
SRTE®
The Sovereign Revenue Trust Entity®:
An Investment Bridge Between
Venture Capital and Cryptocurrencies

WHITE PAPER
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Abstract

This paper will serve to introduce a new investment entity, the Sovereign Revenue Trust Entity® (SRTE®) and explore the implications of its introduction within the global financial landscape. Engaging a broad subject matter, the SRTE® will bridge two large sectors, specifically the cryptocurrency sector and the venture capital model in entrepreneurial investment. While attempting to create a better means to protect our inventors, creators, and visionaries within entrepreneurial finance itself, an alternative was created that combined various aspects of these sectors with its own distinctive twist, potentially offering both inventors and investors safer passage through these often-perilous waters. It will broadly describe what the SRTE® is and what it is not, while considering its repercussions and potential consequences in relation to several long-term challenges surrounding tyranny, monopolistic dynamics, and freedom. It will explore potentially newfound possibilities for building peace and rebalancing the relationship between humanity and nature, while also revealing various potentially unexpected benefits for outside stakeholders, the SEC, and humanity itself. At first blush, although these immense subjects may seem daunting and unrelated, this creator has found that by finding and subsequently pulling the right string, a vast and graceful unraveling can occur that demonstrates their deep interrelatedness. By endeavoring to create various potential solutions, this author has humbly borne witness to the revelation that this unraveling may indeed be accomplished through the thoughtful introduction of a tiny grain of innovation, analogous in size and simplicity to that of a mustard seed.

Introduction

As this paper traverses two entirely separate sectors, for the sake of ease, definitions of relevant terms from each sector have been included to ensure proper clarity throughout this discussion. Defining a number of these items may also help to clarify in the reader's mind what the SRTE® is, its place within finance, and under what jurisdiction it may belong. The significance of this clarity is important well beyond simply understanding this new model, as there will be subsequent noteworthy implications regarding who will be able to participate as an investor in this new structure based upon this clarity. These decisions will be based primarily upon whether the SRTE® is considered a security, a commodity or neither, whether it is fungible or non-fungible as a new investment vehicle, and whether it is considered a cryptocurrency.

Based upon its unique structure and bridging nature, a separate question may also arise regarding whether it may be helpful towards diminishing various corruptive dynamics within the financial sector that continually threaten to undermine global economic stability. Most importantly however, will be to logically surmise whether the

SRTE® could effectively assist in ceasing the exploitation of creators, inventors, and visionaries by providing a new methodology to support these remarkable individuals in our society as they bring forth key innovations destined to impact the future of all of humanity.

Clarification of Financial Terminologies

Fiat currency: a form of currency that is not backed by assets, i.e. silver or gold.

Asset: an economic resource from which future economic benefits are expected.

Assets represent value of ownership that can be converted into cash.

Debt: An obligation that requires the debtor to pay money borrowed to a creditor.

Equity: In finance, it means a financial asset representing ownership of a corporation.

Security: A debt or an equity that is considered a tradable financial asset.

Token: In the cryptocurrency sector, this generally means a digital asset; however, regarding the SRTE®, a token in this context is the contract which gives one the right to participate in the revenues or profits of a private company.

NFT: A non-fungible token, NFT's are unique, which is how they derive their value.

Commodity: an economic good or resource that has substantial or full fungibility, i.e. something that a market treats instances of the good as equivalent, regardless of who produced the good.

Blockchain: a distributed ledger of growing lists of records that are linked together securely via cryptographic hashes.

Cryptocurrency or Cryptos: a digital currency that works as a medium of exchange through a computer network without relying on a central authority, bank, or government to maintain it, secure transactions or verify transfer of ownership.

SEC: Securities and Exchange Commission

CFTC: Commodity Futures Trading Commission

VC: Venture Capital, a means to provide funds for startups or early-stage companies.

PE: Private Equity provides stock in a private company that does not offer stock to the general public.

Investor/Shareholder Primacy: long term precedence focused on maximizing returns for investors as a priority above any other interests.

Fiduciary Responsibility: Board members and management are held responsible for ensuring the highest financial return for investors.

Share Dilution: As new equity increases total outstanding shares, it creates a dilutive effect on percentage ownership of existing shareholders.

M&A: Mergers and Acquisitions

IPO: Initial Public Offering

PPM: Private Placement Memorandum, a standard offering document disclosing terms, risks, and technology details regarding a securities investment, typically used in the venture capital model.

IP: Intellectual Property

Smart Contract: used as a transaction protocol on a decentralized platform intended to automatically execute, control, or document actions according to the terms of a contract or agreement between parties.

Trust: In relation to the SRTE® trademark, 'trust' is not referring to a legal entity in this scenario, but rather meant to offer a means to build new 'trust' through the engagement of the more transparent SRTE® entity itself.

Sovereign: In relation to the SRTE® trademark, 'sovereign' does not reference a nation, a monarch, or a fund, but is rather intended to reflect the intention of enabling an individual to be able act independently, outside of interference by an outside party or entity, and to be self-governing without a loss of personal power.

Overview

A problem exists within the entrepreneurial landscape that has not been appropriately addressed for decades. This problem directly concerns the interests of inventors, creators, and visionaries, and is accompanied by additional unseen consequences extending well beyond these parties. Therefore, the SRTE® is being brought forth as an innovative financing alternative designed and created to specifically address these concerns.

