MatchAwards ITO / ICO Lite Paper (Draft 06-08-2025)

Transforming Small Business Economic Development Through AI, Web 3.0 and Crypto Currency

"...the most common and durable source of factions has been the various and unequal distribution of property."

James Madison

The Federalist Papers

| Legal Review: Hashchain Consulting Group Smart Contract Audit: By CERTIK | |
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1. Executive Summary

Advanced Internet Technologies, Inc. the ("Company") or ("AIT") is a privately held U.S. technology company and datacenter operating since 1995 by U.S veterans and an international team of entrepreneurs. In this Lite paper for an Initial Token Offering (ITO), AIT introduces MatchAwards.com, a unique social-media, economic development platform with a core utility that drives merit-based private sector growth by facilitating government & commercial contract, grant, investment and loan opportunity transparency. This is achieved by ensuring opportunity accessibility, ubiquity and accountability for all users, starting with the United States and expanding globally. Economic health is critically tied to the Debt-to-GDP ratio, which measures a nation's ability to manage its debt. With the U.S. ratio now at 123%—nearly double its historical average of 65%—a sustainable path forward requires boosting GDP rather than relying solely on spending cuts or increasing taxes. Even the creation and operation of **DOGE** or the **Department of Government Efficiency** in an effort to reduce this ratio will confront longstanding impediments to spending cuts. We must both "cut" and "grow" our way out of the current status quo by transforming opportunities into wealth creation based on merit. Simply stated, "the pie" must grow, and the recent regulatory shift in the **U.S.** with respect to **Crypto sentiment** is encouraging in that regard. Small businesses, (99% of all businesses), the backbone of economic innovation and competition are essential to this solution. By creating higher-paying jobs and driving productivity, small businesses

strengthen and expand the tax base, as well as the middle class, allowing more individuals and companies to contribute to economic growth and stability without raising the burden on current taxpayers. It is better to widen the tax base as opposed to making it deeper, so as to reduce dependency on a few large entities. MatchAwards **primary utility** is that it empowers small businesses by streamlining access to **\$2.3 trillion** in government contracts, grants, and interrelated private-sector, cascading opportunities, ensuring they thrive and drive growth.

The MatchAwards Platform Utility Token (MAPU), is the "FIRST and ONLY" Government Spending Token that is tied, tracked and tokenized to U.S. and eventually global government spending with respect to their fiat currencies. Although the MAPU Token has attributes of a Stablecoin, it is much more than a simple tethering mechanism. It bridges the older centralized financial paradigm with the emerging DeFi peer-to-peer paradigm. It is intrinsically tied to this transitional mission and serves as a mechanism to align economic activity with financial and national prosperity through its rich set of utility driven features. Its supply and demand are linked directly to both platform performance metrics and GDP growth, and the success of small businesses by increasing the number of AI- powered relevant opportunities (Matches) available to them in real time. As the economy expands, both in the U.S. and globally, and small businesses flourish, token demand increases, reflecting the value of productivitydriven economic health. The token's distribution is calibrated to incentivize platform utilization, participation and competition in the MatchAwards ecosystem while tying its value to key economic indicators such as the ideal allocation of government resources, beginning with the U.S. stated government mandate of 23% of contracts and grants going to small businesses. The MAPU Token has several utilities such as access to and paying for premium platform features such as advertising, gamification, advanced matching, ecommerce and more. Moreover, it serves as a derivative of available and accessible opportunity matches for small business. The value proposition is straightforward for MAPU token users. Unlike many tokens where the business model is based on an artificially manipulated supply and demand, or even an outright fiction, MatchAwards is grounded in a long term and viable business model. The more MatchAwards opportunities accessible to small businesses in real time, the higher the probability they will be able to leverage those opportunities into awards increasing their business growth, revenue, infrastructure investment and job creation. Hence they are directly contributing to GDP growth, both in terms of expansion and source contribution, as well as the growth of the platform. While Google uses searches and Facebook uses interests to drive user engagement and revenue, MatchAwards combines an array of AI synthesized behaviors into relevant matches between users and opportunities.

The Tokenomics: Simply stated more platform users + more opportunity types = more overall relevant matches = more opportunities = more AI impressions users see = more AI matching ads served = more AI matching ads clicked = more platform growth & utility features = more token value. The MAPU token is a utility token that can be used extensively thorough out the MatchAwards Platform now and into the future for advanced features.

