March, 2018

The First Blockchain Based Digital Currency Incentivizing an Addict's Motivation to Stay Clean, Sober and in Recovery

SOBERCOIN™

SUMMARY OF OPPORTUNITY

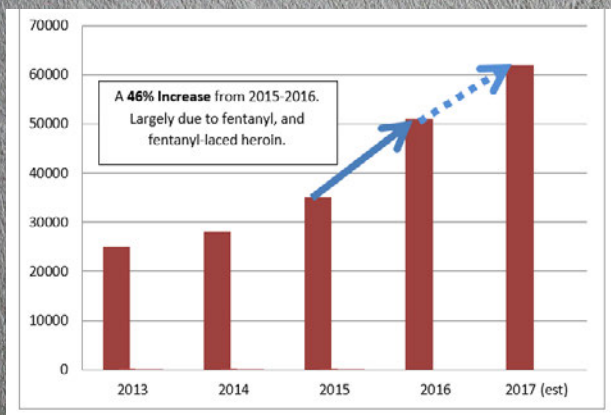Sober Systems Inc. has launched SOBERCOIN™ as the [   ] of recovery" to pay people to enter and stay in recovery from alcohol and drug abuse. Based on research in the field of addiction, SOBERCOIN™ was developed as a digital currency made from blockchain technology to offer incentives and rewards to individuals and families throughout their recovery journey. By receiving SOBERCOIN™, those in recovery can stay motivated by being rewarded - which has been determined to be a highly effective motivational strategy to increase recovery and reduce relapse. SOBERCOIN™ brings promising potential to have a positive impact on those in recovery. It is designed for people to get connected and stay connected while evoking social change.

SOBERCOIN™ was developed as a strategy to battle the current opioid crisis by getting people to enter and stay connected with the recovery population and community. Sober Systems, Inc. is a Florida-based company that is composed of clinical and research specialists in addiction and recovery. They are motivated to utilize digital health technologies to improve outcomes. The company has been the recipient of multiple awards from the US Substance Abuse and Mental Health Services Administration. It was founded by Dr. Harold Jonas, a nationally recognized specialist in addiction treatment, who has more than 30+ years of professional experience in this arena.

PROBLEM STATEMENT

Sober Systems Inc.'s mission is to combat the global addiction epidemic and crisis. Currently, 20.8 M Americans struggle with substance abuse disorder and only 10.4% get treatment. Alcohol misuse contributes to 88,000 deaths in the US each year. Worldwide, nearly 110 million people suffer from alcoholism or drug addiction. Globally, alcohol misuse was the fifth leading risk factor for premature death and disability in 2010. 29 million people worldwide suffer from drug abuse disorder, only 1 in 6 get treatment.

US Opioid Overdose Death. Sources: CDC Wonder, NIDA, National Center for Health Statistics. Trending data used for 2017 estimate.

SOBERCOIN™ is a blockchain-based echnology that can be used within the recovery population to increase retention, resulting in higher rates of recovery, and substantially decrease the number of deaths nationwide. Created by one of the most reputable, award-winning, and established companies in the addiction and recovery space,

Sober Systems Inc. is launching SOBERCOIN™ as a strategy to creatively attack the opioid crisis from a new perspective. We anticipate this innovation will be highly adopted by digital natives through their mobile devices, specifically the massive Millennial and Generation X populations.

