Trade Platforms & Private Placement Platforms

[Trader's Desk] and [PPPs] ;

M T N s . . . What They Really Are . . . decoded

*A white paper entitled Trade Platforms and Private Placement Platforms; "What They Really Are . . ." as an informative dedication to sincere high-yield alternative opportunity seekers who are simply fed up with the want-a-be types, lies and deception cast over the entire **Private Placement Program** space by ill-advised non-principal parties.*

Outlined, Assembled and Authored by Tier One Ltd. *[T1L]* and member company No Risk Fund 2.0

INTRODUCTION TO TRADING WITH MTN'S *(required reading to participate)*

This discreet account aims at helping you to better understand some of the obscure, or unclear, aspects relating to the Private Placement Opportunity Programs [PPOP], also known as Private Placement Platforms [PPP], or under other acronyms like Private Placement Investment Programs [PPIP], etc. There are **lots** of people who know **very little** about this specific technique but cannot grasp the whole picture.

The following account is based upon our personal experience of several decades of involvement in this unique technique. To outline the concept, we will study it mostly from the standpoints of Clients & Brokers.

TOPICS

Before speaking of Private Placement Opportunities *(as aforementioned PPO)*, we need to understand some of the rudimentary reasons for the very existence of this business. This includes the need to learn some obscure concepts about what **money really is** and **how it is created**. This also involves understanding how the demand for money/credit can be controlled, and how someone can issue a debt note which then can be discounted and sold and then resold in an arbitrage transaction (*which is the basic system for running most of these programs*), etc.

THE BASIC REASONS *(this is required reading)*

To fully grasp what it's all about, there are some *Rules of the Road* and very *basic principles* that all participants must understand:

CREATION OF MONEY

The first reason why this business exists is to *create money*. The fact is, that money is generated by creating debt. For example, you as an individual can lend out USD100 to a friend and you can make an agreement where the interest for that loan is 10%, so that he must pay you back USD110. What you have done is to actually create USD10, even though you don't see that 10 dollars. Don't consider the legal aspects of such an agreement, just the facts; because the Banks are doing this every day, but with a lot more money. **Banks have the power to create money out of nothing.** Since PPP involves trading with discounted bank-issued debt instruments, i.e, MTNs, money is created because such instruments are deferred payment obligations (debts). **Money is created from debt**. So, theoretically, any person / company / organization can issue debt notes (again, don't look at the legal aspects of it). Debt notes are deferred payment liabilities/debts.

Example:

A lawful person (individual/company/organization) needs USD100, so he writes a debt note for USD120 which matures after 1 year. He then sells it for USD100 *(this is called "discounting").* Theoretically, the issuer can issue as many such debt notes at whatever face value he wants – – as long as there are those who believe that he's financially strong enough to honor them upon maturity, and thereby are interested in buying such debt notes. This includes Debt notes like Medium Terms Notes (MTN), Bank Guarantees (BG), Letters of Credit (LOC & SBLC), etc., which are issued at discounted prices by some of the major world banks in very large amounts (*Billions USD and/or Euros*) every day. They do "create" such notes (*debt notes*) "out of thin air", so to speak. That is, they only have to write and issue the documents. It's as easy as if you, as an individual, write a debt note. Now, the core problem: to issue such a debt note is very simple, but the issuer would have definite problems in finding a buyer, unless that buyer "believes" that the issuer is financially strong enough to honor that debt note upon maturity (end of term).

Any bank can issue such a debt note, sell it at discount and promise to pay back the full-face value at the time the debt note matures. But would that issuing bank be able to find any buyer for such a debt note without being financially strong enough?

Another example: If you had $1,000,000 and had the opportunity to buy a debt note with the face value of $1 Million issued by one of the largest banks in Western Europe for let's say $800,000 a debt note that matures in 1 year, wouldn't you then consider buying it if you had the chance to verify it?

However, if a "Mr. Jones" approaches you on the street and asks if you want to buy an identical debt note issued by an unknown bank, would you even consider that offer? As you see, it's a matter of trust and credibility only. And now perhaps, you can begin to understand why there is fraud, and so many bogus instruments in this industry.

LARGE DEBT INSTRUMENTS MARKET

As a consequence of the previous statements, there is an enormous daily market of discounted bank instruments like MTN, BG, LOC, Bonds, PN, etc. involving issuing banks and long chains of exit-buyers (Pension Funds, large financial Institutions, etc.) in an exclusive Private Placement global arena.

All such activities on the bank side are done as "Off-Balance Sheet Activities" therefore, the bank can benefit in many ways. Off-Balance Sheet Activities are contingent assets and liabilities, and as such, the **value depends upon the outcome upon which the claim is based**, similar to that of an **option**.

"Off-Balance Sheet Activities" appear on the balance sheet <u>ONLY</u> as memorandum items. It is when they first cause a cash flow, that they will appear as a credit or debit in the balance sheet. This means that the bank does not have to consider binding capital constraints, as there is no deposit liability.

NORMAL <u>PUBLIC</u> TRADING *versus* <u>PRIVATE</u> PLACEMENT

The normal trading, known by the public, is the "open market" (as the "spot market"), where discounted instruments are bought and sold with bids and offers like an auction.

But, all programs in the Private Placement arena involve transactions (*a.k.a.* trades) with such discounted debt notes in one way or another. Also, to bypass the legal restrictions, **this can only be done on a private level**. This is the reason why this type of **transactions, *i.e.,* trading** are <u>so different</u> from the "normal" trading, which is highly regulated. In other words, this business can be done and restricted on a <u>private level only</u> (*the Private Placement level*).

The **Trader** must be in full control of the funds via a **Client's** Proof of Funds [**POF**]; otherwise, they cannot buy the instrument and sell them off to buyers. Also, there are no arbitrage type of buy-sell transactions on the "open market", because all participants in the Private Placement level can "see both the instruments and their price at the same time **prior** to execution of the transaction". So, there is absolutely NO RISK to anyone***!***

Now, besides this "open market", there is the exclusive/elusive "**closed, private market**" where a restricted number of "master commitment holders" are the private inner circle. These master commitment holders are Trusts with huge amounts of money that enter contractual agreements with banks to buy a certain number of new issue (fresh-cut) instruments at a specific price during a specific period of time. Their job is to sell these instruments on, so they contract sub-commitment holders, who contract exit-buyers.

So now that we have begun to identify some of the major players in this business, we are providing this chart of Identities *herebelow* with Colors indicating the different "Parties and Groups":

COLOR DESIGNATIONS OF THE PRIME PARTICIPATING ACTORS IN Tier One Ltd.:

***1.* CHAIRMAN & CEO *& 2.* <u>PAYMASTER</u> *3.* TRADING GROUP *4.* <u>CLIENT'S GROUP</u>**
5.* <u>INFLATION HEDGE GROUP</u> *(not affiliated with the CLIENT)

The external <u>**Inflation Hedge Group**</u> must be contractually mandated by and with the **CHAIRMAN & CEO's** oversight as a ***HEDGE AGAINST MASSIVE GLOBAL INFLATION*** with 'shovel ready' infrastructure, eco and humanitarian Developments, which off-sets an inevitable disintegration of this exclusive business.

These exclusive programs are all based on arbitrage buy-sell transactions with pre-defined prices, and as such, the traders never need to be in control of the **Client's** funds. **However,** no program can launch, unless there's enough money [again, a screened POF] behind each buy-sell transaction.

