



REPAR GLOBAL COIN

OUR COMMUNITY, OUR CULTURE, OUR CRYPTO

TICKER SYMBOL: RPAR

WHITEPAPER V2.0

JUNE 2022



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Blockchain + E-Commerce is the wave of the future

In 2019, African Americans spent approximately \$1.4 trillion on goods and services in the United States. However, they continue to be one of the most marginalized communities with only 3% of African American dollars recycling back through black owned businesses. According to BankGreenwood.com , a dollar only circulates in the African American community for an average of six hours. Money often leaves the African American community in one transaction. This is an extremely low number compared to other communities where the dollar may circulate over 20 days or more.

The pandemic shifted the way we do business and showed that our economy was still able to flourish with e-commerce. Many consumers have adopted this way of shopping which has led to revenue of \$599 billion in the United States alone in 2021, according to ECommerceDB.com .

One powerful overlap with e-commerce is blockchain technology, especially using digital assets like cryptocurrencies. Nicolas Berggruen said of blockchain technology in his article "Here's how blockchain can reduce inequality":

"The revolutionary potential lies in its ability to secure inventory, track, subdivide and transfer wealth over the internet. In a nutshell, what the internet was to social media, the core enabling technology is the possibility of true sharing economy."

Melanin E-Commerce wants to harness the buying power of the African Diaspora by providing both products and services to consumers, combined with Blockchain technology. The Melanin E-Commerce platform will significantly increase the amount of time dollars circulate within the community. Educating the African American community on blockchain technology and e-commerce will also provide opportunities for personal growth and create another path to achieve generational wealth.

The Melanin E-Commerce Platform will work as a decentralized system with digital token integration. RPAR (the ticker symbol for " REPAR Global Coin") tokens will be earned as rewards through consumer and referral activities on the Melanin E-Commerce Platform.

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1. <https://bankgreenwood.com/how-dollars-circulate-in-black-communities/>
 2. <https://ecommercedb.com/en/markets/us/all>
 3. <https://www.washingtonpost.com/news/theworldpost/wp/2018/01/29/blockchain/>



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C1.Introduction

1.Problem Statement

Although the African-American Community in the United States has several areas of concern and cannot be solved by one organization, Melanin E-Commerce has identified three key problem areas in our community where we want to impact and give back:

1.First, we want to discuss the wealth gap which has been part of the fabric of our history. It continues to grow due to systemic racism such as redlining, Jim Crow laws, and unfavorable educational and career opportunities. This economic disparity between minorities and white Americans has manifested itself in modern society in a variety of ways, such as gaps in employee diversity, employee wages, and the relative lack of minority-owned businesses. According to Pew Research[1]: the difference in black-white median household incomes grew from \$23,800 in 1970 to \$33,000 in 2018 (in 2018 dollars). The Guardian reported in 2017 that the median wealth of black Americans could “fall to zero by 2053”[2].

2. Next, we will focus on the digital divide in the United States for marginalized communities. Lack of access to basic technology, such as high-speed internet access, has resulted in large rural & minority populations not having equal access to education. This rapid digitization and automation of the U.S. economy could disqualify many Black and Hispanic Americans for 86% of jobs in the U.S. by 2045[3]. African Americans across rural counties in 10 mostly southern states were nearly twice as likely to report not having home internet access as white Americans in the same region, said a report by the Joint Center for Political and Economic Studies[4].

3. Our third area of concern in which we believe requires our support is solving recidivism[5], the process of previously convicted criminals reoffending and reentering the prison system. More than 600,000 individuals are released every year from state and federal prisons, plus nine million from local jails. Within three years, two out of three are rearrested and over 50% are incarcerated again. Prison was not created to rehabilitate, and it doesn't teach people a lesson. Without employment opportunities and bare necessities such as housing, food, or clothing, successful reentry into society seems impossible for former prisoners.

[1]<https://www.pewresearch.org/fact-tank/2020/02/07/6-facts-about-economic-inequality-in-the-u-s/>

[2]<https://www.theguardian.com/inequality/2017/sep/13/median-wealth-of-black-americans-will-fall-to-zero-by-2053-warns-new-report>

[3]<https://www.marketplace.org/2020/09/18/racial-tech-gap-broadband-hardware-access-deutsche-bank-employment-wealth-digitization-us-economy/>

[4]<https://jointcenter.org/expand-internet-access-among-black-households/>

[5]<https://harvardpolitics.com/recidivism-american-progress/>



1.The Opportunity

There is an opportunity to introduce blockchain technology in its simplest form by integrating it into our Melanin E-Commerce platform as a rewards token. This will allow consumers to earn RPAR tokens by making purchases and participating in the referral program.

“Our Culture, Our Community, Our Crypto”

Melanin E-Commerce Inc (WWW.MelaninEcommerce.com) is a marketplace where consumers can purchase quality products and services. The platform will focus on providing merchandise that is either purchased by or manufactured specifically for the company. Among our products are goods produced by Melanin Merchants and retailers globally. The company sources viable products in a variety of categories, such as Apparel, Art & Literature, Technology, Entertainment and more. Melanin E Commerce Inc will continue to create and integrate brands and platforms to maximize RPAR token adoption. The following brands and platforms will be phased into the Ecosystem and work in tandem with the RPAR Foundation to create sustainability and circulation of the RPAR Token:

MelaShopStream- Phase I

This is the live-streaming platform, promoting goods and services of minority-owned businesses on all social media platforms. Consumers will receive RPAR rewards based on dollars spent.

RePARPay- Phase II

This is the payment gateway and processor allowing businesses to receive RPAR tokens as payment for goods and services on the Melanin E-Commerce platform. Customers that use the RePARPay payment gateway will receive RPAR tokens when they pay the business for products and services using fiat currency.

MelaninDebit - Phase II

Every customer that signs up on the Melanin E-Commerce platform will receive a debit card. This program will allow our customers to exchange their RPAR tokens to fiat currency and vice versa. Cash back rewards in RPAR tokens will be given to each customer based on the amount of money they spend monthly.[1]

Melanin Mobile- Phase III

Cellphone provider for the underserved community will provide service without a credit check.

Customers will receive RPAR tokens every time they pay their cell phone bill.

[1]See <https://crypto.com/us/cards/> as a model.



1. Earparations - Phase III

This is an audiobook application that will allow authors to share the diverse stories from their community. This platform will also help to impact the recidivism rate among former US inmates who will tell their stories. Earparations Studios will provide content writers and voiceover models to bring the stories to life. Once the book is put into audio format and downloaded by a consumer; the author will be paid similarly to a gig worker. Due to an inmate's record, obtaining a job as gig worker and being paid daily is doubtful. This platform will change the narrative and allow authors to not only receive payments daily, but they will also receive cryptocurrency rebates. Customers who purchase the Earparations downloadable book will receive RPAR tokens as well as the author.

MelaInfluencers - Phase IV

This is the platform that allows brand influencers and marketers the opportunity to promote their Name, Image, and Likeness (NIL). In addition, Melanin E-Commerce will sign up influencers with 100,000 or more followers to promote its product lines to their followers. Each influencer will receive RPAR tokens based on the number of dollars spent by their followers.

See Diagram 1 Below





1.3 REPAR FOUNDATION

The REPAR Foundation is a non-profit organization dedicated to improving the lives of African Americans and those within the African Diaspora. The foundation improves lives through innovation in blockchain technology while providing inspiration to promote longevity, healing and hope. Through our partnership with Melanin E Commerce Inc, the REPAR Foundations token (RPAR) will be at the very core of the RPAR Ecosystem. Our primary focus will be to partner with Nonprofits in the following areas:

Recidivism - Nonprofit Organizations that provide housing, job, or resources to former inmates.

Digital Gap - Education of blockchain technology and cryptocurrency. Free videos on our platform, free presentations, virtual training classes and workshops for technology. Provide refurbished computers to marginalized communities. Get people access to digital vital records.

Wealth Gap - Regularly sponsor new entrepreneurs with product and business coaching to get started. (Laptop, printer, web development, domain, and email sponsorship.

The REPAR Foundation and Melanin E-Commerce will collaborate to maximize token adoption as follows:

Provide a sales opportunity for business owners of color to promote their brands. Through RePARPay Provide a payment gateway to promote the distribution of RPAR tokens.

Through Melanin Mobile- Allow customers to participate in a cell phone service provider without a credit check.

Through Melainfluencers-Provide a platform for influencers to promote their Name, Image and Likeness (NIL).

Through MelaninDebit -Allow customers to use their RPAR tokens at over 40 million locations that accept Visa.

Through Earparations Give storytellers the opportunity to share their life stories and get paid like gig workers.