The SRTE® itself is a trademarked and patent-pending entity which represents a subtle, yet deeply significant shift in long-standing priorities surrounding creation and innovation. It was conceived from a different perspective and value system vis-à-vis entrepreneurial funding regarding how this may best be achieved. This new lens consequently delivers a unique, multi-dimensional approach which could have wide-reaching and long-term implications for various sectors. Realigning support for our creators through a mechanism specifically designed to protect them may offer both the literal and spiritual quickening needed to facilitate bringing forth key solutions that humanity so critically needs at this juncture. Because the SRTE® is committed to protect inventors as its priority, its potential benefits will be subsequently delineated for these inventors, their companies, and outside stakeholders. Lastly, this author will extrapolate upon and explore the reasonable likelihood of even larger implications potentially occurring for various nations, including the potentialities for building peace and supporting greater global economic stability should this new model resonate for inventors and investors.

Specifically, the SRTE® will offer a newly standardized methodology whose structure will prevent the forced sale of a smaller company to a larger acquirer, or an IPO (initial public offering), thereby enabling inventors to stay private and retain their sovereignty while receiving initial or later stage investment capital.

This approach offers an alternative to the venture capital model and consequently represents a new interplay within the financial realm itself, by explicitly bridging the

realms of cryptocurrency, blockchain, and the venture capital sector. Interestingly, rather than being a potential adversary to VCs, the SRTE® could hypothetically enhance the potential offerings of VCs and PEs for their investors. This could transpire by providing new access for them, albeit in a protected manner, to participate in otherwise completely inaccessible private companies whose inventors have previously eschewed the VC model. Therefore, rather than acting as an alienating force in the VC/PE world, the SRTE® could potentially augment their offerings for the benefit of all parties. Should that occur, the multi-trillion size of the VC market sector itself suggests that this development may not be inconsequential in its nature or in its repercussions for inventors, should it become widely adopted.

Why This is Needed

The venture capital model itself generally offers a means of bringing groups of investors together in an equity fund of pooled resources to share in an exit strategy, typically represented by a merger, acquisition or an IPO (initial public offering). What does not currently exist is a standardized means for investors to pool resources around a revenue sharing model. Therefore, a need exists for an industry-wide, generally accepted legal structure that encapsulates these parameters as a standardized pooled revenue share model to mirror the existing pooled equity model in entrepreneurial finance.

To demonstrate this point, there are currently a multitude of ways to provide start-up funding or additional working capital for companies to launch, nurture growth and expand product lines, or support manufacturing. They are as follows: venture capital, private equity, angel groups, friends and family, debt instruments, hedge funds, growth capital or mezzanine capital, merchant banking, SBA's, institutional investors, royalty funds, incubators, investment banks, credit unions, crowdfunding, etc.

Interestingly, not one of these approaches uses revenue shares in their investment structures, but instead deal exclusively in securities, specifically equity ownership or debt. Why is that, when all company value inherently and clearly originates from revenues and profits derived from the original intellectual property? Rather than engaging a clear mirror regarding true inherent value, it seems there is an artificially created dynamic within the entrepreneurial arena that diffuses a clear reflection of this value, almost like an unnecessary middleman of sorts.

Unfortunately, this dynamic also serves as a decisively daunting frontier and barrier-to-entry for many inventors and investors alike, due to policies implemented long ago that prevent alternative investment opportunities for either party. The implications of this dynamic far exceed what initially meets the eye and have unfortunately led us down a road that does not serve our collective interests, namely the creation of monopolistic dynamics and oligopoly.

What the SRTE® is and What it is Not

Each of the following considerations are significant in determining where the SRTE® falls within the investment sector, thereby impacting who will be able to engage the SRTE®, and what kind of regulation regarding its use will be deemed necessary. It will become highly relevant to investors, particularly those who would like to participate in entrepreneurial investments and are currently prohibited from doing so. It may also become important for those concerned with stock market instability, as the presence of the SRTE® could provide an alternative means for investment that could mitigate or even avoid the risk and volatility of the current stock market entirely. Regardless, this offering can potentially provide a new approach to better serve and include the needs of all stakeholders and as a consequence, these detailed distinctions will be necessary to address this issue.

Is the SRTE® a Cryptocurrency or a Blockchain Entity?

The SRTE® does not represent money or currency itself, nor does it replace money; therefore, it is not a cryptocurrency. The only similarity between a cryptocurrency and the SRTE® would be that both items can use the underlying tool of blockchain as a form of a distributed ledger in a digital format. The advantage of the blockchain itself is the transparency of the ledger and the trust that engenders.

When tied to blockchain, the SRTE® will be considered a digital token or digital asset, representing the 'privilege or right' to participate in the revenue shares or profits of a private company as a private investment. When it is not engaging the blockchain, it will no longer be considered a digital token, but will remain a patent-pending alternative methodology to the venture capital model with the 'same privileges or rights' represented as a simple non-digital token instead. Specifically in the case of the SRTE®, the token, whether digital or non-digital, IS the contract which gives one the right to share in revenues.