And it is *here* where the **Clients** are needed, because the involved <u>banks and commitment holders are not</u> <u>allowed to trade with their own money</u>, unless they have reserved enough funds on the market - - money which belongs to the **Clients** and is *never spent*, consequently it is **never at risk** [Riskless Principal], *i.e.,*

No Risk Fund 2.0 **[NRF2]** *a member company of* Tier One Ltd. **[T1L]**

The banks *(the **Trading Banks**)* involved can lend out money to the "**Trader**" which is typically 1:10. So, if the **Trader** can "**reserve**" the **Client's** USD100M **POF**, then his bank can lend out USD1B (actually, the bank is setting up the **Trader** with a USD1B line of credit [LOC]. This LOC is based upon how much money that the trader/commitment holder has, since the bank doesn't lend out that much money without collateral, and not depending on how much money the **Clients** have.)

If a trader says that he must be "in control" of the **Client's** funds, then it means that he is *not* one of the "big boys" but plays on the open spot market. Lots of different "instruments" are traded.

The 'Private' **Trader** only needs to **reserve** the **Client's** funds **POF,** but does not need to be in control of the funds, then he's trading in this exclusive "private market".

Many bankers and others in the financial world are well aware of the open market, as well as being aware of the so-called "MTN-programs" but are closed out from the "private market", so they find it hard to believe that the private market exists.

Next, find a *Wikipedia definition* of . . .

ARBITRAGE

Wikipedia - In economics and finance, **arbitrage** (US: /ˈɑːrbɪtrɑːʒ/, UK: /ˈɑːbɪtrɪdʒ/, UK: /ˌɑːbɪˈtrɑːʒ/) is the practice of taking advantage of a price difference between two or more markets: striking a combination of matching deals that capitalize upon the imbalance, the profit being the difference between the market prices. When used by academics, an arbitrage is a (imagined, hypothetical, thought experiment) transaction that involves no negative cash flow at any probabilistic or temporal state and a positive cash flow in at least one state; in simple terms, **it is the possibility of a risk-free profit after transaction costs.** For example, an arbitrage is present when there is the opportunity to instantaneously buy something for a low price and sell it for a higher price. In principle, **an arbitrage is risk-free**; in common use. People who engage in arbitrage are called **arbitrageurs** /ˌɑːrbɪtrɑːˈʒɜːr/ - such as a bank. The term is mainly applied to trading in financial instruments, such as **international bank instruments, MTNs**, bonds.

The real core of the trading and its safety is due to the fact that they arrange the buy-sell transaction as **arbitrage**, which means that the instrument will be **bought and sold** at the same time with a pre-defined price. To accomplish this, a chain of buyers/sellers are contracted, including the exit-buyers who often are institutions, Big banks, insurance companies, big Secondary Market companies, or other wealthy individuals.

The issued instruments are never sold directly to the exit-buyer, but to a chain of from 3 to 7, or even perhaps 50 'Investors'. The involved banks cannot, for obvious reasons, directly participate in this buy-sell transaction as in-between buyers and sellers. However, they are still profiting from it indirectly, because they are lending out their money *(with interest)* to the **Trader**, or to the Client as a line of credit. **This is the Leverage**. At the ratio of 10 to 1, it gives the Platform the power to generate very high yields every month.

Furthermore, the trading banks profit from the commissions involved in each buy-sell transaction of debt bank instruments in the trading circle.

Now, **the Client's principal doesn't have to be used for the transactions. The Account Balance is "screened/pinged" by the Trader prior to every Trade/transaction. So, the Client's LINE at *HIS bank* is <u>reserved</u> as a compensating balance "mirrored", if you will, against this (LOC) Line**. **The Client's "money" never leaves <u>his</u> account at <u>his</u> bank*!* The Client's Proof Of Funds [POF] is provided, in advance, to the Trader along with the issuing Home Bank's Resolution showing full corporate authority for issuing this instrument.**

Therefore, this credit line, **POF**, is then used by the **Trader** to back up the arbitrage buy-sell transaction. So now . . . since the trading transaction is done as arbitrage, the **Client's** money [the credit line] **does not have to be used/utilised**, but it <u>must</u> still be there available to back up each and every buy-sell transaction (trade). Such programs never fail, because they don't start before all actors have been contracted. Each actor knows what role to play and how they will profit from the transaction. This would be a true representation of **PPP's decoded*!***

LEVERAGE

A **Trader** who is able to do leverage *(or 'Ratchet Up' as the British say)* is able to control a credit of typically 10 times that of the principal. But, even though he's looking at that money, **he is not able to spend the money**. He only needs to <u>*show*</u> that he has the **money reserved** and that he's in control of the money, and that the money is not used somewhere else at the time of the buy-sell transaction.

<u>**Again, the Client's money is never spent**</u>. The reason for this, is that the trading is done as an "arbitrage transaction".

An Example:

Let's say that you're offered the chance to buy a car for USD30K, and that you also find another buyer who is willing to buy it from you for USD35K. If the buy-sell transaction is done at the same time, then you don't have to spend USD30K, and then wait to earn theUSD35K since it can be done *at the same time* you cash in USD5K in profit. However, you must still have that USD30K and be able to prove that you're in control of it.

Arbitrage transactions with discounted bank instruments are done in a similar way. The involved **Traders** **never spend the money**, but they must be **[POF]** in control of it (screen) to complete each 'Trade'.

The **Client's** principal is **reserved specifically for this purpose**, or indirectly, in order for the **Trader** to utilise his power of leverage.

Confusion is rife because most seem to believe that the money must be spent. And even though this is the traditional way of trading (in the public domain) – buy low and sell high, and the common way to trade on the open market for securities and bank instruments, it is possible to set up arbitrage transactions if there is a chain of contracted buyers.

RISKLESS PRINCIPAL

May we repeat our previous declaration? We do not spend/use the Client's money from their LINE AT THEIR HOME BANK.

You can now realise why, in these Private Placement Platforms, that the **Client** funds are always safe without any trading risk, or whatever other risk, except for the normal banking system risk (*in which a bank can still virtually go bankrupt. Though, thankfully, it is very rare, it is possible!*)

HIGH YIELD

Usually these programs get a very high yield if compared with the common yield reachable with the traditional investments. Most people do not believe that a gross yield of 50+% per month is possible. The problem again, is having the knowledge of working programs and the following example can shed some light on the matter:

Assume a leverage effect of 10:1, which means that the **Trader** can back each buy-sell transaction with 10 times the amount of money that the **Client** has reserved in his bank account.

Let's say that the **Client** has the minimum for the No Risk Fund 2.0 of USD100M; therefore, the **Trader** can work with his private trading portfolio which has been setup over the previous years at a value = USD1Bn.

Now let's assume that the **Trader** is able to do one buy-sell transaction per day for only 3 days per week for 40 banking weeks *(that's a 1-year contract),* and that the profit 'spread' is 3% in each buy-sell transaction. On average, that makes 3%x3 days per week = 9%, there are 4 weeks per month = a 36% **Gross** per month and with the leverage effect, the profit will be 10 times as high, or a conservative Gross appreciation 360% per month.

Then, this Gross return will be disbursed/**portioned**, via "net percentage" Contracts. Each Contract is lodged with the **Chairman & CEO** acting as **Paymaster** (***a fiduciary***) among, between and in behalf of each of the four Parties at the end of each month;

1. the **Trading Group** earns and retains the lion's share, as the trades/returns (**NAV**) continue to compound exponentially every month.