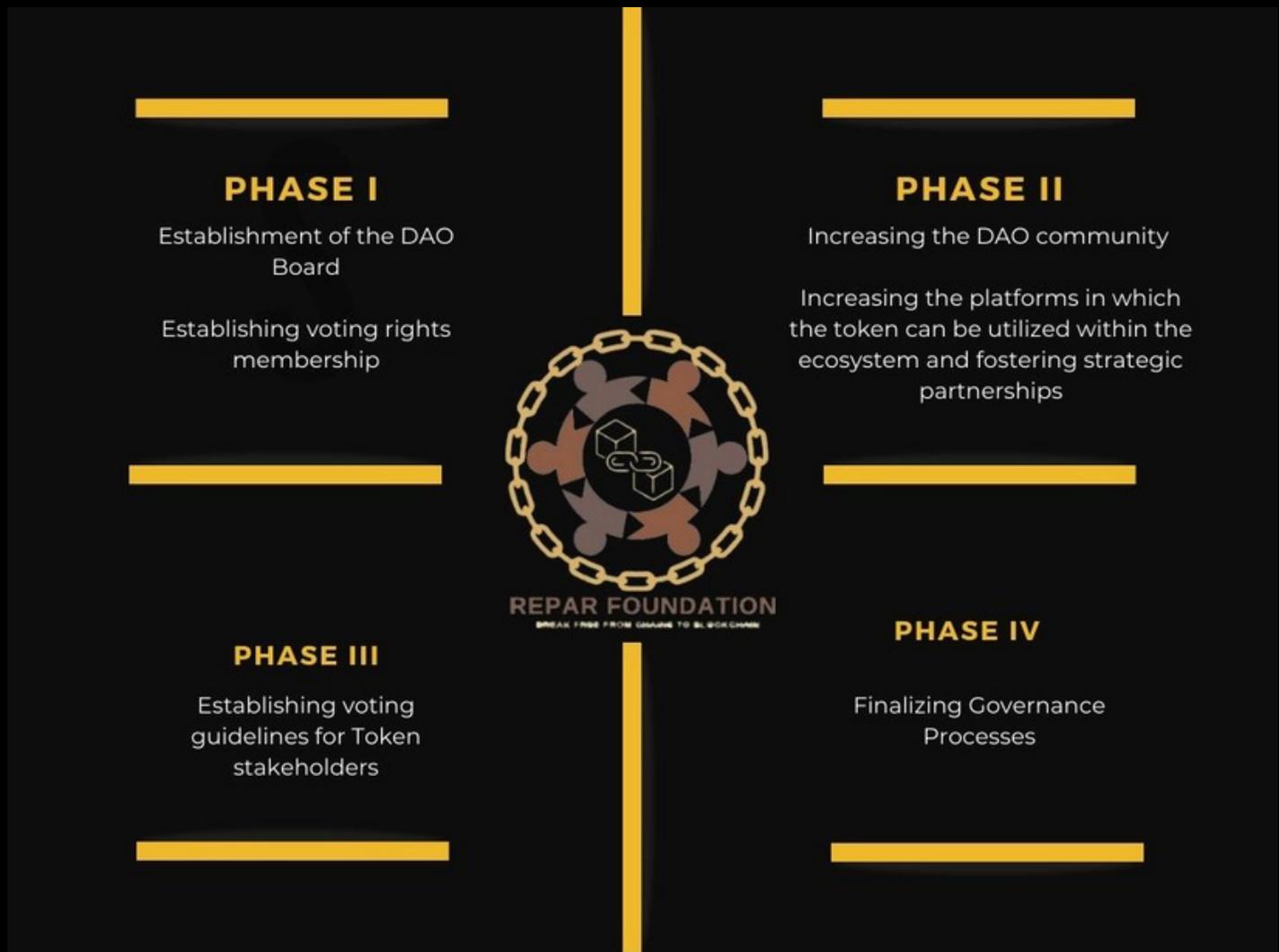
EACH ACTIVITY WILL ISSUE RPAR TOKENS

“You can't lead the people, if you don't love the people. You can't save the people, if you don't serve the people.”

— Cornel West



The REPAR Foundation will be the steward of the RPAR Token. The following administrative tasks will be included but not limited to: All contractual obligations, program and project management, accounting and any other tasks that are required to maintain growth and sustainability of the Foundation. The RPAR Foundation will focus on becoming more decentralized as the token is launched and reaches mass adoption.





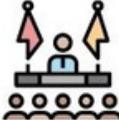
2.RPAR Basics

RPAR, an abbreviation for REPARATIONS, is a utility token for the Melanin E-Commerce Ecosystem. This platform is designed to provide both products and services from a wide variety of categories to consumers. Consumers can make purchases from black owned businesses whose products and services are featured on a global network. Our merchants span the African diaspora. Unlike other e-commerce platforms, Melanin E-Commerce will livestream on a weekly basis in a unique forum. This livestream platform will go where other platforms do not and proceeds will be given back to marginalized communities to decrease the wealth gap, digital divide, and recidivism rates. Consumers will receive a 5% rebate in the form of RPAR tokens with each purchase.

"A race that is solely dependent upon another for its economic existence sooner or later dies".

- Marcus Garvey

RPAR TOKEN

TRUE	VS	FALSE
Created on the Stellar Platform		Tokens are Mined
Decentralized Token		Centralized Token
Core Token on the Melanin E Commerce Platform		Token can be used on other E-Commerce Sites
Availability to Buy & Sell on exchanges		Is a Security token and investment tool
Token Sales will give back to Underserved Communities		Token Sales will give back to Wealthy Communities
RPAR is decentralized governed by the RPAR Foundation		RPAR is centralized and governed by MelaninE Commerce.



RPAR uses blockchain technology and smart contracts to ensure accountability, trust through an immutable platform. RPAR is being built by a team of advisors, writers, and programmers to take advantage of this and provide new ways for users to interact with data. RPAR is integrated with all products and services within the Melanin E-Commerce platform. Every time a purchase is made whether a good or a service RPAR tokens will be issued to the customer. The customer will receive the tokens in their online wallet with a private key. The customer can decide how they will spend or accumulate the token.

2.1 The RPAR Platform

The Melanin E-Commerce platform has been in development since 2019. The RPAR token which is RPAR is unique from most other blockchain projects because:

RPAR is a token with a mission. Proceeds will help to reduce the wealth gap, digital divide and recidivism in black and brown communities through job training and employment opportunities.

A maximum supply of (18,650,000,000) RPAR tokens will be created.

Up to 1,865,000,000 RPAR tokens will be made available for circulation in the first year.

Each year, additional tokens will be released to support the strength of the Platform, with a plan to release all tokens over several years.

The number 1865 has significance as the year (1865) that the 13th Amendment to the US Constitution was ratified and the last Africans in the US were emancipated from slavery.

With thousands of merchants and manufacturers, RPAR tokens can be used to purchase a variety of products and services from books to doctor's visits.

RPAR incentivizes consumers with token rewards for each purchase.

Melanin E-Commerce has a customized app for its consumers.

RPAR protects its users' financial data through a private blockchain solution with cryptography.

Consumers invest in the ecosystem when they use tokens to make purchases and receive rebates in the form of RPAR tokens. The reward system releases rebate tokens once a referral code is used. Each time a consumer makes a purchase, he/she/ they will receive a rebate based on a percentage of the amount spent. The reward system motivates consumers to return to the platform and keeps them eager to learn about cryptocurrency. It also encourages them to expand their horizons and learn even more about blockchain technology.



2.1 How it Works

Merchants: Vendors will sign up to become Melanin Merchants on melaninecommerce.com. They will follow the steps to set up an account with the platform. There will be an approval process before merchants are allowed to upload their product and/or service to the platform. Merchants will pay a monthly fee to be part of the platform and to have their products showcased on our Livestream. Once they have received approval, they will be able to upload images, descriptions, and prices onto the platform.

Merchants who wish to identify themselves as black owned will do so when they complete the profile during sign up. Valid Identification and/or an interview will be conducted as proof. Their brand will be annotated with our black owned certification stamp.

Consumers: Customers have the ability sign up to become a member on www.Melaninecommerce.com. They will follow a few easy steps to set up an account with the platform. Once they have been authenticated, they will be able to shop and to earn RPAR Tokens just by making purchases on the platform.





3. RPAR Ecosystem

3.1 Ecosystem

The REPAR Ecosystem consists of the following components:

- Merchants
- Consumers
- Advertisers
- Melanin E-Commerce Platform
- REPAR Foundation
- REPAR wallets

3.2 Products

- Arts & Literature
- Home & Garden
- Health & Beauty
- Education
- Restaurants
- Entertainment
- Travel
- Technology
- Fashion & Style
- Finance & Real Estate

3.3 Services

- Banking
- Insurance (life, health, property, casualty)
- Credit/Debt counseling
- Retirement/Estate planning
- Medicare supplements
- Cell phone services
- Legal services
- Telemedicine
- Online Counseling
- Crypto Exchange





3.4 Sustainability

Acquiring consumers is essential for our platform to gain mass adoption of the token. The RPAR Foundation will assign a significant portion of our budget to consumer marketing. The RPAR Foundation will create advertisements for radio and television stations, music venues, conferences, HBCU's, and sporting events. The RPAR Foundation will foster strategic partnerships with global brands, celebrities, social media influencers, and Artist.

In brief, our token is tracked via a blockchain: an immutable, decentralized database that verifies transactions between parties and ensures the information in the database is verifiable. All transactions are time stamped and a digital fingerprint ensures that the information cannot be altered or changed. This technology is well suited for our ecosystem because it builds trust between business partners and customers who value data integrity with regards to taxes, commerce authorities, and auditors.

This is where sustainability comes into play. Consumers, businesses, authorities, and investors are increasingly demanding reliable information about consumer goods and services, supply chain availability, and the negative societal and environmental impacts.

RPAR will impact financial stability in five areas within underrepresented communities of color:

1. Bridging the wealth gap between people of color and other ethnic groups.
2. Improving the number of times money circulates within the communities of color.
3. Impacting the Guardian's report of 0 net worth for people of color by 2050.
4. Impacting the digital divide within communities of color.
5. Impacting and lowering the recidivism rate.





4. RPAR Token Model

New and existing MELANIN E-Commerce users can utilize their Stellar Wallet or RPAR token wallet. New users may receive a small number of tokens as a starting balance, and they can use their wallet for all incoming and outgoing transactions. Two-factor authentication protects the wallet, and KYC/AML[1] ensures each user is unique.

With the RPAR token, users can buy goods and services from the Melanin E-Commerce marketplace platform, tracked by a blockchain network. Melanin E-Commerce plans to launch its own MVNO (Mobile Virtual Network Operations) services, payment gateway, debit card solution, influencer network, audiobooks platform, and mobile app in the near future. Users will have the added benefit of earning crypto rebates on a variety of products and services as the platform launches more services and technologies.

RPAR offers a community-driven decentralized finance token. The benefits of the project grow each time a transaction is made. As the customer redeems the RPAR token for goods and services, the tokens are circulated longer, incentivizing merchants to buy their raw goods and business services from other merchants. RPAR will also use a percentage of tokens to fund nonprofit organizations, aimed at bridging the wealth gap, digital divide, and recidivism rate. This tokenomics model allows the ecosystem to grow based on community engagement and create greater possibilities for its users.

