

# Cream Ecosystem

*The business plan, technology and vision behind Cream Capital.*

## **White paper**

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Cream Capital is a blockchain payment systems company revolutionizing the way people use cryptocurrencies by developing a more efficient means of acquiring and transacting them.

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## 00 ABSTRACT

Cream Cash (\$CREAM) is an ERC-223 token that aims to be the most easily accessible and transactable token ever made available to the general public. Cryptocurrencies in general face hurdles regarding widespread adoption due to high volatility, the inability to be spent in everyday scenarios and the unfamiliarity surrounding exchange rates represented in fiat.

The Cream Cash token value is stabilized by our Cream Digital Asset Exchange which adjusts its price depending on the real-time market cap of the coins supported for trading represented in US dollars. As a result we are able to ensure that one CREAM is always the equivalent of one US dollar. The value of Cream Cash instills a sense of familiarity to the layman. Supporting this token are Cream Debit payment systems that allow token holders to synchronize their wallets with a debit card making Cream Cash spendable at any point-of-sale system that accepts cards as a method of payment. Cardholders receive a percentage of money-back in the form of Cream Dividends to incentivize and encourage widespread use.

Cream Dividends (\$CDV) is tied to the Cream Cash blockchain and has a limited token supply that is generated by locking Cream Cash into the network for various time intervals. Issued CDV reflects a percentage of the value of Cream Cash held in-wallet with payout incentives dependent upon the time frame Cream Cash is staked. Cream Cash adoption is more attractive than other cryptocurrencies because funds held in-wallet are protected from inflation and dividends paid outperform the best savings account interest rates as well as most mutual funds. The integration of CDV in our ATM network and payment system, as well as free trading on exchanges will increase the value of CDV over time. Dividends are strategically issued at a reasonable rate that will ensure stability within the token market.

Cream Cash can be purchased through our network of Cream ATMs across the United States or online through the **Cream Digital Asset Exchange (C-DAX)**.

# 01 THE PROBLEM

Global cryptocurrency market capitalization has grown to almost \$200 billion. Even with such a large market cap, mainstream adoption has not yet occurred. The layman still has trouble grasping the concept of the blockchain and the benefits that come with distributed currency. For most, it's a lack of understanding as to what *backs* the value of digital currency and the difficulty associated with exchange rates when converted to fiat.

Additionally, the market instability of most cryptocurrencies is generally off-putting to potential adopters due to the fear of losing the value of their wealth when markets pull back. Pairing the aforementioned adoption hurdles with the fact that most online and brick and mortar stores don't accept most cryptocurrencies, if any at all, as a method of payment leads to a longer widespread cryptocurrency adoption timeline if more innovation doesn't occur. Most vendors will not accept a token that has the potential to lose 30% of its value the following day.

Cream Capital is developing all of the necessary systems to expedite the widespread adoption of cryptocurrencies.

## 02 CREAM CASH

Cream Cash (\$CREAM) solves the fundamental problems surrounding widespread adoption of cryptocurrencies within the general public.

### 2.1 Token Issuance

Tokens are issued by a smart contract in accordance the market cap. When funds are deposited with Cream Capital, tokens get issued in return. When funds are withdrawn from Cream Capital, tokens get destroyed. Tokens are generated by purchasing them on-location at Cream ATMs across the United States or online through the Cream Digital Asset Exchange.

Coins can be purchased using fiat or other supported cryptocurrencies.

### 2.2 Volatility-Free

Cream Cash has an uncapped, fluctuating token supply. When money enters the market, the token supply is updated and tokens are then generated and deposited into the user wallet. Depositing one dollar with Cream Capital will result in one token being issued. When converting tokens back to fiat, the tokens in question are then destroyed. In doing so, the number of tokens always reflects the number of dollars currently in the market and ensures the value of tokens remains in 1:1 synchronization with US dollars.