The Surgeon General's Report on Alcohol, Drugs and Health, 2016
WHO Global status report on alcohol and health, 2014
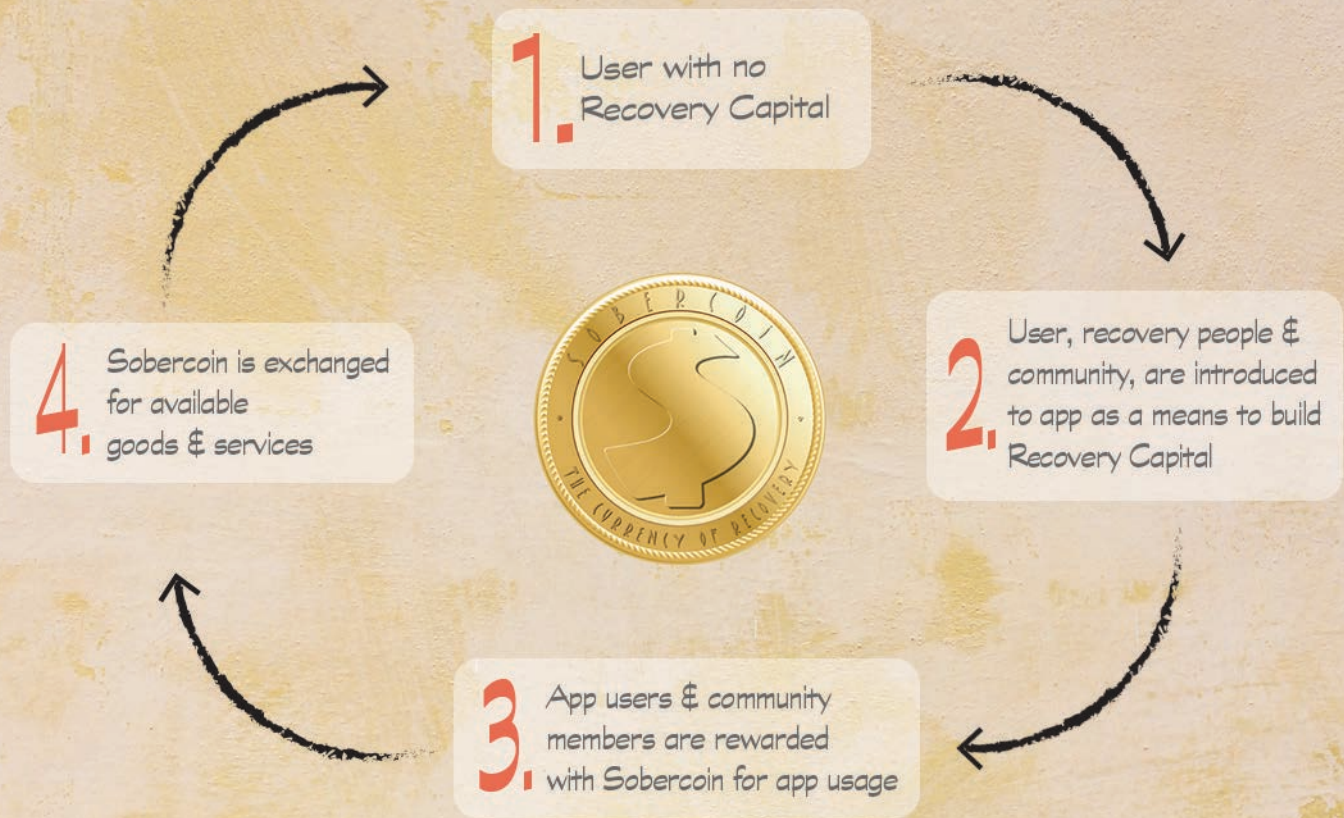UN World Drug report, 2016

INNOVATION

SOBERCOIN™ is innovative by being motivational incentive-based which is important to its success since opioid overdoses are driving the increase in deadly drug overdoses overall. Our innovative approach is based on a strategy called, Contingency Management (CM), which is a clinically proven method used in the criminal justice system to persuade inmates to comply and conform. CM is a well-researched arena and a well-documented approach to effect behavioral change. Additionally, dozens of scholarly research studies have found the use of motivational incentives within the recovery population greatly increased retention, resulting in higher rates of recovery for participating patients. Through this technology, we can offer a solution that can provide the direct access needed to create a better system for incentivizing recovery.

When heroin, oxycodone, or any other opiate travels through the bloodstream to the brain, the chemicals attach to specialized proteins, mu opioid receptors, on the surfaces of opiate-sensitive neurons (brain cells). The linkage of these chemicals with the receptors triggers the same biochemical brain processes that reward people with feelings of pleasure when they engage in activities that promote basic life functions. Opioids are prescribed therapeutically to relieve pain, but when opioids activate these reward processes in the absence of significant pain, they can motivate repeated use of the drug simply for pleasure.

One of the brain circuits that becomes activated by opioids is the mesolimbic (midbrain) reward system. This system generates signals in a part of the brain called the ventral tegmental area (VTA) that results in the release of the chemical dopamine (DA) in another part of the brain, the nucleus accumbens (NAc). This release of DA into the NAc causes feelings of pleasure. Other areas of the brain create a lasting record or memory that associates these good feelings with the circumstances and environment in which they occur.

