

Stella project

Abstract

Stella Project's mission is to simplify real-world use of cryptocurrencies and blockchain-based services. Stella will cover all major financial needs, including card payments, loans, business project financing and p2p lending--in a transparent, reliable and trustworthy environment. Stella Project introduces a new, post-banking era in which the financial services traditionally monopolized by banks are available in a way that is faster, more functional, more transparent, and ultimately, more cost-efficient.

Stella Project works across borders, exceeding limits and delays while eliminating the huge service fees connected with the traditional financial sector. All services inside Stella's ecosystem work globally: Stella Financing Marketplace connects lenders and borrowers, as well as investors and business projects from every corner of the world. Stella Card, together with Stella Crypto Accounts, gives clients the option of storing funds solely in cryptocurrencies, while still making payments in most locations using regular plastic credit or debit cards.

Stella Project also provides investors and loan originators with a reliable and safe financial environment, as well as a transparent, auditable distributed blockchain ledger, using integrated Artificial Intelligence-driven risk-management, credit scoring and background check tools..

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Background

The traditional banking and financial industries have rarely concerned themselves with values like effectiveness, transparency or client-orientation. From the perspective of the customer, the banking industry is riddled with flaws. The following are just a few stumbling blocks that will be familiar to anybody who has ever dealt with a traditional bank:

- **Lack of efficiency:** In the age of internet and instant messengers, a bank transfer between two EU countries still takes around 4 days. Wired interbank transfer, which is done within 24 hours, is considered to be relatively fast;

- **Huge costs and commissions:** The same international transfer is not only slow, but also very expensive, especially considering that, technically,, a “bank wire transfer” is very similar to transmitting a message in a simple WhatsApp or WeChat application;
- **Lack of global cross-border operations support:** Even if you are a client of Bank X in Country Y, the same Bank X will know nothing about you in Country Z. You’ll need to open totally separate bank accounts, with distinct terms, conditions, and prices, as well as a different (and not necessarily equal) set of services and products;
- **Lack of transparency:** You cannot know or control how your money is used. To the customer, banking is basically a black box;
- **Inefficient asset management:** Funds that are offered as investment opportunities are often poorly managed in spite of huge management fees. In fact, the vast majority of banking funds perform with far less profitability than would an unmanaged S&P 500 index;
- **Shameless behavior:** Funds with almost no profitability, or profitability smaller than the rate of inflation, are still shamelessly offered to non-professional clients as reliable and profitable. Such funds are frequently offered without sufficient information;
- **Bank errors:** Lost transfers, inaccurate calculations and accounting mistakes are infrequent, but they do still occur. When they do occur, most of those mistakes simply go undetected by customers;
- **Traditional financial industry participation in money laundering and illegal money transfers:** The closed nature of banks and the financial industry allows banks to offer some services out of official price lists. We read regular headlines about fines and penalties to the world’s biggest banks over money laundering and fraud. Penalties in excess of \$630 million demonstrate the extent of offenses uncovered by regulators such as the FCA, FSA or SEC.

Stella was designed to provide solutions for all of the above-mentioned challenges with the goal of making financial services more reliable, accessible and customer-oriented.

Solution

The goal of Stella Project is to upgrade, or better yet, replace traditional banking services. Stella offers a far more powerful, transparent, and cost-efficient global banking experience, driven by leading edge technologies such as Blockchain, Big Data and Artificial Intelligence.

The open and distributed nature of Blockchain and smart-contract technologies provides customers the ability to fully observe transfers, interest rate calculations, conversions and other mechanisms, which are usually hidden in a bank’s black box. Blockchain technologies are also used to provide a more powerful and secure environment for priorities such as Anti-money laundering (AML), Risk Management and Anti-Fraud.

Also, by combining Blockchain and smart-contracts with the Stella team's wealth of knowledge and industry experience, Stella will provide customers with new risk management and fraud prevention features, never before seen in the traditional financial industry.

Artificial Intelligence (especially in such areas as Deep Learning and Deep Neural Networks) is an important and intensively-used part of the Stella ecosystem. Stella employs a high level of automation to provide cost-efficient, fast and reliable services. The Stella model owes much of its innovation to machine learning solutions as exemplified by products such as Stella Scoring and Stella IQ.

The Stella Project team has significant experience solving financial industry business cases using Deep Learning and Deep Neural Networks. This experience informed one of the major building blocks of Stella Project – Stella AI. This is used to perform scoring and make predictions for loan origination and financing. In time, AI will be playing an increasingly more powerful role in Stella's ecosystem.

Big Data and Data Science technologies are essential to Stella's scoring, loan origination and asset management products. As a part of Stella's next-generation Fraud Prevention, Credit Score Check, AML and Bad Credit checks, AI will analyse data from multiple sources (open and closed registries, tax authorities, social networks, etc.) to make the Stella ecosystem as safe as possible.

