

WHITEPAPER

This document is not an offer of securities or a collective investment scheme. This document is for informational purposes only and should not be relied on when purchasing PotPons.

Any and all information contained within this whitepaper is the individual or collective opinion of the Issuer, Issuer's counsel, Issuer's consultants, Issuer's advisors, and/or any other individual or group working with the Issuer on this project.

PotPons, Inc.

info@potons.com

**1805 E. Nettleton Ave, Suite F
Jonesboro, AR 72402 USA**



VISION

"To provide an ease of use application for the legal marijuana industry to process payments for goods and services, utilizing "POTPONS" as a virtual currency."

In the Legal Marijuana Industry, generally, consumers and merchants, especially in the US, are restricted to cash as the only form of payment for goods and services. PotPons Merchant Services System strives to be the front runner in the industry by providing an alternative payment solution for consumers and merchants through its digital ledger process.

PotPons coins are designed for "in-app" functionalities within the PotPons merchant services system application.

Launching first in the US legal marijuana industry, PotPons Merchant Services System believes that it can provide services just like a credit card processor by utilizing a digital ledger process within State Chartered Institutions for the conversion virtual currency to US dollars for merchant use.

OVERVIEW

Global Marijuana Industry: According to the 2005 United Nations World Drug Report, the total value of world's marijuana market was \$141.80 Billion. With 164 million people using marijuana around the world. Now we jump 12 years to 2017, with the legalization of Medical and Recreational use marijuana and cannabis. As the legalization movement continues to grow so will the market cap and the opportunities for PotPons services.

Medical Marijuana: The world is becoming increasingly more acceptive of marijuana and other cannabis products for their abilities to ease pain and heal. The LEGAL Medical Marijuana industry is projected to globally exceed \$55.8 Billion by 2025. With \$16 Billion projected LEGAL revenue by 2020 in North American and Canada alone.

Alternative To Cash: The legal marijuana industry is dealing with the turmoil's of governmental and banking regulations on what forms of payment they can accept. "POTPONS" is a digital alternative form of payment which can be converted into real spendable cash.

"POTPONS" As Payment: Paying for legal marijuana goods and services with "POTPONS" is as easy as using a credit card or a mobile pay device, without the hassle of cash.

POTPONS Mobile: The POTPONS mobile app allows consumers to buy and trade, send and receive the virtual currency, and purchase goods and services in real-time with "POTPONS".

POTPONS Merchant: The POTPONS merchant portal allows for real-time confirmed transactions of "POTPONS" payment receipts for goods and services, and conversion into spendable cash.

THE VALUE AND CIRCULATION GROWTH

The Issuer believes that the per coin value shall increase through the acceptance of the PotPons coins in the marijuana marketplace and community. With the growth of the acceptance of the coins within the community, the Issuer may release more coins which shall affect the circulating supply.

PURCHASERS IN ANY PURCHASE OF ANYTHING THAT CAN BE EXCHANGED FOR VALUE AND THE PUBLIC HAS ACCESS TO MAKE AN EXCHANGE, ARE SUBJECT TO LOSSES. VALUE GROWTH AND LOSE OF EACH POTPONS COIN IS FULLY SUBJECT TO THE PUBLIC'S INTEREST AND FAITH IN THE POTPONS COINS. ANY HOLDER OF A WALLET CONTAINING POTPONS COINS CAN ADVERSELY AFFECT THE MARKET PRICE.

WHO OWNS THE POTPONS COINS

PotPons coins are owned individually by the holder of each coin. As each coin is transferred, the ownership of that coin transfers from one to the other. No one individual or entity owns the coins. However, presently, the majority of the supply is held by the Issuer. As transactional transfers of the coin increase the Issuer's percentage of held coins of the supply shall decrease.

VIRTUAL CURRENCY NOT A SECURITY

Issuer's individual and/or collective opinion

DO NOT RELY ON THIS INFORMATION IF CONSIDERING TO OWN A POTPON COIN

As stated by the SEC in the Investor Bulletin: Initial Coin Offerings dated July 25, 2017:

"A virtual currency is a digital representation of value that can be digitally traded and functions as a medium of exchange, unit of account, or store of value. Virtual tokens or coins may represent other rights as well. Accordingly, in certain cases, the tokens or coins will be securities and may not be lawfully sold without registration with the SEC or pursuant to an exemption from registration."

As stated by the securities act of 1933; as amended: (source <https://www.sec.gov/about/laws/sa33.pdf>)

"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, pre-organization 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."

POTPONS COINS ARE DESIGNED AS VIRTUAL CURRENCY; THEY HOLD NO RIGHTS TO OR OF THE ISSUER.