2. There are two very powerful tools employed by the **Trader**;

- **a.** First, his ability to leverage the "Value" LOC amount of the **Client's Placement POF**, *i.e.,* **NAV** *or the* "**N**et **A**sset **V**alue".
- **b.** Second, is that every month, the gross amount (*i.e.,* "***Ending Balance Carried Forward***") is higher and begins a new *'loop'* on the first of each next month. "**The Power of Compounding**" keeps the NAV growing . . . which creates the higher Gross return, and consequently, more Gross profits are the affected result***!*** **Exponentially*!***
- **c.** ***The more you leave in and the longer you leave it in, the more it appreciates/generates/grows/earns/returns/profits!***
  - i. This is the power of compounding exponentially.

3. The **Chairman & CEO** of **T1L** will be awarded a certain portion for professional services from the Gross profits each month via a certain private *Compensation & Pay Order Agreement*.

4. The **Inflation Hedge Group**, contracted and chaired by the **Chairman & CEO** of **T1L** *as a mandatory **HEDGE** against massive global inflation.* These are projects which could be 'shovel ready' infrastructure and provide a very high number of jobs.

5. The **Client Group** ***net proforma*** is a net 5%< monthly yield on **Clients** placement **and at no time was their money, *if any,* at risk*!*** Hypothetically, (projected guessing) 10 months per contract = **minimum 50+%**. Much more than the hypothetical/proforma *'double digit'* profit.

- **a.** So, "***it is not what you can make"*** . . . It is what you "***can get by with***" in the early months *(3 or 4)* "***WHILE the power of compounding builds up***" and **. .**
- **b.** it's ***WHAT AMOUNT YOU GET TO KEEP (as your NET)*** each subsequent month until the (final) month ten, then;
- **c.** **Client** is disbursed ALL of his contracted portion of the **NET BUILT UP SUM** in his trading account which was designated to the **Client Group** in the fulfilled trading contract***!*** This is where patience in the early months (3-4) really pays large at the end of month ten.

Bear in mind, the above example can be still seen as conservative because the **Private** tier one level **Trading Groups** can get a higher single spread for each transaction as well as a higher number of accumulative weekly trades which enhances the final Gross yield for all respective Parties in Contracts***!***

CLIENT

The involved **Clients** are not the end-buyer in the chain, but the real end-buyers are external, financially strong companies who are looking for a long term and safe investment, like high net worth personal funds, trusts, insurance companies, etc. And because they are needed as end-buyers, they are not permitted to participate "in–between" as clients.

The **Client** who participates in a **Private Placement Platform** is just an actor in the picture amongst many other external actors (bank funds/insurance, etc, trading groups as traders/commitment holders, internal intermediaries/brokers and Broker Dealers) who get the advantage to benefit from this private trading. The **Client** does not see most of the actors involved in the process, because he will primarily deal directly with the **Chairman & CEO**, his **Trading Groups** and rarely the **Traders and Trading Banks**.

IMPERATIVE REQUIREMENT: **The Client must employ HIS BANKER *(who has history with him and his company)* to open and/or dedicate an account *(w/POF)* for the exclusive purpose of showing (Screen/ping/verify) that a minimum balance of 100M USD is *RESERVED on deposit* and available for the Trader to be screened prior to each Transaction*!***

NOTATION: **The Client's banker understands that at NO TIME WILL ANYONE, but the sole account signatory, withdraw money from this dedicated account*!* Client's money never leaves the building.**

PROGRAMS STRUCTURE

Usually, a trading platform is nothing other than a pre-arranged buy-sell transaction of discounted banking instruments made as an arbitrage transaction. Virtually, a **Client** with large amounts of funds (on the level of 100M-500M USD) could arrange for this own program by implementing for himself the buy-sell transaction, but in this case, he needs to gain control of the whole process, making contract with the Provider banks for the bank instruments and at the same time for the exit buyers.

This is not a simple task at all considering that there are many FED restrictions to be passed, and at the same time, it is very difficult to get the strong necessary connections with the related parties (the issuing banks/providers for the bank instruments and the exit-buyers).

For a **Client**, it is much simpler *(and usually more profitable)* to enter a program where the **Trader,** with his **Trading Group,** everything has already in place (the issuing banks, the exit-buyer, the contracts ready for the arbitrage transaction, the **Trader's** large (Bn$s) line of credit with the trading banks, all of the necessary guarantees/safety for the **Client**, etc.) and the **Client** needs only to agree with the contract proposed by the **Chairman & CEO** of **T1L**, forgetting about any other underlying problem.

Another advantage for the **Client's Group** is that they can enter a program with a substantially lower amount of money (**minimum USD100M**) against the case to proceed by himself because he will take indirectly advantage of the **Trading Group's** *leveraged 1:10* line of credit at **His Trading Bank (London)**.

NON-SOLICITATION & NON-DISCLOSURE

As a direct consequence of the Private Placements environment where this business has to take place, a non-solicitation regulation has to be strictly followed by ALL of the involved parties. This factor strongly influences the way the parties, and actors can deal each other, and the way they can make contact.

Sometimes, this fact can also be the cause of the origin of scams (or attempts to scam), due to the fact that at an early stage, it is often difficult for the **Clients** to realise if they are really in contact with a reliable source.

There is another reason why, so few experienced people talk about this transaction: virtually every contract involving the use of these high-yield instruments contain very explicit non-circumvention, as well as non-disclosure clauses forbidding the contracting parties from discussing any aspect of the transaction for a period of 10 years. Hence, it is very difficult to locate experienced contacts who are both knowledgeable and willing to talk openly about this type of instrument, and the profitability of the transaction in which they figure.

This is a highly private business; not advertised anywhere, nor covered in the press and not open to anyone, but the best-connected, most wealthy entities that can come forward with substantial cash funds. ***Participating as actors is not a right, it's a privilege!***

HOW BANKS & INTERNAL BROKERS CAN EARN

Banks are not allowed to act as **Clients** in such programs. However, they are able to profit from it indirectly in different ways, first by getting large commissions. This fact permits some private entities like internal agents/brokers, trading groups, and private **Clients** to take part in this business that otherwise would be a banking matter only***!*** The private assets coming from **private clients** are necessary to start the process.

These private, large cash funds are the mandatory requirement for the buy-sell transaction of banking debt instruments, and as a consequence, also the mandatory requirement for the programs through the **Trading Groups**.

Introducing agent/brokers are necessary to introduce the **Clients** to the **Chairman & CEO** of **T1L** and his **Trading Groups*!*** Thus, each of the involved entities takes their part in the sharing of the benefits, commissions for banks/brokers, and proceeds for **Trading Groups**/**Clients**.

PROJECTS

Projects are usually involved in these programs. However, the purpose of this type of trading is NOT just to finance humanitarian projects. It's true that projects, not just humanitarian projects, can be funded as a result of this trading, and since this type of trading transactions generates such huge amounts of money on the market,
"Measures must be taken to keep the inflation low, and one way is to finance different projects. If too much money is created, the result is massive global inflation, and in order to be able to continue creating debt, different measures must be taken to keep the predictable inflation at manageable levels or this business will surely implode." – **CHAIRMAN & CEO** of **T1L**

However, for these kinds of transactions, this is not possible; it has little or no effect.