The Business Model and growth rate of the MatchAwards platform is exponential and poised to go viral. The user base and social media followers are global. Steadily growing and current platform user and follower data is available upon request. AIT has developed a proprietary PPC and CPM platform that is self-service, many-to-many, real time, auction based, key term and NAICS matching that it uses to monetize MatchAwards and support it. External advertisers and platform users will be able to use the ad module to promote their organizations, products and services using both fiat currencies and MAPU tokens which will have premium discount advantages over fiat currencies hence encouraging its utility usage in the platform.

Throughout **history**, economists, academics and politicians have emphasized and even debated the interplay between economic growth, monetary and fiscal policy, opportunity distribution, as well as the balance between government regulation and the free market.

This historical and academic speculation are perhaps what every gardener and farmer recognizes from practical experience. If you pile fertilizer up in one concentrated location, everything immediately beneath it dies and decomposes, and nothing around it grows either because the surrounding lawn or crops are unable to access the needed nutritional resources. Every ecosystem's distribution of resources, whether economic or organic, must be balanced to prosper. The question has always been "what is the best way to achieve that balance" and the answer is that it must be the merit based distribution of opportunities.

This **underscores the need for transparent and accessible systems** to allocate and complete for opportunities and resources effectively and efficiently. Small businesses are vital to economic innovation, stability and growth, yet they face significant barriers in accessing the \$2 plus trillion in U.S. federal discretionary spending. Federal mandates aim to allocate 23% of these resources to small businesses, but systemic inefficiencies, fraud, corruption, waste and opaque processes limit equal and merit based access to opportunities. MatchAwards provides a Web 3.0, AI powered Blockchain-based platform that levels the playing field for small businesses. By integrating advanced AI algorithms, Ethereum-based Proof of Stake (PoS) blockchain, and innovative economic tools, MatchAwards enhances visibility or **ubiquity**, **accessibility**, **transparency**, and **accountability** with respect to **opportunities** in federal, state and local procurement including **G2B** (Government to Business), **B2B** (Business to Business), **B2I** (Business to Investor) **B2E** (Business to Employee) interactions and more.

Furthermore, every user in MatchAwards is a **Stakeholder** in the platform based on the **Trifecta Value Proposition** of unfettered access to relevant opportunities, participating in a token referral program, and owning MAPU tokens that appreciate in value based on increased participation and usage by those very same users. The platform offers an unprecedented opportunity for small businesses to engage in procurement processes and to collaborate with one another on a mass yet precise scale while ensuring real-time accountability and sustainable development.

The Trifecta Value Proposition & the MatchAwards Community



In the private sector, commercial organizations typically juggle three primary constituents: customers, employees, and management—each competing for the same limited resources. Customers demand better products and services at lower prices. Employees seek higher compensation and benefits. Management prioritize higher productivity. This inherent competition often creates tension as each group vies for its share of the organization's value.

MatchAwards disrupts this traditional model by uniting these groups into a single, cohesive **Community** of fully vested

Stakeholders who embody **overlapping roles** as Users, Agents, and Management. This alignment eliminates the friction of competing interests, creating a synergistic **feedback loop** where each role reinforces the others. User-token-holders (Customers & Investors) benefit from superior opportunities and outcomes, Agents (Employees & B2B User Consultants) enjoy increased rewards tied to their B2B consultation engagements with other users and the platform's overall success, and Management increases productivity KPIs driven by a thriving ecosystem.

MAPU Token Valuation Model Overview

MatchAwards 3.0 has a long history of success. It is preceded by and a continuation of MatchForce.org which is a Web 2.0 version of the Platform adopted by the North Carolina Military Business Center or NCMBC.us on behalf of the state of North Carolina. It has been developed and funded by North Carolina for over 20 years and has a very specific focus. Instead for focusing on a wide range of matching opportunities, it focuses on match and winning Department of Defense Contracts for North Carolina Businesses and has processed \$ Billions of dollars to that effect. Both MatchAwards and MatchForce are powered by GovTide technology developed and owned by AIT, the parent company. Let's take look at the MAPU token initial valuation model based on its real world utility as a measureable productivity token which is more than just an idea, but has actually hit first revenue with no outside funding assistance.

1. Development-Backed Value (Asset Basis)

\$13.4 M to develop that MatchAwards platform to date (infrastructure, cash, dev, AI, data, etc.)

