

DeepRUSD Business Plan

A Smarter Path to Institutional Crypto Risk Management

Executive Overview

Mission

DeepRUSD's mission is to build secure, regulator-aligned financial infrastructure that empowers institutions, enterprises, and the public to engage with cryptocurrency safely and efficiently.

Vision

Our vision is to establish a compliant, transparent, and resilient framework for digital asset adoption. By addressing systemic risks and regulatory concerns, DeepRUSD seeks to unlock institutional capital flows and broaden market participation while reducing friction with regulators.

What We Do

The foundation of our ecosystem is RUSD, an institutional-grade stablecoin backed by tokenized treasuries and reinforced with advanced security and compliance features.

Building on this foundation, we are creating a suite of complementary financial tools, including tokenized insurance products for exchange deposits, a trustless escrow framework, a collateralized credit facility, and an on-chain AML/KYC compliance cache. Collectively, these components form a standardized set of financial building blocks designed to enable regulated institutional engagement with public crypto markets.

Together, these innovations position DeepRUSD to become the core infrastructure layer for regulated digital asset markets.

The Problem

Stalled Growth

Despite rapid expansion, the cryptocurrency industry faces stagnation. Its growth is constrained by systemic limitations: cryptocurrencies primarily appreciate in value through inflation or adoption, and institutional participation remains limited due to unresolved regulatory and risk concerns.

Institutional Barriers

Broker-dealers and institutional investors are restricted from holding crypto assets directly, forcing reliance on custodial intermediaries. This raises operational costs, reduces efficiency, and creates structural barriers to direct market access. Exchange-traded products face similar issues, with cash settlement requirements replacing direct crypto settlement.

Regulatory Concerns

Regulators remain focused on the risks of centralized exchanges, including collapse, bankruptcy, and asset freezes. Efforts to apply legacy frameworks—such as money service business licenses or FDIC-style

protections—have done little to address the unique challenges of crypto markets. As a result, institutional capital remains largely sidelined, slowing industry-wide adoption.

The Solution

Institutional-Grade Stablecoin

At the core of our ecosystem is RUSD, a stablecoin designed specifically for institutional use. Backed by tokenized treasuries and reinforced with advanced security features—including Transfer Control Lists and Forward Transfer Authorization—RUSD enables secure, compliant transactions while providing transparency and control for institutional participants.

Tokenized Insurance Products

To address the risk of centralized exchange failures, we are developing socialized, tokenized insurance products. These instruments allow underwriters to deposit reserves, mint underwriting and premium tokens, and provide coverage for universally observable events. The framework ensures transparent, fair pricing and instant settlement of indemnification claims, mitigating systemic risks and facilitating confidence for institutional participants.

Trustless Escrow and On-Chain Compliance

Complementing the stablecoin and insurance products, our trustless escrow framework enables secure, two-party exchanges without relying on custodians. Additionally, our on-chain AML/KYC compliance cache provides verified regulatory information in a decentralized, accessible format. Together, these tools create a standardized set of financial building blocks that allow regulated institutional engagement with public crypto markets.

Product Module: Passthrough Insurance Buying/Selling and Compliance Record Contract

DeepRUSD plans to offer a passthrough insurance buying/selling contract as a dedicated product module for institutions, regulated service providers, and other participants that need verifiable insurance coverage while interacting with retail exchanges or other covered venues.

The passthrough contract is designed to sit between the participant and the exchange deposit/withdrawal workflow. When a participant initiates a covered deposit, the contract can purchase and hold the required premium tokens corresponding to the deposit exposure. While the exposure remains active, the contract maintains a public record showing that the required insurance position is in place.

When the participant withdraws or reduces exposure, the contract can sell, unwind, or adjust the corresponding premium-token position. This allows coverage to track the actual period and amount of exposure rather than forcing the participant to maintain static long-duration coverage.

The contract is intended to record compliance-relevant information in a transparent and queryable format, including:

- Covered venue or exchange identifier.
- Deposit or exposure reference.
- Coverage start time.

- Coverage end time or withdrawal event.
- Required premium-token amount.
- Premium-token purchase, holding, sale, or unwind events.
- Coverage status during the exposure period.
- Historical proof that insurance coverage existed while the exposure existed.

This creates a public, immutable compliance record that can be reviewed by regulators, auditors, counterparties, internal compliance teams, and institutional risk managers. Instead of relying only on internal reports or after-the-fact attestations, the participant can point to an on-chain record showing that deposit insurance was acquired and maintained during the relevant exposure window.

The product is designed to make insurance coverage dynamic and usage-based. Because premium tokens are time-decaying instruments, the participant's effective cost of coverage is tied to the time decay of the premium tokens during the period of actual exposure. This allows institutions to avoid paying for unnecessary coverage after they have withdrawn or reduced exposure.

The compliance record contract may become especially valuable for institutions seeking to demonstrate that retail-exchange exposure is protected by a transparent insurance layer. If accepted by regulators or internal risk committees, this module may help reduce friction related to in-kind exchange activity, custodianship requirements, and cross-border service rollout in jurisdictions that recognize the DeepRUSD insurance layer as a risk-management tool.