4.1 Cash Back Rewards

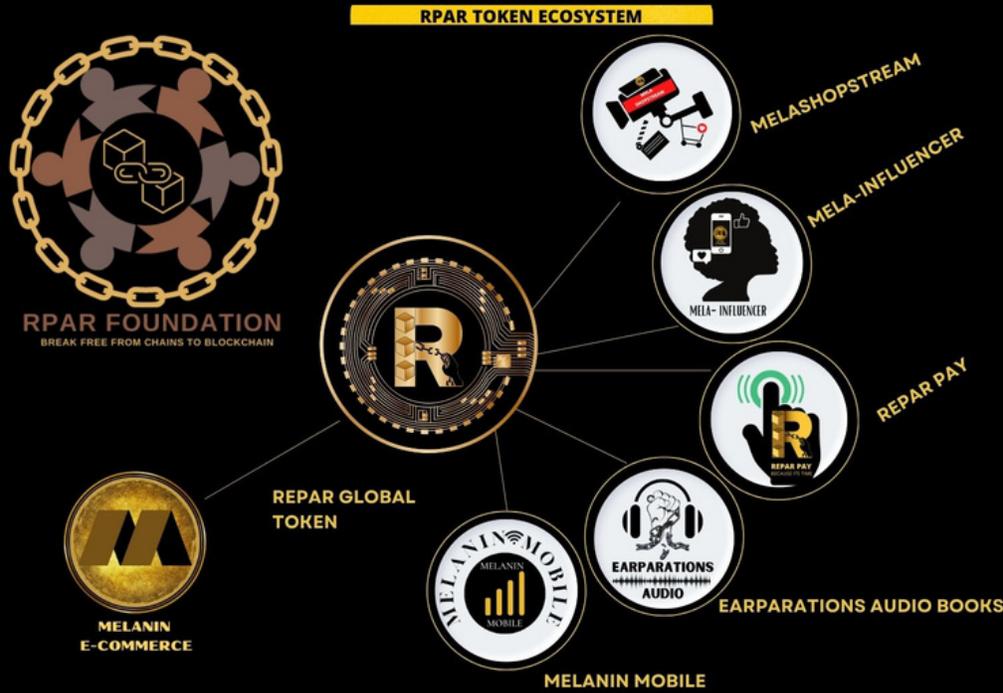
To drive demand, REPAR will give customers 5% back for every \$1 spent on the platform. For example, if a customer buys a \$40 item and RPAR was valued at \$0.01 per RPAR, the user would receive 200 tokens as a rebate. The customer will then have the option of redeeming the tokens later on the platform to buy goods and services on the site.

In addition to direct cash back rewards, customers will be paid referral tokens based on the amount of money spent by the person they referred. RPAR will give the referrer 3% back for every \$1 spent by the person referred. So, in the above example, if a person that was referred buys a \$40 item, the referrer would receive 120 tokens (RPAR at \$0.01 each).

The rewards will also include the other Melanin E-Commerce brands, RePARPay, MelaDebit, Melanin Mobile, MelaInfluencers, and Earparations.

Depending on the token value and the amount available and remaining, Governance will determine if rewards will be adjusted to incentivize more commerce and referrals.

[1] KYC = Know Your Customer, legal requirements to verify a user's identity. AML = Anti-Money Laundering, which checks user information against official registries to ensure we help track or prevent illegal money laundering.



4.2 Non-Fungible Token (NFT) Rewards

NFTs are basically tokens that represent ownership of something exclusive like a limited-edition piece of art or a baseball card (or even real estate). Using blockchain technology, issuers can prove that only a certain number of any item exists. For example, if a consumer is purchasing a limited-edition painting, the artist can certify that only a certain number of copies exist based upon how many NFTs have been minted. Tokens and currencies are fungible, meaning one can exchange 1 ETH for another 1 ETH or 1 dollar for another 1 dollar. When you mint an NFT, it has a unique digital code and is not exchangeable for another NFT.

Companies are exploring the use of NFT's to offer their customers exclusive products in a transparent and verifiable way. For example, a fashion design label can mint and sell 20 NFT's that represent 20 unique dresses. Or a computer repair shop can mint an NFT that grants the buyer the right to 1 free repair each year. NFT's can be used for products or services. NFT's provide an innovative way for companies to incentivize customers to buy their products because they promote exclusivity.

The RPAR ecosystem may allow merchants to issue NFTs either as products or as membership tokens, which if simply bought and held would give their customers holding them exclusive right to access free or discounted products or services. This strategy may eventually create a stronger incentive than the adoption of cash back rebates. Merchants would also be able to create different tiers of NFT's, with each tier costing more but giving the buyer access to different special perks. It is a great way for new businesses to raise



capital without issuing securities. Exclusive perks also help businesses increase brand loyalty.

For ease, Melanin E-Commerce will require users to use RPAR tokens when purchasing or selling an NFT.

4.3 Ambassador Rewards

Consumers could also earn RPAR tokens as brand ambassadors by promoting a merchant's business online or creating and sharing content about the platform. This program will be built to incentivize influencers.

5. Technical Implementation and Tokenomics

5.1. Tokenization

As of December 2021, a Proof-of-Concept token for RPAR has already been created and validated. Melanin E-Commerce plans to launch the RPAR token compliant token exchanges to simplify the disbursement of tokens and target a blockchain with low ongoing fees via the exchange's existing network effect. The RPAR Token was developed on the Stellar Platform therefore the following exchanges are listed as primary exchanges: Stellarport, Stellar X and Stellar Term.

The following sections describe key elements of RPAR's infrastructure and tokenomic design:

- Token Supply and Valuation
- Competitor Case Study
- KYC/AML/AI Matching
- Immediate Functionalities
- Future Functionalities and Staking
- Weighted Actuarial Disbursement Model

5.2. Token Supply and Valuation

The total token supply is 18,650,000,000 RPAR. 10% of the total (1,865,000,000 RPAR) will be released on Juneteenth on 3 exchanges. The initial price of each token will be \$.01.

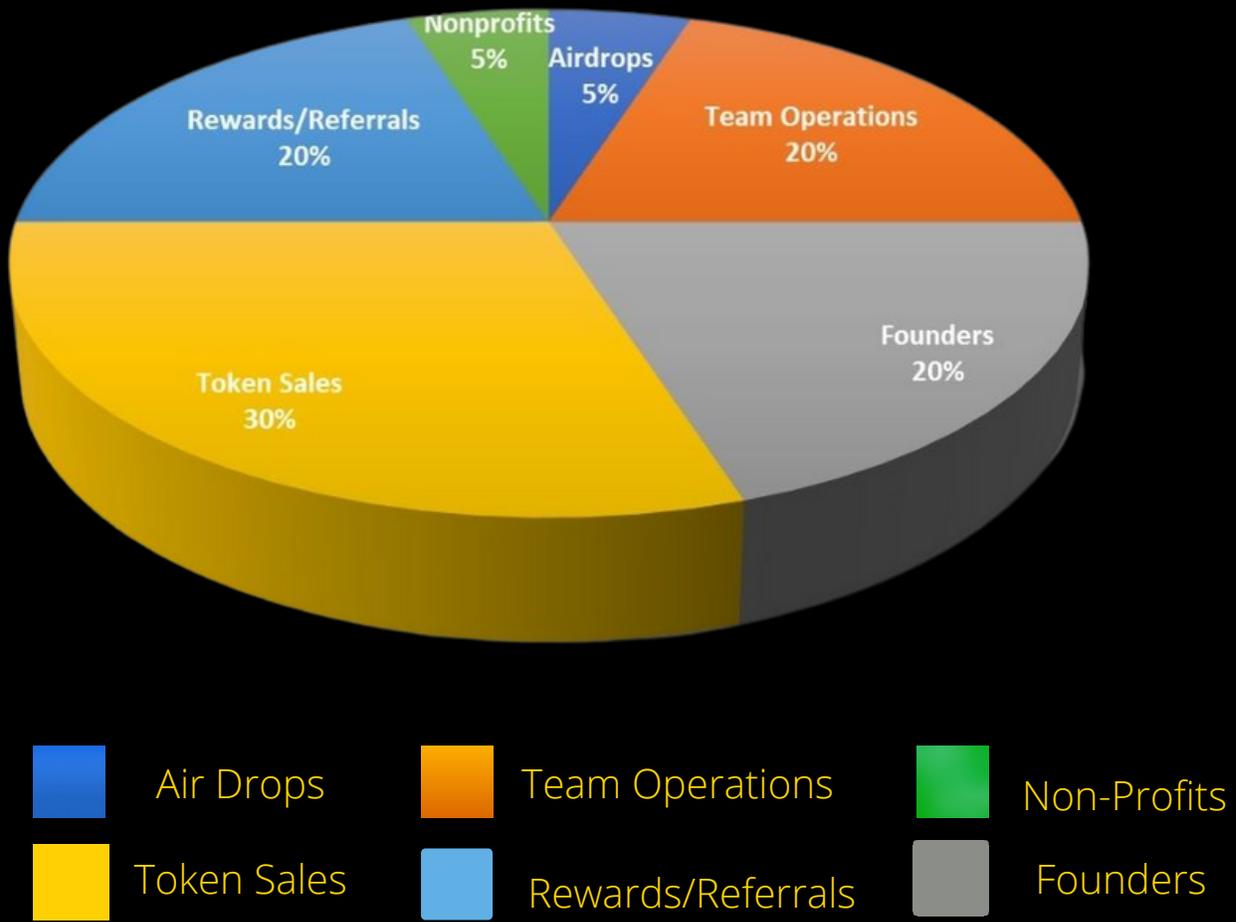
See the breakdown on the next page:



RPAR Coin Statistics

Total Supply	18,650,000,000 RPAR
Circulating Supply (2022)	1,865,000,000 RPAR
Token Price (2022)	\$0.010000 (USD)
Total Market Cap	\$186,500,000
Circulating Market Cap	\$18,650,000

The token distribution of the initial circulation is outlined in the following





RECIPIENTS	PERCENTAGES	RPAR INITIAL DISTRIBUTION
AIRDROPS	5.00%	93,250,000
NON-PROFITS	5.00%	93,250,000
REWARDS & REFERRALS	20%	373,000,000
FOUNDERS	20.00%	373,000,000
TEAM OPERATIONS	20.00%	373,000,000
EXCHANGES	30%	559,500,000
TOTAL INITIAL DISTRIBUTION	100.00%	1,865,000,000

Section Descriptions:

- 5%: Airdrops - The Primary reason for organizing a crypto airdrop is to promote a our block chain start up and projects
- 20%: Used for Referrals and Rewards
- 30%: For the RPAR Foundation business operations (a portion of this goes into the Operations Wallet and the remainder into cold storage for later).
- 30%: Earmarked for sale on exchanges over time to fund development.
- 5%: Used to partner with nonprofit organizations to bridge the wealth gap, reduce the digital divide and lower the recidivism rates in the US.