HOWEY TEST

The "Howey Test" is a test created by the Supreme Court for determining whether certain transactions qualify as "investment contracts." If so, then under the Securities Act of 1933 and the Securities Exchange Act of 1934, those transactions are considered securities and therefore subject to certain disclosure and registration requirements.

Issuer's individual and/or collective opinion

DO NOT RELY ON THIS INFORMATION IF CONSIDERING TO OWN A POTPON COIN

The Howey Test criteria's:

1. It is an investment of money
2. There is an expectation of profits from the investment
3. The investment of money is in a common enterprise
4. Any profit comes from the efforts of a promoter or third party

The Howey Test of PotPons Coins (as believed by the Issuer):

1. **It is an investment of money:** The purchase of the coins is paid in fiat currency or fiat currency equivalent.
2. **There is an expectation of profits from the investment:** Investors in cryptocurrency purchase the currencies in the hopes of profiting from increases in value.
3. **The investment of money is in a common enterprise:** As it relates to an investment contract, a "common enterprise" is defined as an enterprise in which the fortunes of the investor are interwoven with and dependent upon the efforts and success of those offering or selling the investment or of third parties. In the United States, judicial courts have varied in analysis of what determines a "common enterprise", however predominately there are three approaches: Horizontal Commonality, Narrow Vertical Commonality, and Broad Vertical Commonality. In the purchase of the coins the investor's success is not tied to the success of the Issuer.
4. **Any profit comes from the efforts of a promoter or third party:** In the purchase of the coins, any profits come from the purchaser's use of the coins and the purchaser's active trading of the coin, not from the holding of a coin.

IT IS THE BELIEF OF THE ISSUER THAT THE COINS ARE NOT A SECURITY AS THE COINS DID NOT PASS ALL FOUR (4) ASPECTS OF THE HOWEY TEST FOR SECURITIES.

IT IS ALSO THE BELIEF OF THE ISSUER THAT THE COIN IS NOT A SECURITY HAS IT IS NOT ATTACHED TO THE ISSUER AND GAINS AND LOSSES OF THE COINS VALUE ARE NOT DIRECTLY TIED TO THE GAINS AND LOSSES OF THE ISSUER.

VIRTUAL CURRENCY AS A PRODUCT NOT A SECURITY

Issuer's individual and/or collective opinion

DO NOT RELY ON THIS INFORMATION IF CONSIDERING TO OWN A POTPON COIN

PotPons, the virtual currency, is a saleable product of the Issuer; and as so the proceeds received by the Issuer on the sale of a PotPons coin is subject to creating a tax liabilities.

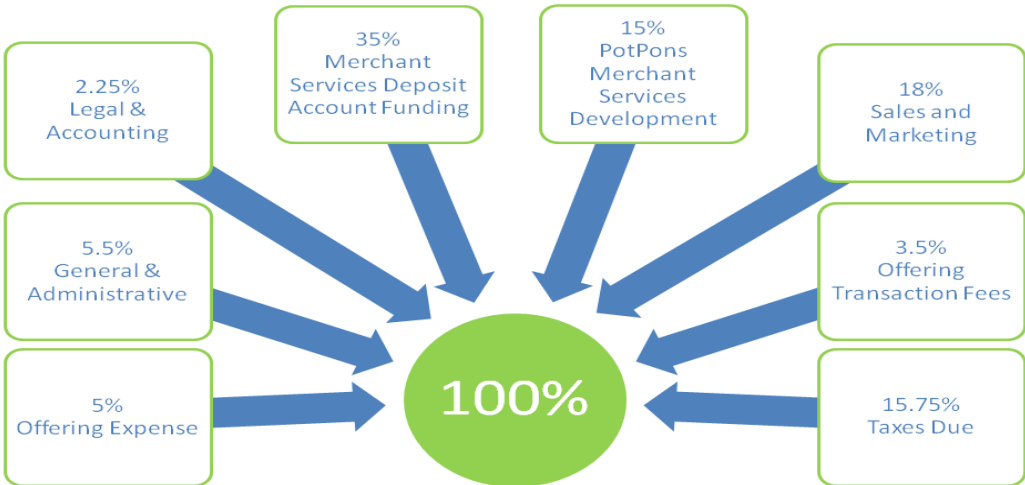
A security offered by a company to raise capital does not subject the company to tax liabilities on the proceeds from those funds received from the sale of those securities.

General statement: “A company making baseball cards and selling those cards to the public is subject to tax liabilities relating to the revenue received on the sales of these baseball cards. Even though there may be a secondary market for the public to offer for sale and sale baseball cards, baseball cards are still a product not a security.”