Valueless in Some Respects, Yet Valuable

As a point of clarification, unlike a cryptocurrency, the SRTE® contract represented as a token does not have inherent or intrinsic value itself because in isolation or alone, it is in effect 'valueless.' Only when the SRTE® is engaged and tied to the 'right' granted to participate in a private company's profit or revenue will it have value. It is through that token, which represents the contract itself, that an investor is given the 'right' to share in revenues.

Interestingly, this particular dynamic could offer a less complicated investment alternative for investors as based on its structure, it is unlikely that it would be involved in the current challenges occurring between various cryptocurrencies, the SEC, and other agencies. In fact, it could even potentially deflect nefarious intentions

specifically due to this quality, which could offer its own particular type of value for an investor, albeit from a different perspective.

Differences between a Security, a Share, and the SRTE®

There are two types of securities represented as debts or equities. Debt securities are financial assets which define the terms of a loan between an investor and an issuer, therefore it is not relevant to the SRTE®. Equity securities are financial assets that represent shares of *ownership* of the issuing company or corporation, such as a common stock. A share represents the *ownership* relationship of a company, or between a company and the shareholder, whereas stocks indicate money invested into one or more companies. Regardless, the key point is that both of these entities are securities, and therefore represent *ownership* in a company.

In contrast, the SRTE® does not represent equity *ownership*, but will instead act an alternative to equity shares and stocks. Rather than *ownership*, the SRTE® represents a pooled revenue share agreement, distinctly outside of the ownership of anything. Because the SRTE® is a token, i.e., the contract which gives one the 'right' to participate in the revenues or profits of a company, it does not provide or represent direct *ownership* of the company itself. Therefore, the SRTE® is not a security, and represents a distinct and different alternative entirely to the typical equity shares and stocks engaged within the current stock market.

A Stock Market Alternative

To continue, the SRTE® could not be bought or sold on the current stock market nor would there any interest to do so, because it represents an entirely different entity acting outside of that structure and system. These two systems represent completely different intentions and structures regarding the innovations involved, and therefore have no point of commonality between them.

However, like any investment vehicle, there will always be a need to buy and sell these rights as investor needs change and evolve, and yet this would not occur within the current stock market. Therefore, should the SRTE® become widely adopted over time as an alternative to an equity share, demand would begin to organically grow for a parallel, secure system to engage the simple buy-sell needs of investors interested in supporting a shift to inherent value, which brings up an interesting point.

The first 'share' was created in 1602 by the Dutch East India Company, and the US stock market was first created in 1792 through the Buttonwood Tree Agreement. Perhaps it may be an appropriate moment to consider engaging the creation of an alternative or parallel financial system that can take full advantage of the substantial lessons learned collectively over the last 400 years and use this acquired wisdom to propel us into a new, and much more compelling future.

Is the SRTE® Fungible and therefore a Commodity?

The SRTE® is an asset that was initially designed to represent a 'right' to a revenue stream in the patent application, rather than an equity security. As stated earlier, rather than *ownership* of a company, it represents the "right' to receive a portion of the revenues of a private company. Therefore, to be potentially considered a 'commodity', that 'right' represented by a token would need to be considered as an economic good with 'substantial or full fungibility,' meaning it is a product or commodity that the market would treat as a good of equivalent value, which is replaceable by another identical item and is mutually interchangeable.

For example, if the SRTE® were to be engaged and it successfully raised funds from a group of investors, it would logically follow that within a group of private investors, the SRTE® would be perceived as an 'economic good of equivalent value' and would therefore be considered substantially fungible. Furthermore, should an outside investor decide to later join that same private group by also investing, that individual would also logically have deemed this 'right' an 'economic good of equivalent value,' otherwise there would be no interest in pursuing an investment. Indeed, a current owner of a particular SRTE® could also purchase additional similar SRTE® tokens representing the similar 'rights' of that same company from the company itself, or from other current investors participating in that private investment, thereby confirming again that the SRTE® could be a substantially fungible commodity. Both scenarios validate the reasonable conclusion that while a market is needed for the SRTE® to be fungible, if investors are willing to buy and sell these SRTE® tokens amongst themselves, there would indeed be a market, making it a substantially fungible entity.

The value of the SRTE® is ultimately derived from being directly tied to a company, its technology, and the revenues it consequently generates; therefore, while it is not inherently an 'economic good' per se, its 'right' to revenues represents value. Also, this 'right' does not exist without the presence of the SRTE® token in this particular investment scenario, and therefore it can reasonably represent an economic good. As an aside, the SRTE® commodity consideration will apply independently of whether the SRTE® is blockchain based or not, as its fungibility or non-fungibility is not contingent upon the blockchain.

Is the SRTE® also Non-Fungible, an NFT, and the Implications?

This issue matters because it determines the level of SRTE® usefulness to both inventors and investors along with being relative to the discussion above.

Non-Fungibility describes an item that cannot be replaced with another item. As an example, one cannot borrow one car and then return a different car, as each car has unique qualities that add to or subtract from its respective value. The SRTE® token represents the 'rights' to a portion of the profit or revenue shares of one company

which cannot be equally interchanged with the SRTE® of a different company. As they are not equal in spite of that fact that they are both SRTE® entities, the SRTE® represents a non-fungible asset from this perspective.

A Non-Fungible Token (NFT) is a token representing an asset that is not interchangeable. NFT's are often digital music, images, or some forms of cryptocurrency. One receives the 'right' of ownership of an NFT if one purchases an NFT, but this 'right' does not translate into outright ownership of the asset itself. In the case of the SRTE® token, it expressly does not include the right to ownership of the company and thus, it could also be considered an NFT.

