INFORMATION SHEET

MAY 13, 2024

PINDA = **PIN**OY **D**IGITAL **A**SSET

PINDA is a tool to help you get funding for your medical practice.

We have an app to manage your distribution of PINDA at **app.pinda.ph**

PINDA is a new form of digital *collateral* curated by PINDA TECHNOLOGY INC. Collateral is an asset that lenders seek to make low-risk secure loans. Usually, these loans are secured by homes, vehicles, jewelry, **bonds,** or gold, but these types of collateral differ in nature and quality, and thus in, financial value. The value of each one needs to be assessed individually, which is time-consuming and expensive for banks to determine.

We can describe these types of collateral as *heterogenous*–each is ***different.***

PINDA is productive *homogeneous* collateral—each PINDA is the ***same.***

As a digital unit, each PINDA is the same as every other PINDA.

PINDA has a user-agreement.

Users mutually-agree to value PINDA to the PHP. Thus, the value of PINDA is known at all times, is easy to determine, and doesn't change. This gives PINDA intrinsic utility to bank and other lenders. PINDA—purposed as collateral—is a competitor to other forms of *collateral*. PINDA is not a currency competitor to the Philippines Peso.

Bond values **decay** with rate hikes. By comparison, PINDA's user-agreed PHP **REFERENCE VALUE** is **stable.** Our user-agreement gives PINDA utility and reliability to lenders. PINDA has a competitive advantage over traditional forms of collateral.

We are introducing PINDA first to doctors and banks.

There are three main elements to our user-agreement:

[1] All users mutually-agree to value PINDA to the PHP.

[2] The sum of all PINDA can be used to purchase our painting STONE MEN.

[3] The quantity of all PINDA = 100 billion x the USD/PHP exchange rate. The final quantity is fixed at the exchange rate on the date of March 21, 2033, noon Manila time. These three elements of our user agreement create a collateral asset of $100 billion USD. We can apply its value to numerous new technologies and productive projects.

To sustain the value of PINDA, we must use it for productive purposes.

Our #1 project is our GRANTS FOR DOCTORS program.

What is the purpose of our GRANTS FOR DOCTORS program? The unrestricted grants to doctors allow them to improve the quality of medicine for all PINOY and to treat poor patients with ease. This program helps the value of PINDA:

[1] It builds our community of users doctors-first.

[2] Our users affirm our user-agreement.

[3] We improve the quality medical care for all Pinoy. Pinoy will value PINDA.

[4] A pain-free population is a productive population—affirming productive use.

[5] It affirms our good-faith use of digital technology as a **PINOYSAVER** company.

[6] It is a necessary step prior to our work with banks.

[7] Connecting banks and doctors helps us self-fund our company.

As central banks hiked rates rapidly in 2022-2023, the value of bonds dropped rapidly. This caused great stress to regular banks because the value of assets (**bonds**) on their balance sheets dropped. This threatens their viability because banks must have adequate assets to equal their liabilities, or else central banks shut them down. Banks need to be recapitalized with PINDA to survive. Being useful to banks is a key to our success—to the value and formal recognition of PINDA. Healthy banks make a healthy economy.

PINDA TECHNOLOGY INC connects banks and doctors.

To make PINDA a success as a collateral asset, we give out PINDA collateral to doctors. We aim to give $20,000 USD of PINDA collateral to doctors per year for the next ten years. Our 2024 grants include the 2023 grants. So, doctors will get $40,000 in grants in 2024. If there are 100,000 doctors each getting $40,000 in grants, we will have created $4 billion USD in private collateral by the end of 2024.

Banks like secure loans. Banks need to recapitalize themselves because they lost money on bonds. PINDA has advantages over bonds. Doctors have PINDA COLLATERAL. Our job at PINDA TECHNOLOGY INC is to connect doctors and banks for a loan transaction. We connect doctors and banks through our app.

$20,000 X 55 = 1.1 MILLION PESOS in COLLATERAL VALUE—valued as such by doctors and friends and family of patients. We encourage banks to lend to doctors for that collateral. Our 24-hour loan structure and fee incentives motivate banks to lend.

1. The doctor requests a loan through our app.
2. The bank gives a loan after taking its fees. (5% PINDA FEE. 5% PHP FEE)
3. PINDA TECHNOLOGY INC gets a 5% PINDA FEE + 5% PHP connection fee.
4. The doctor gets a 24-hour loan equal to 80% of the collateral value.
5. The doctor defaults on the loan after 24-hours.
6. Per our user agreement, the bank agrees not to penalize the doctor's credit rating for the default. This loan transaction is the only way to convert PINDA to PHP.