Having a volatility-free token is critical in that it gives adopters confidence that regardless of the overall market capitalization, their wealth will be protected. Contrast that concept with traditional cryptocurrencies in which market shrinkage results in the loss of wealth and holdings when converted back to fiat.

### 2.3 Exchange of Value

Cream Cash is developed strictly as an exchange of value. The 1:1 value synchronization with US dollars ensures that Cream Cash value is as familiar as possible so that the value of funds spent at grocery stores, restaurants or wherever are as simple to conceptualize as possible.

## 03 CREAM DIVIDENDS

Cream Dividends (\$CDV) serves as an incentive to adopt Cream Cash and to incentivize the usage of our payment systems. CDV is generated by locking Cream Cash held in-wallet into various staking periods.

### 3.1 Limited Token Supply

By limiting the total supply and strategically issuing dividend tokens in contrast to the uncapped token supply of Cream Cash, widespread adoption of Cream Cash will ultimately lead to the increase in value of Cream Dividends. The issuance of Cream Dividends is entirely dependent upon and scales in proportion to its market cap.

For example, if a token holder locks 100,000 CREAM (\$100,000) into the network at an interval that will issue 5% in-wallet CREAM value in CDV and the value of CDV remains at \$1 for the duration of the staking period, the token holder can expect to be issued dividends at a total of 5,000 CDV when the staking period ends. The 5,000 CDV at the time reflects a value of \$5,000 USD, or 5% of in-wallet Cream Cash holdings.

If the value of CDV increases to \$2 and maintains that value throughout the duration of the of the next staking period the token holder initiates, at a 5% dividends issuance rate the token holder can expect to be issued dividends tokens at a total of 2,500 CDV when the staking period ends. The 2,500 CDV issued at this time now reflects a value of \$5,000, or 5% of in-wallet Cream Cash holdings.

By the end of the second staking period, even though the token holder was only issued \$10,000 in Cream Dividends, the value has grown to a total of \$15,000. The 5,000 CDV issued the first year when the price was \$1/CDV is now worth \$2/CDV and as a result is worth twice as much as the previous period while dividend issuance scaled in proportion to reflect upon the value of Cream Cash held in-wallet and the market capitalization of dividends tokens.

The early bird gets the worm.

NOTE: Cream Dividends are paid out depending on the length of time that Cream Cash is locked into the network.

## 3.2 Locking/Unlocking Tokens

To generate Cream Dividends, token holders must lock Cream Cash holdings into the network for various staking periods. Staking periods can range from days, to weeks, to months to even years with each time period offering different payout incentives in dividend tokens. The longer token holders lock Cream Cash into the network, the larger the payout that is issued in dividend tokens when the staking period ends.

Token holders that choose to lock their Cream Cash into the network have the option to unlock their tokens before the staking period ends, but will incur a fee by doing so.

## 3.3 Store of Value

Cream Dividends are generated when token holders lock Cream Cash into the network and are issued at a rate dependent upon various staking intervals. This makes Cream Cash a more favorable method of storing wealth in that the dividends issued can protect against inflation (1.7% as of August 2017), outperform the best interest rates available in savings accounts (generally 1% to 1.4%) and even outperform the majority of stock market mutual funds.

Cream Dividends are meant to be an additive that will attract investors to crypto markets. Cream Cash protects token adopters from market volatility while Cream Dividends offer a degree of value growth over time just by simply owning both tokens.

## 3.4 Free Trading

Cream Capital will open up Cream Dividends to be traded freely on exchanges. We believe that doing so will expedite the growth in value of dividend tokens and makes Cream Cash more attractive in terms of adoption.

## 04 CONSENSUS ALGORITHM

Cream Capital has developed a proprietary consensus algorithm to support our ecosystem.

### 4.1 Defining Trust

**Trust** is defined as follows:

- 1. a firm belief in the reliability, truth, ability, or strength of someone or something*
- 2. an arrangement whereby property or wealth is held in a trust*
- 3. commit (someone or something) to safekeeping*

Our token ecosystem and company values are the embodiment of the word defined above.