Candidly, there has always been a relatively thin line between a fungible and non-fungible entity, regardless of the introduction of the SRTE®. For example, both bonds and shares can be considered fungible/non-fungible securities depending on the situation. However, the SRTE® does represent the introduction of a unique, patent-pending 'pooled revenue share, fungible/non-fungible, non-security hybrid entity' within the financial landscape. As such, it offers a distinct opportunity for investors to participate in the potential advantages it represents by bringing more flexibility to their current investment repertoires.

This new entity can act in affect like a new fulcrum of sorts within finance that can elegantly bridge between fungible/non-fungible assets, between securities and commodities, and between cryptos and the VC model as a new entrepreneurial entity, offering real advantages to inventors, investors, and other stakeholders alike.

Jurisdiction: The SEC, the CFTC, or In Between

It all comes down to jurisdiction for the SRTE®. Whether the SRTE® falls under the jurisdiction of the SEC (Securities and Exchange Commission) as a security, under the CFTC (Commodity Futures Trading Commission) as a commodity, or even frankly between them as a pooled shared revenue model, this will impact which regulations will apply to it. This is a particularly important consideration for investors because if the SEC defines an asset as a security, this classification will prevent millions of potential investors who simply make less than \$250,000 annually from participating in an opportunity to invest in a new technology or company due to accredited investor parameters contained within the SEC's Regulation D.

Curiously, this same restriction does not exist in other high-risk investment sectors such as gambling or the stock market. In fact, there are no SEC requirements or barriers to entry for investors that precludes anyone from generally participating in these hi-risk sectors, excluding certain margin scenarios which occur solely within the stock market. Therefore, it does seem odd that these constraints exist exclusively for those inventors interested in making educated investment decisions based on their

own due diligence in the entrepreneurial sector. Regardless, it is the intention of this author/inventor to address the key concerns of any potential regulating bodies, in a best effort attempt towards ensuring that any reasonable investor interested in supporting key technologies or advanced innovations will be enabled to freely do so, *regardless of their income level.*

Interestingly, as a new hybrid offering, the SRTE® may perhaps provide both regulatory agencies and investors with a preferable investment alternative amidst other relatively high-risk investment or gambling scenarios. It could offer an improved alternative to the stock market, which has been manipulated for decades regardless of valiant attempts at regulation and investor's efforts to make informed choices. One may look no further than the 1929 stock market crash, or the various market bubble crashes over the years as evidence of this unfortunate reality. The SRTE® does not behave as a security as it does not 'own' anything. Nor is the SRTE® necessarily a commodity in certain respects, although it is closer to that than any other structure. It is its own 'thing' as a pooled revenue share entity. Regardless, the combination of blockchain transparency coupled with the SRTE® design itself may potentially bypass altogether, or at a minimum mitigate the need for severe restrictions imposed through Regulation D in the securities arena for so many investors based solely upon their income levels.

Note: In the worst-case scenario, should the SRTE® be deemed to be under the jurisdiction of the SEC and deemed as a security, there is frankly not much that will change for the SRTE® itself, other than its investment documentation. What would unfortunately change however, is the access to greater funding opportunities for inventors, as well as the opportunity for all people globally making less than \$250,000 annually to be able to invest in entrepreneurial endeavors. It would reveal that there is indeed a significant incongruity that needs to be justified and addressed regarding risk policies for entrepreneurial investments vis-à-vis long held policies for other high-risk investment sectors. At a minimum, it could make this discrepancy an important subject of discussion to be had amongst people of good will. As a positive consequence, the candor of engaging this conversation publicly would serve as an important opportunity to rebuild investor trust regarding how decision-making within the financial sector transpires.

Trademarked and Patent Pending

The fact that the SRTE® and the Sovereign Revenue Trust Entity® have both been trademarked since 2020, while the SRTE® itself is patent-pending since 2017, has important implications in this discussion. It is important because it represents for the first time, an investment entity is actually trademarked and patent-pending to prioritize the rights of creators, inventors, and visionaries. While intellectual property rights clearly prevent any infringement upon the benefits of having received the

SRTE® trademarks, and although this author is awaiting final patent approval, these efforts do offer an additional 'barrier to entry' in the interim for the benefit of any inventor, creator or visionary who engages this entity to protect their work. It will also be equally important for any investor who desires to protect their investment, along with the mutual interests engaged in this shared endeavor. Admittedly, while receiving the SRTE® patent would be most helpful in assisting this inventor to offer a means of more firmly drawing a line in the sand to protect creation, it is not critical to the advancement of this thinking, nor to its potential widespread adoption.

The intention with the SRTE® was to provide a real solution to some long-standing and intractable issues that have had wide-reaching consequences. Should this core issue regarding what we value be rectified, it could organically and radically shift the internal dynamics of many sectors in surprising ways. Due to the particularly large and insidiousness nature of this problem which has quietly gone unnoticed within entrepreneurial finance for so long, its potential resolution amplified by a collective mindset shift to protect creation could lead to significant ramifications and collateral benefits. This shall remain to be seen, but in any case, if there is a desire to protect the interests of our innovators within the investment realm, a tool now exists that can reflect and facilitate that choice.