Institutional Retail Exchange Access and Deposit Insurance Passthrough

DeepRUSD is designed to benefit institutions that want exposure to liquidity on retail cryptocurrency exchanges without accepting the full unmanaged risk of direct exchange deposits.

A key use case is a deposit/withdrawal passthrough contract. An institution can route exchange deposits through a passthrough contract that automatically purchases and holds the required premium tokens for the duration of the institution's exchange exposure. When the institution withdraws from the exchange, the passthrough contract can sell or unwind the insurance position associated with that exposure.

This creates an immutable, public record of deposit-insurance coverage tied to the institution's exchange exposure. Regulators, counterparties, compliance teams, and auditors can verify that coverage existed while the exposure existed, rather than relying on opaque internal controls or delayed reporting.

The economic advantage is that institutions only pay for coverage for the time they need it. Because premium tokens are time-decaying instruments, the cost of coverage is tied to the time decay of the premium tokens during the period of exposure rather than a static annual policy premium or long-duration insurance commitment.

This structure may help institutions and regulated service providers:

- Access liquidity on retail exchanges while maintaining transparent deposit-insurance coverage.
- Create a public and immutable record of coverage during the exact period of exchange exposure.
- Reduce wasted insurance cost by paying only for the time decay of premium tokens during the time coverage is needed.
- Improve compliance visibility for auditors, regulators, and internal risk teams.
- Standardize exchange-deposit risk management across multiple exchanges or jurisdictions.

The immediate regulatory benefit is that this system gives agencies and regulated institutions a new tool for evaluating exchange-deposit risk. Regulatory agencies may deem transparent, time-bound, on-chain deposit insurance acceptable as a risk-reduction mechanism for certain use cases.

If accepted, this could help reduce requirements or operational friction related to in-kind exchange activity, full custodianship expectations, and the complexity of rolling out cross-border services in jurisdictions that recognize the insurance layer as a regulatory risk-management tool.

This is not presented as a replacement for regulation. It is a crypto-native compliance and risk-management tool that regulators may be able to incorporate into existing or future frameworks to make institutional access to public crypto markets safer, more transparent, and easier to supervise.

Securities Registration Strategy, RUSD Redemption Controls, and SEI Network Trading Venue

DeepRUSD intends to pursue initial regulatory treatment for premium tokens and underwriting tokens through the Bermuda framework first. The company does not intend to rely on ambiguity around token classification as a core business strategy. Instead, DeepRUSD's approach is to structure these instruments as fully compliant registered securities under the applicable Bermuda framework, while preserving public accessibility wherever legally permitted.

The premium tokens and underwriting tokens are intended to represent the two sides of a tokenized insurance market. Premium tokens provide time-bound protection against defined, universally observable events. Underwriting tokens represent the capital-providing side of the market and allow underwriters to participate in pricing and assuming covered risk.

DeepRUSD expects the registration pathway to be a manageable compliance cost relative to the overall launch budget. Once premium tokens and underwriting tokens are registered, their trading will still need to follow the rules governing where registered securities may trade and who may trade them. DeepRUSD's objective is to avoid any investor-qualification gate as a condition of participation. The product is designed to be publicly accessible and useful to ordinary customers, institutions, market makers, and exchange users, subject to applicable law, venue rules, protocol-level compliance controls, and RUSD-to-USDC redemption AML/KYC requirements.

The Bermuda strategy is central to this approach because Bermuda appears to offer both digital asset regulation and an innovative insurance product framework, as well as a formal pathway to request tailored treatment where legacy rules do not fit the product. DeepRUSD expects public accessibility to be achieved through a combination of registration, SEI Network's native trading order book and order-matching facilities, compliant exchange listings where appropriate, and potentially an application for an exception or tailored regulatory treatment that allows public participation without imposing investor-qualification restrictions.

DeepRUSD does not intend to qualify investors as a condition for holding or trading RUSD, premium tokens, or underwriting tokens. RUSD, premium tokens, and underwriting tokens are intended to be freely transferable, subject to applicable law, venue rules, and protocol-level compliance controls. Public secondary trading may occur on public infrastructure. The primary AML/KYC control point is redemption from RUSD into USDC. Insurance-token redemptions and claim settlements are designed to remain inside the RUSD ecosystem and settle in RUSD; they do not require AML/KYC solely because insurance-token value is redeemed.

By settling insurance-token redemptions in RUSD, DeepRUSD keeps insurance-market activity inside the platform's native settlement asset. This reduces the need to impose AML/KYC at every premium-token or underwriting-token redemption while preserving AML/KYC controls at the RUSD-to-USDC reserve redemption point.

DeepRUSD intends for premium tokens and underwriting tokens to trade through the SEI Network's native order book and order-matching facilities. The chief reason for using SEI's native trading infrastructure is regulatory efficiency. By relying on SEI Network's built-in order book and matching facilities, DeepRUSD can reduce the operational and regulatory burden that could arise if the company directly facilitated, brokered, or operated secondary trading infrastructure for the insurance tokens itself.

