of the People's Bank of China are required to pay close attentions to the activities, movements and trends of Bitcoin and other similar virtual goods with the features of anonymity and cross-border circulation. It is a must to study the risk of money laundering and formulating the preventive measure towards the risks. All the branches shall be incorporating with the anti-money laundering supervision to establish the institution that provides legal services such as the registration and transactions of Bitcoin under the jurisdiction and urge the institutions to strengthen the monitoring of anti-money laundering. Second, the Internet sites that providing the services of registering and trading Bitcoin should fulfil their commitment of anti-money laundering by requiring the users to register with real names with the private verification information such as identity number. Third, all the financial institutions, payment institutions, Internet sites that are providing the services of Bitcoin registration and transactions should immediately report any suspicious transactions related to Bitcoin and other virtual goods to the China Anti-Money Laundering Monitoring and Analysis Centre. Besides, the institutions are required to cooperate with the People's Bank of China to investigate in any money laundering activities. For the discovery of the use of Bitcoin for fraud, gambling, money laundering and other criminal activities, the institutions should promptly report the relevant cases to the public authorities.

In March 2014, the People's Bank of China issued the "Notice on Further Strengthening Bitcoin Risk Prevention Work", requiring banks and third-party payment institutions to close all trading accounts of all Bitcoin platforms in China by April 15th. This action refers that it is illegal for a financial institution to register an account for transactions on the Bitcoin website platform. However, the announced Notice does not prohibit any transactions of Bitcoin. Therefore, Bitcoin transactions, as a kind of commodity trading on the Internet, are still quite active in the market and are also sought after by some capital. Thus, it is required to strengthen the monetary knowledge of the society and public on education and warnings towards the investment risks. The "Notice" urging that the concepts of correct understanding of currency, correct view of virtual goods and virtual currency, rational investment, reasonable control of investment risks, and maintenance of property security need to be incorporated into the activities of financial knowledge popularization, and guide the public to establish correct monetary concepts and investment concepts.

As for the block-chain technology, the federal government of US is now mainly focused on the regulations of virtual currencies which based on the block-chain technology. Some of the government agencies have issued some guidance documents for the issuance of block-chain technology and ICO. In 2013, the US Treasury's law enforcement agency, FinCEN has listed the "exchangeable virtual currencies" into the "monetary services industry" in the Bank Secrecy Act (BSA). According to the statement, any transactions of virtual currencies are required to register with the Ministry of Finance in US and needs to participate in the anti-money laundering projects.

However, the Act and the "Financial Crime Enforcement Network Regulations in Personal Management, Exchange and Use of Virtual Money" issued by the law enforcement agencies. are all believed that the virtual currency "is valuable, but it is not a legally meaningful currency", where the virtual currency does not have all the attributes and legal currency status as a real currency. The Commodity Trading Act (CTA) of the Commodity Futures Trading Commission (CFTC) can be applied to virtual currency. It is the word of "commodity" can be broadly defined and it can include "bonds, stocks, and currencies," hence the transaction of virtual currencies are also included in their scope adjustment. In March 2014, the US Federal Tax Administration announced a notice stating that Bitcoin and other virtual currencies are property, which is similar to other valuable commodities, but not currency. Thus, the "mining", trading and use of Bitcoin should be relevant, to carry out the taxation. After about one year in New York, USA, the licensing matters of Bitcoin, from the initial bill, to the re-introduction of the bill, and finally to the legal provisions, on June 3, 2015, the New York State Financial Services Agency released the final statement of "The Bitcoin Licensing Regulations" which are intended to regulate "virtual currency business."

According to the Bitcoin Licensing Regulations, "virtual currency" is defined as including decentralized currency based on the block-chain technology; "virtual currency business activities" include: (1) transmission of virtual currency; (2) holding virtual currency for others; (3) purchasing or selling virtual currency as a customer business; (4) providing trading services as a customer business; and (5) controlling, managing or issuing virtual currency.

The main contents of the Bitcoin Licensing Regulations include: first, to maintain the assets of consumers; second, after any transaction is completed, the trading platform should provide detailed information to customers; third, establish consumer complaints policies; fourth, is to disclose the potential risks to consumers; fifth, is to establish anti-money laundering mechanism; sixth, is to establish a network security plan; seventh, is to set up a chief information security officer; eighth, is to maintain account books and records; nine, is reporting and financial disclosure; tenth, is funding requirements; eleventh, the compliance executive; twelve, is that each licensee should establish the business continuity and disaster preparedness plans, and so on. It is widely believed that the New York State's legal rules for virtual currency are at least a very meaningful exploration and attempt. There will be two short-term results: First, it will increase the cost of market participants entering the market because of its mandatory procedures - password security, consumer protection, financial reporting and anti-money laundering. Indeed, many companies have opted out of New York

because the full cost of complying with the rules and implementation will be between $50,000 and $100,000. Second, the certainty of the license. It has reduced the legal risk of the company's operations in this industry, hence it is more likely a flat path will be risen for the combination of the block-chain business and the established banking system. There are cases involving block-chain technology have happened in the US judicial trials, which the cases are mainly the money-laundering crimes and most of the technologies used by the defendant for money laundering is block-chain technology. For example, in November 2014, in New York, USA, several websites involved the use of block-chain technology and virtual currency for money laundering transactions, were eventually convicted of confiscation of property. In April 2015, in the Ross ULBRICHT case happened in US, the defendant was suspected of narcotics transactions, computer hacking, money laundering and other crimes. Meanwhile, the technology used by the defendant for all the crimes especially money laundering was block-chain technology.

