



# WHITEPAPER

The world's first peer-to-peer  
options platform.

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**Protection today. Success tomorrow.**

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# TABLE OF CONTENTS

<b>01</b> Background	pg.03
<b>02</b> Mission & Vision	pg.07
<b>03</b> Core Values	pg.08
<b>04</b> Business Overview	pg.09
<b>05</b> Using Sparrow Options	pg.12
<b>06</b> Who Should Use Sparrow Options?	pg.14
<b>07</b> Use Cases	pg.15
<b>08</b> Use Of Proceeds	pg.26
<b>09</b> Security	pg.28
<b>10</b> Roadmap	pg.30
<b>11</b> Token Structure	pg.31



## #01 BACKGROUND

### **Inadequate Tools To Control And Monetize Risk.**

We are professional traders and we love trading. We have spent many years actively participating in the derivatives markets while making consistent returns. It is an ever-changing and demanding profession, requiring attention to detail, and an eye for new opportunities. As cryptocurrencies rose to prominence, we watched the space with great interest. We believe that this rapidly growing market would offer new opportunities without the legacy of expensive intermediaries or outdated regulations.

There are currently thousands of cryptocurrencies with a market capitalization exceeding \$600 billion (Coinmarketcap.com) and that value is set to grow exponentially in the coming years. With about 200 new ICOs each week, it should be clear to anyone that Bitcoin is not the only game in town. There is a huge addressable market that needs help and this is just the start of a massive explosion of growth. There is a lot of room for hedge funds, big institutions and small investors to participate in this revolutionary market.

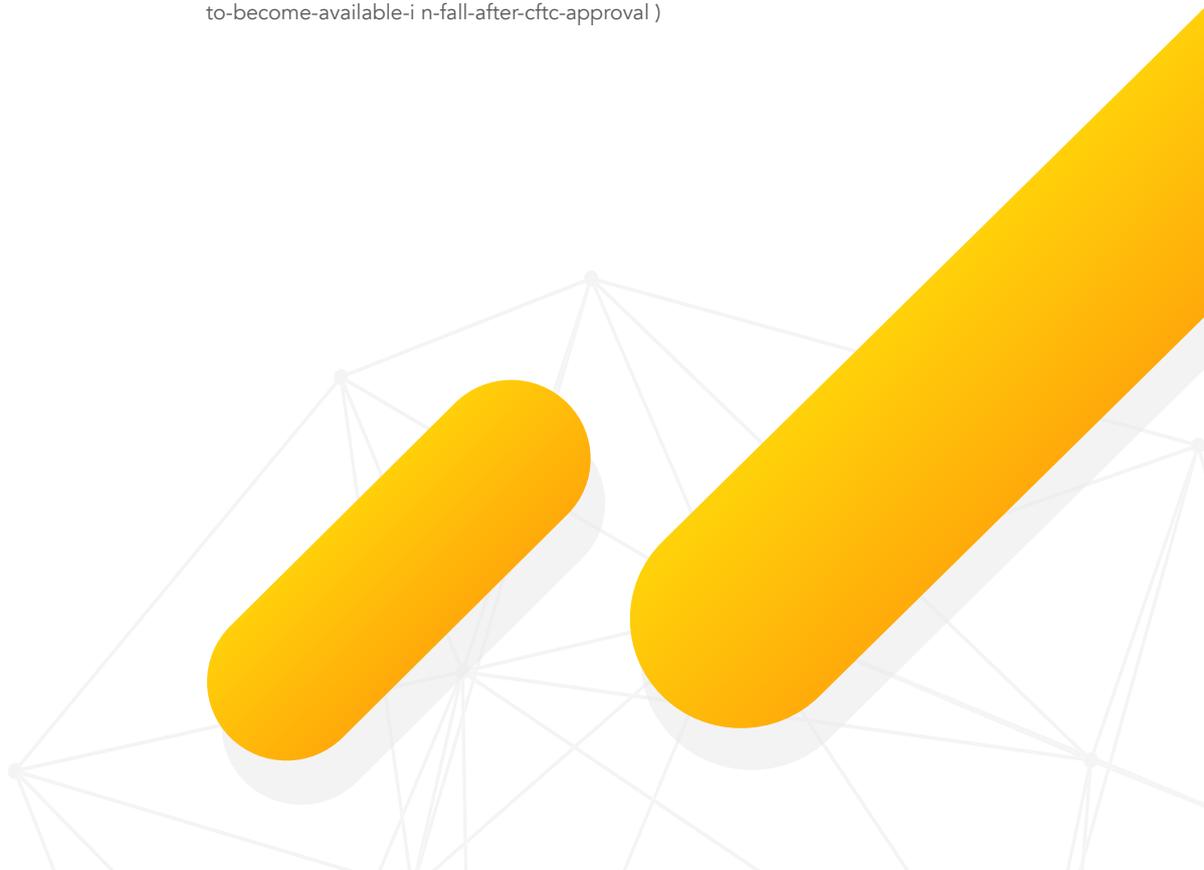
However, the current trading environment makes it extremely risky and costly to achieve consistent returns. Despite the market size and growth prospects, the existing trading tools and instruments for hedging and risk management are primitive when compared to traditional markets.

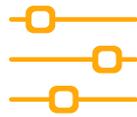
According to Bloomberg, the existing options for cryptocurrencies focus almost exclusively on Bitcoin, which severely limits the wealth creation potential for the cryptocurrency community.

The cryptocurrency market experiences high volatility daily. Fortunes are made and lost in the blink of an eye. It is difficult for traders to seek shelter when markets are in turmoil, and it can be very costly to move between crypto and fiat. The market structure favors passive strategies that limits traders and requires margin to enhance returns, making trading even more risky and costly. We have seen how the extreme downside volatility, slippage, and margin financing have destroyed hard-earned returns.

It is absolutely essential to be able to control risk and keep costs low. Because of the limited tools available, it is extremely challenging to do both in the cryptocurrency market, and our preliminary research shows many other participants feel the same way. Everyone wants a better way to control risk, enhance returns, or speculate safely.