- 10M MAPU tokens to be initially issued prior to and during ICO/ ITO
- Implied base value:
 → \$13.4M / 10M tokens = \$1.34 per MAPU token (minimum floor from base value)

2. User-Based Utility Demand

- 70,000+ registered users and growing
- MAPU token used for:
 - Ad bidding and placements o Referrals & reward redemption o Premium access / analytics o Marketplace transactions o Gamified incentives o Wrapping with other community tokens
- With even modest usage, MAPU tokens becomes a closed-loop digital currency with real exchange power in-platform

Example: If 10,000 users spend \$10/month in MAPU tokens, that's \$100,000/month in utility demand \rightarrow \$1.2M/year in transactional token velocity

3. Token Supply Management

- Circulating at initial token launch: ~30% (3M 10M tokens)
- Locked/staked/reserved: ~ 60 to 70% o Community rewards o Team/Advisor vesting o Ecosystem expansion
- Optional buyback, burn, or staking rewards = compression of supply = price support
- 4. Projected Post-ICO/ITO/IEO Price Range

Model

Price Estimate

Base-value floor\$1.34Platform utility + demand\$1.50 - \$2.00Scarcity-adjusted (vesting + staking)\$2.00 - \$2.50Speculative upside on listing (CEX/DEX)\$3.00+ (short-term volatility)

5. Exchange Strategy

Not listing immediately and being very selective regarding an exchange(s) avoids:

- Dumping by bots or speculators
- Volatile trading before utility is firmly established
- Dilution of our long-term vision

Listing after utility demand is proven = stronger sustained valuation narrative and token loyalty

The MAPU token derives its value from tangible, real-time platform utility, performance and productivity — not speculative market cycles or social media hype. With over \$13.4M in sunk assets to include datacenter hosting infrastructure services, intellectual property and over \$2 million in cash from the Founder, 70,000+ registered current users at the time of this Lite Paper and growing, and an average range of \$1.00 to \$1.40 MAPU token in-platform exchange rate, token demand is expected to reflect the platform's growth and usage. No **exchange listing** is planned until **platform velocity** reaches defined utility benchmarks **after first revenue**. First revenue been achieved by proof-of-concept ad delivery into the platform. Pre-launch token Airdrops and Community discounted sales will begin in June 2025. The **token launch** will follow once the platform reaches **100,000 users** that must be **both registered and verified** (KYC / KYB).

2. Problem Statement

The current **U.S. Federal Budget** is approximately **\$6.75 trillion** in outflows and **\$4.92 trillion** in inflows with a **\$1.83 trillion** deficit. This highlights the importance of addressing inefficiencies in resource growth and distribution. Let's break down how the U.S. government spends money.

- **Mandatory Spending**: Social Security, Medicare, Medicaid, and other entitlements dominate outflows. There are inefficiencies, but also significant bureaucratic impediments to removing those inefficiencies.
- **Debt Service Spending:** In fiscal year 2024, the U.S. is projected to spend \$892 billion on interest payments on its national debt. This is more than the government is expected to spend on defense and is almost a third higher than what the U.S. spent in 2023.
- **Discretionary Spending**: At **\$2 trillion**, this category presents the greatest opportunity to influence equitable opportunity growth through **contracts** (\$800 billion) and **grants** (\$1.2 trillion).
- **Hidden Spending**: Tax subsidies are delivered through the tax code, rather than the budget. Tax subsidies and expenditures are so large that they now account for a larger share of the budget than discretionary spending. Some are legitimate and some are suspect.

Instrument Granularity: <u>Contracts</u> are generally managed as: Firm Fixed, Time & Materials and Cost plus. <u>Grants</u> are generally: Block, Categorical, Project, Earmark and Formula.

Despite the federal mandate that **23% of discretionary spending** goes to small businesses, systemic failures and corruption impede this goal, undermining economic development, opportunity access, transparency, innovation and accountability. The systemic inefficiencies and corruption prevent these funds from being optimally utilized, highlighting the need for an innovative approach to address this challenge. Transitioning from this macroeconomic view, we must explore the vital role of small businesses as the cornerstone of economic growth, innovation, and resilience.

Small businesses encounter systemic obstacles in both the federal and state procurement landscape, including the following:

- Lack of Access: Limited visibility into contract, grant and other opportunities in real time.
- **Corruption and Fraud:** Manipulative practices such as false front set-aside contracting, backdoor subcontracting, sole source contracts, and post-award disqualifications.
- **Bureaucratic Complexity:** Red tape that disproportionately impacts small enterprises who simply don't have the time and resources to overcome these obstacles.
- **No Self-Investment:** Small businesses have no comprehensive investment instrument that appreciates because it is tied to their direct participation and success, until MatchAwards.