### 4.2 Limited Centralization

Decentralized blockchains are trustless systems. However, within the Cream Ecosystem there exists a degree of centralization on our end and therefore a degree of trust that is required for us to operate efficiently. For tokens to be issued, funds must be deposited with Cream Capital whether it is through the Cream Digital Asset Exchange or the Cream ATM network. It is our responsibility to provide liquidity to all systems that might be used to distribute and withdraw Cream Cash.

Please see the following page for more information on our blockchain consensus algorithm.

## 4.3 Proof-of-Trust

Transactions processed on the Cream Cash blockchain are that of a Proof-of-Work consensus algorithm; meaning that miners take fees for processing transactions. Cream Cash tokens can be *staked* in the network to generate Cream Dividends. However, Cream Cash tokens are not generated by miners in a Proof-of-Work system or by staking in a Proof-of-Stake system, but rather by Cream Capital once funds are deposited with our company.

So one might ask, *“Which is it? Is the Cream Ecosystem operating on a Proof-of-Work blockchain consensus or a Proof-of-Stake blockchain consensus?”*

The answer is that it’s neither. Our blockchain consensus is what we call a Proof-of-Trust ecosystem. Users trust that we will maintain liquidity within our systems. Users trust that we will protect the value of their assets and investments from market shrinkage and inflation.

Our ecosystem acts as a sort of financial trust in a literal sense in that by pledging your tokens with us for certain periods of times, they will be safekept within our network for release at a later date – and with a degree of growth.

## 05 CREAM ATM

Cream ATMs serve as a means to get Cream Cash and other cryptocurrencies into the hands of the general population.

### 5.1 Time-to-Wallet

Digital exchanges in their current state are inefficient in their time-to-wallet transfer times. They aren't limited due to network hashrate hiccups, but more typically slow verification processing timeframes. Digital exchange verification can take a while to process before customers can purchase funds. With the introduction of Cream ATMs customers can simply walk up to a machine, scan their government issued ID in states that require it, scan a wallet address and deposit funds.

The time-to-wallet timeframe at a Cream ATM takes seconds — not days, weeks, or months.

### 5.2 Distribution Network

Cream Capital currently has over 800 locations across California, Nevada and North Carolina in our distribution network. We intend to have 100 of these locations utilized and operational by mid-2018 and all locations utilized and operational by 2019. By the end of 2019, we intend to capture more than half of the global cryptocurrency ATM market.

### 5.3 Regulation Compliancy

Cream ATMs are fully compliant with Anti-Money Laundering and Know Your Customer laws.

### 5.4 Debit Card Dispensing

Cream ATMs will offer users the option of receiving a debit card with Cream Cash wallet integration at the time of purchase at an ATM. The machines will have a built in card dispenser. This feature is in development and is not expected for rollout until 2018.

## 06 ANTI-MONEY LAUNDERING

Cream Capital meets and fully exceeds anti-money laundering regulations from FinCEN and the federal government.

### 6.1 Policy Guidelines

Without the proper anti-money laundering (AML) compliance procedures, blockchain currency and other financial institutions are in danger of inadvertently facilitating drug trafficking, terrorism financing and other crimes. Blockchain and financial institutions can be prosecuted for failing to have effective Anti-Money Laundering policies in place. This document provides an example of guidelines that can be used to create a due diligence program that detects potential money launderers within our customer base. In addition, the sample policy below is compliant with the USA PATRIOT Act and other similar legislation:

The institution's management will actively search for suspicious activity. When it is discovered, a representative officer will review it and make a recommendation as to whether a **Suspicious Activity Report (SAR)** should be filed.

A guideline for SAR reporting is that the assigned officer will usually have ten (10) business days to conduct the review and make his or her recommendation. Check the bank's SAR form for specific instructions. All recommendations will be made in writing and forwarded to the Bank Secrecy Act (BSA) Officer.