A better way is to allocate ***(mandate)*** a sizable/dedicated portion of the profit growth is to be directed to specific acceptable projects*, i.e.,* **Inflation Hedge Group**; for instance, to rebuild the infrastructure in regions of the world that have experienced catastrophes, war, *etc.,* because that creates massive numbers of 'shovel-ready' employment for all skills, especially unskilled workers in those regions, as well as for subcontractors in the west. So, the exclusive purpose for the external Project Funding is primarily not to support humanitarian organizations, even though that also happens, but to mandate the **FIGHT AGAINST MASSIVE, GLOBAL INFLATION**. If this mandated portion did not exist, this business would implode on itself. All parties would be out.

Chairman & CEO of T1L will be the sole party responsible for this vital requirement as this was the seed and the reason MTNs were created just after WWII in the mid-40s.

PROCESS SYNTHESIS

The complete process involving the issuing of debt-notes, the arbitrage transaction, the programs, the platform, the projects, etc. is as a final synthesis, a result of combined market forces: banks have a method of increasing their revenues and profits, **Clients** can finance different ventures.

There is a never-ending supply and demand for such instruments, and as long as the supply and demand exist, then these kind of **'trading transactions'** will also exist.

PROCESS SUMMARY

As an attempt to summarise of the process involved for entering a program:

- A high net worth sophisticated party with cleared USD100M CASH and up can apply (see **Q Card** on row 17 here below) as a prospective **CLIENT** to **Chairman & CEO** of **T1L** for the elusive Private Placement Platform opportunity.
- **This business is entirely private**. To get access to these unique techniques, the '**Applicant to clear as a Client**' needs to send his preliminary (FIRST STEP) documentation to some Introducing Agent whom the **Client** trusts to be in direct forwarding contact with the **Chairman & CEO** of **T1L**. There is no other way for the **Client** to make contact with the **Trading Group** at this stage.
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- A **lot of time** is wasted on phone conversations and attempts at verbal so-called incomplete explanations. However, after the applying **Client** has sent his completed "FIRST STEP"+ paperwork (**AAA Order Form** w/**Q Card**), to the **Chairman & CEO** of **T1L** to initiate the processing for clearance, **Trading Group** will proceed to its Due Diligence on the applicant/**Client-to-be**.
- When the response is positive, and cleared, then the program manager in the **Trading Group** will contact the **Client**.
- Usually, everything can be done by eMail (w/Attachments), to **Chairman & CEO** followed by clean hard copies to the him via prepaid, overnight, signature required, express courier mail with an advance notice of relative 'tracking number'.
- If not cleared, then the **Chairman & CEO** will contact the Introducing Agent, and then tell him that the prospective Client did not qualify. The Agent then forwards on that information to the Client. They usually already know what is not right.

- **As soon as the AAA is completed including the receipt of the cleared EFT *(not before)*, the so called ‘Green Light’ is immediately switched on:**
- The **Chairman & CEO** will probably resend an Attachment *(if revised)* of this generic 34-page outline/white paper appropriately entitled:
  - ***‘Trade Platforms & Private Placement Platforms;***
    What they really are . . . decoded’
  - This wealth of information is “**required reading**” *(if it was not sent earlier).*
  - This is the program’s introduction to general terms/conditions, some contract details, as well as the next step required to move forward and start the process to enter the set up contracts, trading account, etc.
  - Additionally, *(if not already provided by **NRF2**),* there follows, next, the **KYC** list to work on and complete as your official <u>Compliance Package</u>.
- Next, it’s necessary and required by the program terms that **the Client get recommendations to open a new sole signatory trading account, in His name with an IBAN, at the ranked Trading Bank for transferring the funds there** *(**option 1**).*
- **The Trader has prepared everything; so, the Client is able to open the Bank account without delay (because he has already been cleared).**
- **Otherwise,** *(**option 2**)* **the Client will be invited to direct his <u>Bank</u> to RESERVE funds in his own account at his home bank for one year without any transfer of money,** *ex:* a Closed-End Fund.
- The **NET RETURN PORTION** *(“Pay Days”, at the end of each month)* for the **Client** will be wired to another **Client Returns Account** *(**w/coordinates provided to the Chairman & CEO’s Paymaster**)*, which can be wired to any bank worldwide.
- If the **Client** accepts the contract, it is executed/signed, and the program is ready to **launch** on the <u>first of the next month</u>. This opening balance on the first of each of the months that follows will be referred to as the ***N****et* ***A****sset* ***V****alue or* **NAV**.
- The **Trader** is able to leverage the **Client’s blocked/reserved money 10 X**. The **Trader** backs up the arbitrage transaction, a **POF/LOC** which remains in the bank account and <u>must be</u> **‘screened’** before each arbitrage buy-sell transaction.
  - ‘Trading transactions’ continue as the new NAV balance grows each month.

A portion/percentage of the **monthly profit** is wired to each Party’s bank coordinates via ‘pay orders’ by the **Paymaster**. These percentages (pay order) are proprietary/discrete to each party and will be determined in <u>each respective contract</u> via the **Chairman & CEO** of **T1L / Paymaster**.

- **The prime objective is to allow as much of the gross returns of the profits to 'carry forward to the next month' to enhance the *power of compounding and assures that the buildup of an exponential NAV* starts each month for greater/substantial appreciation.**
- A 'pay day' is expected by all parties at the end of every month, but the yields are much greater for the parties that could allow the fund to appreciate in the early *(3 to 4)* months.
- Remember, when an old locomotive pulling a long line of box cars starts up, it moves out of the terminal very slowly to build up steam, but when it gets all that weight going and the speed builds up in just a few miles, the power is ready to climb the steepest hill *(we want this train to go as high on this hill as it can, and with our expertise, that can happen).*
  - The program continues the above loop, compounding each week until the end of the contract/term.

OPTIONAL METHODS to review regarding - - DEPOSIT & PLACEMENT or a combination of both:

A. This program can work returning the highest yield with CA$H ONLY, 'screened' in the **Clients account**. This fact **does not mean** that the **Client** will only be accepted in the case that he owns cash.
B. The **Client** can also be accepted by some **Trading Groups** *(on a case-by-case basis)* with financial assets like MTN, BG, CD, SBLC, SKR, etc. . . . *and/or*
C. **Hard Asset Equivalents** *i.e.,* diamonds, *etc.* with the possibility that these are strong enough, so the **Client** can monetize *(a large appraisal at a Discounted Value for a LOC)* by the **Client's own** ranked Bank, with which the **applying client** will **get his own Line**, in the **net required amount** at *(minimum entry level)* **U$D100M.** This would be the least acceptable amount to **"SETUP A RESERVE" [POF] in his new dedicated account at his home bank.**

Reminder, the **Client's POF CA$H is 'reserved' in HIS LINE** (in **his own** bank account – and in **his own** name *or* **his** Companies name) & WON'T BE SPENT FOR THE TRADES***!*** *Hence*, No Risk Fund 2.0 **[NRF2]**, a member company of **T1L.**

Therefore, since money from the **Client's Line** is **RESERVED**, ***not spent***, there **may not be the need for the cost** of the margin interest by his home bank. However, if the client's banker **requires a certain margin interest**, this **can** *(and will)* **be paid** *(**with a pay order**)* at the end of ***Month 1*** from the **Client's first profit** per his contract with the **Chairman & CEO** of **T1L**., *i.e.,* ***Paymaster***.