Revolving Door Industries

These inequities are further exacerbated by the "Revolving Door" of elite players. Major sectors like **Defense, Pharmaceuticals, Energy, and Finance** are dominated by powerful elites who rotate between government and private industry roles. It is no coincidence that many elected officials become wealthy from the same industries they presumably regulate. These entrenched practices lead to uneven and corrupt distribution of contract, grant and other opportunities undermining the spirit of federal mandates and state goals, thus restricting economic opportunity. This syndrome perpetuates fraud, waste and abuse. The Federal and State governments recognize the problem and need for fair, merit based opportunity distribution by classifying HUB Zones, Opportunity Zones, Tier 1 - 3 Counties and Communities that need resource infusion so they do not become or continue to be a burden on the fiscal system. The same applies to programs to deliver resources overseas to U.S. allies. However, initiatives to effectively address these massive inequities and corrupt practices fall flat at execution. The purpose of MatchAwards is to rectify these inequities by empowering small businesses with a transformative AI & blockchain powered, Web 3.0 economic digital platform that both exposes fraud, waste and abuse and provides a pathway to prosperity via access to relevant opportunities in real time.

Consequences for Economic Equity

The revolving door perpetuates systemic inequities, enabling large corporations to dominate federal spending and marginalize small businesses. This distortion undermines the **23% small business target** mandated by law, as well-connected firms monopolize resources meant to invest in small businesses and foster broader economic development.

The systemic diversion of government resources intended for small businesses is one of the most significant barriers to equitable economic growth. Again, to reiterate there are four primary mechanisms that contribute to the diversion of government contracts and grants from small businesses to large corporations and foreign entities, hence concentrating the opportunities and subsequent awards to large corporations and overseas parties that are not necessarily the most qualified.

- 1. **False Fronts**: Large businesses set up or co-opt small business fronts to secure set-aside contracts or grants. During the pre and post award periods, they sideline any other small businesses.
- 2. **Back Doors**: Shell small businesses using "who you know" repeatedly win the same contracts or grants, from the same awarding entity or government official, sometimes subcontracting to large corporations directly or indirectly, hence bypassing public oversight.
- 3. **Sole Source Cloaking**: a non-competitive contact awarded to a single vendor when no other vendor is supposedly qualified that often goes the same vendor using rotating shell LLCs and management, including renewals, to conceal the bias.
- 4. **Post-Mortem Disqualification**: Small businesses are deliberately disqualified during or after the selection process to favor pre-determined large corporations and their puppet small businesses.

Economic Consequences

The American Small Business League (ASBL) estimates that small businesses receive less than 5% of the total value of federal contracts and opportunities despite claims of meeting or getting close to the 23% target. This diversion deprives small businesses of \$10s of billions annually or more, hampering their growth and innovation. This systemic corruption undermines trust in federal, state and local government institutions and discourages small businesses from participating in the contracting and grant process, perpetuating economic corruption and reducing market competition.

3. Goals and Vision & Purpose

Purpose:

To **create economic liberty** for all and **democratize access** to government and business **opportunities** and drive **merit based economic growth** through the four mechanisms of **transparency**, **ubiquity**, **accessibility** and **accountability** of opportunities and awards, using the MatchAwards platform.

Goals:

- 1. Equitable & Merit based Economic Development: Ensure that all small businesses can access the resources and opportunities available for them in real time at no cost.
- 2. AI Consulting and Networking: Empower small businesses with the ability to instantly connect and team with other businesses with overlapping interests on Opportunities and Awards.
- 3. **Empowered Stakeholders:** Equip businesses with tools to band together and challenge unfair practices and advocate for equitable treatment, transparency and access.
- 4. **Global Reach:** Begin with U.S. federal and state procurement and scale the solution to international markets encouraging transnational platform engagement.
- 5. **Transparency and Accountability:** Utilize platform reporting of Award distribution and blockchain to provide an immutable record of procurement and award processes, partner/ teaming agreements, and the tools for small businesses to contact and hold elected officials accountable, as well as the legal resources to remedy corruption.

Vision:

Small Businesses: What is the Economic Engine that powers innovation? Small businesses are more than contributors to GDP; they are engines of innovation, resilience, and community development. With **34.8** million small businesses representing **99% plus** of all businesses in the U.S. employing 61.7 million

people, they represent nearly half of the private workforce and are responsible for 62.7% of net job growth since 1995. Small businesses have fewer than 500 employees are of the launch pad of the American Dream. That garage start-up could be the next big thing. Some small businesses that made it big include Walmart, KFC, Hewlett-Packard, Starbucks, Mattel, Subway, Facebook, Google, Walt Disney and many more. The vision and tenacity of the founders of these companies are the wellspring of economic growth and prosperity that drive the U.S. economy.

