



# **ULTRASHARES ICO**

**Decentralized, Leveraged, and Bi-directional Cryptocurrency Trading System**

Patented and Offered by Credit Washington



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# ULTRASHARES ICO

## DECENTRALIZED, LEVERAGED, AND BI-DIRECTIONAL CRYPTOCURRENCY TRADING SYSTEM



The Birth Place of Blockchain-traded Notes

## BTN (BLOCKCHAIN-TRADED NOTE)

- Low-priced anytime access to cryptocurrency trading;
- Leveraged profit in rising (bull) market;
- Leveraged profit in falling (bear) market;
- Decentralized platform;
- Patented and offered by CW as “Ultrashares”.

## GOALS

- Commercialization of Leveraged Blockchain-Traded Notes (BTNs), new cryptocurrency trading instruments;
- Development and integration of more BTNs;
- \$100 Million USD / Year Net Profit.



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## Disclaimer

This information contained below and throughout this document is not exhaustive. This document does not imply any elements of a contractual, relationship between us and the investor.

Founders do not guarantee, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, or completeness of any material contained in this white paper or presented anywhere else in relation to this ICO.

Credit Washington shares (“CWS”) tokens can be purchased at [www.ultrashares.io/ICO](http://www.ultrashares.io/ICO) or other affiliated campaign sites.

Government agencies in some jurisdictions have made statements that we interpret such that they consider some ICOs and token sales are investments/offers that are to be regulated in some way.

Therefore, citizens and residents (tax or otherwise) of any jurisdiction which prohibits the procession, dissemination or communication of the available information and/or prohibits participation in the Token Sale of the purchase of Tokens or any such similar activity or any other Restricted Persons are not permitted to participate in the Token Sale. In no event shall the Company or any current or former Company Representatives be liable for the Excluded Liability matters.

The Company does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in the Available Information.

You should carefully consider and evaluate each of the risk factors and all other information contained in the Terms before deciding to participate in the Token Sale.



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## Executive Summary

The goal of this ICO project is twofold: (1) Global commercialization of Leveraged Blockchain-Traded Notes (BTN), our patented cryptocurrency trading instruments; (2) Development and integration of more BTN products to rapidly increase the revenue and net profit.

Our patented BTN series provides today's cryptocurrency traders with a low-priced anytime access to cryptocurrencies in rising price conditions (bull market) as well as in falling price conditions (bear market) with leveraged (multiplied) trading profit opportunities.

Credit Washington has already developed the first product of the BTN series: UET – Ultrashares 2x Bull ETHUSD; DET Ultrashares 2x Bear ETHUSD. As of this writing (March 1, 2018), the net profit of UET/DET alone is projected to be over \$16 million per year.

This ICO project will enable us to develop and integrate more products to support other cryptocurrencies and various leverage levels (for example 3x in addition to 2x), growing along with the overall growth of the cryptocurrency market.

Our know-how and patent ownership will enable us to rapidly expand our business in this regard, resulting in a leveraged BTN package generating approximately \$100 million net profit after the first full profit year, given a rather underestimated cryptocurrency market cap growth of 12%/year. The more growth, the more revenue and net profit.

Global investors are invited to participate in our business hereby offering 10% of Ultrashares.io ownership (10 million Credit Washington Share – CWS coins on sale). The fund will be used for marketing and business expansion (0.5 million CWS), for enhancing user-interfaces and Dapps of Ultrashares.io (0.5 million CWS), for integrating the second product of the BTN series (2x Bull and Bear Bitcoin - UBTC and DBTC), and for preparing the initial hedge asset that is necessary to start Ultrashares.io in the mass market.

This ICO will enable us to provide today's cryptocurrency investors and traders with the much demanded bi-directional and leveraged trading instruments, stimulating and encouraging the continuous and healthy growth of the cryptocurrency market.

Visit <http://www.ultrashares.io/ICO> to secure your CWS.