ANALYSIS OF RISK INVOLVED IN PPP - PPO CONTRACTS

Finalising PPP contracts with **Clients** is usually always a long stressful process because the involved parties can stumble upon many problems along the way. We will observe a list of possible problems of behavior from the standpoint of the main parties involved at the bottom line of the process:

- The Client
- The brokers/intermediaries
- Then there will follow some hints on possible scams, and warning for scams, in this industry.

FROM THE CLIENT'S SIDE:

The **applicant Client** (also, referred to at first as Associate) will not be able to meet "a real trader" in this business directly without the proper introduction/invitation.

Such an important introduction **requires** the FIRST STEP and an engagement agreement (AAA Order Form) has been completed where the **Client** formally identifies and 'clears' himself properly. Thereafter, he then shows proof [**POF**] with a notarised Bank Resolution that he has enough (USD100M minimum) money **reserved** by his banker, in **his** LINE, in **his** trading account, in **his** name *or* **his** Corporate name, in **his** bank. His money does not have to move from **his** bank.

The main reason why there's an internal broker dealer-intermediary chain is because the people in the "**Trading Groups**", *(we use the term "trading groups" because there's always a small group of people that work together and not just a single trader)*, have no time or interest in meeting all the 99% of people who are just phishing for information and/or who don't qualify because they don't have enough money. Some have bogus/useless bank instruments *or* Appraisals/Assays (everyone in the **Client Group** thinks the huge million/billions are worth the amount written on a piece of paper) which **often cannot be monetized** with sufficient Value to be considered for a LOC = USD100M. If it does, then it is called 'cash value' by the banker.

So, what would prevent the Client's home banker from trusting his customer when the cash line is '**reserved**' **(never leaves the building)** and not physically utilised in a very lucrative opportunity which is virtually '**riskless**'?

If you're a qualifying **Client**, then you should try to establish contracts with Introducing Agents, and hopefully they will be able to place you in contact with the **Chairman & CEO** of **T1L**, and subsequently the performing **Trading Group**.

Don't chase around trying to find "a real trader". Most so-called traders in the financial world are not involved in this kind of trading, and those who are, are keeping a low profile, and would never talk with a **Client** who has not been cleared first.

When it comes to non-performance, in most cases the problem is on the Client side. The client doesn't qualify because he doesn't have enough money, or the home bank in which he has the money is too small, and/or is located in the "wrong country", or he cannot move his (blocked) funds or he has a bank instrument that cannot be used, or he tries to proceed according to his own procedure and rules, etc. Most of the client documents seen over the many decades have been useless***!*** Sometimes deals are killed because the agent, broker and/or intermediary, in the middle, who don't understand what to do.

The worst thing a prospective client can do is to "shop around", trying to find the best deal. It's better to get 5% per month from a program that performs than having to wait for 200% per month from a program that was supposed to work, but never will.

There are agents, brokers and clients who have chased around for decades without being able to find an open door. And their main problem is that they had the wrong information and approach. Remember that the **Trading Group** does not have to give any explanation as to why the **Client** doesn't pass through the clearance. If they already have a fist full of clients awaiting clearance, then it doesn't require much to be put aside to be disqualified.

Things to remember:

- **Clients** must understand what is required to qualify:
- A <u>minimum of USD100 Million</u> in cash POF located in a ranked bank in Western Europe, USA, Canada or Australia, money which is **transparent, cleared, can be traced back to origin and comes from a non-criminal history**.
- That the **Client** and the **Company** that he represents can be cleared [**KYC**].
- For individuals, this is an identity control proving that the person actually exists.

Note: individuals coming from certain countries will never qualify.

- **Clients** are **invited** and might not be accepted.
- They can never demand to be accepted just because they have lots of money and/or that they believe they are prominent people. Most people in the different trading groups are fed up with such inflated individuals and are just waiting to find an excuse to kick them out.
- The **Client** himself must be the one, and only person that the trading group deals with. He's not allowed to let his lawyer, or sister-in-law-who-is-fluent-in English, or whatever person, contact any person in the trading group, not even the agent or broker.
- If the **Client** doesn't speak English, and needs assistance, then he must sign a Limited Communication Purpose.
- The **Client** must still sign the documents.
- **Clients** who have the least money are always placed in the queue.
- A **Client** with greater than USD100M will get more attention.
- If an applicant is told that they will be contacted next week, then they should accept that, and not take that as an excuse to 'shop around'. It's not easy for a **Client** to be sure that he meets the right people*, i.e.,* Introducing agents, intermediaries and brokers who know what to do, and what not to do, and who are working with a performing trading group.
- The best he can do is to educate himself and not be lured by those who claim that their program will give the highest yield. He must also be patient and trust the **Chairman & CEO**. This one can be the most important initial problem from the **Client's** point of view because he is so strict and discreet. However, there's no way that the Client is able to come into contact directly with the **Trade Group** before he has been cleared [KYC], which requires passport copy plus the

certified Proof Of Funds with Bank Resolution (list is provided immediately after the FIRST STEP is completed.)

- He might be able to talk with someone in the group, or at least with the **Chairman & CEO**, once the required documents have been checked. Before his KYC is cleared he will not get further.
- If the **Client**, for any reason, is unsatisfied with the Introducing agent, broker and/or intermediary then he can try another one after having first sent out a Cease and Desist order. In most cases where Clients have been blacklisted because they have been *'shopping around'*, it's their own fault. Introducing agents/Brokers/intermediaries cannot be blamed if the **Client** is 'shopping around'. And those agents/brokers/intermediaries who once make the mistake of 'shopping around', will immediately be blacklisted as well.

These are some of the main risks the **Client** can encounter in his search:

- Nothing will come out of the trade; no contact and no profit, just frustration after weeks/months of waiting.
- **Clients**, or their Agents, Intermediaries and/or Brokers are 'shopping around' with client's documents, which sooner or later will result in blacklisting.
- The **Client** is told that he must move his funds out of his own control to an escrow account.
- The **Client** is told that he must buy a bank instrument for his money. In the worst-case scenario, this instrument is a fake, or impossible to use.

FROM AN INTRODUCING AGENT'S/BROKER'S & INTERMEDIARY'S SIDE

There is a common misuse of such terms as agent, broker, intermediaries, facilitators, etc. The fact is that they are not official terms in banking or finance, but such terms are used within trading groups, and in their communication between each other. There's always an internal chain of trading groups – brokers – intermediaries, and this is for two reasons:

First, **Trading Groups** are not allowed to solicit, nor are agents, brokers, or even intermediaries. However, an agent or intermediary might know a **Client** with money, who knows an external broker who works in connection with one, or several trading groups.

Second, to protect the involved parties on the side of the **Trading Group**, they work through several Introducing agents, brokers, and the broker works through several intermediaries *(all of which are considered 'external' by the* ***Chairman & CEO*** *of* ***T1L****).*

As an additional task, a good Introducing agent/broker should screen the potential Clients by filtering the most promising applicants. At the same time, he must collect from them the right documentation, after strictly checking for the quality and acceptability, of the client's FIRST STEP documentation. This must be done in a way in which the **Trading Group** receives workable documentation via *the* **Chairman & CEO** of **T1L**.