SEI is designed for high-performance exchange-style trading, making it a strong technical fit for tokenized insurance instruments that require transparent price discovery, active liquidity, and efficient matching between underwriters, insured participants, market makers, and secondary-market buyers and sellers. It is also strategically useful because the trading layer can be separated from DeepRUSD's core product and compliance architecture.

The intended SEI-based trading model is designed to support:

- Transparent order book activity for premium and underwriting tokens.
- Efficient order matching and price discovery through SEI Network's native facilities.
- Secondary-market trading of time-decaying premium tokens.
- Liquidity for underwriting-token participants.
- Market-maker participation through the investor-operated liquidity facility.
- Public, queryable transaction history for compliance and audit review.
- Reduced need for DeepRUSD to operate its own trading venue or matching engine.

DeepRUSD also intends to support listings on compliant exchanges where appropriate. Listings on regulated or otherwise compliant exchanges may provide additional liquidity, institutional access, and jurisdiction-specific trading pathways without requiring DeepRUSD to directly operate every trading venue.

This approach is intended to make the market more transparent than opaque over-the-counter insurance arrangements while reducing direct trading-facilitation burdens on DeepRUSD. Regulators, institutions, auditors, and counterparties can observe how insurance coverage is priced, traded, acquired, held, and unwound through public trading infrastructure and related smart contract records.

The final registration and trading structure will be determined with qualified securities, insurance, digital asset, and Bermuda regulatory counsel. DeepRUSD's goal is to launch the premium-token and underwriting-token markets in a way that is legally recognized, institutionally credible, and compatible with SEI Network's native trading infrastructure.

AML/KYC Compliance Cache and Registered Law-Enforcement Workflow

DeepRUSD's AML/KYC compliance cache is designed to support both ordinary redemption compliance and registered law-enforcement workflows. AML/KYC is required when a participant seeks to convert RUSD into USDC through the reserve redemption process.

Law-enforcement or regulatory users must register and be AML/KYC-verified before they are approved to submit freeze requests. Registration is not automatic. The requesting entity must be reviewed, approved, and

bound to the platform's procedural requirements before it can use the freeze/seizure workflow.

As part of registration, approved law-enforcement users agree to a defined process for submitting, supporting, perfecting, or releasing freeze requests. Registered law-enforcement users may flag and temporarily freeze RUSD, premium tokens, or underwriting tokens where they assert a lawful basis to intervene.

Once a freeze request is submitted, the requesting authority must drive the process in a timely manner by submitting supporting documentation within the applicable timeout window. If the requesting authority does not provide sufficient documentation within the required window, DeepRUSD may release the freeze. If the requesting authority perfects the seizure through legally sufficient documentation, court order, or other required process, DeepRUSD can facilitate seizure in accordance with applicable law.

Freeze and seizure activity is intended to be publicly visible in a way that supports transparency while protecting sources, methods, and sensitive identities. Any references to requesting agencies, involved parties, or investigative participants that are stored in the contract should be stubbed with one-time-use identifiers. These identifiers allow the freeze/seizure process to be tracked without exposing agency identities, investigative methods, or sensitive party information directly on-chain.

Publicly visible contract or compliance-cache records may include:

- One-time-use request identifier.
- Affected token type: RUSD, premium token, or underwriting token.
- Affected token/account/position reference where appropriate.
- Freeze request timestamp.
- Applicable documentation deadline.
- Supporting documentation submission status or process status.
- Freeze release event if not perfected.
- Seizure execution event if perfected.

DeepRUSD may manage requester performance, timeout tiers, penalty status, and abuse controls through the website and administrative compliance workflow rather than exposing full requester performance history directly in the contract. Abusive, repetitive, unsupported, or poorly documented freeze requests can affect the requesting authority's future process rights. Poor performance may reduce the amount of time available to submit supporting documentation, trigger penalties, restrict request privileges, or lead to removal from the registered law-enforcement access program.

This protocol is designed to support compliance obligations under stablecoin and digital asset frameworks, including requirements similar to those contemplated by the GENIUS Act, while preserving procedural safeguards and transparent public process records.

Market Opportunity & Competitive Landscape

Market Opportunity

The cryptocurrency market continues to grow rapidly, yet institutional participation remains constrained by regulatory uncertainty and limited risk mitigation tools. DeepRUSD addresses this gap by providing a secure, compliant infrastructure that enables institutions to engage directly with public crypto markets. By facilitating access to standardized financial building blocks, we unlock potential capital flows, enhance liquidity, and

foster broader market adoption.

Based on the top 25 cryptocurrency exchanges, total assets under management (AUM) amount to approximately \$970.3 billion. Applying a conservative 25% cap on insurable assets and assuming a 4% annual yield on tokenized treasuries, DeepRUSD's total addressable market (TAM) revenue is projected at \$9.7 billion. Targeting a 2% penetration in the first year, the serviceable obtainable market (SOM) is approximately \$194 million.