## Why BTN?

Exchange-Traded Notes (ETNs) have continued to attract attention since 2006 [1]. Nowadays, leveraged ETNs provide 2x or 3x leverages and the ability for investors to navigate changing markets with bull and bear flexibility. The objective of such ETNs is to seek daily investment results of 2x or 3x of the market performance before fees and expenses. Even though the number of Inverse-pair ETNs is lower than that of non-paired ETNs, the indicative value of inverse-pair ETNs is much higher [1]. As the indexes of the most popular inverse-pair ETNs, S&P 500, Natural Gas, Crude Oil, etc. are heavily traded as shown in Table 1. Recently, Ethereum (ETH) has been joined to a futures market and such debut could be tracked as an ETN [2].

Table 1. Market Capitalization of Futures and ETNs on Jan 2nd, 2018

	S&P 500	Natural Gas	Crude Oil	ETH
Futures	2.8 T	32B	24 B	59M
3x ETN	9.5 B	180 M	99 M	N/A

Here we offer new trading instruments, called blockchain-traded notes (BTNs), which can multiply the price movements of any base market both in the bull direction and in the bear direction. BTNs have the following uniqueness.

- (1) ETNs are based on a country's key currency such as USD, but BTNs are based on cryptocurrency, which is globally traded and decentralized.
- (2) Trading on BTNs does not need brokers.
- (3) Zero clearing time for day trading by using smart contracts.
- (4) Commission-free (Buy/Sell from/to the smart contracts).
- (5) ETNs are allowed to trade for only market hours, but BTNs do not limit trading hours.

ETNs need a third party to keep a ledger. This requires additional trust-related costs. BTNs rely on the decentralized blockchain and smart contract technologies. In this distributed, decentralized, and fully replicated consensus system [3], everyone has a copy of the ledger so trusted third parties are not required.

## Ultrashares.io

Ultrashares.io is the first of all BTNs (shown in Figure 1). Ultrashares.io offers three coins – Credit Washington Coin (CWC); Up ETH (UET); Down ETH (DET). UET and DET can be traded using only CWC. CWC is effectively defined as USD/ETH. 1 CWC is 1 USDT and exchanged for ETH.

- CWC: 1 CWC is \$1 USD (i.e., 1 USDT);
- UET: Ultrashares 2x Bull ETHUSD;



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- DET: Ultrashares 2x Bear ETHUSD.

Try UET/DET at ultrashares.io (our live product)

- \$16.3 Million / Year Net Profit can be generated given \$86 Billion / Month trading volume of ETH;
- The Net Profit will increase as the market size grows (see Market Analysis for details at [www.ultrashares.io](http://www.ultrashares.io)).

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Keynote Getting Started Timeline FAQ NEWS

## Ultrashares

Low-priced and 2x bidirectional ETH - Signup Required  
*G Server: green - H Server: green*  
 Internet Explorer is not supported.

- Press to Copy CWC Address**  
 minimum order size: 0.1 ether  
 Gas Limit must be set above 350,000
- Press to Copy UET Address**  
 minimum order size: 50 CWC  
 Available Amount: 6 UET  
 Gas Limit must be set above 350,000
- Press to Copy DET Address**  
 minimum order size: 50 CWC  
 Available Amount: 4 DET  
 Gas Limit must be set above 350,000
- Press to Copy Return Address**  
 minimum UET/DET return: 1  
 minimum CWC return: 100  
 Gas Limit must be set above 350,000