\*<https://www.bloomberg.com/news/articles/2017-07-24/bitcoin-options-to-become-available-in-fall-after-cftc-approval> )





## Options are the perfect solution for cryptocurrencies.

A volatile cryptomarket is the perfect place to deploy options. Options are used every day by professional traders, hedge funds and high net-worth individuals to boost returns and mitigate risk. Options are the perfect solution for cryptocurrencies because even retail investors can set their position size down to a satoshi, limit downside risk even on speculative bets, and set an expiry of their liking. We will make options simpler and readily available so that everyone can control their risk in extremely volatile conditions.

The launch of Bitcoin Futures by CME on 18 December 2017 garnered massive attention globally. Many thought that Bitcoin Futures would herald the mainstream adoption of cryptocurrencies, while serving as a great tool for managing risk. While most big institutions would think nothing of a contract size of 5 Bitcoins, it is not relevant for the vast majority of cryptocurrency participants who trade coins down to the last satoshi. The contract specifications and high margin requirements would put trading Bitcoin Futures out of the reach of most participants. This is where the flexibility of options comes in.

Options provide the same ability as futures to enter speculative or protective positions in both rising and falling markets, but with the flexibility to serve digital asset enthusiasts in the following ways:

### **Tailored to Your Needs**

Instead of a fixed contract size as seen in most futures contracts, users can specify the desired cryptocurrency pairs, expiry date, strike price and quantity (down to the last satoshi) tailored to the user's needs. With such flexibility, experienced users can make use of options to engage in highly sophisticated and unique trading strategies.

### **Trade More, Using Less**

It is far cheaper to trade options. Options allow a user to have the right to trade a greater amount of cryptocurrency without holding the underlying. No minimum initial margin is required. A user can enter an option position that tracks a cryptocurrency's actual position for a fixed price. This also means you can trade more crypto, without putting up the entire position, translating to higher returns.

### **Speculate Safely**

Options grant a user the right to trade a greater amount of cryptocurrency, so that each trade, when appropriately structured, can potentially generate significantly higher returns without the uncertainty and risk of variable or levered losses.

### **Fixed Cost**

Unlike futures which can potentially cause losses greater than the initial investment because of a runaway market, the maximum loss that a user can incur in options is limited to the premium. As the downside risk is limited, there is no risk of margin calls or forced margin liquidations. This fosters a more orderly market, which is beneficial to everyone.

\*<http://www.straitstimes.com/business/companies-markets/investors-lukewarm-to-cmes-bitcoin-futures>

\*<https://www.bloomberg.com/news/articles/2017-12-08/as-traders-await-bitcoin-futures-margin-requirements-are-high>

\*<https://www.bloomberg.com/news/articles/2017-12-14/goldman-said-to-seek-100-margin-on-some-bitcoin-futures-trades>

## #02 MISSION & VISION



### Sparrow Exchange

We will be the world's leading cryptocurrency options platform that is truly peer-to-peer. Anyone can buy or create an option in just a few clicks. We will provide an amazing user experience with simplified tools that a normal person can use, backed by industry-leading security and infrastructure, and a pricing engine driven by machine learning to provide each user with the best price every time.

#### MISSION

**To be the world's leading cryptocurrency options platform.**

We aim to be the worldwide leader in cryptocurrency options by creating a 24/7, secure and reliable platform for traders to control their risk and utilize calibrated strategies for their specific needs.

The current cryptocurrency market and tools severely limit traders from achieving consistent returns. We will create a world-class options platform based on Blockchain technology augmented with professional-level tools. Our deep experience in the derivatives market with a highly-skilled development team puts us at the crossroads of technology and finance, enabling us to empower anyone to trade with confidence and finally break free from the status quo.

#### VISION

**Give the world the confidence to trade anything.**

The future marketplace of cryptocurrency trading will be populated by an increasingly diverse and international group of participants that demand access to sophisticated tools without the complication. We intend to serve this steadily growing market with tools that are easy to use, without compromising their security and peace of mind. We will simplify the user experience, risk controls and even the terminology used so that the average participant can take advantage of these tools like the professionals do.

## #03 CORE VALUES



### Collaborate

We believe in the power of collaboration, working with industry partners, exchanges, and regulators to serve the needs of cryptocurrency participants.



### Empower

We seek to empower anyone to trade confidently and consistently by building platforms and tools that give them simplicity and security.



### Respect

We treat everyone the way we want to be treated in all our dealings.

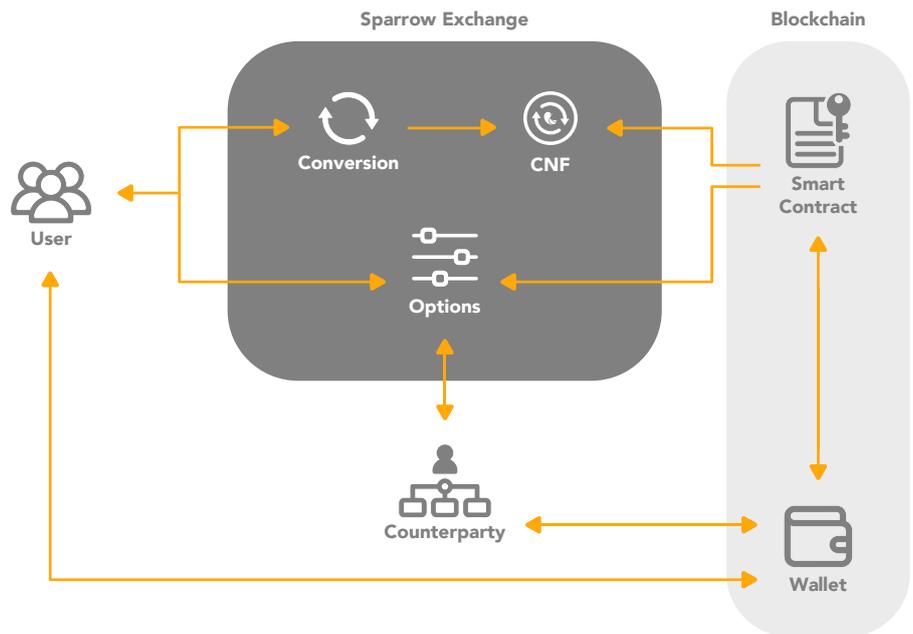


### Responsible

We believe in taking responsibility for our actions, and having the conviction and moral courage to do the right thing always.