RESULTS:

1. The doctor gets a 880,000 PHP grant out of his PINDA COLLATERAL GRANT.
2. The bank is happy to get a 5% PHP fee (55,000 PHP) and a 55,000 PINDA fee.
3. We are happy to get a 55,000 PHP fee to achieve the connection.
4. Patients are happy to get better and cheaper medical services in new facilities.

This is a brief overview of PINDA and its potential benefits to PINOY. We plan grants to hospitals, LSPU, and to the Maharlika Investment Fund to build relations with banks.

PINDA IS AN EXEMPT VIRTUAL ASSET

The Bangko Sentral ng Pilipinas (BSP) is the central monetary authority per the Philippines Constitution.

> We affirm that the Constitution places the *exclusive* governing monetary authority in the Bangko Sentral—despite what other regulatory agencies may claim.

The BSP issued Circular No. 1108 (2021). This circular allows issuers to avail themselves of *exceptions* from the *designation* of a regulated "virtual asset."

PINDA is designed to <u>*not*</u> be a virtual asset for *purposes of regulation*, even though, it will take a digital form most often, though not exclusively.

This difference in terminology between a regulated virtual asset and a digital asset is simply a function of the language of regulation.

EXEMPTIONS:

[1] Circular No. 1108 specifies that an *exempt* asset is one that has a *limited set of merchants*.

> In compliance with this requirement, our "limited set of merchants" is doctors and banks—which includes their related accredited institutions, such as, the Maharlika Investment Fund, hospitals, medical colleges and universities that train doctors.

[2] Circular No. 1108 specifies that an *exempt* asset is one that is used for the payment of goods and services *solely* offered by the issuer. That is the issuer must *accept its asset for payment*. We call this the "eat your own poison" requirement.

> (a) Our painting STONE MEN is an exclusive good that we offer. Given that it is an artwork, and that art is priceless, its value can equal the sum total value of PINDA issued at any given time.

> (b) Our 5% PINDA FEE for connecting doctors to banks is our service fee for services we render. Thus, while it may seem odd that we have a 5% service fee in payable in PINDA, its purpose is to fulfill this requirement.

In compliance with Bangko Sentral requirements (Circular 1108),

> [1] The sum of all PINDA issued may be used to purchase our painting STONE MEN. and can pay 50% of our service fees. This meets the "eat your own poison" requirement.
>
> [2] Our "set of merchants" are doctors and banks (accredited financial institutions) as required by Circular 1108. With a focus on doctors and banks (AFI) as clients, we will have excellent KYC credentials going forward.

By design, PINDA has a user-agreement by which its value is known. Users mutually-agree to value PINDA to the PHP. Thus, there is no need for an exchange or market in PINDA on any exchange. This eliminates all exchange risk. There are no real or implied capital gains. Thus, PINDA is *not* a (in)security and cannot be used in a *pump-and-dump* scam.

1. We do not sell PINDA. We grant PINDA to doctors.
2. We do not sell PINDA to the public. We do not take money for sales.
3. We may use PINDA to *buy* bonds from banks or *buy* bamboo from farmers.
4. We do not *market* PINDA sales to the public and imply no capital gains.
5. We avoid direct exchanges for PHP to PINDA or the reverse.
6. Our app does not facilitate the sale or DIRECT exchange of PINDA to PHP.
7. Our app does not store customer's PHP, facilitate trades, or capital gains.
8. All PINDA can be converted to certificate form. Digital is for convenience.
9. The digital form may be temporary, depending on, user-preferences.

Any kind of exchange would be PINDA ACCOUNT to PINDA ACCOUNT is between doctors to banks through their own private contracts. Given the above, regulations:

1. We sought to craft PINDA as a digital technology solution within the boundaries of the available Bangko Sentral exemptions to minimize our costs, risks, and challenges.
2. We designed PINDA to serve as collateral, not as currency—to avoid contact with fiat currency, fiat exchanges, money-changing regulations, costs, and risks.
3. As a PINOYSAVER company, our technology is a good-faith application of digital technology, where PINDA AS COLLATERAL is a unique solution to two severe current problems in the Philippines and world economy—the needs for adequate, accessible, and quality *healthcare* and adequate, accessible, and quality *liquidity.*

PINDA VIS-À-VIS PHILIPPINES SECURITIES AND EXCHANGE COMMISSION.

Our SEC *Certificate of Incorporation* includes the following statement.

> "This Certificate grants juridical personality to this corporation but DOES NOT AUTHORIZE it: "To issue, sell or offer for sale to the public, securities such as but not limited to, shares of stock, investment contracts, debt instruments and virtual currencies without prior Registration Statement approved by this Commission."

As is stated, the SEC does not authorize virtual currencies to be offered as *securities*.

Virtual currencies *may or may not* be securities. Virtual assets are not intrinsically securities. It is possible to have a digital asset that is **BOTH** exempt from characterization as a "virtual asset" (as defined by the Bangko Sentral) **AND** to have a digital asset that is not a security (as characterized by the SEC)—which is how PINDA is designed and positioned.