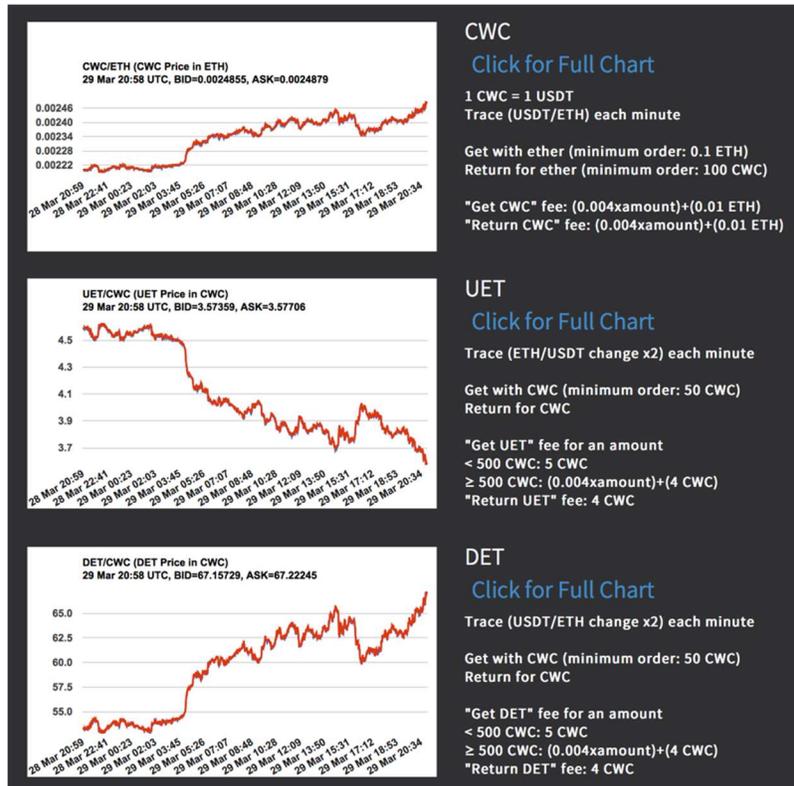


Figure 1. Ultrashares.io: Live product available at [www.ultrashares.io](http://www.ultrashares.io)



## System Architecture

The BTNs are designed to reflect a leveraged long as well as leveraged short exposures, as applicable, to the performance of the Index on any cryptocurrency. Figure 2 shows the system architecture of Ultrashares.io.

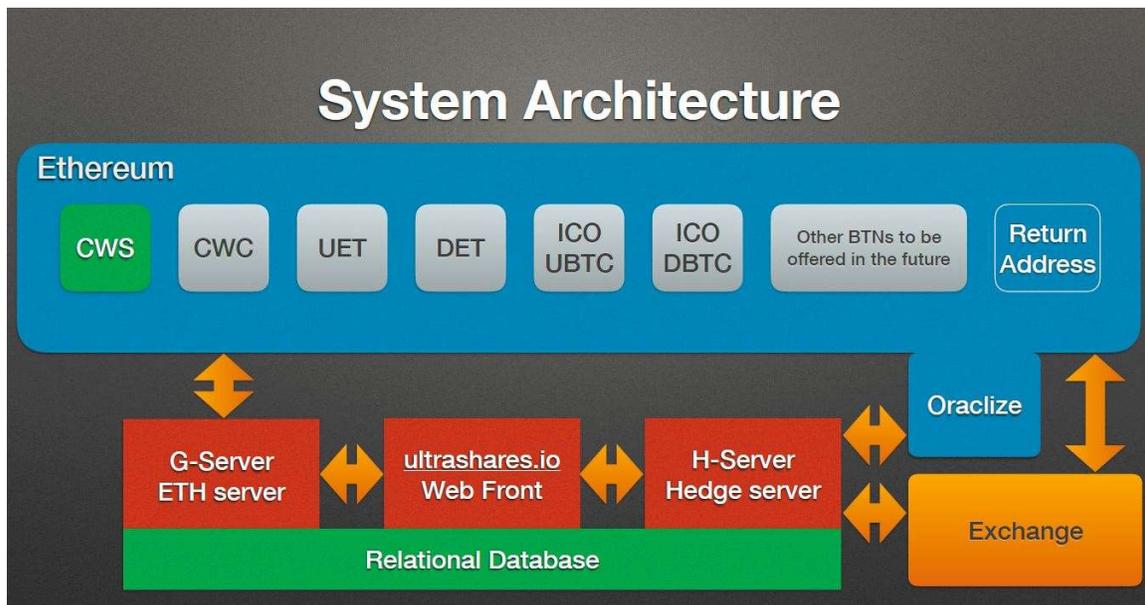


Figure 2. System Architecture

The major System components are as follows:

1. BTN Smart Contracts (Etherscan verified): UET, DET, UBTC, DBTC, future BTN's, etc;
2. G-Server: Automated BTN Dapp Server with a full Ethereum node;
3. H-Server: Automated Hedging System balancing the amounts of different hedge asset classes using Exchange (external cryptocurrency exchange services) as shown in Figure 3;

We plan to offer 2x and 3x Up Bitcoin(UBTC) and Down Bitcoin (DBTC) and add these coins to ultrashares.io

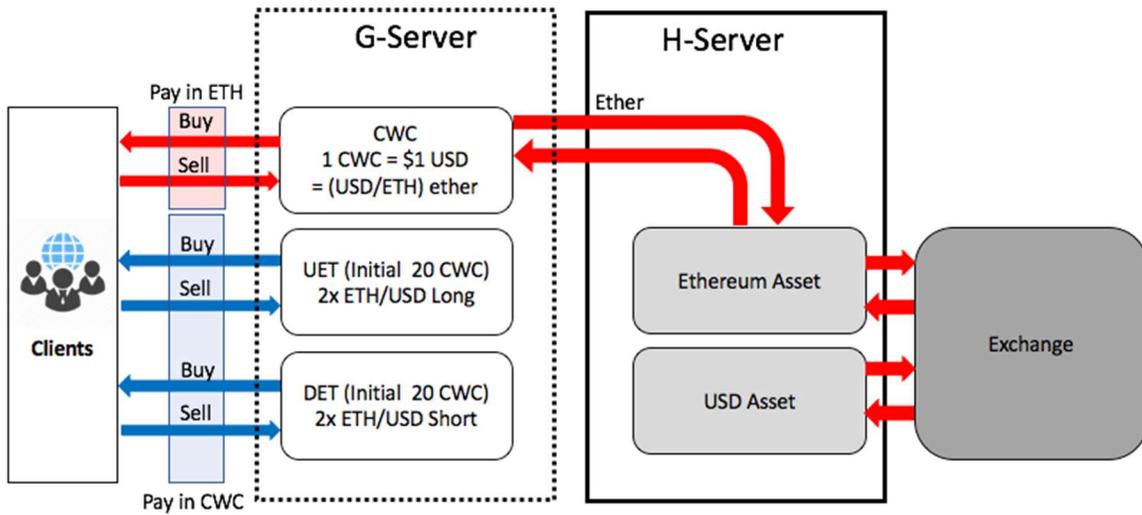


Figure 3. Automated Hedging

## How to Generate Revenue?

The revenue is generated by the depreciation of the value of UET/DET. Suppose that a client invests \$100, and a market moves up by 2% and then down by 2%. The revenue will be \$0.04 because the client will be returned with \$99.96 ( $=100 \times 1.02 \times 0.98$ ). Upon this, we designed zero-risk revenue model using BTN. The revenue model and BTN have been filed as a US patent.

Figure 4 shows an example of our zero-risk revenue model using BTN. Suppose that a client buys \$2 Million each of UBTC and DBTC. We render six cases which can happen in the bitcoin market: Case 1 (2% Up, 2% Down), Case 2 (2% Down, 2% Up), Case 3 (2% Up, 1% Down), Case 4 (1% Down, 2% Up), Case 5 (1% Up, 2% Down), Case 6 (2% Down, 1% Up). In Case 1, the revenue will be \$14400 from UBTC and DBTC because the client will obtain  $2 \times \$1992800 = \$2 \text{ Million} \times 1.06 \text{ (6% Up)} \times 0.94 \text{ (6% Down)}$  for each UBTC and DBTC. The other cases are driven with the same.