When a person partakes in a pleasurable activity (e.g., eating, receiving an incentive), the brain processes all of these different types of pleasure in the same way. Each of these pleasurable encounters causes a release of dopamine into a cluster of nerve cells just below the cerebral cortex, called the nucleus accumbens. Because this part of the brain is closely tied to pleasure, it is often referred to as the brain's reward or pleasure center. By paying people with SOBERCOIN™, they receive an "incentive" that pleasures the brain the same way. By leveraging these overlapping brain circuits, SOBERCOIN™ is positioned to be a strong motivator for those in recovery to stay in recovery. This will be critical to combating the raging substance abuse crisis by reversing the number of users and deadly overdoses.

Sober Economy

1. User with no Recovery Capital

2. User, recovery people & community, are introduced to app as a means to build Recovery Capital

3. App users & community members are rewarded with Sobercoin for app usage

4. Sobercoin is exchanged for available goods & services

HOW IT WORKS

Sober Systems has created a modular, adaptable platform that integrates with a variety of services to create real-time, authenticated transactions. In return, a secured and distributed database prevents people from tampering and circumventing the data. This enables greater discretion by users of their data and its use so that SOBERCOIN™ can reward and help addicts maintain healthy behaviors. Blockchain is also used to generate SOBERCOIN™. We have paired with one of the oldest establish cryptocurrencies, Stellar Coin (Lumens) that acts as the stable coin for minting SOBERCOIN. In combination with the billion of coins that have already been minted, vaulted and ready for distribution, our software system can capture all the data of app usage and activity on sober.com and our ancillary sites; halfwayhouses.com, soberhouses.com, christianrehabs.com, recoverycoaches.com and many more.

Through SOBERCOIN™, our approach is to "reward" people for change by "incentivizing" them through multiple earning opportunities. Users/members must work (i.e., exhibit effort on their part) by utilizing their cognitive skills to obtain SOBERCOIN™ and learn how to access it digitally by solving problems and solving challenges. It starts with creating a wallet and configuring how to move the coin from wallet to fiat currency. Initially, SOBERCOIN™ can be earned in 3 ways either by (1) joining the Sober.com community; (2) earning rewards through the use of the Sobersystems mobile apps from or, (3) referral. By earning SOBERCOIN™, those in recovery become engaged with their community, which shows them they are actively contributing to eradicating substance abuse. With SOBERCOIN™, the digital currency can be exchanged and spent on:

- Membership fees for the Sober.com online community
- Advertising on Sober.com and any of its related digital properties
- All Recovery Coaching training courses on RecoveryCoaches.com
- Online Recovery coaching

With SOBERCOIN™, our goal is to capture new users, both patients and their family members, and to serve as their active guide throughout their pathway to ongoing wellness. Usually in this journey, family members are often the first ones seeking such services for their loved one. Once they reach out to us on sober.com, our representatives will encourage them to use the sobersystems app through a licensing agreement and also join the sober.com community. The family member's loved one who is suffering from addiction can then become admitted to a facility. Once these steps are done, the family member receives (earns) their first SOBERCOIN™. Family members can continue accumulating SOBERCOIN™ in other ways such as posting on our online open community forum or referring our services to friends and family who might also be of need.

Patients also can earn SOBERCOIN™ in different ways. They will receive their first SOBERCOIN™ once they create a profile on our sobersystems app while in treatment and sign-up. Patients can then accumulate additional SOBERCOIN™ by checking-in on the sobersystems app daily (for accountability and early intervention). By staying in recovery, addicts can simultaneously earn while learning to train to be a recovery coach. The addict is playing it forward. If the patient decides to become a certified recovery coach, they can choose to receive SOBERCOIN™ as "payment" from recovering patients to support them in their journey as well. As patients complete their treatment, they can use their SOBERCOIN™ for ongoing wellness needs like supportive housing, medication discounts, and ongoing coaching and more.

Future planned services SOBERCOIN™ can be spent on in development include: professional telephonic assessments, telephonic counseling, detox services, and treatment.