What is a "security?"

First, a "security" is a misnomer. No "security" is secure. They should properly have been called INSECURITIES. What the government is supposed to do is regulate insecurities issued to the public. There is no guarantee that a business will make money. Therefore, there is no guarantee that it will have profits, capital gains, dividends, or replay loans. Thus, the government asks that businesses disclose material facts about the business or asset that people *pay to speculate* on. The claims of a business to profit are *insecure*. *They are speculations*. Thus, financial speculations must be registered, unless there are exemptions.

Second, the issue of security is one of a bird in the hand versus a bird in the bush. If I sell you a bird in my cage, you can pick it up and walk away once you pay for it. This offer to sell the bird in the cage does not have to be registered as a security. If I sell you stock in a company that catches a bird in the bush, there is no guarantee that I will ever catch that bird. Thus, the situation of selling stock in a bird catching company—implying profits and capital gains—is not secure. Thus, the stock has to be registered as a "security," even though it is not secure in the true sense. Again, this is an abuse of language inversion.

For clarity's sake: What is secure is *not* registered. What is insecure *is* registered.

A cash sale takes immediate, near immediate, or scheduled delivery at sale. A "security" involves insecure delivery at sale. Delivery (profits, dividends, interest, return of principle) is not guaranteed. A security is an insecure purchased claim to profit in some business enterprise.

Profit has a strict definition—*a cash remainder after sales over purchase costs.*

The precondition of a profit is a purchase. If there is no purchase, there can be no security. People pay to speculate. If they don't pay, there is no speculation and no security.

A "security" is a purchased *in*secure financial speculation—the promise of rights to future profit in some business enterprise, in return for, consideration (money). Hard money is put at risk for soft money.

Is PINDA a "security?" PINDA is not a security.

[1] PINDA has a user-agreement whereby all users mutually-agree to value PINDA to the PHP. Our user-agreement is a "convention." There are no capital gains available given this condition.

[2] PINDA is not sold to the public, but granted to doctors, and used as grants of collateral, with participating financial institutions. As such, PINDA is not a security, or a security put up for sale.

[3] PINDA is not marketed as an item for sale to the public. No advertising is purchased to promote the cash purchase or investment of cash into PINDA.

[4] The value of PINDA is not related to the sale of any other product or service that may be offered by PINDA TECHNOLOGY INC.

[5] No dividend or interest is attached to ownership or purchase of PINDA.

[6] PINDA is not available on any exchange and is not directly convertible into PHP.

Without capital gains, without a stake in a business, and without attachment to the property or profits of any other business, and without sales of PINDA, PINDA has none of the characteristics of *a purchased speculation under the expectation of profit.*

PINDA should be understood, as a new form of collateral, as if it were gold. The associational value of PINDA is intrinsic to the user-agreement alone. PINDA does not rely on the success of any business enterprise. PINDA should not be considered a competitor to the PHP. It is not an alternative currency, but an alternative form of collateral that is homogeneous and of a fixed value by convention. PINDA can be considered and is designed to be an alternative to bonds used as collateral. Bonds have grave risks due to interest rate hikes. PINDA eliminates these risks. *PINDA is not a security, itself, but can be the basis to make new securities.* At some point, we may issue PINDA BONDS which we will register as securities.

As we wrote, “It is possible to have a digital asset that is BOTH exempt from characterization as a “virtual asset” AND to have a digital asset that is not a security.”

Man is ruled by the laws and limits of life. He is bound in time that always ticks. Time lost can never be regained. He has the capacity for creative work. These are three are the urgencies of mortal life. People must find a way to use their time productively and convert their heterogenous product into homogeneous money to mee the needs of life. As part of his productive efforts, man must create liquidity for his products—all of which are subject to decay, just as, he is.

The wonder of digital assets, properly designed, is that people are willing to use them to solve their liquidity problems because the need for liquidity is intrinsic to man and his works. Liquidity is a need and the basis to his prosperity and comfort.

No single authority can fulfill man’s limitless need for liquidity given man’s limitless capacity for production. No single government can meet man’s need for quality liquidity.

Everything in life, including life itself, is dynamic.

All wealth decays.

All of man's products decay.

His only option is to liquidate his assets and convert them from *what decays quickly* to *what decays slowly*. He must do this, so that he can meet his needs in his less productive seasons or years. His need for liquidity is a matter of long-term survival.

Attempts to interfere or subvert or even question man's quest for quality liquidity assure man's impoverishment and suffering.

The value of PINDA is that it offers a new type of collateral to meet the productive man's genuine need for liquidity.

PINDA fulfills a function in man's life. This no one can deny.