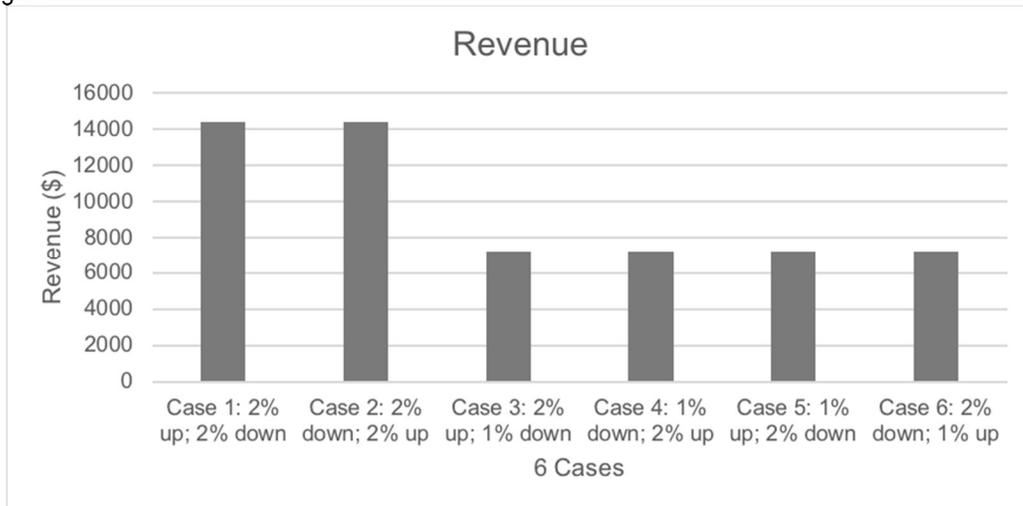


Figure 4. Six Cases of Zero-Risk Revenue Model

## Initial Coin Offering (ICO)

Table 2 shows our schedule of ICO.

Table 2. Schedule of ICO

Preparation of ICO	March 5 – April 22, 2018
ICO	April 23 – June 30, 2018

- 10% ownership of Ultrashares.io for 10 million CWS.
- 0.5 Million CWS: Marketing UET and DET and brand-image making;
- 0.5 Million CWS: App enhancement for optimized user experience;
- 1 Million CWS: Add Bitcoin BTN (ICO UBTC & DBTC) to Ultrashares package;
- Remaining ICO fund will be used as the hedge asset to start offering BTN in volumes in the real market.

Investors can participate in this ICO by purchasing CWS (Credit Washington Share) tokens. To Start, visit [www.ultrashares.io/ICO](http://www.ultrashares.io/ICO)

## Market Analysis

In the traditional exchange market, the daily trading volume of 3x leveraged ETN is about 0.4% of the volume of the base market (Yahoo Finance, Jan 2nd, 2018):



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- S&P 500: 2.8T vs one 3x ETN: 9.5B
- Nat Gas: 32B vs one 3x ETN: 180M
- Crude: 24B vs one 3x ETN: 99M

When we include other 3x and all 2x and 1x, the volume exceeds 1% of the base market volume. If the market sentiment is similar, BTN will occupy at least 0.4% of the crypto market (baseline underestimate).

Table 3. Market Analysis

COINMARKETCAP.COM (MARCH 1, 2018)	ETH	BTC
BASE MARKET MONTHLY TRADING IN USD	86B	238B
0.4% (UNDERESTIMATE)	340M	952M
0.1% TRANSACTION EARNING	\$340K	\$952K
0.2% DEPRECIATION EARNING	\$680K	\$1,904K
\$3 PER TRANSACTION EARNING FROM THE FIXED FEE	\$340K	\$952K
MONTHLY NET PROFIT	\$1.36M/mo	\$3.8M/mo

## Return on Investment

By adding UBTC and DBTC, Credit Washington, LLC expects the net profit as much as \$45.6 Million / Year. By other ALT coins, approximately \$27 Million / Year can be expected as additional net profit.