The most common risks, or problems, that an external Introducing agent/broker, an intermediary, or a facilitator may encounter during their own work in this business are:

- They need to handle dozens of clients before finding a right/real applicant.
- They could get just a part of the truth regarding the asset of the client at an early stage which may later be discovered to be unworkable, after weeks or months of work on it.
- They always have difficulty qualifying themselves with new clients because they cannot show any past performance or past contract. So, the relationship with the applicant/client is just a matter of trust at an early stage.
- There could be a long list of agents/brokers and/or intermediaries between the **client** and the **Trading Group**. In this case, some brokers in the middle can destroy the deal by not giving the right information to the client, or to the trading group, and/or creating problems with the fee agreements.
- There could be several levels involved for the intermediaries: the closest party to the **Trading Group**, is the **Chairman & CEO**, also sometimes called ***facilitator****.* This is the most important person. This person will have a direct contact with someone in the **Trading Group**.
- Any other agent/broker beneath the above identified **facilitator** has a lower value in the hierarchy, *i.e.,* the Introducing agent/broker, and/or the intermediary, can have problems showing the **client/applicant** his level in the hierarchy at an early stage mainly because comments are usually only verbal (very bad idea, backfires).

The Internet is now full of different money-making opportunities that promise to return a high yield on the small client's money. In most cases, such programs are ponsi schemes/pyramid-schemes. And even if a few might be managed by honest people who are trying to aggregate enough funds to enter this kind of trading, they are doomed to fail.

First, we have the above problem with the USD100M minimum, so there's no real point in trying to pool less than USD100M. Then, we have the legal aspect of it. In many countries, it's illegal to pool money with promises of a high return. Then, we have the problem with the high number of participants to be managed. Another problem is the time factor. Unless the program is hyped on the net, it will take years to aggregate that amount of money. Another problem is the management. How can they be trusted with so many different people?

And finally, if they manage to aggregate USD100M from dozens/hundreds/thousands of participants, they will not pass the clearance, because aggregated/pooled money like that is <u>not allowed</u> to enter trading.

However, the main scams are usually made, or attempted, with small clients who will never qualify as PPP Clients. Usually, it is very rare that a real and wealthy **Client** with USD100M or more can fall into this kind of scam. In fact, usually the larger **Clients** know more about finance, and they can also use many other financial experts to drive the deal on a "safety road". So, anyone who is quite educated in this business can easily discover any of these scam attempts at an early stage.

NEARING OUR CONCLUSION

We have general beliefs that spreading information/knowledge is the best way to fight the evil, dark side. However, at the same time, we are very aware that it would not be a good idea to reveal everything in this writing, or on public conference, or forum. This kind of trading/transaction can continue precisely because it's unknown by the public, and traditional clients. If all wealthy people knew about it, and also had access to funds in a legal way, then they would not place their funds in the stock market, Forex, or other traditional risk investments. But knowing about it, is not the same as having access to it, but after reading this far you already understand this***!***

PUBLIC

As professionals in this business, we therefore must be extremely cautious when it comes to sharing contacts. This is also one reason why clients never can deal directly with the facilitators before their funds have been cleared. So, **facilitators** work with the help of professional like-minded Introducing agents/brokers, who in turn, work with the help of external intermediaries; and the **Clients** must help the Introducing agents/brokers and intermediaries in their work for them, in order to get the first advantage to access this world smoothly***!***

The Following Article/Section Is What MTNs Really Are . . .

which is not an 'easy read' for the Layman.

Trading **Public** Platforms are **public pools** of capital that invest in a wide variety of financial instruments including stocks, bonds, commodities, ETF's and foreign exchange. These pools of Public capital may be a number of legal entities; however, the most common is known as a **PPP**, an acronym for Private Placement Platforms. **Private** Placement Trading Programs **are not offered to the general public*!*** They are exactly what their name implies, offerings of membership interest to a select high net worth group of chosen **Clients** who meet certain/strict financial requirements.

The minimum investment in these **PRIVATE PLACEMENT PROGRAMS** can often be quite high and require a **reserve period**, where the capital is committed to the Trade Program for a certain period of time (10 months). The minimum placement levels and principal commitment periods vary, depending on the type of investments and the objective of the investment. Reserved cash in a LOC serve a very important function. They provide the **Chairman & CEOs** and **Platform Traders** with time in which to obtain optimum results/returns for their **Clients**. Platform Traders want to know that the capital allocations they have been given to trade are for a long enough period of time to allow a particular trading strategy time to build and/or mature.

If you were to look at the returns of outstanding **PUBLIC** PLATFORM TRADERS, you would see profitable results over time; however, in the short term they may have a period of negative returns. If your interest is in Public traders with no down periods, **please read no further, as they do not exist, contrary to popular belief.**

There is no such thing as free money. Public Trading involves risk. Every Client dreams of opening the door today and finding tomorrows Wall Street Journal, but this only exists in fantasy.

Platform Trading requires hard work, tremendous discipline, patience and superb talent. The fact is, very few people have the gifts to be a successful trader. The Platform Traders at the very top of their peers are rewarded with staggering wealth.

Public Platform Traders utilise many strategies to help determine profitable trades, such as macro analysis, price theory, fundamental analysis, value analysis and many more investment strategies.

What superior and outstanding Public Platform Traders can do, is to make enough winning trades over time, irrespective of what strategy they may use to accumulate trading profits. However, a number of their trades will not be winners.

A large part of successful Public Placement Program trading is risk management; controlling losses and preserving investment capital. One of the very basic risk management techniques utilized by Public Traders is to only risk a very small percentage of the investment capital on every trade. It is usually between one half and two percent on a particular trade. If a trade loss hits a defined percentage allocation, the trade is closed out.

The average client has an extremely difficult time taking a loss. In fact, it is a human tendency to hold on to losing trades and cut winning trades short, which is the very opposite of what great Platform Traders do. Risk management systems can get very complex and Public Platform Traders often write complex algorithms to manage risk when there are many positions and trade strategies running all at once.

The advent of the computer has radically revolutionised Public trading, just as it has every facet of our lives. Modern Trading Platforms are heavily dependent on mathematics and the hard sciences. Most Public Platform Traders today have advanced formal education and training in mathematics, probabilities, physics, computer science, economics and engineering. Trade rooms are more like busy computer driven laboratories than the old image of guys in a boiler-room shouting into two telephones at one time.

Almost all orders are input electronically, and Public trades are matched up by sophisticated software. Public Placement Programmers and software engineers are indispensable to successful Public Programs and Trade Platforms.

As mentioned earlier, Public Platform Traders have many products to trade and a huge number of global exchanges to execute the trades. The most well-known exchange in the world is the New York Stock Exchange (NYSE). When Public Platform Traders make a trade, that trade is executed on an exchange.

The NYSE, CME, NYMEX, ICE, CBOE and NASDAQ are the largest U.S. exchanges. In Europe the LSE, Euronext and Frankfort Exchange are largest. In commodities, much of the execution is done on the Globex, an electronic exchange. Public Platform Traders use the exchanges to buy and sell trillions of dollars of stocks, bonds, currencies, gold, oil, euro-dollars, Collateralized Mortgage Obligations (CMO's), Exchange Traded Funds (ETF's) and hundreds of other securities, currencies and derivatives in efforts to make profits for themselves and their Clients investing in the public realm.

Public Placement Program Traders can make profits by buying a particular instrument or by shorting, (selling it) betting the price will go down. Some Public Traders buy and sell similar instruments simultaneously, betting on the change in price between the two instruments; this is called arbitrage and spread trading. Other Public Traders employ option strategies, such as writing options, writing straddles, strangles, butterflies and condors. Option strategies can quickly become extremely complex and are a highly specialized area of trading which requires extraordinary expertise.