# #04 BUSINESS OVERVIEW

We plan to provide multiple solutions to give traders liquidity and risk management.



## Sparrow Options

Sparrow Options are a simple way for anyone to protect their cryptocurrencies or monetize them. We plan to simplify the option selection and creation process by branding them according to their use case. A trader simply needs to pick between TradePROTECT (buy an option) or TradeBOOST (sell an option) and our proprietary Nest System will price the options and match the parties.

### Supported Cryptocurrencies

We plan to initially support BTC, BCH, ETH and all ERC-20 compliant utility tokens. We will progressively add support for other cryptocurrencies that meet our listing requirements.

Legal disclaimer:  
We have received legal advice to the effect that the Sparrow Token, Sparrow Options and the SmartContracts are not securities.

### ConvertNOW Facility (CNF)



ConvertNOW is an instantaneous cryptocurrency conversion facility. We plan to offer traders a quick and simple facility to purchase Sparrow Tokens using supported cryptocurrencies.

### Revenue Model



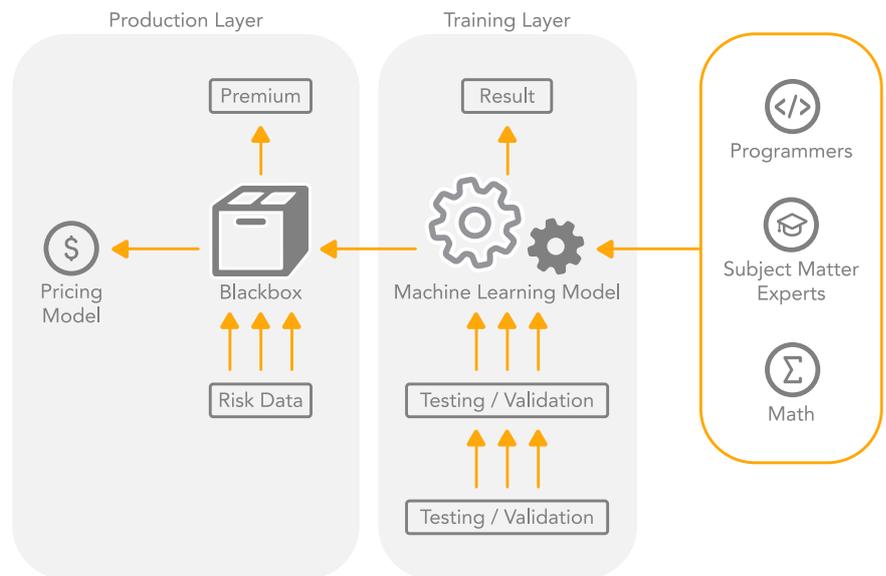
Transaction Fees	We will charge a 0.1% fixed fee per trade.
Withdrawal Fees	We may charge a small fee for withdrawals depending on the cryptocurrency.
Platform Listing Fees	We will progressively add new cryptocurrencies to our options and there may be a fee associated with those listings.
Licensing Fees	We may charge a small fee for the use of our APIs.
Market Making Revenues	By providing liquidity to the option pairs, we may earn premium from the market making operation.



The Nest System is made up of two parts: the Options Pricing Engine which will automatically price the options and list them, and the Matching Engine which matches traders based on risk appetites.

### Options Pricing Engine

The Options Pricing Engine uses machine learning to learn from each trade intent and price risk across the Nest system. We have years of experience in deploying machine learning to deal with a wide range of market conditions. This is an essential part of the Nest System and we will invest heavily to continuously improve our machine learning capabilities.

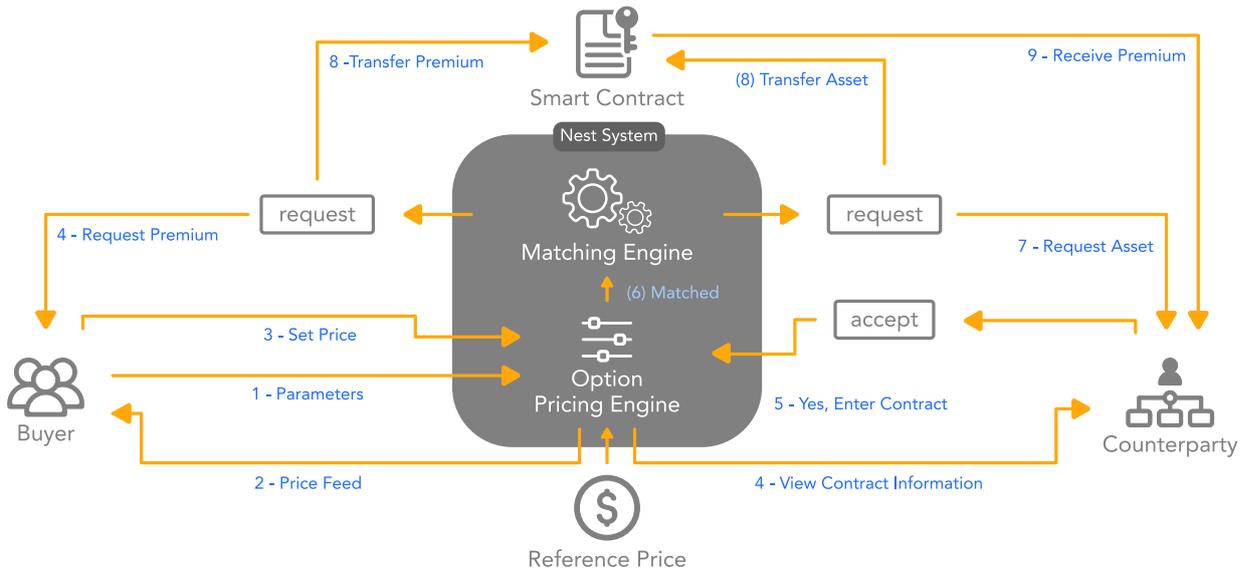


### Matching Engine

The Matching Engine uses a proprietary algorithm to match traders based on their risk appetites and pricing generated from the Options Pricing Engine. Upon a successful match, the Smart Contract will take over the transaction and facilitate the option trade.