The Closest Thing: Sovereignty, Risk and Collateral Damage

The SRTE® really does represent its own little unique niche that has not been held by any other investment entity until now. Being a new hybrid between different sectors, it embodies their various qualities by intertwining them in such a way that an entirely new range of possibilities is revealed regarding obligations, sovereignty, risks, and collateral damage for inventors and investors alike.

To exemplify this, let us compare the SRTE® with the Stock Option. While both engage rights, that is where the similarity ends. The SRTE® offers the right to a revenue share of a private company and the obligation falls on the inventor to provide that share of revenues or profits. The Option gives an investor 'the right' but not an obligation to buy an equity asset at an agreed upon date and price in the public market. On the one hand, the SRTE® investor buys a 'right' to share in the future revenue of a private company without having equity ownership of that company, while the inventor can maintain their right to sovereignty. On the other hand, the fact that an investor can engage a public Option at all implies the original inventor already had to forego their right of sovereignty long ago.

The key difference between a public Option or a private SRTE® is in relation to timing and sovereignty, specifically, the ability for an inventor to initially choose to maintain their sovereignty during funding and throughout the life of their business, if they so choose, by engaging the SRTE®. Prior to now, there have not been many funding

opportunities for inventors to stay sovereign, thus, this new entity landing in entrepreneurial finance can potentially change the trajectory for many new inventors.

A second comparison regarding the SRTE® and an Option surrounds risk. The SRTE® is not a derivative, as it is not based upon any other financial instrument; whereas an Option is a derivative, because its value is based upon another financial instrument. As such, Options can lead to a dangerous form of speculation. While both types of investments engage risk, they engage it in a very different way, through different types of speculation, and in very different types of markets. With the SRTE®, there is a clear inherent risk to a private investor should an early-stage high-risk company fail, as that investor could lose their entire investment. Start-up companies do fail and do so often, and therefore, failures will also occur using the SRTE® model, simply because of the inherent high-risk nature of the entrepreneurial investment arena. What would not arise however is a 'manipulated' value based upon a 'fiat' SRTE®, because this could not exist. The success of the SRTE® would always directly rise or fall with the success of an enterprise, or put another way, its value would not rise or fall independently of the value of the company it is associated with.

A third key point when comparing the SRTE® to the Option, is that any collateral damage, outside of the private SRTE® investors themselves, would be highly mitigated because there is no share price projection in the public market with the SRTE®. The SRTE® would generally remain private with relatively few investors compared to the broader stock market scenario unless an inventor decides on their own terms to go public. The SRTE® would not share the dangerous collective ripple effect of certain types of speculation through a public Option, because Options do occur within a different overall investment landscape, and engage that landscape at a very different level of magnitude.

Although the Option was initially designed as a hedge against risk, it does involve speculating on a price in the future. It is this speculation within the public sector that can be so destructive to a nation's economic stability, public companies themselves, and to fund managers' investment portfolios representing multitudes of investors. Due to the transparency of the blockchain and the fact that the SRTE® investment is private, it could also likely avoid the harmful contrived 'pump and dump' dynamics often created in these public market scenarios that harm so many investors.

The unique structure of the private SRTE® can therefore potentially offer some new and powerful advantages for investors in comparison to investment offerings currently in the public markets.

Non-Zero-Sum Game

In essence, the SRTE® was created in the spirit of a non-zero-sum game where one party need not lose for another party to win. While some who might like to include the SRTE® in the zero-sum game of a financial war, that intention is not where this author as a creator is coming from. This author was simply interested in crafting a system that works better for our inventors. By honoring these creators and the creation process itself within finance, they can be finally given a fair shake in this whole entrepreneurial experience.

Ideally, the overall goal would be to improve the investment situation for inventors and investors alike. Perhaps the SRTE® intention and design itself could inherently offer less incentivization towards the exploitation of creators and each other in this process, and that would not be a bad potential outcome.

Can the SRTE® be used Without the Blockchain?

As a point of clarification, there will be two different versions of the SRTE® offered, one using the blockchain and one without. Just as a 'share' was initially created for equity investments prior to blockchain, the SRTE® for pooled revenue share investments can similarly be used without the blockchain, if so desired. Depending upon the will and individual goals of the inventor/CEO and their investors, the best path together will be mutually agreed upon through terms that would be memorialized within the execution of their final investment documents.

The reason that this alternative needs to exist is simple. Should an inventor be able to raise funds from a single investor or a small, intimate handful of investors, there may not be a need or desire between them to include their investment on a formal blockchain format, determining that standard accounting practices shall suffice. On the other hand, should there be 100 - 150 investors involved, many of whom do not know one another, there exists inherently more complexity and the desire and need for the inclusion of the blockchain could be deemed more necessary to best represent the interests of transparency for all participating. Sometimes, an investor may simply prefer to do things 'old-school' without engaging the digital realm, and they should have this opportunity.

*Understand however, that unless otherwise noted within the subject area itself, this white paper primarily addresses the use of the SRTE® with blockchain in order to unveil the most significant advantages this new entity can bring to all stakeholders.