Public Trading Platforms utilise margin to buy and sell all of the various instruments they trade. Margin is simply a partial payment for the instrument. Most people are familiar with margin on stocks.

Margins are met with cash; period. Contrary to what some people may believe, the only instrument that is good for backing a trade position is cash. When a profit is made, it is credited to the Public Trade Platforms books that day; when a loss is taken, it is debited from the Public Platforms books that day. Public Platform trading is a cash business; gains and losses are marked to market each day.

Public Trade Platform Managers [Trader's Desk] should know by between midnight and two a.m. each trading day, where they stand. The Public Trade Platforms maintain what is called a customer segregated account with a Futures Commission Merchant, more commonly known as a FCM. This account is where the Public Trade Platform Clients' funds are held. An Independent Capital Account is established for each Trade Platform Client to provide accurate accounting on a monthly or quarterly basis. The Public Placement Platforms' funds are deposited into a Master Segregated Funds Account to be used for margin in trading.

Goldman Sachs, Merrill Lynch, ABN AMRO, MF Global, JP Morgan Chase, Credit Suisse, Deutsche Bank and Bank of America are all FCMs. These companies, as well as handling trades for independent Public Trade Platforms for many years, have had their own internal proprietary trading desk or Trade Platforms. Some of these Public Trade Desks are famous, such as Goldman's Alpha Fund, Morgan Stanley's Process Driven Trading [PDT] Platform and Deutsche Bank's legendary SABA Trading Program, led by Boaz Weinstein.

The new regulatory environment is forcing many of the banks to divest themselves of proprietary Trading Platforms. This is making for a large talent pool comprising the best and brightest traders available for **Private** Placement Programs, **Private** Hedge Funds and Trading Platforms [Trader's Desk].

Some Private Placement Programs and Trading Platforms often use what is known as notionalisation or notional funding to increase the leverage that the Trade Platform may use. The Trading Platforms may leverage its trading capital as much as ten times, meaning that One Hundred Million Dollars ($100,000,000) may be traded as it was a Billion Dollars ($1,000,000,000). Leverage in the **public domain**, while giving the ability to greatly increase the returns on cash can also lead to significant loss. The old adage that "leverage is a double-edged sword" is very true.

Notionalisation absolutely must be constantly monitored and adjusted, depending on margin requirements and market conditions. The Public Platform Managers have investment committees which are responsible for determining notional trading levels. Notionalisation is a very powerful tool for the Public Trading Platforms.

No Risk Fund 2.0

In conclusion, when it comes to **Public Programs**, the minimum investment can be high and the risk can be high as well. However, the reward can be great, great enough to justify the investment and risk for one who has the means with which to get involved in such an investment.

However, There Is Good News . . .

introducing **Tier One Ltd.** *[a.k.a. T1L]* with the **No Risk Fund 2.0**

Considering that top major banks issue **Medium Term Notes** (known as **MTNs** and **Mid-Term Notes**) to raise funds in both U.S. and Euro dollars, we can better understand that they are for the purpose of generating Operating Loans and issuing Letters of Credit to businesses which wish to buy material and products from other business organizations in other countries. In laymen terms, this results in an International Treaty whereby the U.S. Dollar (or the Euro) becomes the common Medium of Exchange for International Trading.

By Federal Law, a European bank is **not allowed** to sell such Medium Term Notes **directly to the Public**. They must be issued and sold through a Federal Reserve Licensed Trader; just as in the same context, a Corporation or a Municipality must sell Bonds through a Dealer or Underwriter.

The **Trader**, aiding in the distributional sales of newly issued MTNs from the major sized Bank, will have a $50B (Billion) contract (or equivalent amounts) with the Issuing Bank to purchase MTNs for immediate resale.

Typically, this **Trader** would instigate the following:

A Non-Revocable Contract with an Exit Buyer, such as a Pension Fund, to buy those MTNs from them immediately, and with a contract with a Participating **Client**, acting as the **Trader's** '**Associate**' to furnish the PROOF OF FUNDS [**POF**]. This is required, simply as a formality, to start and continue the Purchase and Resale series of transactions. *i.e.,* (**matched trades**).

The **Trader** also makes contractual arrangements with their own bank, through their bank's 'Back Room' Trading Department, to act for them during the Transactions of $100M (Million) or greater. This $100M amount is the minimum set by the U. S. Federal Reserve for this type of Bank issued MTN Distribution.

ASSOCIATE ***(soon to be referred to as Client)***

The 'Associate' thereby **arranges for their own 'HOME-TOWN' Bank to issue them a verified POF for $100M in Cash Funds, which are wholly owned by them, in their account RESERVED at THIS bank**.

Note- For the purpose of clarity, the title of 'Associate' is hence forth converted to ***Client*** *after a completed contract with the* ***Chairman & CEO*** *of* ***T1L*** *(****AAA Order Form*** *with EFT and* ***Q Card****).*

When the step described above has been accomplished at **Client's bank,** this enacts the ability of the **Client** to obtain cash credit Line Of Credit [LOC] of $100M for the important **Proof Of Funds**. This **POF** (not the 'reserved' cash) is then sent to the **Trader** in accordance with the **Chairman & CEO** of **T1L** and **Client** contract.

It is important to state that Medium Term Note Trading is a very specific process. When less than experienced "Associates/Clients" expect absolute perfection and "up-to-the-minute" communication, these immediate reactions inevitably cause more delays, short-comings and frustrations on behalf of not only the **Client, Chairman & CEO,** but the **Trading Group** as well.

Several factors influence the timing of entering a trade;

- the current availability of Medium Term Notes, which can be in short supply,
- the timing of the trade submission and
- the specific programs that cancel without notice.
- On occasion, these unexpected market trends give a false illusion resulting in the sophisticated MTN Trading Platform to appear chaotic.
- ***Nothing is farther from the truth.***

Below is a typical scenario of a Private Mid-Term Buy/Sell Program *(decoded)*:

a. The **Trader's Bank** communicates with the Issuing Bank as well as with the Exit Buyer's Bank, to obtain a detailed agreement with the Issuing Bank Officer and with the Exit Buyer's Bank that they are both prepared to commence the contracted series of Transactions (Trades). The Exit Buyer's Bank forwards a POF to the **Trader's Bank** for the amount of the first purchase of **$100M**.