# #05 USING SPARROW OPTIONS

## Start of Option Contract



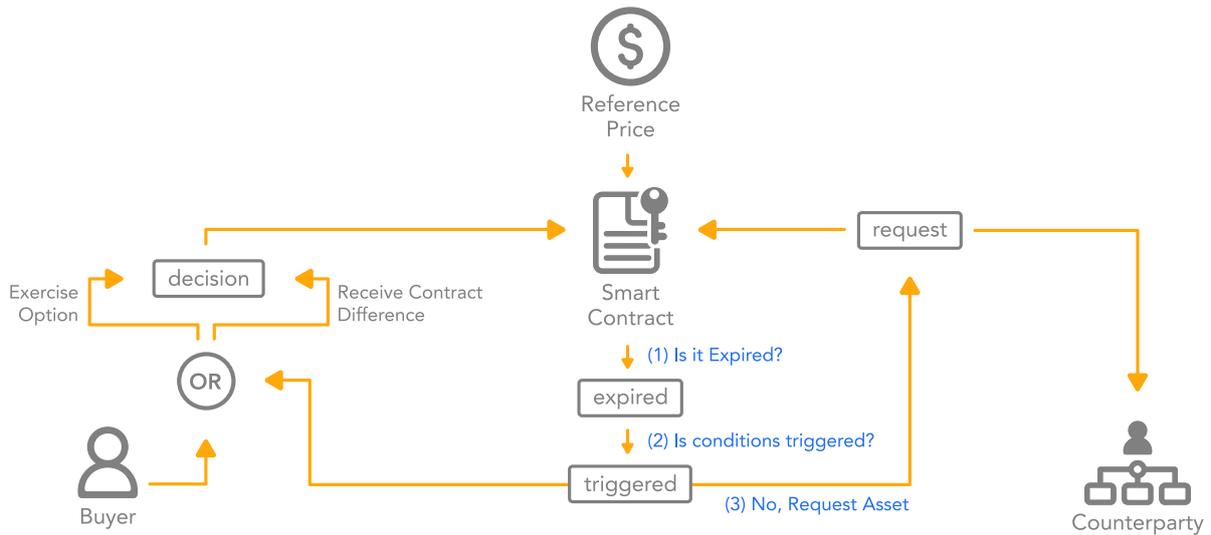
### TradePROTECT

The option buyer selects the protected asset (underlying asset) and magnitude of protection required and expiry date. The Options Pricing Engine then prices the TradePROTECT intent and invites the trader to accept or decline the price. If accepted, the TradePROTECT intent is posted to the Options Pricing Engine. If the TradePROTECT intent is matched to a seller, the Matching Engine activates the Smart Contract and transfers the premium from the buyer to the seller.

### TradeBOOST

The option seller selects the monetizing asset (underlying asset) and magnitude of boost required and expiration date. The Options Pricing Engine then matches the seller's TradeBOOST intent to the relevant TradePROTECT intent. Once matched, the Matching Engine activates the Smart Contract and the seller pledges the monetizing asset to the Smart Contract.

## End of Option Contract



### TradePROTECT

Upon expiry, if the TradePROTECT conditions are met, the buyer has two options:

1. Receive the profit from the trade (also known as the differential)
- OR
2. Receive the seller’s pledged asset

If the TradePROTECT condition is not met, the Smart Contract will release the seller’s pledged asset.

### TradeBOOST

Upon expiry, if the TradeBOOST conditions are met, the Smart Contract will either:

1. Divest a portion of the pledged asset, transfer the proceeds to the buyer, and then release the remainder of the pledged asset to the seller
- OR
2. Transfer the seller’s monetizing asset to the buyer, and deliver the seller’s asset

If the TradeBOOST conditions are not met, the Smart Contract will release the seller’s pledged asset.

## #06 WHO SHOULD USE SPARROW OPTIONS?

- Miners
- Merchants accepting crypto payments
- Crypto Funds
- ICO Participants
- Traders who want better risk-adjusted returns
- Speculators

## #07 USE CASES

### 01. Miner reducing downside risk.



ABC Miner regularly mines about 50 Ethereum (ETH) monthly.



Recently, ETH prices rose rapidly above \$1300, which is great for ABC Miner.



Naturally, ABC Miner would like ETH prices to continue rising, but if they were to fall substantially and remain depressed for a prolonged period, the business would suffer significantly.



To mitigate against this risk, ABC Miner decides to hedge 50% of his Ethereum (25 ETH). ABC Miner can use TradePROTECT to buy a put option which grants him the right to sell 25 ETH at a specified minimum price and date, at the fixed cost of a non-refundable premium.



TradePROTECT will ensure ABC Miner's ETH downside risk is protected without counterparty risk or slippage.

<https://www.lifewire.com/how-you-lose-out-while-mining-cryptocoins-2483065>

Note: We do not currently plan to offer options on fiat.  
The cryptocurrencies and fiat used in the examples purely for illustrative purposes.

## 02. Miner generating immediate returns.



ABC Miner currently has 150 Ethereum (ETH). ABC Miner believes that ETH has further upside potential, especially after price has recently breached the psychologically important \$1000/ETH level.



However, there are immediate cash flow needs for electrical costs, hardware expenditures and other ongoing operating expenses.



Instead of selling off the ETH to pay off their bills, ABC Miner can make use of TradeBOOST to generate an immediate return from their ETH holdings, while retaining the upside potential.