The Legal Restrictions on Block-Chain by EU

In 5th of July 2016, the European Commission passed a bill to amend the Fourth Anti-Money Laundering Act (4AMLD), which explicitly incorporated virtual currency transactions into the anti-money laundering framework. In August 2013, Germany recognized the legal status of Bitcoin and incorporated it into the national regulatory system. Germany became the first country in the world to recognize the legal status of Bitcoin. According to the German government, Bitcoin can be used as a private currency and currency unit. Bitcoin individuals are exempt from tax for one year, but they are taxed for commercial purposes. According to the German Financial Supervisory Authority, Bitcoin is a value token used to exchange real economic goods or services in barter clubs, private markets or other payment systems. At present, Germany's bitcoin policy is relatively clear, and the local bitcoin trading platform *bitcoin.de* in Germany has also cooperated with Fidor Bank.

The Laws and Regulations of Block-Chain in Australia

In August 2014, the Australian Taxation Office (ATO) issued a Bitcoin tax guideline that officially incorporated Bitcoin and related business practices into the existing tax system. The Australian Taxation Office (ATO) does not use Bitcoin as a currency, and does not define the positioning of its financial assets. It is treat as a common asset. The main contents of the guideline are as follows: personal use of bitcoin transactions does not involve any goods taxes and income taxes. if a company uses Bitcoin to purchase goods or services, it must convert the value of the purchased goods into Australian dollars and record them as income of the enterprise; the capital gains, as an asset, when the company cleaning up Bitcoins, it will be involved with the capital gains tax; using bitcoin to pay wages, such payments are similar to additional benefits for businesses, employers may pay a fringe benefit tax for this; mining (production) bitcoin, mining (production) bitcoin for commercial purposes. The income earned will be treated as taxable income.

The Legal Regulations on Block-Chain in Thailand

The senior officer of the Foreign Exchange Management and Policy Department of Thailand, said that due to the lack of applicable legal and capital control measures and the fact that Bitcoin spans a variety of financial services, the following bitcoin activities are considered as illegal activities in Thailand: buy and sell bitcoin, use Bitcoin to buy or sell any goods or services, and making bitcoin transactions with anyone out of the border of Thailand.

The Legal Regulations on Block-chain in Singapore

The Monetary Authority of Singapore (MAS) stated on August 1, 2017 that, any virtual currencies which consist of the nature of bonds must comply with the Singapore Securities Act (Cap. 289). The Monetary Authority's guidance issued by the Monetary Authority of Singapore on November 14, 2017 stated that tokens that have capital market financial products as defined in the Singapore Securities Act, including securities, terms contracts, leveraged foreign exchange contracts or arrangements, should be subject to the supervision of the Monetary Authority of Singapore. For example, a digital currency has the following characteristics: (1) shares, including the granting or representation of the company or business owner's rights, representing the owner's legal obligations; and (2) bonds, which constitute the token issuer or token holder may lend to the issue (3) Collective Investment Plan (CIS), the rights to represent the rights and obligations of an investment group or the rights or obligation to obtain an investment plan, shall be subject to the jurisdiction of the Monetary Authority of Singapore.

8.2 Disclaimer

This document is a regulation disclaimer statement which is only for the business purpose of mining platform for the team of MORDERN and the token functions of MORDERN.

The team of MORDERN will be adjusting and updating the real-time business plan according to the related legality, administrative regulations, local regulations according to regions, as well as the departmental rules. This document does not constitute to any transactions of MORDERN tokens or any related agencies, or corporate equity, claims or any legal proposal of owners' equity. Any similar proposal or price listing will be carry out according to the Securities Law or other related legal regulations. The messages and analysis of this document does not contribute for any investment opinions or suggestions, hence it does not form, constitute or construe as any civil offers, civil promises, civil acts or civil contracts.

The MORDERN token is a digital currency distributed by the platform of MORDERN, the owner of MORDERN token are allowed to exchange any services with accumulated points on the platform. The MORDERN team will be increasing or adjusting the services contents which allows to exchange with MORDERN tokens based on the development of business. The price of MORDERN token will be decided through the trading market, where users will be earning profits as they purchase the MORDERN token while the price of MORDERN token in the market is raising. However, users could be facing losses due to the price drop. Thus, the MORDERN team is not responsible or guarantee for any the changes or consequences which caused by the market price of the MORDERN token.

Hereby, the MORDERN team would like to urge all the users with this disclaimer, to understand all the risks of the investment projects provided by the MORDERN platform. Any individual investor or organization investor who involved with the MORDERN token investment are considered to be understand and accept the risks of the investment project, and willing to take full responsible of the consequences and risks. MORDERN clearly state that MORDERN will not take any responsibility of any direct or indirect losses caused in any investment projects of MORDERN. It includes the losses caused by the user's own operations; economic losses by users' errors, negligence or due to inaccurate information; the losses brought up by the transaction of block-chain products; the economic losses caused by the technical issues of Ethereum block-chain; the losses due to unpredictable and force majeure risks; the losses due to inefficient supervision of legal regulations on the block-chain technology.

MORDERN token is not a type of investment product for financial management, the value of MORDERN token has the possibility of going down under any certain situation and the team of MODERN does not promise or guarantee the rising of the MORDERN token values. The MORDERN token should not be consider to own or possess any ownership, control or decision-making power of MORDERN platforms or related companies or corporations. MORDERN token has the characteristic of commercial product, however it is not a traditional finance product where it do not have the feature of financial securities and it should not be registered as a financial security in any countries or regions.

MORDERN | 摩登