Inventor Protection: Now is the time for a Policy Shift

Over the last 100 years or so, the entire financial industry and its regulatory agencies have focused exclusively on providing the highest returns for investors by protecting them through the concept of investor primacy, and the current definition

of fiduciary responsibility. In the interim, our inventors have been entirely ignored and left to fend for themselves, a clear reflection that their well-being has simply not been a priority. The consequence of this long-term dynamic of leaving our inventors unprotected in such a manner is likely unimaginable to calculate for humanity and the state of our evolution, and yet this is something we can easily and quickly rectify.

With the introduction of the SRTE®, an opportunity now presents itself for lawmakers and agencies to protect the rights and well-being of inventors in a manner similar to how they have protected investors all this time. The concept of inventor protection imbibed within the SRTE® itself represents a substantial change of intentions and may therefore provide a helpful tool to assist the realignment of the value systems within the financial sector.

Through outdated policies and investment models, the exploitation and forced sell-out of our inventors and creators is inarguable, and frankly in some instances, this dynamic could almost be described as a form of inventor 'usury.' While it is true that many investors and inventors have done quite well over the years using the current system, there are just as many or more that have not. The venture capital sector is enormous and has clearly brought a great deal of success. But sometimes, there exists an element of disrespect for creators and inventors in these dynamics which is not in harmonious alignment. Upon reflection, this disharmony itself could be potentially limiting the true abundance that may be readily available should a collective decision to support and honor creators in a new way were to occur, by aligning behind them.

Independent of these other dynamics, our creators clearly merit the right to choose whether they would like to stay private, get acquired, or go public. These rights need not be compromised simply because there is a need for investment capital. This forced 'up-front sellout' scenario which uniquely affects inventors is something that we would be hard pressed to see elsewhere when capital is needed. This scenario is not present in other human endeavors, such as buying a home, a vehicle purchase, or educational loans, etc.

Therefore, our inventors and entrepreneurs merit the same respect that is given to any average citizen as they conduct the business of their lives. In fact, by enabling free choice for an inventor to follow their mission and to be able to make decisions based on the best interest of their own company is strongly aligned with the founder's vision for the United States. However, prior to the introduction of the SRTE®, inventors have really had no means to execute their free will. This new tool is needed to protect their right to stay sovereign while securing investment capital, while also enabling them to keep their company if they so choose.

The VC Equity Play: A Heavy Load for Inventor

There is another key piece to this puzzle surrounding the VC model that is yet to be addressed. In relation to the K.I.S.S. concept regarding simplicity over complexity, a rarely considered secondary burden on the backs of inventors is created by the VC model itself, and it is antithetical to this very concept of simplicity. Independent of one's view of the strengths and weaknesses of the VC model, one must point to an inherent and ubiquitous flaw of this model itself. The average VC performance history is that 8 of their 10 portfolio companies will ultimately flounder or fail. Consequently, they need 2 companies in their portfolio to perform as home runs, leading VCs to be on a perpetual search for these ever evasive 'unicorns' at the expense of many potentially viable innovations.

Secondly, when a VC funds enter the scene, exit timeframes can dramatically increase from 7-12 years. As more time passes, more dilution will naturally occur for equity investors due to additional higher financing rounds. The pressure builds as more money invested means a higher exit price is necessary for respectable investor returns.

An obvious question is the following: Why is this dynamic added onto the back of an inventor who simply needed some startup capital? Inventors are being forced to prove the viability of two business models, when their own should be exclusively required. This is where the VC design represents a remarkable 'fly in the ointment.' All these agendas are operating behind the scenes when an inventor may have no desire to ever sell their company or may at least prefer to retain their right to make that choice. These inherent complications can make things a bit twisted regarding unseen yet competing agendas within entrepreneurial finance. VC's need the unicorns, and yet the unicorns may not want this cumbersome arrangement, and thus remain hard to find. Frankly, the VC model at its core is sometimes counterintuitive and often working against its own success. Sometimes, it may even work against the inventors it was originally designed to support. This author has personally observed that highly significant disruptors are often not remotely interested in exits forced upon them by a VC. Some will avoid them entirely if they know they can truly disrupt an industry, and they may quietly wait underground for the right situation to present itself. Sometimes these inventors have even died with their inventions never having seen the light of day, and this represents a tragedy for us all. A different option is surely needed, and this is where the SRTE® can come in to serve our inventors.

A New Hybrid Document, For a New Hybrid Financial Instrument

As the SRTE® model has evolved, it became equally critical that the investment documents for investors would faithfully reflect the uniqueness of this new hybrid

financial offering. Therefore, it eventually became necessary to look outside the construct of the standard VC PPM (Private Placement Memorandum for securities), as this document does not capture the intention or structure of the SRTE®, nor would it represent a potential commodity. The SRTE® model will primarily use the blockchain and yet it is not a cryptocurrency, hence it became evident that this hybrid combination would be best represented by the creation of a completely new type of smart contract for the SRTE®, including full risk disclosures to directly address any regulatory concerns that may arise with either the SEC or the CFTC.

In all candor, a new hybrid entity engaging blockchain coupled with full risk disclosures would provide even greater transparency for entrepreneurial investors beyond the standard VC PPM, by organically reducing the risk of illicit activity. Indeed, this new hybrid document could provide a solution that may even more efficiently achieve the stated goals of the SEC or the CFTC to protect investors.