ABC Miner can use TradeBOOST to sell a call option that grants the buyer the right to buy 150 Ethereum from ABC Miner at \$1500/ETH at the specified date, at the fixed cost of a non-refundable premium.



ABC Miner can immediately use the premium to pay off their bills.

### 03.

## Merchant limiting downside without sacrificing unlimited upside potential.



EasyCrypto is a retail merchant that accepts cryptocurrency as payment. One of their primary concerns is the extremely high volatility in cryptocurrency which can make revenue and cash flow highly unpredictable.



EasyCrypto expects annual sales revenues of 2000 Ethereum (ETH). It is generally bullish on the future potential of Ethereum but wants to limit the downside risk in the event of a big collapse in ETH price beyond the breakeven level.



EasyCrypto can use TradePROTECT to buy a put option for the right to sell 2000 ETH at a specified price at the end of 2018 to protect against a catastrophic fall in ETH price, at the fixed cost of a non-refundable premium.



TradePROTECT will ensure EasyCrypto's downside risk is limited without counterparty risk or slippage, and without sacrificing the enormous upside potential of ETH.

## 04. Cryptocurrency Fund lowering the cost of their protection.



Kapital Assets Management (KAM) is a cryptocurrency fund investing with \$20 million in cryptoassets under management. It is currently holding 2000 ETH with year-to-date returns of over 250% thanks to an extremely bullish market.



KAM can use TradeProtect to buy put options on their ETH holdings to limit the downside on their stellar returns.



However, due to the size of the protected asset, the absolute value of the premium may be costly, so KAM would like to find ways to lower the amount paid.



KAM can use TradeBoost to sell a call option on 50% of their ETH holdings which gives the buyer the right to buy 1000 Ethereum at a specified price and date, at the fixed cost of a non-refundable premium.



KAM can use the TradeBOOST premium to offset the TradePROTECT premium, lowering the overall cost of protection

## 05. Protecting funds raised from ICO.



CryptoBio recently launched a successful ICO campaign and raised 5000 ETH at an all-time high value of \$1300/ETH.



The founders are worried that a prolonged drop in ETH price will harm project development and restrict cash flows. Based on their estimated cash flow statement, the founders of CryptoBio know that they need about 1000 ETH for the next 3 to 6 months and another 2000 ETH for the rest of the year, with the rest to be used thereafter.



CryptoBio can use TradePROTECT to buy multiple put options to limit the downside of their ETH holdings and gain greater control over their cash flow.



They can simultaneously

- Buy 1 put option for 1000 ETH at a specific price for 3 months
- Buy 1 put option for 2000 ETH at the same strike price but with a longer protection tenure of 6 months
- Buy 1 put options for 2000 ETH at the same strike price for tenure of a year or more



By having multiple put options, CryptoBio can hedge their risk to match their funding needs for the various stages of their project development.

## 06. Making a fixed-risk high-return trade.



Jenny Wynmoore is holding 10 Ethereum (ETH). After a prolonged market retracement, she saw bullish flag patterns forming in EOS, QSP and BTM. From her chart analysis Jenny feels that all three are bound to break higher in the near future.



Instead of selling all her ETH and investing individually in EOS, QSP and BTM, Jenny can potentially boost her return significantly by buying TradePROTECT for EOS, QSP and BTM.



TradePROTECT allows Jenny to gain control of larger amount of EOS, QSP and BTM for a specific period of time with smaller outlays.



In this example, based on her desired strike price and tenure, for Jenny to gain control of 10 ETH worth of EOS, QSP and BTM respectively, she needs to pay 10% for each of TradePROTECT at a premium of 1 ETH per contract.



Jenny would still have 7 ETH to use at her discretion which can be used on other opportunities that provide better portfolio diversification and upside potential.



If she is right, and EOS, QSP and BTM appreciate as projected, her return is boosted exponentially as she will control 30 ETH worth of cryptocurrencies for that period of time. However, if she is wrong, her risk is limited to her initial premium of 3 ETH. With TradePROTECT, Jenny is able to structure a fixed-risk high-return trade.

## Flash Crash & Stop-loss Hunters

Remember the 99% Ethereum flash crash on June 2017, plummeting from \$320 to around 10 cents? Numerous stop loss orders and margin funding liquidations were triggered with thousands of traders losing a lot of money.



- <http://fortune.com/2017/06/22/ethereum-crash/>
- <https://www.cnbc.com/2017/06/22/ethereum-price-crash-10-cents-gdax-exchange-after-multimillion-dollar-trade.html>

While we are not sure whether the crash is due to market manipulation or a fat finger by a rogue trader,

**We offer risk management tools to hedge against such catastrophic events.**

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## Naked Long Position Scenario

Jimmy Tradalot bought 20 Ethereum @ \$210 at May 30th 2017

By June 10th 2017, ETH rose to about \$340 (62% profit) which is not too bad for an 11 day investment!

ETH price kept rising for the next few days, reaching a new high of \$420. While the investment was doing really well, Jimmy began to worry that the price may face a correction, so he placed a stop market order to protect the handsome profit at \$310.

However, when the flash crash occurred on June 21th, it triggered Jimmy's stop, and being a stop market order, while the fill is guaranteed, the actual price was filled significantly lower than the intended stop price of \$310.

Given the huge movement and lack of liquidity on that day, let's assume an optimistic scenario where his stop was filled at \$200 (optimistic because some people had their stops filled at \$0.10!)

[https://www.reddit.com/r/ethtrader/comments/6iokzy/gdax\\_just\\_sold\\_a\\_good\\_chunk\\_of\\_my\\_ether\\_at\\_10/](https://www.reddit.com/r/ethtrader/comments/6iokzy/gdax_just_sold_a_good_chunk_of_my_ether_at_10/)

Jimmy ended up with a loss of \$200 instead of having the protective profit of \$2,000.

**Now, let's demonstrate how using an option can help Jimmy mitigate that risk, while smoothing his returns, giving him peace of mind.**

# #1 TRADE PROTECT

A tool to Stop  
the Stop-loss hunters



Instead of placing a stop market order, Jimmy can buy TradePROTECT (a put option) to protect his existing profitable position.