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BUSINESS MODEL

Sober Network, Inc. currently has several brands and assets (e.g., Sober Systems, Sober.com, Sober Coaches, SOBERCOIN™) to build our own sober economy. Each brand has its own marketable revenue stream:

- **Sober.com:** Generates revenue from Homepage ads on an innovative Click-to-Call model. The featured ad spots are leased and with additional revenue generated on a per call basis. Initial price point: $2500 per month/$50.00 per call

- **Sobercoaches.info:** The training platform encompassing a Get Sober intervention and Stay Sober training. Get Sober fee: $500 per course (6 modules); Linkage to Sober Coach; Stay Sober fee: $1600 ($750/$850) Recovery Coach Prep Class

- **Sobersystems App:** Revenue is generated by licensing fees. Sobersystems is a white label solution for agency use wherever client accountability is a recognized value of client care. Additional revenue may be generated by brokering tangible rewards with outside vendors.

- **SOBERCOIN™:** Redeemable points to start. SOBERCOIN™ will increase in value once on coin exchange. Transaction fees are generated with each trade.

TARGETED MARKET

Our targeted market is youths ages 18-26, as well as families and patents of addicts.

SALES PROJECTIONS

Sober.com $30,000 per month

6 ads @ $2500 = $15,000

50 calls each ad @$50 = 50 x $50 = $2500 x 6 ads= 15,000

Sobercoaches: Get Sober @$500 x 100 = $50,000

Linkages tbd: Stay Sober @ $1600 x 100 = $160,000

Sobersystems: Annual licensing Fee: $5,000 x 100 = $500,000

Sobercoin/Points: Value of sobercoin contingent on fluctuating market value.

Presently 20 million coins available

20 x $ .01 = $200,000

20 x $.10 = $2,000,000

20 x 1.0 = $20,000,000

FUNDRAISING STRATEGY

To date the project has been self-funded and sustained on generated revenue and loans. Our focus within the next 6 months is on building and upgrading our current technology infrastructure of software and websites. Each brand is maintained according to budget constraints. For example, Sober.com servers will be upgraded, and the sobersystem app will be rebuilt for X-code in the App Store and Android Studio for Android. Additionally new modules will be established for Sober Coach training as we develop a course for Peer Support in the criminal justice system. Funds also will used for ongoing development and marketing (see below).

We are seeking to raise ~$1.5 M of funding that would be used for the following:

- Promotional Material - $75,000
- Video Production - $50.000
- Social Media Marketing
    - Facebook - $150,000
    - Twitter - $150,000
    - Instagram - $150,000
    - Influencers - $250,000
- Public Relations - $150,000
- TV Ads - $250,000
- Trade Shows - $100,000
- Travel - $50,000

COMPANY & TEAM

Sober Systems, Inc. is a Florida-based company that is composed of clinical and research specialists in addiction and recovery who are motivated to utilize digital health technologies to improve outcomes. Our mission is to facilitate and ease the transition toward clean and sober living. The company has been the recipient of multiple awards from the US Substance Abuse and Mental Health Services Administration. As the leading company in the addiction and recovery space, we have a proven track record of understanding how to leverage emerging technologies to meet the needs of the addicted population. For example since 2000, Sober Systems has been the premier provider of innovative digital solutions and award-winning mobile apps addressing the multiple and varying needs of the addiction and recovery industry. Thus, Sober Systems is uniquely positioned to launch SOBERCOIN™ with the goal of becoming the most successful blockchain-based solution to help people overcome drug, alcohol, and opioid addiction.

The team is composed of nationally recognized leaders in the additional and treatment research space:

Harold Jonas, PhD, LMHC, CAP (Founder & CEO) has been at the center of Sober Systems and each of its related digital properties. His unparalleled experience with both web and award-winning app development for the addiction & recovery industry has allowed him to build a nationally recognized brand. Joined by his seasoned team of dedicated professionals who are committed to effect positive change, Sober Systems continues to be at the forefront of innovative technology for the addiction & recovery industry.

Drew Palmer (Technology Officer at Sober.com®) serves as a business consultant and technology project manager. Mr. Palmer has 28 years of experience building technology companies, including the redevelopment and eventual sale of SoberRecovery.com in 2011. His responsibilities currently include working with the developers to ensure all products are functioning, ensuring that business is running smoothly and creating new features and app variations. He is happy and proud to have helped implement Dr. Jonas's vision for the FlexDek® MAT Edition app that won SAMHSA's Opioid Recovery App Challenge in 2016.