Competitive Landscape

While traditional insurance providers and emerging DeFi platforms offer risk management solutions, DeepRUSD differentiates itself through:

- Decentralized and transparent infrastructure
- ERC-1155 token pair for insurance and risk hedging
- Human oracle validation for universally observable events
- Real-time, cost-effective risk management
- Standardized financial building blocks for institutional use
- Advanced security features for custody and transfer control
- Minimal operational footprint: no physical office required, minimal staff, and extensive outsourcing

Revenue Model & Financial Projections

Revenue Model

DeepRUSD generates revenue primarily from interest earned on tokenized treasuries held in reserve for RUSD, and nominal fees for optional advanced security features such as Transfer Control Lists (TCL) and Forward Transfer Authorization (FTA). No fees are applied to trades or redemptions between users, ensuring cost-efficient access to risk mitigation tools while maintaining a sustainable revenue stream.

Financial Projections

With top 25 exchange AUM of ~\$970.3B, applying a 25% insurable cap and 4% treasury yield yields TAM revenue of ~\$9.7B. Targeting 2% SOM in the first year gives ~\$194M revenue before expenses.

Operational Efficiency

Operating expenses are expected to remain under 17% of revenue, covering oracles, staff, IT infrastructure, and minimal marketing. The scalable, decentralized model ensures early profitability and maintains proportional costs.

Funding Request, Governance & 18-Month Deployment Roadmap

Funding Request: \$4,664,000 Round 1 Commitment

DeepRUSD is seeking one Round 1 investor to commit **\$4,664,000** for a three-year commitment period. In exchange, the Round 1 investor receives **26%** ownership and one board seat, held either by the investor or the investor's designated representative.

The Round 1 commitment is structured to fund an 18-month regulated deployment and initial operations roadmap while separating operating burn from reserve capital and investor-operated market-making liquidity. The full commitment is not required to be released on day one. Instead, capital is released through milestone-triggered phases as DeepRUSD completes the prior phase of deployment.

Capital Category	Amount	Purpose
Launch execution and 18-month operating runway	\$2,214,000	Operating expenses, legal/regulatory setup, compliance, audits, patents, technical work, business development, and launch execution.
Reserved capital	\$950,000	\$750,000 BMA licensing capital reserve and \$200,000 defensive legal reserve. This is not planned operating spend.
Investor-operated insurance-token market-making facility	\$1,500,000	Liquidity facility operated by the Round 1 investor or its designated entity to jumpstart underwriting-token and premium-token markets.
Total Round 1 Commitment	\$4,664,000	Full three-year Round 1 commitment.

This replaces the earlier approximately \$500,000 launch estimate, which reflected a preliminary technical-launch model. The revised plan reflects the capital required to launch DeepRUSD as a regulated, institutionally credible financial infrastructure platform.

Use of Funds

Launch Execution and 18-Month Operating Runway — \$2,214,000

This portion funds the direct work required to launch DeepRUSD and operate through the first 18 months. It includes **\$1,734,000** for 18-month operating expenses and **\$480,000** for one-time setup, regulatory, legal, audit, security, and patent costs.

- Founder and core operating team compensation
- BMA compliance officer capability
- Bermuda legal and regulatory counsel
- Accounting, actuarial, audit, and trustee support
- AML/KYC program design
- Smart contract audits and bridge/security audits
- Patent filings
- Support and integration resources
- Exploratory contract development
- Business development and institutional relationship building

Reserved Capital — \$950,000

DeepRUSD will reserve **\$950,000** as capital protection and regulatory/legal readiness. This is not planned operating spend. It includes a **\$750,000** BMA licensing capital reserve and a **\$200,000** defensive legal reserve.

The **\$750,000** BMA licensing capital reserve is capital required to support licensing under the Bermuda Monetary Authority framework. It is not consumed by ordinary operations. It exists to demonstrate regulatory capital readiness and support the company's licensed operating structure.

The **\$200,000** defensive legal reserve is maintained for unforeseen legal or regulatory defense needs. This reserve protects the operating plan by ensuring that unexpected legal defense expenses do not force the company to divert funds from engineering, compliance, audits, operations, or market launch.

Investor-Operated Market-Making Facility — \$1,500,000

The **\$1,500,000** market-making allocation is an investor-operated liquidity facility, not DeepRUSD operating capital and not company burn. The Round 1 investor is encouraged to create or designate a separate entity to manage this facility for the three-year commitment period.

The purpose of the facility is to jumpstart liquidity in the underwriting-token and premium-token markets, support orderly price discovery, reduce early trading friction, and demonstrate a functioning market before broader third-party liquidity develops.

Income generated from market-making activity belongs to the investor or the investor's designated market-making entity. DeepRUSD makes no claim to that income and does not guarantee any return. Market-making activity may generate independent upside depending on volume, spreads, volatility, liquidity demand, and execution quality, but no return is promised or guaranteed.

The facility must support healthy market function and may not be used to restrict liquidity, manipulate market conditions, or create leverage over DeepRUSD, underwriters, insured participants, or other market users. Specific operating requirements will be finalized in the market-making agreement before launch.