The ability to access resources—converting back and forth from homogeneous (money) to heterogeneous (stock, products, services, skills) resource forms—in the moment one needs to—while maintaining parity of value between the two forms—is the problem of liquidity. The problem of liquidity is an ever-present problem all men face. It is a philosophic problem that pre-exists government and has a non-governmental solution. The only role governments have is to *recognize* the various forms of resources and *punish* transactional fraud. Apart from that, the forms of liquidity must be free to emerge, and to rise and fall, as they meet or fail to meet individual and collective needs.

Can we create a digital asset that is not a "security?" What would that look like?

Can we create a digital asset that avails of the exemptions offered by the Bangko Sentral? What would that look like? Can we create a digital asset that is *both not a security and an exempt "virtual asset?"* That looks like **PINDA.**

What is a security? “Howey Test”

U.S. Supreme Court, via Library of Congress. “Securities & Exchange Commission v. W.J. **Howey** Co. et al.,” [Pages 298–299 (Pages 6–7 of PDF).]

[1] **Money is invested:** There must be monetary investment involved in the transaction, or at least some consideration passes from one party to another.

EXAMPLE: Purchasing corporate bonds with funds from your brokerage account.

Does not meet the criterion: Earning shares in a startup by contributing only time and expertise *without putting any money into the business*.

GRANTS are not securities.

[2] **There is an expectation of profits**: The investor anticipates financial gains from the investment, typically through the enterprise’s success.

EXAMPLE*:* Investing in a real estate venture with the expectation that the property will appreciate in value

- *Does not meet the criterion*: Buying a home for personal use as a primary residence without planning to sell it for a profit.

[3] **There is a common enterprise**: The investors and the enterprise behind the transaction, asset, or product are bound by a financial relationship, and the fortunes of the investors are tied to the enterprise’s success.

- *Meets the criterion*: Pooling funds with other investors in a mutual fund managed by a fund manager
- *Does not meet the criterion*: A stand-alone contract in which the financial return does not depend on the efforts or success of a wider enterprise, e.g., a lease agreement between a landlord and a tenant.

[4] **Success relies on the efforts of others**: The success of the investment depends predominantly on the efforts of individuals other than the investor.

- *Meets the criterion*: Investing in a startup where the financial return depends on the managerial expertise and efforts of the founding team
- *Does not meet the criterion*: Buying a piece of art where any potential appreciation in value is not tied to the efforts of others.

Each application of PINDA is stand-alone and independent.

Each doctor's grant can be the basis for collateral for loans with any willing lender in the world.

We provide the tools to create such relationships.

- ✓ We do not pool or manage money.
- ✓ We do not imply any capital gains.
- ✓ We do not take cash in the expectation of investment returns.

Stone Men by Hugo Lopez Rodriguez (Argentina)

Duration Risk Creates Insecurity.

The essential characteristic of an insecurity ("security") is **duration risk.**

The purchaser of a duck in a cage exchanged for 5000 pesos suffers no duration risk. He takes the duck, immediately, after paying for the duck.

A person may pay a builder to build a house. Because of the duration risk, the buy will pay half-down and half upon completion. By *convention*, this type of situation is not called a "security," yet, it involves insecurity and duration risk. Registration of these types of sales would be too cumbersome for the government to manage and too costly for business to register. If a builder fails to deliver the house, the isolated buyer must sue for damages. Importantly, the person is purchasing a product or service, not profits, a share of profits, or a company, or the uncertain, but *expected* capital gains and dividends of a company.

The issue of securities involves duration risk as it applies to profits—in the form of capital gains, dividends, and interest—expected of a business enterprise.

Duration risk is highest for those who invest in a company in the beginning. Often, founders of a company and early investors do not have to register their securities. Only when they liquidate their shares to the public must they register their securities.

A business selling stock on the expectation of profit in duck production suffers indefinite duration risk. This is so even though the purchaser may take possession of his shares once his check is cashed. What is purchased is not the shares primarily, but the utility of the shares as a claim to profits (capital gains or dividends). If there are no capital gains and no dividends suggested or expected, and no rights to the profits of an enterprise, then the asset is not a security. The asset like the duck in the cage is granted "as is." PINDA is bound to our user-agreement, not to profits of a company. PINDA is not a "security."

PINDA VALUE CREATION

Unlike traditional forms of collateral that suffer from depreciation, PINDA is digital and has no direct depreciation.

The value of PINDA is known, instantly, because the PHP is its reference value by convention of our user-agreement. There is no depreciation, as with, a house or vehicle; and no default because PINDA is not a bond or other interest-bearing instrument.

Because the value of PINDA is known immediately by its reference value, collateral transactions can be made immediately without costly professional assessments.

PINDA provides efficiencies that other collateral cannot match.