The remaining 90% of uncirculated tokens will remain in cold storage for future sales and giveaways. The RPAR Foundation may adjust the disbursement over time or create a DAO for managing the speed of disbursement.

5.3 Competitor Case Study

The e-commerce industry is enormous, and having competitors is essential to our progress. As such, there are several existing e-commerce platforms as well as companies with similar functions. However, they have fewer e-commerce verticals.

A comparative analysis was performed on active e-commerce platforms that integrated cryptocurrency into their business environment successfully. Although Amazon was included in the analysis, there is no direct comparison as Amazon has yet to incorporate their own cryptocurrency into their consumer platform.

Zelwin is more closely tied to Melanin E-Commerce's business model. Zelwin is a Eastern European owned organization that has created a global marketplace where merchants and consumers earn rewards in Zelwin tokens. Their platform has been in place since 2019. The Zelwin token has fluctuated significantly since its inception. The coin skyrocketed to almost \$7.50 in just a 6-month time span. However, we see little evidence that the organization gives back to its community in any significant way, and the token has since crashed to near \$0.80.





COMPARISON CHART

FEATURES	MELANIN E-COMMERCE	ZELWIN	AMAZON	QVC/HSN
Product Sales	✓	✓	✓	✓
Service Sales	✓			
Cryptocurrency Rebates	✓	✓		
Livestreaming	✓	✓	✓	✓
U.S Based Platform	✓		✓	✓
3% Back to Underserved Community	✓			





5.4 KYC/AML/AI Matching

RPAR tokens have dollar valuations and are purchasable using other crypto or fiat currencies. The process for purchasing RPAR tokens will include an intuitive Know Your Customer (KYC) process for each consumer. The KYC creates the “AI Profile” of each respective user. During the KYC process, standard measures of security (ID, name, address, etc.) will authenticate their profile.

The AI-Profile will scan the consumer’s previously shopped products and services to intuitively suggest additional purchases. With consistent engagement on the Melanin E-Commerce platform, an individual’s AI Profile will offer targeted services and products for an individual consumer’s needs and lifestyle choices. Consumer data will be stored in their respective wallets and will not be accessible by other users or by the RPAR Global Team, except as required by law enforcement. If desired, users can subscribe to a monthly service that increases AI functionalities and personalization. To comply with General Data Protection Regulation (GDPR), users will have the ability to delete their profile should they choose to leave the platform.

5.5 Immediate Functionalities

It will take time for the Melanin E-Commerce platform to attract enough consumers and merchants to truly become a self-sustaining ecosystem. Core features and targeted incentives for merchants and consumers are available today at melaninecommerce.com, and reparglobalcoin.com, and other features will be available soon after the completion of the token sale.

The core features available immediately:

- The ability to create user profiles.
- The ability to see products from merchants.
- The ability to make purchases with Paypal, credit card, debit card, or RPAR tokens.
- The ability to collect proof-of-concept RPAR tokens upon purchase.

5.6 Future Functionalities

These features are contingent upon mass adoption and growth:

- A completely custom-built Melanin E-Commerce platform.
- Full crypto wallet integration.
- Mobile apps.
- Referral rewards.
- Supporting a floating value in rewards.
- EARParations Audio.
- RPAR Pay.
- MelaShopstream, Live-streaming broadcast of Melanin E-Commerce.
- MELA Influencer, stock images and videos for commercial use.
- MelaDebit, debit card where Visa is accepted.
- Melanin Mobile, cell phone service provider with no credit checks.



5.7 Weighted Actuarial Disbursement Model

The RPAR platform will utilize a Weighted Actuarial Disbursement token structure to stabilize token value and to ensure fiscal responsibility. The problem with most purely deflationary utility tokens, such as Bitcoin or Cardano, is that they encourage an arms race mentality and increase barriers to entry. Conversely, RPAR has created a system that encourages long-term, sustainable growth and token distribution while also ensuring that consumers actively use their tokens to engage the Melanin E-Commerce platform or to sell them to new users.

In order to stabilize the token economy, the RPAR Global Team will regularly report statistics such as these:

1. Yearly-ending holdings:		Token Distribution
a. Cold storage token count		18,650,000,000
b. Allocation fund token count (circulation)		1,865,000,000
2. Yearly-ending total operations account expenditures:		1,865,000,000
a. # of tokens purchased at market price (exchanges)	30%	559,500,000
b. # of tokens distributed to consumers for marketing	20%	373,000,000
c. # of tokens distributed to team and foundation members	20%	373,000,000
d. # of tokens for founders	20%	373,000,000
e. # of air drops	5%	93,250,000
f. # of non-profits	5%	93,250,000
3. Complete token history:		18,650,000,000
a. # of tokens EVER sold to end-users (exchanges)	30%	5,595,000,000
b. # of tokens EVER distributed to consumers	20%	5,595,000,000
c. # of tokens EVER distributed to team/foundation members	20%	3,730,000,000
d. # of tokens EVER distributed to founders	20%	3,730,000,000
e. # of tokens for air drops	5%	932,500,000
e. # of tokens for non profits	5%	932,500,000
4. The number of tokens in current circulation		1,865,000,000.00
5. Average token exchange price for the year ending 2022		0.01

The total circulating supply of tokens will remain proportional to the actual need created by the number of consumers and merchants actively engaging with the system. Thus, the RPAR ecosystem can continue to grow if both consumers and merchants are genuinely connected with the system by adding new products and/or services.





6.Token Launch

The anticipated launch date of the RPAR Token is Juneteenth June 19, 2022.The sheer significance and impact of that date in conjunction with the release of our token is monumental. Our goal is to release an initial 1,865,000,000 (One Billion, eight hundred sixty-five million on multiple exchanges. RPAR hopes to reach mass adoption to provide basic functionality on the platform as we continue to raise funds. As RPAR reaches certain fundraising milestones, The RPAR Foundation hopes to integrate more advanced features into the Ecosystem. The RPAR foundation hopes to alleviate some of the uncertainty around its future by periodically establishing new goals as milestones are reached. In this way, RPAR remains realistic and flexible.

6.1.Ensuring Quality Merchants and Creators

The quality of the platform hinges on a robust marketplace with many merchants offering a variety of goods and services. RPAR will target well-known designers, luxury brands, and content creators to boost the appeal of the platform. Many initial influencer relationships have been established. Others will be incentivized to participate on the platform using a mix of USD and RPAR tokens, to provide immediate value through fiat and to see their RPAR tokens mass adoption utilized in the ecosystem.

6.2.Distribution for Internal Team Members

Prior to the token launch, a clear distribution policy for team members will be established to incentivize the team to grow and to encourage them to stay attached to the platform and build it over time. A draft of the policy is as follows, and is subject to change:

A reserve of 10% of released RPAR tokens will be established for existing and new team members. Each team member and/or advisor will sign a conduct policy before receiving tokens, and not all tokens will be immediately distributed. The first 10% will be dispersed upon token launch completion, with the remaining 90% frozen and distributed quarterly over the remaining two years.

Team Members are encouraged to utilize their tokens on the Melanin E- Commerce Eco System.



7. Roadmap, And Future Goals

The token launch is just the beginning. The vision for the Melanin E-Commerce platform is ambitious. REPAR notes the future of e-commerce is happening all around us. REPAR is committed to playing an important role, if not the central role. As this is the first version of our white paper, the roadmap below shows our goals leading up to the REPAR Token launch and beyond.

2020

- Q2 - Tech research, market research, and ecosystem architecture
- Q3 - Proof of knowledge consensus mechanism concept development
- Q4 - Extensive blockchain, AI, and 3D model motion capture research

2021

- Q1 - E-Commerce Strategy
- Q2 - First Merchants signed up
- Q3 - Developers engaged for proof-of-concept platform
- Q4 MVP Platform created

2022

- Q1- MVP PR campaign launch
- Q2- Token Launch preparation
- Q3 - Token PR campaign launch
- Q4 - Token Launch

2023

- Q2 - PR campaign launch
- Q3 - Platform completion
- Q4 - RePARPay Integration

2024

- Q1 - 1000 Products and 100 Merchants active
- Q2 - MelaninDebit Card Integration
- Q3 - Melanin Mobile Integration
- Q4 - MelaShopStream Launch

2025

- Q1 - EarParations Integration





7.1.Reasons to Adopt RPAR Tokens

The growth potential for the e-commerce sector is astronomical. The Melanin E-Commerce platform will allow the African American community to capture a greater percentage of the \$4 trillion e-commerce market. RPAR Token holders can not only earn token rebates when shopping in the ecosystem they can also participate in large-scale annual events similar to Coachella or the Essence Festival where high-profile celebrities will perform for a 3-night, 4-day extravaganza. Special VIP Privileges will be granted to RPAR token holders to gain special access to events. Most importantly, Token holders will also be able to participate in voting for grants given to non-profit organizations focused on the Wealth Gap, Digital Divide, and Recidivism.