On the other hand, should an inventor prefer not to engage the blockchain with the SRTE®, this would be disclosed within the smart contract, along with its implications regarding transparency, and papered accordingly to address that the investment will not be a digital investment. In this case, an inventor and investors would simply agree to invest 'old-school' using the SRTE® entity to represent an investor or pooled group of investors agree to participate in the revenue stream or profits rather than an equity play. Should an inventor later decide to be acquired or IPO after engaging the SRTE®, this contingency would be addressed in the initial smart contract regarding potential payout terms to address such a potential scenario.

Alignment

Alignment between the SRTE® and the blockchain it chooses represents a critical consideration for the SRTE® inventor. The appropriate blockchain along with its creator would organically share similar values aimed at protecting our creators, along with a commitment to human freedom through a transparent financial methodology, otherwise, the whole point behind the SRTE® could risk being lost and corrupted internally. Therefore, the ideal combination will be a deeply aligned dynamic to ensure that creators remain sovereign and supported through a complimentary yet decentralized system.

Cryptocurrencies, Global Tyranny and the 'mark of the beast'

Total power totally corrupts, or absolute power corrupts absolutely. Spoken either way, there is nothing new or revelatory here. Let us learn this critical lesson from the past so that humanity can make superior decisions to protect our collective future. It is important to think logically and objectively about the policies we follow, because

continually enforcing these same monopolistic policy dynamics that have harmed our inventors, are also directly antithetical towards ensuring human freedom. Therefore, fortified with this awareness, it would behoove all parties including policy makers, securities agencies, inventors, and investors alike to come together in a collaborative manner to candidly rethink some of these dysfunctional man-made dynamics.

While reflecting upon the SRTE® solution to protect inventors, it is vital to also appreciate that this dynamic is occurring within and amidst another dynamic that supersedes this already enormous umbrella currently engaging the entire financial and cryptocurrency sectors. The consequences of this for humanity cannot be understated.

As previously mentioned in the overview, the power of the ~4-6 trillion-dollar venture capital sector itself represents a large engine driving us in a particular direction. Couple that with an approximate 30 trillion-dollar stock market in the US alone, and one begins to understand the magnitude of this scenario akin to a giant locomotive being created, that is effectively driving humanity directly into tyrannical dynamics. This inevitable outcome has been achieved through these same policies that have driven endless mergers and acquisitions over the last 100 years. In this context, let us seriously consider the direction we are going based on these policies, and reverse course.

This risk of global tyranny caused by centralized power is reminiscent of the warning expressed through the proverbial 'mark of the beast.' This scenario is deeply relevant today and has consistently disquieted this author for years. In fact, this specific concern resulted in a personal lack of initial interest and even an aversion to cryptocurrencies for years, particularly those that are not asset backed.

Cryptocurrencies in this author's mind simply represented a digital form of the fiat system, thereby recreating the same inherent flaws of the current system from which we are endeavoring to escape. In certain respects, this mindset was only amplified by the recent drive of central banks to create their own digital currencies, (CBDC's), along with their anticipated attempts to outlaw all other digital currencies as a means to ensure more centralized systems of control. The recent misuse of digital currency for nefarious ends also has not helped the case.

However, there is a clear differentiation between blockchain and cryptocurrencies. Upon researching the actual intention behind the original blockchain white paper and the precise protocols put forth by its inventor, some of those original concerns have eased regarding certain asset- backed or value-backed cryptocurrencies, specifically due to the firm, clearly voiced commitment to sovereign transparency and decentralization relayed by that particular individual. However, regardless of the cryptocurrency dynamic, the SRTE® is clear on its mission to protect creators, and its

use of the blockchain will be a great asset to better ensure transparency for its investors, while potentially assisting to mitigate the tyrannical tools of centralization.

A Revelation: 'The Middle Way'

In the interim, while there is still much to be addressed and settled within the cryptocurrency sector, these issues do not necessarily impact or relate to the introduction of the SRTE®. This structure could offer a much less complicated yet advantageous opportunity within the investment sector overall as it shifts and resettles into a new state of balance. It was only a recent revelation for this author that the SRTE® coupled with its unique smart contract may newly create 'the middle way' for investors to use as they engage some tumultuous investment realms over these next years and beyond. The SRTE® achieves this by falling neatly between the VC model and the cryptocurrency sectors themselves, while engaging their very best aspects.

Instigating Freedom: Rebalanced Power Dynamics

The SRTE® effectively serves to short-circuit tyrannical dynamics. As investment choices are made to invest and encourage the growth and stability of local companies instead of the fastest exit possible, investors will be encouraging more deeply rooted financial stability based on inherent value. This action will simultaneously diminish the collateral risk of destabilizing nations through these old investment practices by no longer forcing new innovations from one nation into the arms of another nation to exclusively fulfill investor returns. Humanity will be better positioned to ride the storms that come its way by engaging an investment tool through which it can build strong, deep roots rather than pulling them out for a quick harvest.

In fact, the introduction and presence of the SRTE® could organically facilitate a rebalancing of power dynamics between several parties, including inventors and investors, inventors and the VC/PE industry, humanity and the financial industry itself, nation between nation, and 'the 99% and the 1%.' It almost acts like a healing balm for unbalanced power. How? Because it embodies a change in intention, which drives actions towards a different outcome. When a contrived dynamic is suddenly stopped, more balanced dynamics will naturally arise, as in any ecosystem when left to its natural rhythms. It represents a real turning point, this choice to protect our creators. And in choosing differently, these collective efforts could provide the impetus for humanity to potentially create the framework for peace and abundance, long desired for our progeny and future generations to come.