The Issuer shall place the revenue received from the sale of its holdings of the PotPons virtual currency product on its financial statement therefore creating a tax liability for the Issuer, if the expenses of the Issuer are not more than the revenue of the company; creating a positive net profit.

ALLOCATION OF ORGANIZED SALE FUNDS

At the time of this whitepaper, the Issuer believes that the revenue received a larger organized sale of the PotPons virtual currency product should be disbursed as follow:



POTPONS VIRTUAL CURRENCY DESCRIPTION

Platform/Format: Ethereum ERC20 Token
Coin ID / Contract ID: 0x0d9f64f43e10b003838b4133544b63c666e13857
Supply: 10,000,000,000
Reserve of Supply*: 7,000,000,000

*At the time of this whitepaper, the Issuer believes that it shall hold the reserve of supply its treasury to support the transactional activities within the PotPons application. Note: once a PotPons coin is released within the application to a holder, this activity will result in a reduction of the reserve supply.

DISCLAIMER

This document is for information purposes only, and is not an offer or a call to sell securities, or rights in any other related or associated company.

PotPons Coins May Be A Security

PotPons user acknowledges, understands, and agrees that if PotPons is to be deemed a “security” by the SEC, then the Issuer will take the appropriate steps working directly with the SEC for the conversion of the PotPons virtual currency from a ‘product’ status to a “security” status.

PotPons Hold No Issuer Related Rights

PotPons user acknowledges, understands, and agrees that ownership of a PotPons coin DOES NOT grant the user the right to receive profits, income, or other payments or returns arising from the acquisition, holding, management or disposal of, the exercise of, the redemption of, or the expiry of, any right, interest, title or benefit in the PotPons, Inc. or any other company associated with PotPons, Inc., whole or in part.

User acknowledges, understands, and agrees that PotPons virtual currency is a saleable product “only” of the Issuer.

Absence of Guarantees

There is no guarantee that PotPons coins will grow in value. There are no guarantees that the price of PotPons coins will not decrease, including significantly, due to some unforeseen events, or events over which the developers have no control, or because of force majeure circumstances.

Risks associated with Ethereum

PotPons coins is reliant on the Ethereum blockchain. Therefore, any failure or malfunctioning of the Ethereum protocol may lead to the trading network of PotPons coins not working as expected.

Regulatory Uncertainty

Blockchain technologies are subject to supervision and control by various regulatory bodies around the world. PotPons coins may fall under one or more requests or actions on their part, including but not limited to restrictions imposed on the use or possession of digital tokens such as PotPons coins, which may slow or limit the functionality or repurchase of PotPons coins in the future.

PotPons Coins Are Not An Investment

PotPons coins are not official or a legally binding investments of any kind. In case of unforeseen circumstances, the objectives stated in this document may be changed. All persons and parties involved in the purchase of PotPons coins do so at their own risk.

Quantum Computers

Technical innovations, like the development of quantum computers, may pose a danger to cryptocurrencies, including PotPons coins.

Risk of Lose

Funds collected by the Issuer are in no way insured. If they are lost or lose their value, there are no private or public insurances, or rights to action.

No Impound or Escrow

The Issuer maintains all rights to funds raised by the sale of PotPons coins and to use said funds as the Issuer deems necessary, immediately.

No Return of Funds

A Purchase is final, the funds provided by a user/holder of PotPons will NOT be returned.

Risks of New Technologies

PotPons coins rely are a new and relatively untested technology. In addition to the risks mentioned in this document, there are certain additional risks that the team of the PotPons cannot foresee. These risks may manifest themselves in other forms of risk than those specified herein.

Indemnification

The Issuer is indemnified by any and all responsibility or liability in relation to any obligations made by a third party or that of an unauthorized campaign to purchasers who bought PotPons coins.

Purchaser's Statement

The Issuer shall be indemnified for any and all liabilities associated with a purchaser's statement of "Accreditation" or "Residency". The Issuer shall provide each purchaser with a verification statement and the validity of the statement made by the purchaser shall be the responsibility of the purchaser. Any purchaser who knowingly falsifies the verification statement shall lose all funds used to purchase PotPons and the Issuer shall confiscate the PotPons from the purchaser's account and the Issuer retains the right to report the falsification of the verification statement to the appropriate governmental body if the Issuer so desires or is required by law.

Non-Integration

This Whitepaper is an informational document only. This document is the individual and/or collective opinion of the Issuer. This Document and the information contained within, is an opinion only and is only valid up to the date of this document posted below. This document shall not be relied on by any Purchaser when considering to purchase a PotPons coin and this Whitepaper document WILL NOT be integrated or connect to any document for purchase of a PotPons coin.

CLOSING

PotPons coins is the virtual currency designed to power the PotPons merchant services system and consumer mobile app.