7.2.Team and Advisors

RJ McDowell, Co-founder/CEO

RJ McDowell is the Co-founder and CEO of Melanin E-Commerce Inc. Mrs. McDowell is a Veteran of the United States Air Force and has more than 20 years of experience in both federal and commercial contracting. Mrs. McDowell successfully led several large federal and commercial programs and contracts, including over a billion dollars in federal modernization programs, full-scope commercial outsourcing contracts, and large science and engineering programs. She has experience in several functional areas including acquisition life cycle management, program management, engineering solutions, financial management, cyber security, business development, research and analysis, strategic planning, and risk aversion.

In addition to her role as CEO of Melanin E-Commerce, Mrs. McDowell was also the CEO of Fully Executed Decision Strategies (FEDS) which was a government contracting firm that was founded in 2016. Mrs. McDowell held senior positions as Vice President of Operations and Contracts where she oversaw and participated in providing efficient, compliant, and responsive contract support to Federal Agencies.

Mrs. McDowell's integral role was to ensure that the organization understands and manages risks in bids and awarded contracts. She has a deep knowledge of government compliant policies and procedures and excels in providing a value-added partnership to programs and departments. She anticipates contract related needs and communicates solutions to programs, to departments, and to company leadership. Mrs. McDowell currently leads and oversees the strategic direction of the Maryland based company, which leverages the talents of a global supplier base.





Marcus Beasley, Co-founder/CFO

Marcus Beasley is the Co-founder and Co-chairman of Melanin E-Commerce. In this expanded role, Mr. Beasley supports Melanin E-Commerce's annual strategic planning, coordinates financial planning and productivity improvement initiatives, and assists Melanin E-Commerce's management in meeting strategic goals. Mr. Beasley is also responsible for the company's internal audit and financial accounting activities.

Additionally, Mr. Beasley has oversight of the company's vendor partnerships, supply chain, quality, and program management process teams. Mr. Beasley maintains oversight of the company's financial performance, reporting, long-range business planning, treasury, controller organizations as well as sales strategies. Mr. Beasley also has executive responsibility for overseeing the company's corporate audit function, which reports directly to the Board of Directors.

Prior to his current role, Mr. Beasley served as founder of financial planning and analysis and investor relations of Beasley Financial Group. He has held numerous financial leadership positions and has over 30 years of experience in both client service and financial planning.

Sherman Toppin, General Counsel

Sherman C. Toppin is an experienced Attorney and Real Estate Broker. Mr. Toppin earned his Bachelor of Arts degree from the University of Virginia and received his Juris Doctor from the College of William & Mary School of Law. Mr. Toppin also earned a certificate from MIT Sloan School of Business for an Executive Program entitled, Blockchain Technologies: Business Innovations and Application. Mr. Toppin is admitted to the bars of Pennsylvania, New Jersey and Virginia, and can represent clients in both state and federal courts in these jurisdictions.

In academia, Mr. Toppin is frequently engaged as an instructor, presenter of real estate subjects. Mr. Toppin is currently a member of the Adjunct Faculty at Temple University Real Estate Institute, where he teaches Real Estate Law and licensure courses for brokers and agents. Mr. Toppin is also a faculty presenter with the Pennsylvania Bar Institute, where he has instructed a variety of continuing education subjects over the years.

In 2020, Toppin Law, P.C. launched a Technology practice group concentrating on transactions that involve the metaverse, blockchain and cryptocurrency. Mr. Toppin developed this practice group to help clients navigate changing technology and shifting business dynamics with representation and advice that not only keeps them up to date, but ahead of innovation.

Technology Training & Credentials

- Cryptocurrency & Blockchain: Intro to Digital Economies (Certificate 2020), University of Pennsylvania, Wharton School of Business offered through Coursera
 - Supply Chain Finance & Blockchain Technology (Certificate 2020), New York Institute of Finance offered through Coursera
-
-



Sherman Toppin, General Counsel Continued

- Certified Blockchain Expert (2019), Blockchain Council
- Certified Cryptocurrency Expert (2019), Blockchain Council
- Blockchain Business Foundations (Certificate 2019), Blockchain Training Alliance
- Blockchain: Understanding Its Uses and Implications (Certificate 2019), The Linux Foundation/edx
- EU GDPR Data Protection Officer Course (2019), Advisera eTraining
- FinTech: Foundations, Payments, and Regulations (Certificate 2019), University of Pennsylvania, Wharton School of Business offered through Coursera
- Blockchain Principles (Certificate 2019), BlockGeeks
- ICO's, STO's and the Future of Tokenization (Certificate 2019), BlockGeeks
- Blockchain A-Z (Certificate 2019), Udemy
- Cryptocurrency Fundamentals (Certificate 2019), Udemy
- Blockchain and Bitcoin Fundamentals (Certificate 2019), Udemy
- Blockchain Advanced Level: Uses Beyond Bitcoin (Certificate 2019), Udemy

Craig Barra, CTO

Mr. Barra is a Naval Veteran and subject matter expert in Security Sales and Digital Transformation Strategies. Throughout Mr. Barra's career, he has been instrumental in providing advanced technology systems for federal and commercial customers. Chief services include Digital Transformation Strategies, Private/Public Cloud, Virtualization, Mobility and Wired Infrastructure Solutions, Optical Networks, VoIP, Unified Communications and Land Mobile Radio (LMR) solutions.

With over 30 years' experience in federal and commercial industries, Mr. Barra has led a significant number of programs in support of DoD, Civilian, and large commercial customers. Mr. Barra began his career as a Naval Cryptologic Technician where he served as the Commander of Naval Security Group Command Headquarters. He earned a Letter of Commendation and a Navy Achievement Medal for communications intelligence support during Operation Desert Shield and Desert Storm.

As a Technologist and Business Development Sales Executive for multiple Fortune 100 companies, Mr. Barra was responsible for day-to-day sales activity totaling millions in annual revenue. He successfully led teams in business development, new sales, channel sales, and strategic planning with C-Suite executives. He was instrumental in developing wireline, mobility, cloud, and cybersecurity solutions for customer procurements.

Mr. Barra has a Master of Business Administration (MBA) from the University of Maryland University College (UMUC) and a Master of Science (M.S.) in Cyber Security from the University of Maryland University College, a DHS and NSA - Center of Academic Excellence in Information Assurance and Cyber Defense.





Additional Team Members

Vania Abdul Badee, Chief Marketing Officer & CO-Founder of 360 Marketing & PR

Toju Ometoruwa, Chief Blockchain Data Scientist

Pace Ellsworth, Senior Systems Architect

Celeste Weingartner, Senior Blockchain Engineer

John Rodi, Lead Developer

Pathkohn Kombate, Lead Economist

Justin Blount, Blockchain Technical Analyst

Anthony Hollins, Chief Operations Officer

Talisha Shine, Blockchain Expert Strategic Partnerships

Partnerships

Blavity, Digital Marketing Agency

New Way of Life

10K Project

RODI Software

7.3.Token Risk Factors

The following list is not a complete list of all risk. It includes but is not limited to:
Not an investment or security tool -No information within this Whitepaper or any other promotional material should be interpreted as such. The RPAR token is a utility token for exchanging value within the RPAR Ecosystem and Melanin E Commerce marketplace.

Regulatory Compliance Risk

The REPAR Foundation and Melanin E Commerce has taken steps to comply with all existing regulations. The regulation of digital tokens and token offerings is however subject to change. Changes to the regulatory environment of your respective jurisdiction are subject to significant uncertainty.

Technology and Coding Risk

Blockchain and smart contract technology still has its nuances and is in an early development stage. Its technology may have security vulnerabilities.

Token Holders should always be aware that purchasing RPAR tokens does not equate to holding a stake in the Melanin E-commerce Inc.

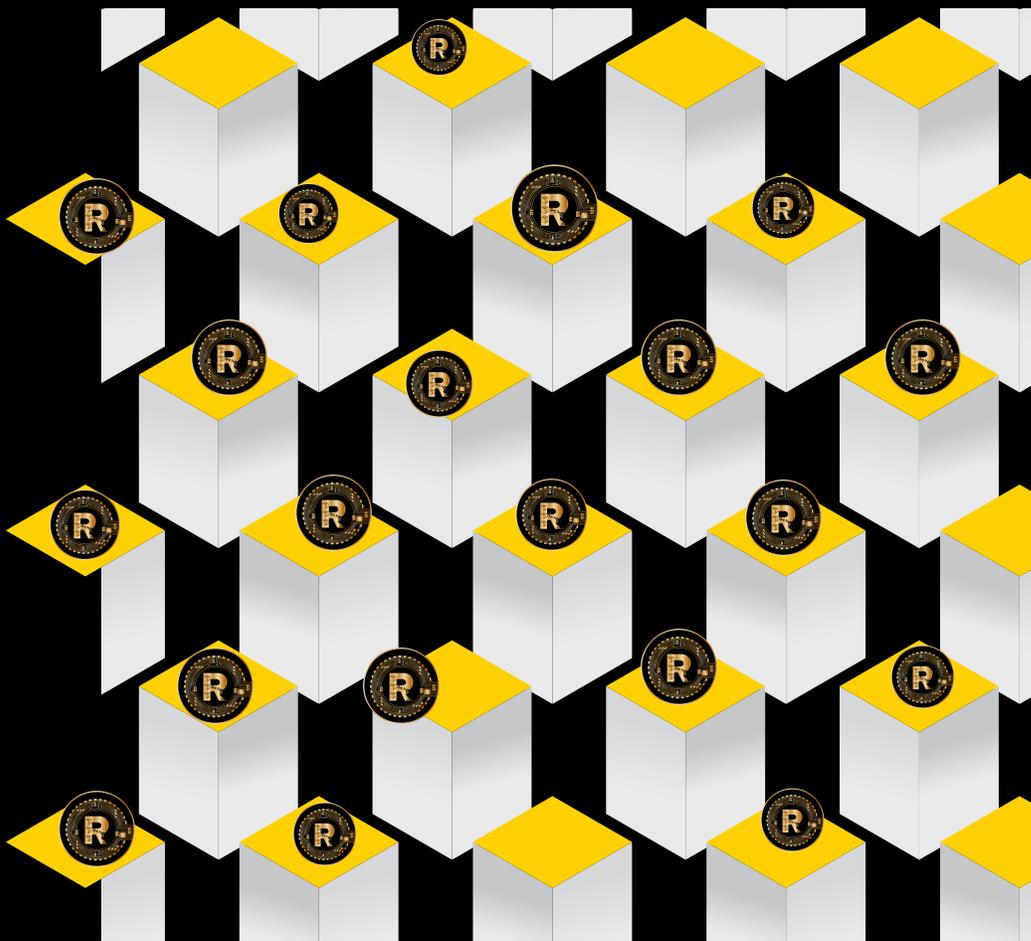


7.4. Conclusion

In this paper, the REPAR Foundation has outlined planned objectives while also giving a comparative market analysis and explanation of how RPAR tokens will be used. The Melanin E-Commerce Platform is the foundation and ecosystem for the token. Expanding the number of Melanin Merchants and other brands within the ecosystem is paramount to mass adoption of the RPAR token.