(Note - When a POF has been issued for the Exit Buyer and forwarded to the **Trader's Bank**, there is a legal Funding Commitment to complete that Transaction, which may NOT be revoked while the transaction is taking place).

b. The **Trader's Bank** forwards to the Issuing Bank a POF in the name of the **Trader** and requests that an MTN be issued in the name of the **Trader**, along with an Invoice at a **discounted price**, say for example, only **$97M**, payable in 4 Hours, *(resulting in a certain *3% **profit spread** upon completion).*

c. A copy of the Note and an invoice at $97M, is forwarded to the **Trader's Bank**, which authenticates signatures and MTN terms to verify compliance with the Purchase Contract.

d. The **Trader's Bank** then forwards the copy of the MTN, along with a Conditional Assignment of the MTN, to the Exit Buyer's Bank, along with an Invoice at the Exit Buyer's Purchase Contract Price, *$100M for example purposes*, payable within four hours.

e. The Exit Buyer's Bank authenticates signatures, verifies compliance with the Purchase Contract, and pays the $100M Invoice price to the Trader's Bank for credit to **Trader's** account, within the four hour limit.

f. The **Trader's Bank** pays Issuing Bank's Invoice for $97M within the four hour limit, along with instructions for the Original MTN to be sent to the Exit Buyer's Bank by express courier.

g. The **Trader's Bank** debits the Trader a Bank Fee *(1/4% for example purposes)* for their services rendered, and forwards the balance, $100M minus $97M minus

1/4%, to the **Trader**, who deposits the profit into the **Client's** trading account at the **Trader's Bank** *(for their Service Rendered).*

h. The Procedure used for this generic example, typically takes place 3 or more times each week and repeats until the ***Trader's Purchase Contract*** is fulfilled, *(a 10 months term/commitment).*

*Wikipedia – - **proforma***
*In business, **pro forma** financial statements are prepared in advance of a planned transaction, such as a merger, an acquisition, a new capital investment, or a change in capital structure such as incurrence of new debt or issuance of stock. The **pro forma** models the anticipated results of the transaction, with particular emphasis on the projected cash flows, net revenues and taxes. Consequently, **pro forma** statements summarize the projected future status of a company, based on the current financial conditions/statements.*

*For example, when a transaction with a material effect on a company's financial condition is contemplated, the finance department will prepare, for management, clients and board review, a business plan containing **pro forma** financial statements demonstrating the expected effect of the proposed transaction on the company's financial viability. Lenders and investors will require such statements to structure or confirm **compliance** with debt covenants such as debt service reserve coverage and debt to equity ratios.*

*Similarly, when a new corporation is envisioned, its founders will prepare **pro forma** financial statements for the information of prospective investors. **Pro forma** figures should be clearly labeled as such and the reason for any deviation from reported past figures clearly explained. Also, banks will request **pro forma** statements in lieu of tax returns for a startup business in order to verify cash flow before issuing a loan or **line of credit**.*

Hypothetically, *'projected guessing'* utilising US**$100+ minimum** as a **Client's** Riskless **CASH** deposit/placement ***OR*** acceptance of a ranked **Bank's LINE valued at the same level (POF)**, generating a very conservative; . . . brief example as a **Generic Proforma** :

***$3 spread per Buy/Sell transaction X 3 transactions per week** *(more likely to be 3 **per day**)* **= $9 profit per week X 4 weeks = $36 per month X 1:10**
***leverage setup at Trader's Bank = a gross Portfolio Value =**
***$360** *minus* ±$**3 as Bank Fees** *minus* ±$**1 Brokerage = ±$356**
disbursed among FOUR Groups which were setup by the Chairman & CEO each with a separate 'contracted portion' negotiated & directed by the Chairman & CEO's ***in-house*** **Paymaster :**

The Inflation Hedge Group's portion
(a mandatory HEDGE against global inflation,
with Chaired oversight by T1L)

Hypothetically, 'projected guessing' . . .

The Inflation Hedge Group could net an average Portfolio Value =

±***$53 per month. . .** with the NET proforma profits portion =

±***$**530 per fulfilled contract of 10 months***!***

ΔΔΔΔΔΔΔΔΔΔΔΔΔΔΔ

The Client Group contracted portion could net a minimum +
***5% per month** *(no less)*

= ±*17% net per month of the NAV balance = ***. . .*** hypothetically,

'projected guessing' **an approximate proforma percent,**

'simple return' per fulfilled contract of

10 months could/should **= at least a Double-Digit appreciation,**

not taking into consideration the *Power of Compounding,*

exponentially and NO INVESTMENT (just his "reserved placement" LOC).

Excerpts assembled from Wikipedia - - (substitute/replace the word **"interest"** with the word **"profit"**):

Compound interest is the addition of interest to the principal sum of a deposit, or in other words, interest on interest. It is the result of reinvesting interest, rather than paying it out, so that interest in the next period is then earned on the principal sum plus previously accumulated interest. Compound interest is standard in finance and economics. Compound interest may be contrasted with ***simple interest***, where interest is not added to the principal, so there is no compounding. The *simple annual interest rate* is the interest amount per period, multiplied by the number of periods per year. The **simple annual** interest rate is also known as the nominal interest rate ***as contrasted to*** being carried forward and added to the previous balances.

Exponential growth *is exhibited when the rate of change—the change per instant or unit of time, weekly & monthly—of the value of a mathematical function is proportional to the function's current value, resulting in its value at any time being an exponential function of time, i.e., a function in which the time value is the exponent. In the case of a discrete domain of definition with equal intervals, it is also called* ***geometric growth****, the function values forming a geometric progression.*

In conclusion . . .

An experienced **Client** can safely state that with the previously listed procedure and controls for the Transactions, the only reason for a Transaction failing, once commenced, would be for the Exit Buyer's Bank to default on completing a contracted purchase of a Note, which would result in a jeopardy to their Bank Charter.

Should any default take place, it would be quite simple for the **Trader** to make the required Payment, using their own Funds, to complete their purchase of the Instrument, and to immediately sell it to a different contracted Exit Buyer. This action by the **Trader** eliminates any risk of loss by the Buyers and Exit Buyers as well as the '**Client**'.

NOTE: With minor variances in the connection of a **Client's** Funds to a Trader's $100M Operating Fund, a **Client** may enter into a trading operation with as much over $100M as they have available.

So . . . how much is a million+ dollars worth if you don't have to pay it back to anyone?

No Risk Fund 2.0 processes completed documents and advises setup for **Client** via

CHAIRMAN & CEO (Paymaster) to his proprietary contacts beginning with:

a Major Top Ranked Bank *(Cayman or Swiss or UK)*

& a Tier 1 Trader's Desk *(London)*

No Risk Fund 2.0

1. Chairman & CEO's Engagement Agreement FIRST STEP [AAA Order Form] between **Chairman & CEO** & sole signatory of **Client**

2. K Y C compliance documents on ALL participating Parties (Certified **True Copies** Notarised)

3. **Proof of Funds [POF] – Tear Sheet** from origin/sending **Client's Home Bank "reserved/preserved" account in his own NAME and NEVER SPENT*!***

4. Passport of Mandate, *if any* (Certified True Copies Notarised)

5. Proof of Address (Certified True Copies Notarised recent electric bill)

6. Bank Reference (stating in Good Standing) *and* Professional Reference Letter

7. **Client's** Certified Corporate documents

8. Corporate Resolution with Apostille

Thanks to anyone reading this outline. You are in the circle of very few that have come this far. Admittedly, this is convoluted and hard to wrap your head around these contents as this outline has not been available to most. Only the intelligent will pursue such an uncommon subject. So, we tip our hat to you if you made it to this page. Thank you again, in advance, for your attention to this important syllabus about this elusive business. *- T1L*

Just one more thing . . .

Most of the content of this very important paper are strict written comments by author including,

"Any and All VERBAL descriptions and/or explanations of the business of Tier One Ltd. and/or its member company No Risk Fund 2.0 are NULL & VOID & do not represent the outline heretofore assembled in and on these 34 pages!"

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Tier One Ltd. and a member company No Risk Fund 2.0 DOES NOT AND NEVER WILL ENGAGE IN THE SOLICITATION OF FUNDS ***OR*** INVESTMENTS ***OR*** OFFER TO BUY ***OR*** SELL SECURITIES.

Thank you in advance for your close review and study in this unique technique.

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