After the three-year commitment period, the investor may reclaim the market-making capital and shut down the facility without affecting the investor's **26%** ownership interest in DeepRUSD.

Milestone-Triggered Capital Release Structure

The **\$4,664,000** Round 1 commitment is designed to be released through milestone-triggered phases over the first 18 months. DeepRUSD believes an initial technical launch or controlled pilot may be achievable in approximately three months. The principal timeline risks are regulatory licensing and third-party contract/security audits, not ordinary software deployment.

The roadmap therefore separates the accelerated launch objective from the broader 18-month operating runway. The first 90 days are focused on formation, licensing submission, audit initiation, testnet/pilot deployment, reserve-contract transparency, and launch readiness. The remaining runway supports licensing completion, audit remediation, reserve formation, market liquidity, institutional integrations, and scale.

Phase	Timing	Release	Trigger
Phase 1	Weeks 0-4	\$480,000	Formation, counsel, licensing strategy, initial compliance/security work.
Phase 2	Weeks 5-8	\$734,000	BMA package submitted or substantially complete; compliance framework documented; audits initiated.
Phase 3	Weeks 9-12	\$550,000	Controlled pilot or technical launch readiness; ERC-20 reserve transparency demonstrated; token workflows validated.
Phase 4	Months 4-6	\$1,200,000	BMA licensing capital reserve and defensive legal reserve established; audit remediation and licensing review advanced.
Phase 5	Months 7-12	\$1,000,000	Regulated market launch or expanded pilot as permitted; first liquidity tranche deployed; early activity measurable.

Phase	Timing	Release	Trigger
Phase 6	Months 13-18	\$700,000	Scaling, optimization, remaining liquidity/runway, next-stage financing preparation.
Total	18 months	\$4,664,000	Full Round 1 commitment.

Phase 1 — Formation, Legal Architecture, and Regulatory Preparation — Weeks 0-4 — \$480,000

- Finalize corporate and regulatory structure.
- Engage Bermuda legal and regulatory counsel.
- Finalize DABA / IIGB licensing strategy and sandbox/exception pathway.
- Begin AML/KYC program design.
- Begin patent filing process.
- Begin initial smart contract and bridge security review.
- Establish operating budget controls and investor reporting cadence.
- Fund initial founder/core operating runway.

Release trigger for Phase 2: DeepRUSD has completed formation planning, engaged required counsel/advisors, documented the licensing strategy, and begun compliance/security work.

Phase 2 — BMA Submission, Compliance Buildout, and Audit Initiation — Weeks 5-8 — \$734,000

- Submit or materially complete BMA licensing materials.
- Onboard or retain BMA compliance officer capability.
- Complete AML/KYC program framework.
- Advance DABA and IIGB documentation.
- Initiate formal smart contract, reserve-contract, and bridge/security audits.
- Continue patent filings.
- Complete accounting/trustee setup planning.
- Continue operating runway.

Release trigger for Phase 3: Regulatory materials are submitted or substantially ready for submission, the compliance framework is documented, and formal technical/security review is underway.

Phase 3 — 90-Day Technical Launch / Controlled Pilot Readiness — Weeks 9-12 — \$550,000

- Complete testnet or controlled pilot deployment.
- Finalize ERC-20 reserve contract query and visibility tooling.
- Demonstrate real-time reserve transparency.
- Validate underwriting-token and premium-token mechanics.
- Validate insurance product lifecycle workflows.
- Test oracle participation and claims-verification process.
- Begin security remediation from initial audit findings.
- Prepare institutional partner onboarding materials.

Release trigger for Phase 4: DeepRUSD has demonstrated a functioning pilot or technical launch candidate, shown that reserve compliance can be queried in real time from the ERC-20 reserve contract, validated insurance-token mechanics, and identified required audit remediation.

Phase 4 — Licensing Review, Reserve Formation, and Audit Remediation — Months 4-6 — \$1,200,000

- Establish the \$750,000 BMA licensing capital reserve.
- Establish the \$200,000 defensive legal reserve.
- Complete or substantially complete smart contract and bridge/security audits.
- Complete required audit remediation.
- Advance BMA licensing review, sandbox treatment, or exception requests.
- Complete accounting, actuarial, and audit readiness work.
- Prepare institutional-facing compliance and technical materials.
- Continue operating runway.

Release trigger for Phase 5: Reserve capital is established, the defensive legal reserve is funded, audit/security work and remediation are substantially complete, and regulatory status permits a regulated launch, expanded pilot, or market-facing rollout.

Phase 5 — Regulated Market Launch / Expanded Pilot and Initial Liquidity Deployment — Months 7-12 — \$1,000,000

- Launch the initial insurance-token market or expand the pilot as permitted by licensing status.
- Deploy the first tranche of investor-operated market-making liquidity.
- Begin institutional integrations.
- Support early underwriter and insured participant activity.
- Monitor pricing, liquidity, oracle participation, and market behavior.
- Validate early revenue and market feedback.

Release trigger for Phase 6: The initial insurance-token market or expanded pilot is live, early liquidity has been deployed, participant activity is measurable, and market behavior data supports continued scaling.