Melanin E-commerce and the REPAR Foundation are not just a revolutionary platform but also a way to increase our learning and to build our confidence. Obtaining cryptocurrency as a shopping rebate is a simplistic way for our community to learn more about block chain technology.

African Americans make up 13% of the United States and lag in technology and financial wealth. However, RPAR will help this community to grow within the technology sector while giving back to the community.





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May 4, 2022

REPAR GLOBAL COIN LEGAL OPINION LETTER

TO: RJ McDowell, CEO & Marcus Beasley, CFO of the Repar Global Coin project, owned by Melanin E-Commerce, Inc. (<https://www.reparglobalcoin.com/>)

FROM: Sherman C. Toppin, Esquire
Principal at Toppin Law, P.C.

DATE: May 3, 2022

RE: Analysis as to whether Repar Global Coins should be classified as Utility Tokens.

Question Presented:

Should Repar Global Coins (hereinafter, "Repar Tokens") be considered Securities?

Short Answer:

No, Repar Tokens are not likely to be considered Securities in any jurisdiction. They should not be classified as Securities based on the American definition because: (1) they only satisfy two of the four prongs of the *Howey Test*; and (2) they are sufficiently decentralized to be outside the SEC's jurisdiction. Under FINMA's Guidelines, Repar Tokens are providing service and the utility can be used at the point of issue, therefore it should not be considered a Security.

INTRODUCTION:

Melanin E-Commerce is a web-based seller of good and services with an emphasis towards products sold by African-American merchants, and developed for African-American consumers. The mission of the Melanin E-Commerce platform is to create a community of African-American businesses and consumers which will enlarge the time that dollars spent by African-Americans circulate within their own community. The Melanin E-Commerce online sales platform implements blockchain technology with the Repar Global Coin. Repar Tokens are the only cryptocurrency enabled for use on the Melanin E-Commerce website to purchase goods and services. Repar Tokens are developed with a Proof-of-Concept consensus mechanism and will have a total supply of 18,650,000,000. The initial token price of Repar Tokens will be \$.01.

To understand how Repar Tokens will be used, our firm evaluated the whitepaper and other documents furnished by Melanin E-Commerce, Inc., the owners of the Repar Global Coin project. We also visited the Melanin E-Commerce website to examine how the Repar Tokens are advertised and presented within the online sales platform. (www.melaninecommerce.com)

STANDARD OF REVIEW TO EVALUATE CRYPTOCURRENCT COINS/TOKENS:

Many jurisdictions around globe have advanced legal definitions for virtual, convertible cryptocurrency coins/tokens. However, there are two jurisdictions whose standards have become regarded internationally as both leading and authoritative in the technology space: (1) the Securities and Exchange Commission (SEC), which governs the United States Securities offerings; and (2) the Swiss Financial Market Supervisory Authority (FINMA), which is thought to be one of the leading experts on Blockchain and Cryptocurrency policy. This legal opinion letter will evaluate the Repar Global Coin using both of these standards of review.

BACKGROUND OF CRYPTOCURRENCY AND SEC REGULATION:

Blockchain technology was invented in 2009 as the digital ledger to record transactions of Bitcoin, the most successful cryptocurrency to date. Since 2009, the technology has advanced making it possible for any person or company to create a coin or token linked to their project—and the ability to give it unique and specific functionality. As of the date of this opinion letter, there are over 18,000 different cryptocurrencies in existence, and that number continues to grow rapidly. While the uses for these cryptocurrencies are extremely diverse, they all have two things in common: 1) their price can fluctuate dramatically, and 2) their price is determined by supply and demand. This inherent ability of cryptocurrency prices to be volatile has created a challenge for regulators around the world to classify these new technological innovations into an existing financial category. Also, price volatility has caused cryptocurrency project to be viewed as risky investments.

As cryptocurrency projects have evolved, so have their sources of funding. Rather than seek venture capitalists that may not understand the technology, or may insist on asserting

control over the project, the cryptocurrency community invented an alternative way to raise capital. By allowing investors to participate in the crowdfunding of interesting projects through the sale of tokens known as Initial Coin Offerings (ICOs), the cryptocurrency market can raise more money in than the traditional venture capital sector.

During an ICO, the project typically sells a certain number of tokens to willing cryptocurrency market participants (investors), and those investors can then access the project's goods and services. The investor can also often sell their ICO coins to a secondary buyer on a cryptocurrency exchange. The problem is many ICOs mislead investors, presenting the cryptocurrency as safe business opportunities when they are in inherently risky.

Since 2017, the United States Securities and Exchange Commission (SEC) has asserted jurisdictional and prosecutorial power over any ICO projects that may be considered the sale of an unregistered security. This opinion letter will evaluate the Repar Tokens against the framework set forth by the SEC.

I. WHETHER REPAR TOKENS IS A SECURITY UNDER THE SEC'S DEFINITION:

In the United States, securities are broadly defined. The Securities Act of 1933 defines a Security in Section 2 77b(a) as follows:

The term "security" means any note, stock, treasury stock, security future, security-based swap, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

THE HOWEY TEST

In 1946, the Supreme Court developed a framework to assess whether a business is selling an investment contract (a "security") or not. *See S.E.C. v. W.J. Howey Co.*, 328 U.S. 293, 299 (1946). "An investment contract for purposes of the Securities Act means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party . . ."

The four elements of the *Howey Test* are as follows:

- (1) an investment of money,
- (2) into a common enterprise,
- (3) with an expectation of profits,

(4) derived solely from the work of others.

If an ICO's token sale creates an investment contract between the ICO Company and the cryptocurrency market participant, the SEC's regulations must be observed.

The SEC has stated, "Whether a particular investment transaction involves the offer or sale of a security – regardless of the terminology or technology used – will depend on the facts and circumstances, including the economic realities of the transaction." *See Statement on Cryptocurrencies and Initial Coin Offerings*, SEC Chairman Jay Clayton, December 11, 2017.¹ In particular, the SEC has quantified a primary concern with the marketing efforts that emphasize potential returns to investors based on the managerial efforts put forth by the company issuing the tokens. *Id.*

In his statement, the SEC Chairman set forth a guiding standard of review, as follows:

A key question for all ICO market participants: "Is the coin or token a security?" As securities law practitioners know well, the answer depends on the facts. For example, a token that represents a participation interest in a book-of-the-month club may not implicate our securities laws, and may well be an efficient way for the club's operators to fund the future acquisition of books and facilitate the distribution of those books to token holders. In contrast, many token offerings appear to have gone beyond this construct and are more analogous to interests in a yet-to-be-built publishing house with the authors, books and distribution networks all to come. It is especially troubling when the promoters of these offerings emphasize the secondary market trading potential of these tokens. Prospective purchasers are being sold on the potential for tokens to increase in value – with the ability to lock in those increases by reselling the tokens on a secondary market – or to otherwise profit from the tokens based on the efforts of others. These are key hallmarks of a security and a securities offering. *Id.*

REPAR TOKEN EVALUATION UNDER THE HOWEY TEST

In order to be deemed a Security, and therefore within the SEC's jurisdiction, Repar Tokens would have to satisfy all four prongs of the *Howey Test*. However, Repar Tokens only satisfy two of these prongs; the first "investment of money" and the fourth "derived solely upon the work of others" prongs. The second "common enterprise" and third "expectation of profit" prongs are not satisfied. Therefore, Repar Tokens should not be deemed a Security.

PRONG 1: INVESTMENT OF MONEY

Repar Tokens do satisfy the first prong of the *Howey Test*: investment of money. The Melanin E-Commerce platform requires that Repar Tokens be purchased in some way, either

¹ https://www.sec.gov/news/public-statement/statement-clayton-2017-12-11#_ftn3.

with fiat or another cryptocurrency. This is clearly an investment of money. Pursuant to the Melanin E-Commerce whitepaper, only a small fraction of the Repar Token supply will be distributed without any investment of money, by either being airdropped or donated to a charity or nonprofit. Please be advised that most new cryptocurrencies satisfy the first prong in some manner, therefore this is not atypical.

PRONG 2: IN A COMMON ENTERPRISE

Repar Tokens do not satisfy the second prong of the *Howey Test*. From the outset, Melanin E-Commerce will have a fully operational, live blockchain established prior to the sale of Repar Tokens. In December 2021, Melanin E-Commerce developed the code for the Repar Tokens. Therefore, investors and buyers of Repar Tokens will not have to speculate if the Melanin E-Commerce platform will be operational for utilization of the tokens. Unlike with cryptocurrencies that initiate ICO crowd sales without establishing a blockchain network first, investors or buyers of Repar Tokens will have the opportunity to experience and test the live Melanin E-Commerce platform prior to purchasing the tokens.