With TradePROTECT in place, a stop order is no longer necessary, as TradePROTECT gives Jimmy the right to sell ETH at \$310 on the date of expiration.



By replacing the stop with TradePROTECT as a risk management tool, Jimmy has protected his position against a major plunge in the price of ETH. When ETH price falls, the TradePROTECT value will go up, locking in Jimmy's profit.



In this case, a flash crash or a prolonged drop in Ethereum will NOT significantly affect Jimmy's profit. He can have peace of mind knowing that his downside is protected.

# #2 TRADE BOOST

Provide Liquidity to the Market



Jenny Wynmoore is holding 10 Ethereum (ETH). She believes in the long-term potential of Ethereum, but her analysis tells her that Bitcoin (BTC) may rise against Ethereum in the short-term.



Jenny hopes to do more with her ETH instead of just holding on to it. What can she do?

She can use TradeBoost to sell an option for 10 ETH which gives the buyer the right (but not the obligation) to buy 10 ETH at a specific price at the expiration date, at the fixed cost of a non-refundable premium.



The buyer of Jenny's option will pay her a premium on the day the option is sold. It is Jenny's money to keep, regardless of whether the option is exercised.



In return, for the premium Jenny's 10 ETH will be pledged into a TradeBOOST Smart Contract until the expiration of the option. This reassures the buyer that Jenny has the underlying asset to fulfil her obligation if the option is exercised. This eliminates counterparty risk.



Upon the expiry of the TradeBOOST, if BTC rises against ETH or the price stays relatively the same, the Smart Contract will return the ETH to Jenny.



Jenny will receive the premium while still retaining possession of her ETH.



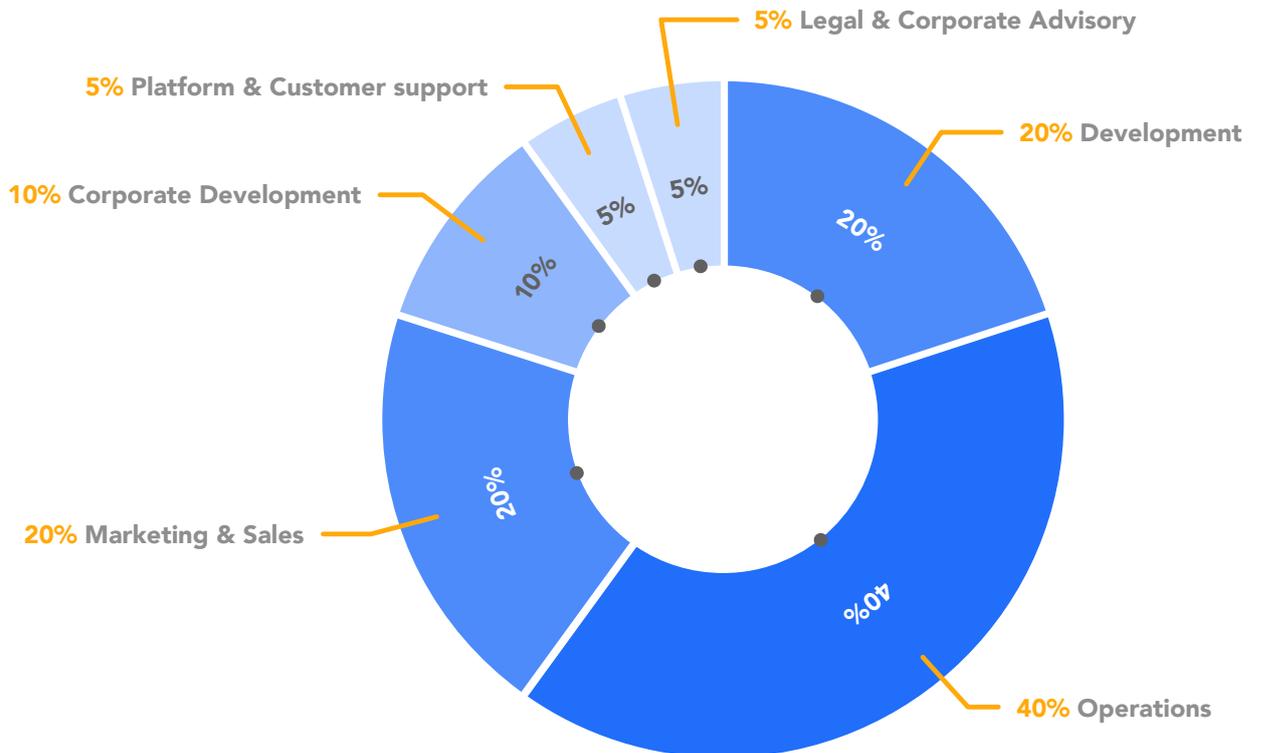
Jenny can repeat this process indefinitely, potentially earning more income from ETH.



Like any tool, there is an appropriate time and place to sell an options, and other times where it's not an ideal tactic. TradeBOOST provides traders a way to monetize their cryptocurrency assets during a downtrend or range-bound market. It also works well when trader believes that price has limited upside potential in the short-term.

## #08 USE OF PROCEEDS

The proceeds from ICO will be used to develop the Nest System and the supporting technology that is required to provide the stability, speed, security and accessibility for a world-class options platform. We will need to make many investments in infrastructure, security, data science, and other business functions that empower anyone to trade with confidence.



**Development**

A strong development team is required to simplify and demystify the options trading process. We aim to regularly introduce new products, features, user interface improvements and multi-lingual support. We will recruit the best talent from the financial, blockchain and technology sectors that share our mission and values to join us on this amazing journey. We also will make investments in data science to improve our Options Pricing Engine.

**Operations**

We intend to heavily invest in people, hardware, software, security, auditing, and support services we need to be the world's leading options platform.

**Marketing and Sales**

We plan to engage international marketing agencies to drive market awareness and access to our offerings. We want everyone to be able to take advantage of our tools and products to control their risk and boost returns.