Small businesses form the backbone of the U.S. economy and are vital to job creation and innovation:

- Comprising **34.8 million entities**, the majority are one person enterprises that account for nearly **46.4% of private-sector employment**.
- From 1995 to 2021, they generated **62.7% of all net job growth**, solidifying their role as drivers of prosperity.
- Despite their small size, their collective contribution exceeds **\$16.2 trillion in annual revenue**, representing a significant portion (over half) of U.S. GDP.

Startups and Economic Dynamism

The **Census Bureau** confirms that most new businesses are small startups, reinforcing their role as incubators for innovation and resilience. However, over **80% of small businesses** operate with fewer than **five employees**, underscoring their vulnerability to external challenges like resource access and systemic inefficiencies in federal funding.

MarchAwards Irregular Spending Search Tool to Empower Users

The MatchAwards Irregular Spending Search Tool is a platform module that allows anyone to search for government purchase orders, grant and contract awards, and more using a custom AI that identifies **"government spending irregularities"** such as obfuscated names and addresses, grant award anomalies, excessive dollar amounts, sole source contracts that are not "skill set limited" - and more. This **transparency** and **accountability feature** is important because it **empowers users** to use their niche expertise and experience to identify opportunities that they are eligible to receive but have not.

Purpose:

The **MatchAwards platform** purpose is designed around a set of **core features** that **work cohesively to provide users** with a transparent, efficient, and equitable ecosystem **for accessing resources** such as federal & state contracts, grants, loans, private venture capital as well as B2Business, B2Employee and B2Investor opportunities. The B2I investors are investors who "match" to existing business users in the platform and are free to connect with them to explore opportunities. They are not investors in the MatchAwards platform. These features leverage advanced AI, Blockchain and Web 3.0 technologies to address systemic challenges, empower users, and foster sustainable economic development by providing users with matching opportunities to their user profiles.

a. Ubiquity of Opportunities

Overview:

MatchAwards aggregates all available federal, state, and local contracts, grants, loans and other opportunities into a centralized database, using best efforts to ensure no opportunity is missed. It also includes many opportunities and AI generated sub-opportunities vital to small businesses to include employment, loans and scholarship opportunities. This comprehensive approach levels the playing field

for small businesses, non-profits, and other stakeholders by making all opportunities universally accessible. Small businesses users do not need to search and sift for relevant opportunities in dozens of disparate places. Rather MatchAwards brings the opportunities and awards in real time to the users. How It Works:

- Aggregated Data Sources: The platform, like a search engine, pulls and crawls data from government procurement systems, contract and grant portals, loan aggregators, Job boards, local economic development organizations (EDOs) and more.
- **Intelligent Categorization:** Opportunities are sorted by industry, size, geographic location, and eligibility criteria, making it easier for users to find relevant opportunities.
- **Dynamic Updates:** Real-time syncing ensures the database is always current, eliminating the risk of outdated or expired listings.
- **Monetization Strategies:** The platform uses a proprietary, real-time bidding, many-to-many, self-service PPC advertising module that serves precision ads to users based on exact "matches" to their profile and "search selections" in their user dashboards. There is also a marketplace and gamification mechanism to drive user engagement with the platform, and a Marketplace for ecommerce transactions using both the MAPU token and fiat currencies.

b. Real-Time Access

Overview:

Timing is critical in government procurement. MatchAwards ensures users receive immediate notifications about opportunities that match their profiles, enabling them to act quickly and decisively. How It Works:

- **AI-Powered Matchmaking:** Machine learning algorithms analyze user profiles, past performance, and stated preferences to deliver highly relevant matches.
- **Instant Notifications:** Users receive alerts via email, SMS, and in-platform notifications the moment new opportunities align with their interests.
- **Continuous Learning:** The system refines its recommendations based on user behavior, such as the types of opportunities they pursue or decline.

c. Transparency

Overview:

MatchAwards uses proprietary matching, AI and blockchain technology to create a transparent and tamper-proof record of the entire procurement lifecycle, from opportunity listing to award and execution. This transparency builds trust and accountability among all stakeholders.

How It Works:

- **Immutable Records:** Every transaction, award, and action is or will be recorded on the Ethereum blockchain, ensuring data cannot be altered retroactively.
- Award Visibility: Users can see who has competed for and won awards, providing valuable insights into competition, teaming and subcontracting opportunities and trends.
- **Public and Private Views:** While some data remains public for transparency, sensitive user data is protected through encrypted access controls.

d. Accountability

Overview:

MatchAwards provides tools for users to challenge discrepancies in the procurement process and hold decision-makers accountable. By combining user AI advocacy features with data-driven insights, the platform empowers businesses to demand equal and fair treatment. How It Works:

- Auditing Tools: Users can generate reports on award trends, competition statistics, and regional fund allocations, using the built-in
- **Discrepancy Reporting:** Built-in functionality allows users to flag irregularities, such as suspected fraud or failure, repetitive sole source contracts and more, to meet the 23% small business mandate.