Second, the Melanin E-Commerce platform is configured such that different categories of token holders will achieve varying returns from rewards and referral incentives based on their own efforts and activity in the network. The Melanin E-Commerce whitepaper for Repar Tokens sets out a detailed reward and incentive program for token holder and site users. None of the Repar Token rewards or incentives programs are connected to speculative benchmarks. Investors do not earn more rewards or incentives by simply buying and holding Repar Tokens. All rewards and incentive are earned through buying or selling goods and services on the Melanin E-Commerce network. Investors who buy the Repar Tokens in the early phases on the Melanin E-Commerce network do not earn more rewards when the platform introduces new features or builds out additional phases.

For these reasons, Repar Tokens are not a common enterprise in the context of the *Howey Test*.

PRONG 3: EXPECTATION OF PROFIT

Repar Tokens do not satisfy the third *Howey Test* prong, expectation of profit. Melanin E-Commerce have not offered its members any expectation of profits based solely on the possession of the Repar Tokens. The Melanin E-Commerce offers clear utility on its network for the Repar Tokens themselves. Repar Tokens are exchanged in the network marketplace between buyers and sellers for goods and services rather than purely for speculative means.

Furthermore, the Melanin E-Commerce platform itself encourages both merchants and consumers to keep their value in the ecosystem to increase the duration in which dollars spent by African Americans circulates in the community. This is a foundational principal of the platform. Token participants are discouraged from cashing out their value for this idealistic reason, which is not a form of speculation.

Therefore, Repair Tokens are not marketed to investor buyers for the expectation of profit, but rather for their utility on the Melanin E-Commerce network as well as for the social ideals that govern the platform itself.

PRONG 4: BASED ON EFFORTS OF A THIRD PARTY

The Repair Token satisfies the fourth prong of the *Howey Test*. It is noted that a substantial part of the Melanin E-Commerce platform will be developed and operational prior to any token sales or launch. It is further noted that Repair Tokens will have established a blockchain network with functionality prior to any token sales or launch. However, Repair Token holders will rely, at least in part, on third-party, manual, off-blockchain actions to realize the benefit of Repair Tokens.

Specifically, the whitepaper outlines the involvement and role of the RPAR Foundation to collaborate with Melanin E-Commerce owner to guide the project vision beyond token launch. The RPAR Foundation will provide oversight and stewardship of the Repair Token's growth and adoption in cooperation with the owners of the Melanin E-Commerce Inc. entity. Therefore, these entities will act as a third parties to assure that the future phases of the project will be built out. This involvement of third parties will directly influence the value of Repair Tokens. For this reason, Repair Token's valuation will be based upon the efforts of a others.

In conclusion, only two prongs of the *Howey Test* are satisfied—that Repair Tokens are an investment of money and its value will be based upon the efforts of third parties. However, the requirements for classification as a security are not fulfilled entirely or at all: it is not a common enterprise and not marketed or purchased with the inherent expectation of profit. The SEC should not regulate or interfere with Repair Tokens. The Repair Token community is comprised of individuals who seek to exchange their goods and services while circulating dollars spent within their community. Melanin E-Commerce anticipates that their platform will be successful, but that those individuals and investors that use the Repair Global Coin ecosystem not to speculate solely for profit. Repair Global Coins are not Securities based on the *Howey Test*.

SEC DECENTRALIZATION COMMENT

Recently, the crypto community obtained information that even if an ICO creates an investment contract (ie. a "security"), the token can become a non-security over time if it becomes sufficient decentralization. On June 14, 2018, the Director of Corporate Finance for the SEC, William Hinman's, provided insight around the Ethereum cryptocurrency, and this reasoning can be applied to all convertible cryptocurrencies.

At the Yahoo! All Markets Summit: Crypto, Mr. Hinman said:

"And putting aside the fundraising that accompanied the creation of Ether, based on my understanding of the present state of Ether, the Ethereum network and its decentralized structure, current offers and sales of Ether are not securities transactions. And, as with Bitcoin,

applying the disclosure regime of the federal securities laws to current transactions in Ether would seem to add little value. Over time, there may be other sufficiently decentralized networks and systems where regulating the tokens or coins that function on them as securities may not be required. And, of course, there will continue to be systems that rely on central actors whose efforts are a key to the success of the enterprise. In those cases, application of the securities laws protects the investors who purchase the tokens or coins.”

See <https://www.sec.gov/news/speech/speech-hinman-061418>

Repar Tokens will not be built on Ethereum blockchain. However, Repar Tokens will be deployed on a comparable decentralized public blockchain (Stellar). Therefore, Repar Tokens will be sufficiently decentralized over time not be viewed as Securities by the SEC.

THE MUNCHEE, INC. ANALYSIS

In December, 2017, the SEC ordered the ICO to cease and desist its ICO mid-sale, and forced Munchee, Inc. (Munchee) to return the \$60,000 it had raised from 40 community members. *See In re Munchee, Inc.* File No. 3-18304, 8 (Dec 11, 2017). Some of the primary concerns offered by the SEC included that the company had stated in its whitepaper that it was not a security offering because it did not meet the *Howey Test*, however, failed to offer any reason why. Munchee had been rather aggressive in the promotion of their ICO, creating posts that unequivocally stated the ICO purchasers could expect the MUN tokens to increase in value. *Id.* at 5. “Purchasers would reasonably believe they could profit by holding or trading MUN tokens, whether or not they ever used the Munchee App or otherwise participated in the MUN the ecosystem.” *Id.* Some posts told users they could expect 199% gains. *Id.* at 6. Ultimately, the SEC shut the Munchee App down with a ‘cease and desist’ letter. *Id.* at 8.

The primary concerns of the SEC with Munchee include the following:

1. Munchee stated in its whitepaper that it was not a security offering because it did not meet the *Howey Test*, yet, failed to evidence why it did not meet the test.
2. Munchee promoters used false and misleading marketing statements that promised unrealistic return expectations.
3. Munchee did not have anything established as a company other than a than a whitepaper.
4. Munchee targeted their marketing to individuals’ known to buy ICO’s for speculative purposes rather than for an interest in the token’s utility.
5. Munchee promised investors a liquid secondary market for the purpose of trading.

REPAR TOKENS’S DISTINCTION FROM THE MUNCHEE CASE

Repar Tokens have not acted like the Munchee ICO in any way, and therefore should not be subject to adverse SEC action. First, Repar Tokens have undergone a thorough analysis of the *Howey Test*, results of which have been clearly set forth above.

Second, Repar Tokens have not been advertised by Melanin E-Commerce using false or misleading marketing statements that promise unrealistic return expectations. In the whitepaper, Melanin E-Commerce states:

“The growth potential for the e-commerce sector is astronomical. The Melanin E-Commerce platform will allow the African American community to capture a greater percentage of the \$4 trillion e-commerce market. At merely 0.005%, RPAR’s market capitalization would be \$2 billion.”

Although the above statement describes the growth potential of the Melanin E-Commerce platform as “astronomical”, there is no reference as to how much an investor will earn owning Repar Tokens. In fact, the whitepaper suggests only that the “African American Community” will capture a greater market share, not buyers or investors. The whitepaper statement above only undergirds the stated project ideals of broaden the circulation of dollars spent by African Americans rather than suggesting any direct expectation of profit.

Third, the Melanin E-Commerce project website and the Repar Token blockchain are both built and will be operational prior to the launch of the Repar Token, which is unlike Munchee that had not begun building its project at the time of its ICO crowd sale.

Fourth, unlike Munchee, the Melanin E-Commerce project has targeted its marketing to those interested in supporting its vision, not just investors and speculators.

Fifth, the Melanin E-Commerce whitepaper made no promises to investors regarding secondary market liquidity of Repar Tokens. This is in stark contrast to the Munchee whitepaper.

Overall, the Melanin E-Commerce’s plan for Repar Tokens is all about economic equity and community unity, not token price value and future profit.

Finally, Melanin E-Commerce have taken no actions to increase the Repar token price at any specific time. Repar Token price increases will occur organically through supply and demand principles, not through any market manipulation, board decision of the RPAR Foundation members, or influence of any other third party.

II. WHETHER REPAR TOKENS IS A SECURITY UNDER FINMA’S DEFINITION

FINMA published cryptocurrency guidelines on February 16, 2018, which gives tokens categories based on the token’s function.

Utility Tokens: Utility tokens which are intended to provide access digitally to an application or service by means of a blockchain-based infrastructure. Utility Tokens are not considered securities. If a utility token only has an investment purpose at the point of issue, FINMA will treat such tokens as securities (i.e., in the same way as asset tokens). See FINMA Guidelines for enquiries regarding the regulatory framework for initial coin offerings (ICOs) Published 16 February 2018. Utility tokens will not be treated as securities if their sole purpose

is to confer digital access rights to an application or service, and if the utility token can be used in this way at the point of issue.

Asset Tokens: Asset tokens represent assets such as a debt or equity claim on the issuer. Asset tokens promise, for example, a share in future company earnings or future capital flows. In terms of their economic function, therefore, these tokens are analogous to equities, bonds or derivatives. Tokens that enable physical assets to be traded on the blockchain also fall into this category. See The Swiss Financial Market Supervisory Authority FINMA ICO guidelines published on February 16, 2018, stating: “There is no generally recognized classification of ICOs and the tokens that result from them, either in Switzerland or internationally.”

Under the FINMA standard of review, Repair Tokens are clearly Utility Tokens. As mentioned herein above, Repair Tokens will be used exclusively for the purchase of products and services on the Melanin E-Commerce website. Most importantly, Repair Tokens can be used for transactions on the Melanin E-Commerce website immediately upon acquisition. Therefore, under an FINMA analysis, Repair Tokens are not Securities.

CONCLUSION

In summary, Repair Tokens are not Securities in any jurisdiction. They are not Securities based on the American definition because: (1) they only partially satisfy the four requirements of the *Howey Test*, and (2) they will be sufficiently decentralized to be outside the SEC’s jurisdiction. Furthermore, under FINMA’s Guidelines, Repair Tokens are merely Utility Tokens that provide service and utility at the point of issue, therefore should not be considered as Securities.