The BSA Officer is responsible for reviewing the investigating officer's recommendation and determining if an SAR should be filed. The BSA Officer will file the SAR with the appropriate legal and regulatory authorities. All supporting evidence for the SAR will be maintained for a minimum of five (5) years, and will be securely stored. The BSA Officer will report to the board of directors the number of SARs filed each month.

## 6.2 Procedures for Detecting Money Laundering

It is not always easy to identify instances of money laundering in decentralized, distributed systems such as the blockchain. However, our institution will exercise due diligence to ensure all instances of money laundering occurring on our systems are properly documented and reported to FinCEN and appropriate regulatory bodies.

The institution must employ an automated system for AML detection that will enable it to detect most instances of money laundering. The BSA Officer will print and maintain reports produced by the system to substantiate his opinion that specific activity is, or is not, suspicious.

In addition to using the system, all employees will receive training once a year on how to identify money laundering operations. (New employees that have direct contact with customers will receive initial training within the first four weeks of employment.) As a part of the training, each New Accounts Representative will be given a laminated card that identifies ways to detect and prevent money laundering. Replacement cards will be available from the BSA Officer.

## 6.3 Procedures for Monitoring Policy Compliance

A minimum of once per year, the institution's internal auditor or an independent third party will review the BSA Officer's suspicious activity file. The auditor will ensure that all identified suspicious activity was reviewed and appropriately handled. The auditor will also use internal transaction monitoring systems to search for suspicious activity that the BSA Officer may have missed.

## 6.4 Bank Secrecy Act Officer Training

The BSA Officer will be allowed to attend two (2) one-day training classes per year. He or she will get to choose the training. The BSA Officer will also be allowed to subscribe to a BSA newsletter service.

## 07 CREAM DEBIT

Cream Debit is a secure way-to-pay using your Cream Cash funds. Integrate your wallet with our debit card and spend Cream Cash at any point-of-sale system that accepts cards.

### 7.1 Transactability

Cream Cash token holders have the option to integrate their wallet with a Cream Debit card that will allow tokens to be spent at any point-of-sale system that supports cards as a method of payment.

### 7.2 Consumer Familiarity

Being that Cream Cash is always in 1:1 synchronization with US dollars, it is incredibly easy to conceptualize and budget how much money will be spent in scenarios where Cream Debit might be utilized. Token holders always know that spending \$100 on groceries is the same as spending 100 Cream Cash.

### 7.3 Rewards

When token holders spend their Cream Cash using Cream Debit at point-of-sale systems, a money-back reward is issued in the form of Cream Dividends. This will incentivize the widespread use of Cream Cash in everyday scenarios.

## 08 CREAM DIGITAL ASSET EXCHANGE

Cream Digital Asset Exchange (**C-DAX**) is an online exchange used to purchase Cream Cash.

### 8.1 Digital Payment Gateway

The Cream Digital Asset Exchange is a payment gateway that allows consumers to purchase Cream Cash online. We believe that while Cream ATMs are a great way for the general population to acquire Cream Cash and various cryptocurrencies, the construction of an online exchange is completely necessary in the expansion of the Cream Ecosystem.

### 8.2 Payment Methods

C-DAX accepts payment in the form of bank transfer, credit/debit cards and Ether. C-DAX is powered by an Ethereum Smart Contract that pulls off-chain pricing data for various cryptocurrencies and issues Cream Cash based on the real-time price.

### 8.3 Expansion Plan

While C-DAX will initially be a means of acquiring Cream Cash, we are definitely chewing on the idea of turning it into a fully-fledged cryptocurrency exchange. The timeline for such an expansion is currently unknown as we are currently focusing on manufacturing ATMs for all locations in our distribution network and developing Cream Debit payment systems.

It's definitely in the pipeline. It's just a matter of when.