Phase 6 — Scale, Optimization, and 18-Month Runway Completion — Months 13-18 — \$700,000

- Deploy remaining investor-operated market-making liquidity as needed.
- Expand institutional and exchange relationships.
- Refine oracle compensation model.
- Optimize market-making strategy.
- Improve liquidity depth and pricing efficiency.
- Complete 18-month operating runway.
- Prepare next financing, strategic partnership, or revenue-funded expansion plan.

Completion objective: By the end of Phase 6, DeepRUSD should have completed or materially advanced the regulated launch roadmap, demonstrated transparent reserve compliance, launched or piloted the initial insurance-token market, gathered early performance data, and positioned the company for scale.

Round 1 Ownership and Governance Structure

DeepRUSD intends to accept only one initial investor in Round 1. Initial ownership is expected to be structured as follows:

Holder	Ownership	Voting Rights
Cofounder 1	26%	Voting
Cofounder 2	26%	Voting
Round 1 Investor	26%	Voting
Employee Incentive Reserve	22%	Non-voting
Total	100%	

The Round 1 investor, or the investor's designated representative, receives one board seat alongside the two cofounders. The investor board seat does not carry special veto rights. Certain critical technical actions, including upgrades to the ERC-20 reserve contract, require unanimous board approval.

Future rounds, secondary sales, employee allocations, or sales of control may subdivide or adjust ownership percentages and voting participation, subject to company approvals and applicable agreements.

Employee Incentive Reserve

DeepRUSD intends to reserve **22%** of ownership for employee incentives. The employee incentive reserve is non-voting and is designed to help recruit, retain, and reward key personnel after launch.

Until employee incentive program shares are allocated, income attributable to those unallocated shares feeds into the company's operations budget. This improves early capital efficiency because unallocated incentive economics support operations instead of remaining idle.

Employee incentive grants are expected to vest over four years. Once granted, employees receive economic rights according to their vesting schedule. If an employee later separates from the company, the employee may continue receiving the economic benefit of vested incentive rights after separation. Employees who do not receive incentive grants are compensated through salary or other agreed compensation arrangements.

Corporate Structure, Investor Distributions, and Capital Flow

DeepRUSD's proposed corporate structure is intended to separate regulated operating activity, reserve transparency, insurance-token market activity, intellectual property, and investor distributions. The structure remains subject to review by qualified legal, tax, accounting, and regulatory professionals.

Cayman Holding Company and Investor Distribution Contract

DeepRUSD intends to use a Cayman holding company to administer investor-facing economic rights and RUSD-native distributions. Distributable proceeds accrue in RUSD inside the **Investor Distribution Contract** administered by the Cayman holding company.

Investors do not receive forced fiat distributions. Instead, each investor's investing entity may withdraw its accrued RUSD from the Investor Distribution Contract when it chooses to do so. This model gives investors flexibility over custody, timing, tax planning, and conversion strategy.

An investor using a Cayman investing entity, for example, may be able to claim RUSD into that entity and then determine its own tax-efficient pathway for holding, converting, or distributing those funds. DeepRUSD does not provide tax advice and does not guarantee any investor-specific tax treatment. The purpose of the structure is to avoid forced fiat conversion and give investors control over how they claim and manage RUSD-denominated distributions.

Why Bermuda: Regulatory Alignment, Flexibility, and Reserve Compatibility

Bermuda appears to offer a uniquely suitable combination of digital asset regulation, innovative insurance licensing, scalable licensing fees, and formal regulatory flexibility.

This is central to DeepRUSD's launch strategy because the platform does not fit neatly into a single legacy category. DeepRUSD combines stablecoin infrastructure, transparent on-chain reserves, tokenized insurance products, underwriting tokens, premium tokens, oracle-verified universally observable events, and smart contract-based claims workflows.

Bermuda offers several advantages for this structure:

- A Digital Asset Business Act framework for digital asset activity.
- An innovative insurance product framework.
- A regulator familiar with insurance-linked innovation.
- A formal pathway to request exceptions, modifications, or tailored regulatory treatment.
- Licensing fees that can scale with the size and stage of the business.
- Sandbox-style pathways that may allow early licensing or testing at materially lower initial cost.
- Regulatory alignment with OpenEden USDO, the tokenized treasury asset intended to back RUSD 1:1.

Bermuda is the regulatory home for USDO. That means DeepRUSD can present its reserve model around a tokenized treasury asset with existing regulatory relevance in the same jurisdiction. This should help with regulatory acceptance because the reserve collateral is not an unfamiliar asset being introduced into the jurisdiction for the first time.

DeepRUSD may use Bermuda's formal exception pathway to seek recognition that real-time on-chain reserve verification satisfies the policy objective behind periodic third-party reserve audits. Traditional reserve-audit requirements were designed for structures where banks or custodians hold off-chain bonds or similar assets. DeepRUSD's reserve model is designed to be continuously visible, queryable, and enforceable on-chain.

Transparent On-Chain Reserve Architecture

DeepRUSD's reserve architecture is designed around 1:1 backing, real-time verification, and automated reserve compliance. RUSD is backed 1:1 by OpenEden USDO tokenized treasury assets.