4. Governance Overview

Summary: Then total number of Authorized MAPU tokens is 1 Billion for the lifetime of the platform. However, token issues and sales up to and including the ITO are currently set at 10 million tokens issued that will be carefully managed using incremental issues as described below to optimize token holder and platform value. The initial issuance of up to 10 million MAPU Utility Tokens covers the allocations for the Original Founder, Founding Team, Community/Users, Soft Launch, Institutional Partners, and ITO Token Buyers / Holders. The remaining 990 million tokens of the 1 billion authorized supply, including allocations for After Market Token Buyers / Holders and the Reserve Treasury, will be managed post – ITO based on Management and eventually DAO governance decisions. It should be noted that the Original Founder and Founding Team are "locked in" for four years with a monthly vesting schedule so there will be no insider "pump and dump" with MAPU.

- Initial allocation, sequence and vesting. Allocation may be modified based on market conditions, benefits to the platform and its token users/ holders.
 - Original Founder 5% 1 month cliff, 4 years vesting 1x MAPU Token, 100% (11) of MAPUG (∞) x token 0 years vesting used to recruit strategic partners who represent constituent token holders on the Board of Advisors.
 - Founding Team Issue Distribution 15% 1 month cliff, 4 years vesting 1x MAPU Token, with an initial issuance of up to 5% of the 15% (500,000 tokens) and the remaining 10% (1M tokens) reserved for recruiting additional Founding Team members, subject to a monthly vesting interval.
 - Community / Users Issue Distribution 15% 1 month cliff, 2 years vesting 1x MAPU Token
 - 4. Soft Launch AdVar or Crypto EDO Partner Issue and Distribution 1 month cliff, 5% to drive token holder value and liquidity with 0 years vesting
 - 5. Strategic Partners Sale Distribution 30% 1 month cliff, 2 years vesting 1 x MAPU Token.

Possible use of a Simplified Agreement for Future Tokens (SAFT) or straight TPA. MAPUG token(s) are negotiable with this pool of token buyers/holders.

6. ITO MAPU Token Buyers/ Users/ Holders Sale Distribution – 30% - 1 month cliff, 0 year vesting

- 7. After market Buyers
- 8. Reserve Treasury
- Utility Token Vesting Internals
 - 1. Original Founder Linear Monthly Vesting Interval
 - 2. Founding Team Linear Monthly Vesting Interval
 - 3. Community / User Linear Monthly Vesting Interval
 - 4. Soft launch Immediately Vested
 - 5. Strategic Partners Linear Monthly Vesting Interval
 - 6. ITO Sale Immediately Vested
 - 7. After market Buyers
 - 8. Reserve Treasury

9. Risk Factors

While MatchAwards is uniquely positioned as a transformative platform for federal procurement and economic development, potential risks must be carefully considered and addressed to ensure the platform's success. This section outlines the primary risks MatchAwards faces and the strategies in place to mitigate them.

1. Market Risks and Competition

Overview:

The blockchain, AI and procurement technology markets are rapidly evolving. While MatchAwards leverages its unique features and strong focus on small businesses and EDOs, emerging competitors and shifting market dynamics could pose challenges to growth and adoption.

Potential Risks:

- **Competition from Blockchain Platforms:** Other blockchain-based platforms targeting procurement or economic development may compete for the same user base.
- **Traditional Technology Providers:** Established procurement platforms (not based on blockchain) may integrate blockchain or AI capabilities to remain competitive.
- Market Saturation: Rapid growth in blockchain and AI applications across various sectors may make it harder for MatchAwards to stand out.

Mitigation Strategies:

- **Differentiation:** MatchAwards/ AIT have over 30 years in business experience, 20 years of matching technologies experience such as Matchforce.org, and recently blockchain, AI, and Web 3.0 with a unique focus on AI driven economic development, giving it a significant competitive edge.
- **First-Mover Advantage:** By targeting a specific niche (small businesses, EDOs, and procurement into the private sector), MatchAwards establishes itself as a leader in this space early on. There is no other comparable platform model on the market as of now.

- **Continual Innovation:** Ongoing investment in platform features, such as AI-driven team builders, proprietary PPC ad module, and AI driven political advocacy tools, ensures MatchAwards remains ahead of competitors.
- Strategic Partnerships: Collaborating with government agencies, chambers of commerce, blockchain exchanges, other Tokens vis wrapping strategies, influencers and advocacy groups strengthens MatchAwards' market position.