**Acquisitions**

The value of an options platform lies in its ability to offer the widest possible range of products and tools to its customers. We will actively identify and acquire assets that add value to traders. We believe in reinvesting in the future, so a portion of our proceeds and profits will always be used to grow our acquisition fund.

**Platform & Customer Support**

We want traders to love using Sparrow Exchange to meet their needs. A great user experience and customer support team are vital elements of our long-term business. We will invest heavily on enhancing these areas to achieve our mission of being the world's leading cryptocurrency options platform.

**Legal & Advisory**

We are cognizant of the need to navigate regulatory requirements in a rapidly evolving market. We intend to engage qualified legal and compliance teams to ensure that we meet with the legal requirements of the jurisdictions we serve.

## #09 SECURITY

We have a deep commitment to protecting our users from potential security risks. We will adopt the industry best practices and strategies in cybersecurity to ensure our users and assets are kept safe. We will collaborate with security professionals and tap on our community to constantly improve our platform for our users.

### A Layered Security Architecture

We designed our system security based on a layered-security approach maintaining the appropriate security measures and procedures at five different levels within the system architecture:

1. **Perimeter** defence with firewalls to separate public internet from private demilitarized zones (DMZ).
2. **Networks** isolation using private network subnets, IPS and access authentication control to separate application communications.
3. **Host** level protection includes host based IDS, Virtual Appliances and Anti-malware protections.
4. **Application**-level security including application based authentication, SQL injection and XSS vulnerability prevention.
5. **Data** protections including IP Whitelisting, Kerberos authentication and AES data encryption.



### **Security Audit**

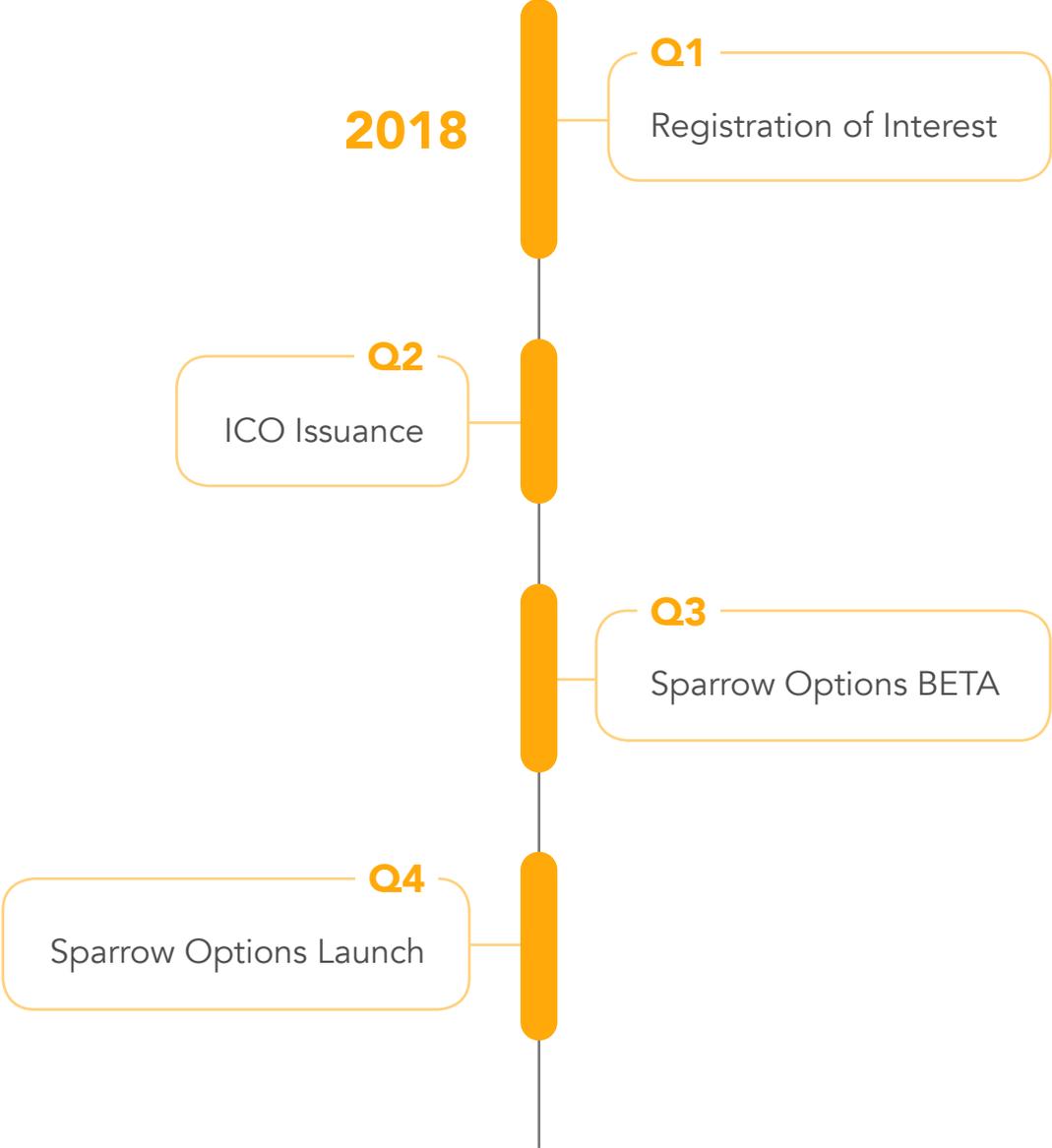
We plan to conduct internal and external audits, working with credible security audit firms to ensure we provide the best possible security and infrastructure to traders on our platform. We want traders to feel safe when they trade with Sparrow Exchange and this is part of our commitment to security.

### **CommunitySECURE Bounty Program**

We treat security as an ongoing commitment. Despite our best efforts, we know that we need to engage with the security community to protect everyone on Sparrow Exchange. We intend to launch the CommunitySECURE Bounty Program which will reward contributors who report bugs and security issues for making Sparrow Exchange safer for all traders.



