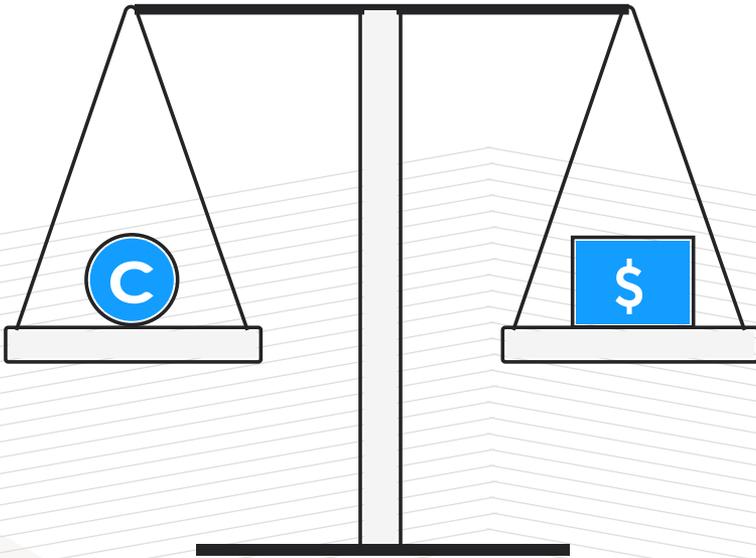


# CARBON



CarbonUSD, or CUSD, will be composed of a basket of whitelisted tokens. A token that is "whitelisted" may be used to create new CarbonUSD, serving as its collateral. Initially, only one token will be whitelisted, a stablecoin that is 1-to-1 backed with U.S. Dollars in a trust account.

The first whitelisted token, WT0, is a compliant fiat-backed stablecoin where users can deposit and withdrawal real USD. Governing members of the whitelist can decide when CarbonUSD has enough liquidity to safely switch off from full fiat-collateralization, which we believe is a robust mechanism for introducing a trust-minimized, algorithmic stablecoin to the market that is not dependent on the size of an initial reserve. It is essential to bootstrap trust.



## Compliant

Built with a robust legal framework



## Adaptable

Future integration with algorithmic stablecoin and multiple chains



## Stable

Fully collateralized and redeemable for US Dollars



## Transparent

Frequent third-party attestations by reputable auditors



## Borderless

Send value around the world with low fees and fast settlement

# How CarbonUSD Works

CarbonUSD, or CUSD, will be composed of a basket of whitelisted tokens. A token that is “whitelisted” may be used to create new CUSD, serving as its collateral. Initially, only one token will be whitelisted, a stablecoin that is 1-to-1 backed with U.S. Dollars in a trust account. We expect CarbonUSD to have much greater liquidity on exchanges than its whitelisted tokens.

We will refer to the first whitelisted token as WT0 (“whitelisted-token-0”) and will discuss how we envision the whitelist and its governance to evolve over time. In the next section, we will describe WT0’s legal framework and its deposit and withdrawal processes.

Because WT0 is a fiat-backed stablecoin where users can deposit and withdrawal real USD, CarbonUSD is functionally fiat-backed with the potential to whitelist an algorithmic stablecoin, thus transitioning to a hybrid model. Governing members of the whitelist can decide when CarbonUSD has enough liquidity to safely switch off from full-collateralization, which we believe is a robust mechanism for introducing a trust-minimized, algorithmic stablecoin to the market that is not dependent on the size of an initial reserve.