2. Regulatory and Compliance Challenges

Overview:

Blockchain technology operates in a new and dynamic regulatory environment. Legal and compliance challenges could affect MatchAwards' operations, especially in sectors involving government procurement and financial transactions.

Potential Risks:

- **Evolving Blockchain Regulations:** Governments worldwide are still defining policies for blockchain-based platforms, which could result in stricter compliance requirements, securities regulation or operational limitations.
- **Cryptocurrency Policies:** Regulatory frameworks for cryptocurrencies, including the MatchAwards Token (MAPU), could impact its usability and trading.
- **Procurement-Specific Compliance:** Federal and state procurement laws may evolve, requiring the platform to adapt quickly to maintain compliance.
- **Cross-Border Regulations:** As MatchAwards expands internationally, differences in regulatory environments across countries may pose challenges.

Mitigation Strategies:

- **Proactive Compliance Monitoring:** MatchAwards has retained a top notch legal firm to provide a written **legal opinion** regarding its MAPU token. MatchAwards will continue to use legal experts to monitor regulatory developments and ensure the platform remains compliant.
- Adaptive Architecture: The platform is designed to quickly adapt to new regulations, ensuring uninterrupted service.
- **Engagement with Policymakers:** MatchAwards engages with regulators and industry bodies to advocate for fair and balanced policies that support blockchain adoption.
- **Geo-Specific Strategies:** Tailoring platform features and token offerings to comply with the regulatory environment in each region. **3. Technology and Adoption Barriers**

Overview:

Matching, Blockchain and AI technologies, while increasingly popular, are still unfamiliar to many users. Resistance to adopting new technologies could slow MatchAwards' growth, particularly among small businesses that lack technical expertise.

Potential Risks:

- User Resistance: Businesses unfamiliar with blockchain or AI may hesitate to adopt the platform, perceiving it as too complex or unnecessary.
- **Onboarding Challenges:** The learning curve associated with using blockchain wallets, token staking, and AI-driven tools could discourage some users.

• **Infrastructure Limitations:** In regions with limited access to high-speed internet or modern devices, users may struggle to access the platform.

Mitigation Strategies:

- **Simplified User Interface:** MatchAwards prioritizes user experience, ensuring the platform is intuitive and easy to use, even for those new to social media, matching, blockchain and AI.
- Educational Initiatives:
 - Offer webinars, tutorials, and guides to educate users on blockchain technology, AI tools, and procurement processes.
 - Partner with EDOs and chambers of commerce to provide localized training sessions for small businesses.
- Incentivized Onboarding with what's familiar: Reward users with MAPU tokens for completing onboarding and referral activities, such as setting up user profiles, wallets or exploring platform features. Associate the "known" such as Bank Accounts with the "unfamiliar" such as Wallets. Or associate DAO with traditional Corporate Articles of Incorporation, By-Laws and Shareholder Agreements.
- **Localized Support:** Establish regional support teams to assist users with onboarding, troubleshooting, and maximizing platform benefits. Reward them with a Trifecta role.

Additional Risks and Considerations Economic

and Political Risks:

- Federal and state budget cuts or shifts in spending priorities could reduce the number of available procurement opportunities.
- Political instability or changes in leadership could affect government adoption of blockchainbased solutions.

Mitigation Strategies:

- Diversify the platform's user base by expanding into state, local, and international procurement markets.
- Engage policymakers with the AI political advocacy tools to build support for equitable spending.

Cybersecurity Risks:

• As a blockchain-based platform, MatchAwards could be targeted by cyberattacks, such as phishing or hacking attempts on wallets.

Mitigation Strategies:

- Employ advanced cybersecurity measures, including multi-signature wallets, end-to-end encryption, and regular security audits.
- Educate users on best practices for securing their accounts and wallets.

Internal Vulnerabilities

While external threats such as market competition, regulatory changes, and technological barriers pose significant challenges, **internal vulnerabilities** from employees, contractors, and hired consultants represent a critical risk to the integrity and success of MatchAwards. These internal threats include risks of theft, sabotage, and other forms of insider misconduct. This section identifies these potential

vulnerabilities and outlines the proactive measures MatchAwards will implement to prevent and mitigate them.

Identified Internal Threats

1. Data Theft:

- Employees or consultants with access to sensitive data, such as smart contract code, platform algorithms, or user information, could attempt to steal and misuse this information.
- Theft of intellectual property, such as the proprietary Matching Microservices, Algorithms, AI, PPC ad module, or blockchain codebase, could harm the platform's competitive edge.