Please feel free to contact me, either at the office (215) 564-3600, or via e-mail at sct@shermantoppin.com, with any questions or concerns that you may have. Thank you in advance for engaging our firm to provide this legal opinion letter.

Sincerely,
TOPPIN LAW, P.C.

Sherman C. Toppin, Esq.

By: _____
Sherman C. Toppin, Esquire

A Securities Law Framework for Blockchain Tokens

To estimate how likely a particular blockchain token is a security under US federal securities law

Element 1: Investment of Money

Is there an investment of money?

Characteristic	Points	Explanation	Examples	Y or N
There is no crowdsale. New tokens are given away for free, or are earned through mining	0	<p>Tokens which are not sold for value do not involve an investment of money.</p> <p>For example, if all tokens are distributed for free, or are only produced through mining, then there is no sale for value.</p>	<p>There was never any token sale for Bitcoin. The only way to acquire new bitcoin is via mining.</p> <p>A token which is randomly distributed for free</p>	N
Tokens are sold for value (crowdsale)	100	Tokens which are sold in a crowdsale, at any time, regardless of whether sold for fiat or digital currency (or anything else of value) involve an investment of money	<p>A token which is sold for bitcoin in a crowdsale.</p> <p>A token which is sold for ether in a crowdsale.</p>	Y

Total for Element 1 100

Element 2: Common Enterprise

What is the timing of the sale?

Characteristic	Points	Explanation	Examples	Y or N
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Pre-deployment	70	A sale of tokens before any code has been deployed on a blockchain is more likely to result in a common enterprise where the profits arise from the efforts of others. This is because the buyers are completely dependent on the actions of the developers, and the buyers cannot actually participate in the network until a later time.	A developer has an idea for a new protocol, writes a white paper and does a crowdsale.	N
The protocol is operational on a test network	60	If there is a functioning network there is less likely there is to be a common enterprise where the profits arise from the efforts of others. The closer the sale is to launch of the network, the less likely there is to be a common enterprise.	A developer has an idea for a new protocol, writes a white paper and deploys a working test network before doing a crowdsale.	N
Live network is operational	50	If the token is sold once there is an operational network using the token, or sold immediately before the network goes live, it is again less likely to result in a common enterprise	The crowdsale is done at the same time the network is launched.	Y

What do token holders have to do in order to get economic benefits from the network?				Y or N
Characteristic	Points	Explanation	Examples	
All token holders will always receive the same returns	25	If returns are paid to all token holders equally (or in proportion to their token holdings) regardless of any action on the part of the token holder, then their interests are more likely aligned in a common enterprise	<p>‘HodlToken’ holders are automatically paid an amount of ETH each week, based on fees generated by other users of the network</p> <p>‘FoldToken’ does not pay any return, and there is no way to earn more tokens within the network (but they can be bought, sold or traded)</p>	N

There is a possibility of varying returns between token holders, based on their participation or use of the network	-20	If token holders' returns depend on their own efforts, and can vary depending on the amount of effort they each put in, then there is less likely to be a common enterprise	'CloudToken' holders can earn more tokens by providing data storage on the network, or can spend tokens to access data storage. Holders who do not provide data storage do not earn any more tokens.	Y
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Total for Element 2 **30**

Element 3: Expectation of Profit

What function does the token have?

Characteristic	Points	Explanation	Examples	Y or N
Ownership or equity interest in a legal entity, including a general partnership	100	Tokens which give, or purport to give, traditional equity, debt or other investor rights are almost certainly securities.	A developer releases and sells 100 'BakerShares' tokens. Each token entitles the holder to 1 share in Baker, Inc.	N
Entitlement to a share of profits and/or losses, or assets and/or liabilities	100	<i>If one or more of these characteristics apply, the token is almost certainly a security, notwithstanding the results of the other elements</i>	A developer releases and sells 100 'BakerProfit' tokens. Each token entitles the holder to 1% of the profits of Baker, Inc. for the next year.	N
Gives holder status as a creditor or lender	100		A developer releases and sells 100 'BakerDebt' tokens. Each token entitles the holder to principal and interest repayments based on the initial token sale price.	N
A claim in bankruptcy as equity interest holder or creditor	100			N
A right to repayment of purchase price and/or payment of interest	100			N
No function other than mere existence	100		A token which does not have any real function, or is used in a network with no real function, is very likely to	A developer releases and sells 100,000 'SocialCoin' tokens to fund the development of a new

		<p>be bought with an expectation of profit from the efforts of others, because no real use or participation by token holders is possible.</p> <p>Voting rights alone do not constitute real functionality.</p>	<p>Social Network. However, SocialCoin is not required to access the network and has no real function after the sale.</p>	
Specific functionality that is only available to token holders	0	<p>A token which has a specific function that is only available to token holders is more likely to be purchased in order to access that function and less likely to be purchased with an expectation of profit.</p>	<p>'CloudToken' is the only way to access and use a decentralized file storage network.</p>	Y

Does the holder rely on manual, off-blockchain action to realize the benefit of the token?				
Characteristic	Points	Explanation	Examples	Y or N
Manual action is required outside of the network (e.g. off-blockchain) in order for the holder to get the benefit of the token	80	<p>A token whose value depends on someone taking specific manual action outside of the network means that the token is not functional in and of itself. Instead, the token relies on a level of trust in a third party taking action off-blockchain. This sort of token is more likely to be bought for speculation - i.e. the expectation of profits.</p>	<p>A developer releases and sells 'FreightCoin', which will allow the holder to pay FreightCoin to access capacity on a new real-world freight network. The network relies on legal contractual relationships and manual actions. (This alone does not make FreightCoin a security)</p>	N
All functionality is inherent in the token and occurs programmatically	0	<p>A token which is built with all the necessary technical permissions means that the token holder does not rely on manual actions of any third party. This means that the buyers are more likely to purchase the token for use rather than with the expectation of profit from the efforts of others.</p>	<p>Holders of 'SongVoteToken' can sign transactions on the network as votes for their favorite new songs and earn rewards for doing so.</p>	Y

What is the timing of the sale?

				Y or N
Characteristic	Points	Explanation	Examples	
Pre-deployment	20	A sale of tokens before any code has been deployed on a blockchain is more likely to result in buyers purchasing for speculative reasons with the expectation of profit, rather than practical use cases.	A developer has an idea for a new protocol, writes a white paper and does a crowdsale.	N
The protocol is operational on a test network	10	If the sale occurs after code has been deployed and tested, the token is closer to being able to be used	A developer has an idea for a new protocol, writes a white paper and develops a working test network before doing a crowdsale.	N
Live network is operational	0	If the token is sold once there is an operational network using the token, or immediately before the network goes live, it is more likely to be purchased with the intention of use rather than profit.	The live network is launched before the crowdsale.	Y

Can the token holders exercise real and significant control via voting?

				Y or N
Characteristic	Points	Explanation	Examples	
Token holders as a whole are able to control the development team's access to funds	-20	If the collective approval of token holders is required in order for the development team to access the funds raised in the crowdsale, then any value realized by the token holders is more closely tied to their own decisions, and less reliant on the efforts of others.	A development team sells 100,000 Tokens for a total of 100,000 ETH. 50,000 ETH will be released from the token contract to the development team immediately, but the remainder is only released once milestones are met, which requires approval of a majority of the token holders each time. If the milestones are never met, the remaining ETH will be returned to the token holders.	N

Token holders as a whole are able to vote on significant decisions for the protocol	-10	If the collective approval of token holders is required in order to make significant changes to the protocol, then any value realized by the token holders is more closely tied to their own decisions, and less reliant on the efforts of others.	Changes to the protocol require a vote by token holders.	N
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Note: Voting rights must be in addition to functionality. A token with voting rights alone and no other real functionality is very likely to satisfy element 3

How is the token sale marketed?

Characteristic	Points	Explanation	Examples	Y or N
Marketed as an 'Initial Coin Offering' or similar	50	It is not possible to prevent some buyers from buying a token purely for speculation. However, marketing the token as an investment leads buyers to believe they can profit from holding or trading the token, rather than from using the token in the network. Using terms like 'Initial Coin Offering' or 'ICO', and investment-related language like 'returns' and 'profits' encourages buyers to buy a token for speculation, rather than use.	'ProfitCoin' includes potential of 'high ROI' and 'investor profits' in its marketing material.	N
Marketed as a Token Sale	0	Marketed as a sale of tokens which give the right to access and use the network		N
There is no economic return possible from using the network	-100	If there is genuinely no economic return possible for the token holders, then there is unlikely to be a common enterprise. This will be	Backers contribute to a cause and receive a 'thank you' token which has no economic value.	N

rare.

Results

Guide		Your results
Total Points	How likely is the element to be satisfied?	
0 or less	Very unlikely	Total for Element 1 100
1 - 33	Unlikely	Total for Element 2 30
34 - 66	Equally likely and unlikely	Total for Element 3 0
67 - 99	Likely	
100 or more	Very likely	Overall Risk Score 0

A token will only be a security if it satisfies all three elements. The higher the point score for each element, the more likely the element is to be satisfied.

For many blockchain tokens, the first two elements of the Howey test are likely to be met. The third element has the most variables and the most different outcomes depending on the characteristics of the particular token.

Important notes

The Howey test has not yet been directly applied by the courts to any digital currency or blockchain token. The Howey test as applied by the courts does not involve any points-based calculation. The points system is intended as a guide - to highlight the characteristics of a token which are relevant to the securities law analysis.

You should not rely on this Framework as legal advice. It is designed for general informational purposes only, as a guide to certain of the conceptual considerations associated with the narrow issues it addresses. You should seek advice from your own counsel, who is familiar with the particular facts and circumstances of what you intend and can give you tailored advice. This Framework is provided "as is" with no representations, warranties or obligations to update, although we reserve the right to modify or change this Framework from time to time. No attorney-client relationship or privilege is created, nor is this intended to be attorney advertising in any jurisdiction.