The reserve is held in the ERC-20 reserve contract, which tracks the USDO reserve, minted RUSD, and outstanding RUSD liabilities against the reserve in real time. The reserve contract makes the following data queryable in real time:

- Total USDO reserve balance
- Total RUSD minted
- Total outstanding RUSD liabilities

- Reserve coverage ratio
- Reserve surplus or deficiency
- Reserve compliance status

The reserve contract prevents new RUSD issuance unless sufficient USDO reserves are present to maintain 1:1 backing. This logic is public and automated. DeepRUSD cannot manually bypass the reserve requirement in day-to-day operation. If the reserve is insufficient, additional RUSD cannot be minted.

The reserve contract is deployed through a transparent proxy. Upgrades are permitted only through official board action and require unanimous board approval. DeepRUSD will not perform upgrades that alter core reserve terms, weaken 1:1 USDO backing, or change investor/user economic rights. Upgradeability exists for technical fixes and future program expansion only.

This allows investors, regulators, users, and counterparties to inspect reserve compliance directly from the blockchain. The reserve contract functions as a live compliance surface and a non-discretionary issuance control, while preserving a narrowly governed technical-upgrade path.

Long-Term Expense Discipline

DeepRUSD is designed to be operationally lean after launch. The first 18 months require elevated spending because the company is building regulated institutional infrastructure, not simply deploying a software product. Legal, compliance, audit, security, reserve-readiness, and launch costs are front-loaded.

After the regulated infrastructure is established, DeepRUSD's goal is to keep expenses as low as possible and below **17%** of revenue. Most variable expense is expected to relate to oracle compensation. This allows the company's cost structure to scale with actual platform usage rather than requiring a large fixed-cost organization.

DeepRUSD's operating profile is designed around automated smart contracts, transparent on-chain reserves, scalable oracle compensation, low overhead relative to revenue, and a clear separation between operating spend, reserved capital, and investor-operated market-making liquidity.

Future Growth Strategy: IP-Driven Franchise and Licensing Expansion

DeepRUSD's initial launch strategy is centered on Bermuda. After validating the Bermuda launch structure, DeepRUSD intends to pursue international expansion through franchise and licensing opportunities rather than directly operating in every country.

This creates a capital-light path to broader jurisdictional coverage. The Cayman holding company is expected to hold or administer DeepRUSD's intellectual property and collect IP-related economics, including royalty, franchise, and technology licensing revenue.

Under this model, DeepRUSD may license or franchise its framework to qualified entities in additional countries. These local partners would be positioned to handle operation and rollout under their own country's regulatory requirements.

Local franchise or licensing partners may handle:

- Local regulatory licensing.
- Local compliance obligations.
- Local rollout and market entry.
- Customer acquisition.
- Country-specific operating requirements.
- Regulator engagement.
- Local exchange, insurer, financial institution, or market-maker partnerships.
- Jurisdiction-specific banking, treasury, or reserve procedures where required.

DeepRUSD would provide the protected IP framework, technical architecture, product model, compliance concepts, and operating methodology, while local partners handle jurisdiction-specific execution. This allows DeepRUSD to pursue broader international coverage without directly carrying the licensing, staffing, legal, compliance, and operating burden of every target country.

Future Franchise Reserve Options

Future franchisees will be expected to adopt the RUSD-based framework as the default model. The preferred structure is for franchisees to base their local implementation on RUSD, preserving alignment with DeepRUSD's core reserve architecture, tokenized insurance framework, ecosystem economics, and RUSD network effects.

Alternate reserve deployments may be considered where required by local regulation, partner requirements, or strategic commercial need. If a franchisee or local regulator requires an alternate reserve asset or local reserve implementation, DeepRUSD may deploy or support that alternate reserve structure for the partner.

In that case, the partner must agree to an appropriate revenue split or enhanced licensing arrangement. This allows DeepRUSD to preserve the RUSD network effect where possible while still capturing economics from jurisdictions that require local adaptation.

The future franchise model therefore has two reserve pathways:

- **RUSD-Based Franchise Model:** The partner adopts RUSD as the base reserve and settlement asset for its local implementation. This preserves the strongest alignment with the DeepRUSD ecosystem.
- **Alternate Reserve Deployment Model:** Where required by local regulation, partner requirements, or strategic commercial need, DeepRUSD may deploy an alternate reserve architecture for the partner, subject to a revenue split or enhanced licensing arrangement.

Smart Contract Access and IP Protection

DeepRUSD's smart contracts are intended to be transparent and publicly inspectable, but they are not open source and are offered with no license.

Public visibility exists for verification, auditability, regulatory transparency, investor confidence, and market trust. It does not grant third parties permission to copy, modify, reuse, commercialize, sublicense, or redeploy the contracts. The contracts may be visible because blockchain infrastructure requires transparency, but visibility is not a license grant.