- Even more by adding 3x, 1x, and other leverage levels in addition to the current 2x leveraged BTN products;
- Annual Profit Targets: \$39.12 Million USD after the first full year (full ETH potential and 50% of BTC potential) and \$61.92 Million USD in Year 2 (full ETH and BTC potential); \$100 Million USD in Year 3; and 30% annual growth thereafter.
- Annual Expenses: 20% of Annual Profit;

Figure 5 shows the expected growth in business and the expected return on ICO investment over the initial 5-year growth period (given 1 ETH = \$400 USD).



Figure 5. Growth of Business and ICO Investment (ETHUSD=400 case)

## References

- [1] Sara Shirley and David Rakowski, “The uniqueness of Exchange Traded Notes,” in FMA European Conference, Hanken School of Economics, 8-9 June 2016
- [2] Chris Dieterich, “After Bitcoin Futures, an ETF Could be Next”, The Wall Street Journal, Dec 13, 2017 -- <https://www.wsj.com/articles/after-bitcoin-futures-an-etf-could-be-next-1513166400>
- [3] Jesse Yli-Huumo, Deokyoon Ko, Sujin Choi, Sooyoung Park, and Kari Smolander, “Where Is Current Research on Blockchain Technology? – A Systematic Review,” PLOS one, Oct, 3, 2016

## Legal

### Description of Business

The company will be selling leveraged bi-directional notes to all cryptocurrency traders and investors. This new category of products that the company has designed is collectively called BTN (Blockchain-Traded Note). Each BTN product comes as a pair: U token directly traces the base market price changes; D token inversely traces the base market price changes. Each product also has a set leverage factor, multiplying the base market price changes. Therefore, cryptocurrency traders have continuous opportunities to multiply profits both in rising price market conditions and in falling price market conditions.



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## **Sales, Supply Chain, & Customer Base**

The sales are all made on existing crypto networks, providing ready customer base and decentralized ledgers for all transactions without cost overheads.

## **Competition**

The company is the owner of the intellectual property. Traditional ETN (Exchange-Traded Notes), such as UWT/DWT (Crude Oil), UGLD/DGLD (Gold), UGAZ/DGAZ (Natural Gas), etc, have been hugely successful and very popular in the US exchange market. We take all the attractive aspects of the traditional ETN in the native crypto markets as a sole player with the intellectual property and with all the advantages, such as automated hedging, decentralized ledger, ready customer base, cost efficiency, and 24/7 all-time accessibility.

## **Liabilities and Litigation**

The company and all its members are clean and not involved in any liability or litigation.

## **Voting Rights** *(of this security)*

Non-voting Common Stock. Holders are not entitled to vote on any matter except as required under applicable law.

## **Dividend Rights** *(include if applicable)*

Holders of shares of Common Stock are entitled to receive ratably such dividends as may be declared by the Board out of funds legally available therefore as well as any distribution to the shareholders. The payment of dividends on the Common Stock will be a business decision to be made by the Board from time based upon the results of our operations and our financial condition and any other factors that our board of directors considers relevant. Payment of dividends on the Common Stock may be restricted by law and by loan agreements, indentures and other transactions entered into by us from time to time. The Company has never paid a dividend and does not intend to pay dividends in the foreseeable future, which means that shareholders may not receive any return on their investment from dividends.

## **Rights to Receive Liquidation Distributions**

In the event of our liquidation, dissolution, or winding up, holders of Common Stock are entitled to share ratably in all of our assets remaining after payment of liabilities and the liquidation preference of any then outstanding preferred stock.