2. Sabotage:

- Insider attacks, such as deliberately inserting vulnerabilities or bugs into the system, could compromise the platform's operations and user trust.
- Attempts to manipulate tokenomics, referral systems, or platform rewards to unfairly benefit insiders or third parties.

3. Unauthorized Token Distribution:

• Employees or contractors with access to the MatchAwards Token (MAPU) smart contracts might attempt to issue or divert unauthorized tokens.

4. Collusion:

• Insiders could collaborate with external actors to exploit platform vulnerabilities, damage the platform's reputation or manipulate procurement opportunities for personal gain.

Measures to Prevent and Mitigate Internal Threats

1. Technical Safeguards:

- Role-Based Access Control (RBAC):
 - Access Control: Limited to a single "owner" Role assigned to the multi-sig wallet.
 - Limit access to sensitive systems and data based on an individual's role and responsibilities.
 - Use "least privilege" principles to ensure employees and contractors have only the minimum access necessary to perform their duties.

• Multi-Signature Protocols:

- Implement multi-signature (multi-sig) requirements for critical actions, such as smart contract deployment, token distribution, and platform updates.
- Ensure that no single individual has unilateral control over critical systems.
- Audit Trails and Monitoring:
 - Maintain comprehensive logs of all system activities and monitor them for anomalies in real time.
 - Use blockchain's inherent transparency to track and verify transactions, preventing unauthorized token transfers or modifications.

• Data Encryption and Security:

- Encrypt sensitive data, both in transit and at rest, to prevent unauthorized access.
- Regularly update and patch all systems to close security vulnerabilities.

2. Legal Safeguards:

• Comprehensive Contracts:

- Require employees, consultants, and contractors to sign robust employment or service agreements with explicit clauses addressing confidentiality, intellectual property ownership, and data protection.
- Include non-compete and non-disclosure agreements (NDAs) to protect MatchAwards' proprietary technology and competitive position.

• Legal Recourse for Misconduct:

- Establish clear policies for addressing insider misconduct, including termination, legal action, and financial penalties for breaches of contract.
- Collaborate with law enforcement and legal authorities to pursue civil or criminal charges against individuals involved in sabotage, theft, or fraud.
- Relentless Pursuit and Prosecution: Implement a policy that exposes insiders to all Stakeholders & the blockchain community in the event of misconduct.

3. Organizational Safeguards:

• Background Checks:

- Conduct thorough background checks on all employees, contractors, and consultants before granting access to sensitive systems.
- Vet vendors and partners to ensure their credibility and reputation.

• Internal Audits:

- Perform regular internal audits of systems, processes, and personnel to detect vulnerabilities and potential misconduct.
- Use third-party security firms to conduct independent assessments of the platform and organizational practices.

• Whistleblower Protections:

- Establish a secure and anonymous channel for employees and partners to report suspicious activities or policy violations. Reward them for coming forward.
- Protect whistleblowers from retaliation to encourage proactive reporting.

4. Insurance Coverage:

- Insurance:
 - Obtain insurance coverage to protect against losses caused by insider threats, data center destruction, breaches, intellectual property theft, and sabotage.
- Directors and Officers (D&O) Insurance:
 - Secure D&O insurance post ITO to safeguard the company's leadership from legal and financial liabilities arising from internal vulnerabilities.

Response Plan for Internal Incidents

1. Incident Detection and Response:

- Use real-time monitoring systems to detect unusual activities or security breaches.
- Immediately revoke access for individuals identified as potential threats to prevent further harm.

2. Forensic Investigation:

- Conduct a thorough forensic analysis to identify the scope and impact of the incident.
- Document findings to support legal action and future prevention efforts.

3. Communication:

- Notify affected users, stakeholders, and insurance providers promptly, in compliance with regulatory requirements.
- Issue transparent communications to maintain user trust and confidence.

4. Recovery and Remediation:

- Restore affected systems and data using secure backups.
- Implement additional safeguards to prevent similar incidents in the future.

Commitment to Transparency and Security

MatchAwards recognizes that internal vulnerabilities pose significant risks to the platform's operations, user trust, and overall mission. By implementing a multi-layered approach combining technical, legal, and organizational safeguards, we are committed to mitigating these risks effectively. Insurance coverage provides an additional safety net, ensuring that the platform and its stakeholders are protected against financial exposure.

Our proactive approach to addressing internal vulnerabilities not only protects MatchAwards but also reinforces our dedication to creating a secure, decentralized, and sustainable ecosystem for all users. Bottom line is there is zero toleration for bad internal actors,

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