Stop Feeding the Beast

When one truly reflects upon the consequences of the cumulative and amplified energy driven by the venture model industry, the US stock market, and their related

policies, it is truly staggering. Together these two sectors have truly driven everything into the hands of very few companies who have subsequently gained inordinate amounts of power, confirmed by some simple due diligence regarding the share ownership of our largest corporations and institutions. This research reveals that four-five financial companies represent the same primary shareholders in all the top companies in most sectors. This does not bode well for freedom or for peace, and these practices must conclude.

A new Investment approach is needed on the front end to no longer force endless cycles of acquisitions or public offerings for investor returns, verses back-end regulations that are just too late in the process to drive a change. The SRTE® can incentivize this new direction, and subsequently encourage the creation of a new engine to drive decentralization and diffuse power consolidation rather than amplifying it over time.

Rumor

On a separate note, there have been rumors for years that asset backed currencies will theoretically replace fiat currencies at some point. Should that transpire, the combination of the SRTE® with such a shift could actively and gracefully assist in driving humanity from tyrannical dynamics. This would occur because new innovations would be financed by currencies with real value behind them.

Coupling with the SRTE® which is also focused upon inherent value would represent a deep alignment towards stable, non-manipulated value, and a collective move towards decentralized power. Asset backed currencies would also mitigate the risk of future runaway inflation based on the inevitable devaluation of a fiat currency with no inherent value. Therefore, should this scenario transpire one day, it would represent a welcome trajectory shift away from the unstable economic dynamics that exist today.

Implications for Peace

Peace cannot be sustained without strong, resilient economic roots upon which societies can build prosperity. Strong local employment may newly occur when inventors are no longer under the yoke of forced exits to acquirers based elsewhere. Hence, this new model could help support and foster rebuilding the internal strength of all nations, while incentivizing their economic viability and sovereignty.

When innovation is encouraged and supported to stay and grow locally, it can also potentially facilitate a rebirth of innovations derived from various cultures no longer denigrated by being forced into multi-national structures, where all cultural beauty and uniqueness is lost. This model by its nature organically respects the diversity, beauty, and integrity of human creation because it begins by respecting the creators themselves.

Power imbalances are well-known in the peace-making fields for creating chaos. The SRTE® is specifically focused on the root problem of these issues, but from the perspective of entrepreneurial finance. Ultimately, the mutual respect that is intended to be nourished in this model amongst inventor-investor dynamics and between nations, could encourage strong, new opportunities to build more peaceful relations, while its adoption over time may also bode well for increasing the likelihood of achieving truly long-term and viable peace.

Rebalancing Humanities' Relationship with Nature

The SRTE® can also provide a means to rebalance our relationship with the natural world and reduce the abuse of nature. By starting from a different value system regarding our policies and intentions, the mechanism is essentially removed that relentlessly drives the highest return for investors at any cost. The SRTE® organically offers a means to mitigate the often-unchecked greed driven by the policy of shareholder primacy and how we define fiduciary responsibility, which has had such inevitable and detrimental effects upon our natural environment.

There is an inherent balance within all systems that is naturally stable as mentioned above. The SRTE® may potentially assist in returning this balance to, and through, the entrepreneurial sector by respecting the Creator, creators, and all of creation itself. This is a consistent theme throughout all spiritual traditions, and it is this premise from which the SRTE® was conceived. The intention behind the SRTE® honors the true nature of our reality where everything is interconnected. As we strive to live in greater harmony with the natural world that supports all life, it will be helpful to reconsider our priorities and engage new tools that reflect these priorities.

Humanity Itself

It is a moment of unprecedented crossroads in human history regarding potential conflicts over water and food contamination and scarcity, weather manipulation, natural disasters, terrorism, immigrations issues, and serious political unrest. However, this moment also represents a most remarkable opportunity for those with new solutions and new visions. It is a moment to bring all of humanity's intelligence and creativity to bear, no longer relying on unelected leaders content to exclusively engage their current 'solutions,' while simultaneously stifling countless innovations that could better resolve these challenges. Individuals from all walks of life are creating new technologies that will enable greater human evolution, freedom, personal sovereignty, and a happier way of life for all of humanity. These inventors and visionaries must no longer be forced to engage with old and antiquated systems that do not serve them or the greater good. Our creators and inventors deserve better.

Conclusion

The SRTE® represents a new financial entity designed to protect our creators with logical implications for improving the well-being of humanity and all life. It will offer a powerful new foundational component towards evolving the financial sector into something that can serve all stakeholders, including those that are voiceless. While representing a new pathway through the entrepreneurial realm and the cryptocurrency sectors, it offers a unique opportunity to address some core financial issues.

While representing a patent-pending, standardized pooled revenue share, it offers a viable new means to traverse all former constructs, to potentially enable greater freedom for our inventors, investors, and humanity itself. Therefore, the introduction of the SRTE® could ultimately and poetically assist humanity to free itself from the shackles of the very financial structures that have enslaved it for centuries, through honoring creation as its priority, and thereby revealing to ourselves our true promise, and our true destiny.

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