# #10 ROADMAP





## #11 TOKEN STRUCTURE

### Token Utility

Sparrow Tokens will be required to pay for transaction fees, withdrawal fees, and platform listing fees. Incentives and rebates will be paid in Sparrow Tokens.

Legal disclaimer:

We have received legal advice to the effect that the Sparrow Token, Sparrow Options and the SmartContracts are not securities.

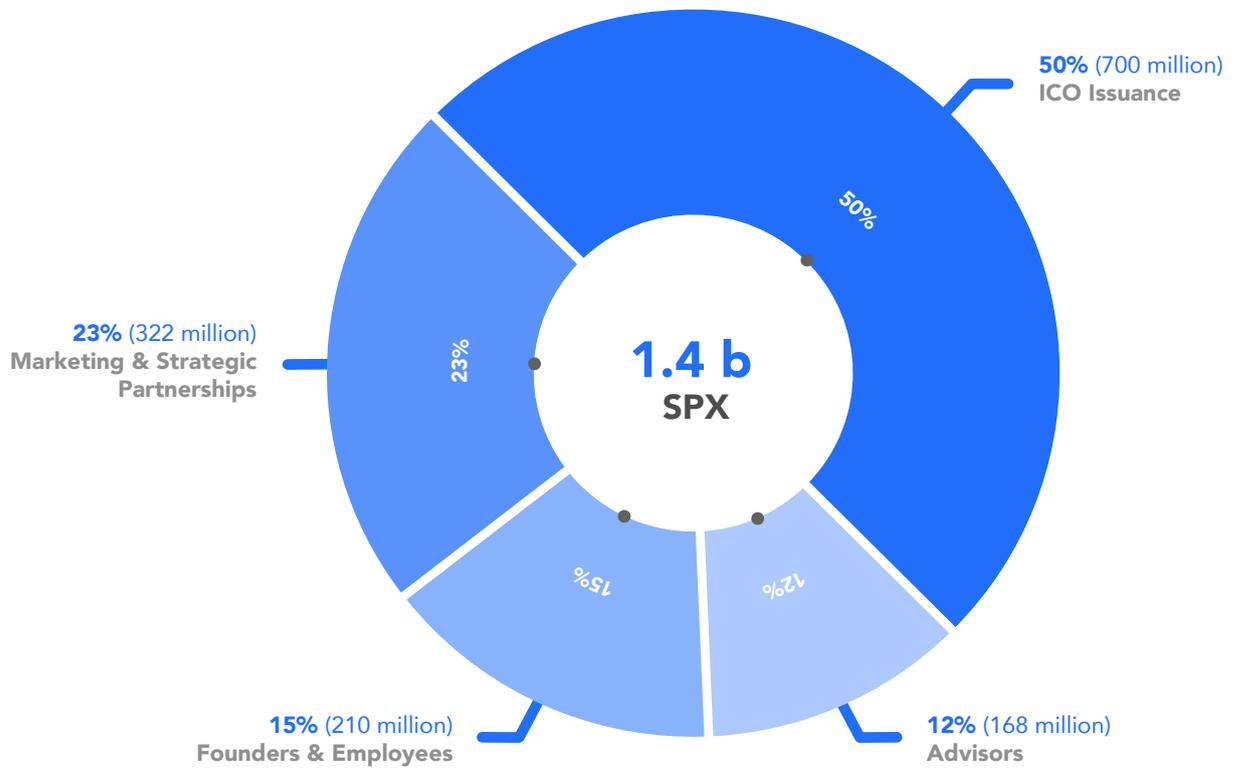
### Summary

Standard	ERC-20
Hard Cap	USD 35 million
Soft Cap	USD 5 million
Token Price	USD 0.05
Decimals	4
Accepted currencies	ETH
Token Supply	1.4 billion
Unsold Tokens	Burned post-ICO

### Know Your Customer (KYC)

We intend to be a responsible participant in the cryptocurrency space and comply with KYC/AML regulations. We will require KYC for all contributors to the ICO.

# Allocation



## Founders & Employees

Tokens allocated to Founders, Employees and Investors will be vested over 1 year to maximize long-term alignment of interests.

## Advisors

Tokens will be allocated to advisors who contribute to legal, financial, technology, security, marketing, design, community-building, and business development efforts.



## Marketing and Strategic Partnerships

We have several plans to appropriately reward strategic partners and contributors who help make our ICO a success. We plan to provide Bonus Tokens to contributors in the private sale and pre-sale based on the contribution size. Unused Bonus Tokens after ICO will be allocated to the Incentive Program which offers volume-based incentives and rebates for active traders, and CommunitySECURE program to reward community contributions to security efforts for our platform.

## Schedule

### Private Sale

#### Hard Cap

**\$5** million USD

#### Accepted Currencies :

ETH only

#### Minimum Contribution :

\$10,000

#### Bonus Token :

30% of contribution

## Pre-Sale

### Hard Cap

**\$20** million USD

### Accepted Currencies :

ETH only

### Minimum Contribution :

\$1,000

### Bonus Token :

- Over \$750,000 contributed = **15%** bonus
- Up to \$750,000 contributed = **10%** bonus

## Public Sale

### Hard Cap

**\$10** million USD

### Accepted Currencies :

ETH only

### Minimum Contribution :

\$1,000

### Bonus Token :

None

#### Legal Disclaimer:

1. Sparrow Tokens are not securities;
2. The underlying cryptocurrencies supported by the Sparrow Options and the Options Trading Platform are utility tokens and not securities, and the Company asserts that no securities will be allowed to be listed on the platform;
3. Purchasers of Sparrow Tokens are not entitled to and should not expect to receive any return from the Company in relation to (a) their purchase of Sparrow Tokens; or (b) any trading activities arising from the Options Trading Platform; and
4. Sparrow Exchange has not made and does not make any representations that the purchasers will be able to generate a return on their purchase from the trading of the Sparrow Tokens, and the purchasers should not expect a return on their trading activities arising from the Options Trading Platform.