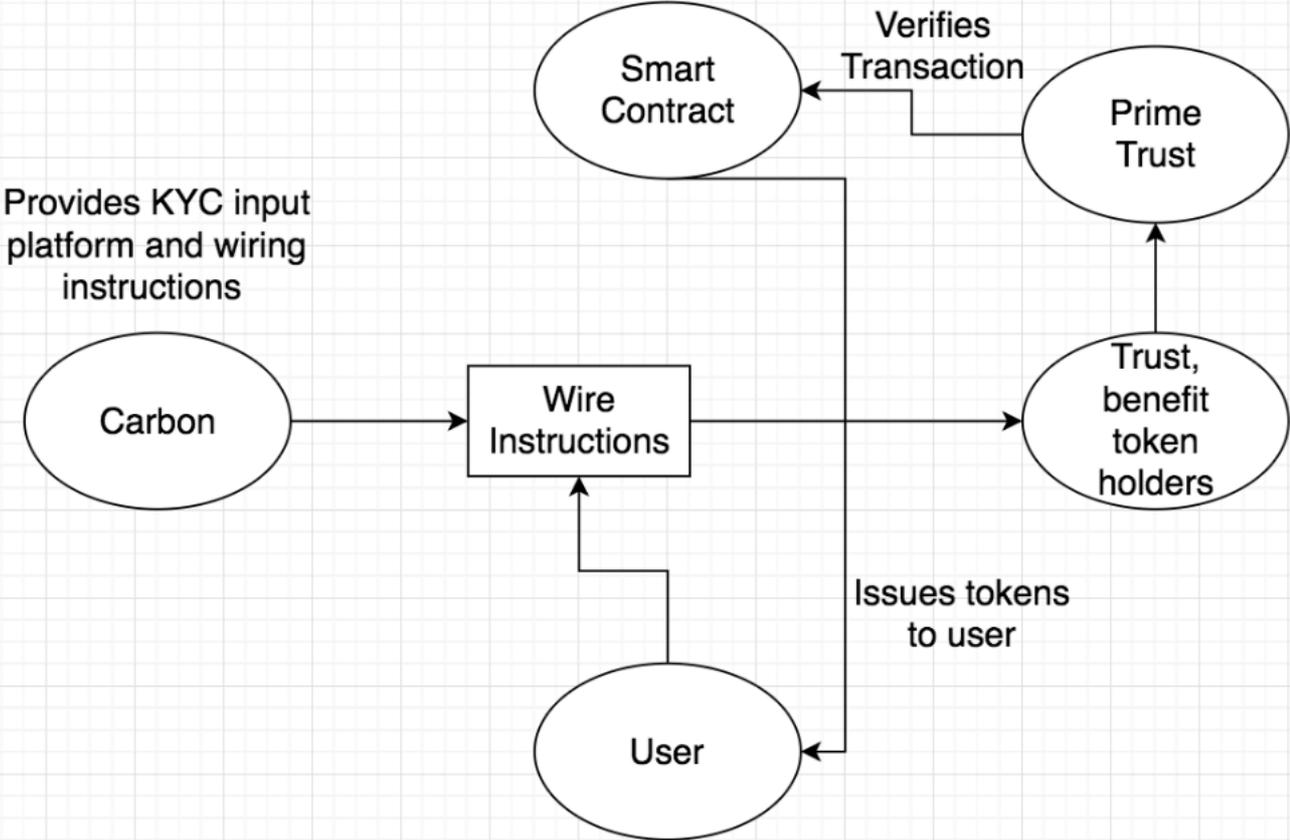
Any update we make to the whitelist, or the CarbonUSD smart contract itself, will have a predetermined delay (i.e. two weeks) before the change can be implemented. The delay, programmed into the update smart contract, serves to give users sufficient time to react and withdraw their funds if they do not feel comfortable with the pending update. Hypothetically a group of users could even create a fork and construct their own fiscal policy. Eventually, we intend to use the same system to update the governance structure itself, evolving alongside the Carbon network towards greater decentralization and transparency.

## **WT0, a Whitelisted Fiat-Backed Token**

WT0 is a compliant fiat-backed stablecoin with frequent third-party attestations and low-friction redemption ability. It is an Ethereum ERC-20 token that is fully collateralized by US trust partners and redeemable for real USD. Frequent third-party attestations by professional auditors verify publicly that each token is backed 1-to-1 by escrowed funds in a trust account.