## **Rights and Preferences**

The rights, preferences and privileges of the holders of the company's Class A Common Shares are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Class B Common Shares, Preferred Shares and any additional classes of preferred stock that we may designate in the future.

## **What it Means to be a Minority Holder**

As a minority holder of CWS (Credit Washington Share), you will have limited ability, if all, to influence our policies or any other corporate matter, including the election of directors, changes to the Company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the Company or of assets of the Company, or transactions with related parties.

## **Dilution**

Investors should understand the potential for dilution. Each Investor's stake in the Company, could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will decrease, even though the value of the Company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g., convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an Investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (although this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, referring to invest any earnings into the Company).

The type of dilution that hurts early-stage investors mostly occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the Company or expecting each share to hold a certain amount of value, it is important to realize how the value of those shares can decrease by actions taken by the Company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.



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**Annual Reports**

The company will make annual reports available at [ultrashares.io](http://ultrashares.io) in the `annual_report` page labeled annual report. The annual reports will be available within 120 days of the end of the issuer's most recent fiscal year.

### **Compliance Failure**

The company has never failed to comply any regulation.

### **Disqualifying Events**

No disqualifying event has been recorded in respect to the company or its officers or directors

## **Risk**

### **Our patent and other untold intellectual property could be unenforceable or ineffective.**

One of the Company's most valuable assets is its intellectual property. We currently hold the patent pending status of our BTN (Blockchain-Traded Note) design. The Company intends to continue to file additional patent applications and build its intellectual property portfolio to cover our current (untold) intellectual properties and future findings.

### **This is a brand-new company with no history.**

It has no history, no clients, no revenues. If you are investing in this company, it's because you think the BTN (Blockchain-Traded Note) is a good idea, that the company will be able to secure the intellectual property rights to the BTN products and that the company will be able to successfully market, manufacture and sell the BTN products to enough people so that the company will succeed.

### **Any valuation at this stage is our speculation.**

No one can guarantee that the company is worth a specific amount. They can't. It's a question of whether you, the investor, want to pay this price for this security. Don't think you can make that call? Then don't invest.

### **Our business projections are our estimates.**



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There can be no assurance that the company will meet those projections. There can be no assurance that the company (and you will only make money) if there is sufficient demand for product, people think its a better option than the competition and the company has priced the products at a level that allows the company to make a profit and still attract business.

### **CWS is not a currency.**

CWS token is not a currency issued by any central bank or national, supra-national or quasi-national organization, nor is it backed by any hard assets or other fiat currency credit. The company is not responsible for, nor does it pursue, the circulation and trading of CWS tokens on the market. Trading of CWS tokens will merely depend on the consensus on its value between any relevant market participants. No one is obliged to accept or purchase any CWS token from any holder of the CWS token, including the company, nor does anyone guarantee the liquidity or market price of CWS tokens to any extent at anytime

### **General risks associated with unforeseeable future events.**

The company may be materially and adversely affected by various unforeseeable factors including, but not limited to, operation, political, natural, regulatory, and economic environments.

### **Changes in regulatory requirements.**

It is difficult to predict how or whether governments or regulatory authorities may implement any changes to laws and regulations affecting distributed ledger technology and its applications, including the CWS tokens. The company may also have to cease the operations of the products in a jurisdiction that makes it illegal to operate in such jurisdiction, or make it commercially unviable or undesirable to obtain the necessary regulatory approval(s) to operate in such jurisdiction.

### **Complex technology.**

The company uses blockchain-based software systems, cryptocurrency wallets or other related token storage mechanisms, blockchain technology and smart contract technology, and other computing technologies. The systems, tools, and related skillsets represent complex, costly, and rapidly changing technical infrastructure. Any substantial loss of financial, labor or other resources, and any other adverse effect on the company's business, financial condition and operations, would have an adverse effect on its ability to maintain the products and projected growth. Any adverse effects affecting the company's business or technology are likely to also adversely impact the utility, liquidity, and value of the CWS tokens.