DeepRUSD's intellectual property strategy is designed to facilitate franchising and licensing. The goal is not to hide the contracts or rely exclusively on code secrecy. The goal is to create a legally recognized IP

framework around the business methods, tokenized insurance structures, reserve mechanisms, compliance architecture, and related financial infrastructure that make DeepRUSD commercially valuable.

Patent Coverage and Practical Limitations

DeepRUSD recognizes that patent protection is not universal. No startup can obtain or defend patent rights in every country. The company expects to pursue broad international coverage through the WIPO/PCT process and related national-phase filings, with the goal of obtaining practical protection across 80+ countries where commercially reasonable.

However, DeepRUSD does not expect to have the financial resources to aggressively defend patents across all covered jurisdictions during the first several years of operation. Early-stage patent defense will need to be selective and commercially disciplined.

The near-term purpose of the patent portfolio is therefore not to litigate every infringement. It is to create a credible IP foundation for:

- Franchise negotiations.
- Licensing negotiations.
- Royalty arrangements.
- Jurisdictional revenue planning.
- Strategic partnerships.
- Future enforcement once the company is better capitalized.
- Discouraging direct institutional copycats in major markets.

Strategic Value to Investors

For investors, the franchise and licensing strategy creates additional upside beyond the initial Bermuda launch. If DeepRUSD's model is adopted internationally, the company can expand into additional countries through local partners that are better positioned to handle local regulatory approval and market rollout.

DeepRUSD can earn royalty, franchise, revenue split, or technology licensing income through the Cayman holding company without directly operating every local regulated business. This supports a capital-light global expansion strategy while allowing local operators to manage country-specific compliance, rollout, and operations.

Team & Governance

Team

DeepRUSD is led by experts in blockchain, finance, risk management, and regulatory compliance:

- Board Members: Strategic oversight
- Oracles: Validate universally observable events
- Compliance & Risk: AML/KYC and regulatory adherence
- Cybersecurity & IT: Protect infrastructure and assets
- Marketing & Business Development: Partnerships and adoption
- Legal & Accounting: Regulatory and corporate compliance

Governance

DeepRUSD uses a decentralized framework:

- Oracle Consensus: Human-verified UOE triggers indemnification
- Board Oversight: Approves events post-consensus
- Fee & Reserve Management: Transparent treasury and underwriting allocation
- Risk Controls: Limits on exposure and smart contract safeguards

Risk Factors & Mitigation

Key risks include:

- **Regulatory:** Mitigated through multi-jurisdiction legal and compliance teams
- **Operational:** Mitigated via smart contract audits, oracle verification, and security best practices
- **Market Adoption:** Mitigated through partnerships, outreach, and clear value demonstration
- **Liquidity & Counterparty:** Initial funding ensures sufficient market depth, smart contracts manage exposure
- **Legal & IP:** Patents centralized under Cayman IBC, monitored by legal counsel

Conclusion

DeepRUSD represents a transformative approach to cryptocurrency risk management. Anchored by RUSD and complemented by tokenized insurance, trustless escrow, collateralized credit, and an on-chain AML/KYC compliance cache, the ecosystem provides a standardized framework for secure, efficient institutional participation.

With minimal staff, no physical office requirement, and a scalable corporate structure, DeepRUSD is positioned to capture meaningful market share while maintaining operational efficiency. With appropriate funding and execution, DeepRUSD will redefine crypto risk mitigation, fostering transparency, stability, and growth across digital asset markets.

Appendix

Top 25 Cryptocurrency Exchange AUM

Exchange	AUM (USD)
Coinbase	\$420,000,000,000.00
Robinhood	\$221,000,000,000.00
Binance	\$154,995,928,316.00
Kraken	\$42,800,000,000.00
bitFlyer	\$29,269,210,530.00

Exchange	AUM (USD)
Bitfinex	\$24,429,320,562.15
OKX	\$21,156,602,232.32
Bybit	\$10,929,094,061.00
Gemini	\$9,028,618,578.43
Gate.io	\$7,885,678,555.43
Bitget	\$6,729,392,496.30
HTX	\$6,568,453,434.83
KuCoin	\$4,510,516,860.09
Crypto.com	\$3,877,356,536.85
Bithumb	\$2,570,000,000.00
MEXC	\$1,694,520,293.79
BingX	\$1,158,136,786.23
LBank	\$1,128,609,762.89
Deepcoin	\$239,265,621.02
WEEK	\$225,387,074.00
XT.com	\$55,173,003.34
Poloniex	\$45,422,562.56
Bitmart	\$34,226,882.47
Pionex	\$9,229,701.17
Total	\$970,340,143,850.87

Financial Metrics

Metric	Value (USD)
TBILL Yield (12 months)	4.00%
Max Underwriting %	25.00%
Total Addressable Market (TAM) Revenue	\$9,703,401,438.51
Serviceable Addressable Market (SAM) Revenue	\$9,703,401,438.51
Serviceable Obtainable Market (SOM) Revenue, 1st year @ 2%	\$194,068,028.77

This business plan is preliminary and subject to review by qualified legal, tax, accounting, regulatory, and investment professionals. It is not tax, legal, investment, or regulatory advice.