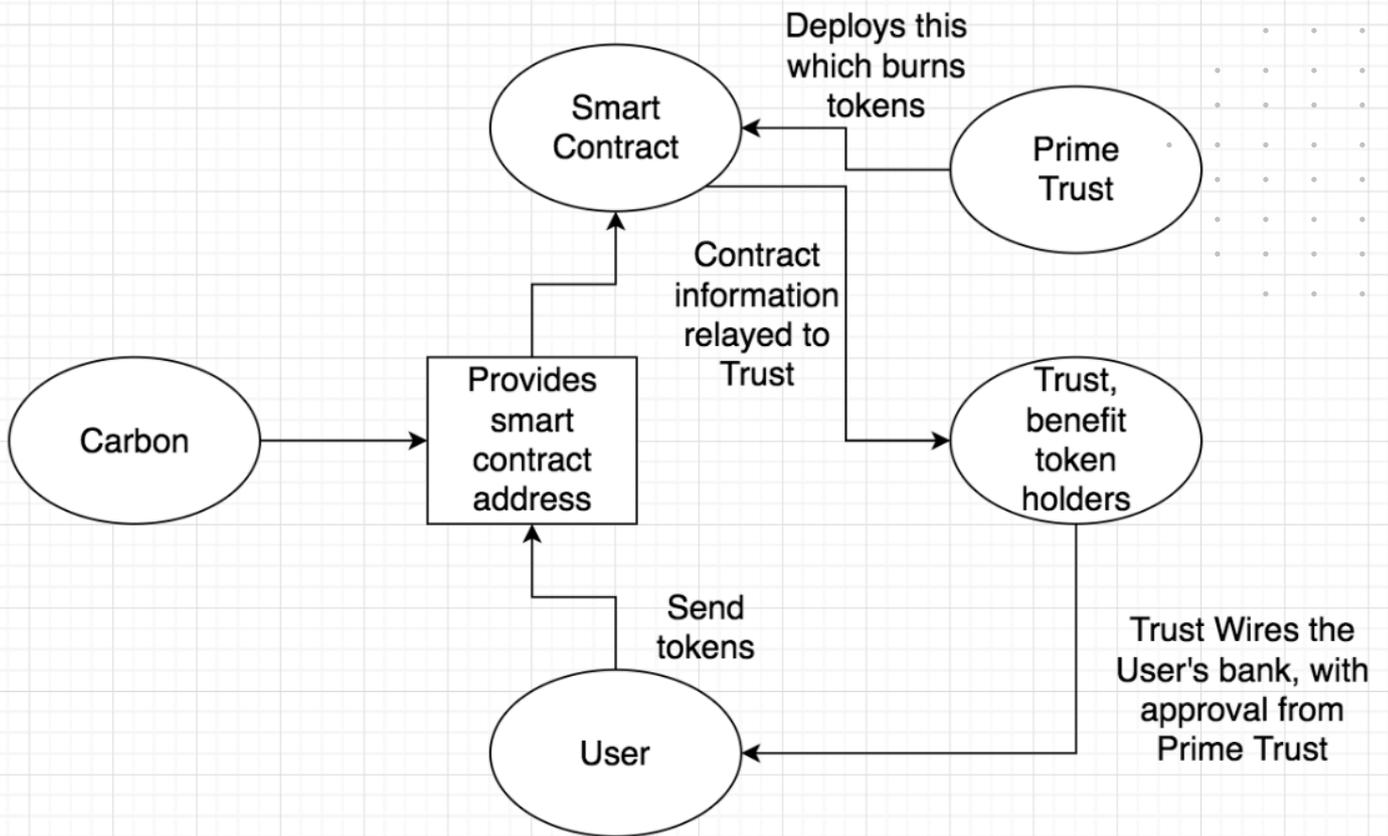
After thoroughly examining every solution on the market for a USD-backed stablecoin and working with multiple law firms in the process, we decided to develop WT0 in order to satisfy our standards for compliance. We call this token WT0. We do not intend to capture value from WT0 and are committed to keeping its fees for depositing and withdrawing down as low as possible.

### Fiat-to-WT0 (Deposits)



Carbon’s web interface provides the smart contract address that the user sends their tokens to. The user sends their tokens to that smart contract, which burns the tokens. The contract relays information to Prime Trust, who then initiates a wire from the trust account that is held in benefit of the token holders. Carbon will provide the wiring address for the user, as inputted by the user on Carbon’s web interface.

## WT0-to-Fiat (Withdrawals)



Carbon's web interface provides the smart contract address that the user sends their tokens to. The user sends their tokens to that smart contract, which burns the tokens. The contract relays information to Prime Trust, who then initiates a wire from the trust account that is held in benefit of the token holders. Carbon will provide the wiring address for the user, as inputted by the user on Carbon's web interface.