Stella Ecosystem and Products

Stella's overarching mission is to address banking customer needs in a secure, reliable and transparent Blockchain environment. Stella provides far more for both private and retail customers than a traditional bank could ever offer.

Stella Card

Stella Card is very similar to traditional plastic payment cards, which means you can use it to buy groceries, make payments on the internet or withdraw cash from an ATM. There is one significant difference--your debit or credit card will be connected to your Stella Crypto Account. This means your funds are stored in cryptocurrency while Stella automatically performs necessary conversions into traditional fiat currencies like USD, EUR and others, all on the fly. Stella Card brings you the simplicity of using cryptocurrency in everyday life.

Stella Coin

Stella Coin is the base currency of the Stella ecosystem. While Stella is a multi-cryptocurrency ecosystem that allows you to use Stella products and services with a wide range of cryptocurrencies, all the products will place an operational and support preference on the use of Stella Coins. For instance, where participation in a P2P project requires Bitcoins, the Stella Financial Marketplace will perform seamless conversion between Stella Coin and BTC without commission or spread.

Early adopters will enjoy the greatest advantages, including acquisition of Stella Coin at a significantly reduced price relative to the actual cost after full execution of the Stella ecosystem. Discounts and other opportunities are discussed in greater detail in subsequent sections of the present document.

Along with Stella Coin itself, Stella Project will establish a full payment and cryptocurrency transfer infrastructure that ensures maximum accessibility and ease-of-use, both on the internet and in real life.

Stella Crypto Account

Stella Crypto Account is a major component of the Stella ecosystem. It allows the user to store cryptocurrencies including but not limited to Stella Coin. This gives users the power to make transfers and leverage Stella products as they would with a traditional bank account.

Stella Payments

Given its mission to simplify the usage of cryptocurrencies in everyday life, Stella plans to provide direct transfers to and from traditional banks (using IBAN, SEPA and SWIFT account identifiers). However, to maintain the speed and cost-efficiency of such transfers, we will execute using off-bank payment methods.

Stella Financing Marketplace

Stella Financing Marketplace is an advanced P2P lending platform. The impetus behind this unique product is to match people, projects and businesses in need of financing with Stella community members who wish to invest. Stella Financing Marketplace operates globally, connecting lenders and borrowers around the world.

The P2P nature of Stella Financing Marketplace means that one object of financing can have a virtually unlimited number of loan providers (e.g.. if the total amount of required financing is 1000 BTC, a project can raise 700 BTC from one loan provider, 200 BTC from another, and the remaining 100 BTC from a third one). All loan providers carry the same interest rate, which will be applied according to the amount of their loan contribution.

Stella Marketplace provides a wide range of loan types--from traditional student loans all the way up to big P2P business loans for real estate development and industrial construction. Under this model, a borrower will provide detailed description of the financing object, loan amount, period and interest rate. The information provided is then evaluated by Stella Scoring Business and Stella Scoring Personal--Stella's Artificial Intelligence scoring systems-- in order to provide prospective investors with background checks and credit score information.

Loans in Stella Project are driven by Stella Smart Contracts, which provide automated execution of all loan-related obligations between lender and borrower, including transfers and operations like initial funding, interest rates, returns.

Thanks to the transparency that Stella blockchain brings to the ecosystem, Stella Financing Marketplace can offer innovative features such as spending target monitoring. With this feature, a loan provider can monitor spending to ensure that all funding has been spent according to a provided business plan or project description.

To ensure the safety of loans and investments on the marketplace, Stella will factor functionality and cooperation with debt collectors into its profiles of prospective loan recipients.

Stella Optimum

Stella Optimum is one of the AI technology applications driving the Stella Financing Marketplace. Using prior data to build out and train its Neural Network, Stella Optimum will perform predictive selections to identify--on a global scale--projects of interest to prospective investors and lenders. These community members will be able to consider the profile, previous behavior, and cryptocurrency amount available for any would-be recipient or project.

Stella Scoring Individual

Stella's AI-driven Credit Scoring System creates a safer ecosystem by performing checks and scoring for every individual borrower. This service is used to avoid taking on community members with bad credit as well as to provide more information and risk management opportunity to loan providers. Stella Scoring Individual (SSI) uses open and closed data registries, as well as data from tax authorities and social networks, to check the credit history and creditability of individuals.

Stella Scoring Individual will be available not just as an internal service, but also as an external B2B service for other companies and financial institutions that need to perform credit scoring and bad credit checks.

Stella Scoring Business

The Credit Scoring system for business loans creates a safe environment for exchanges by making available information about the background, persons and previous behaviour relating to the company requesting financing. Stella Scoring Business (SSB)--like Stella Scoring Individual--uses AI technologies based mainly on Neural Networks. However, the business scoring system uses different data sources, models and output.

Like SSI, Stella will provide SSB as an external service for other companies and financial institutions.

Stella IQ

Stella IQ is an AI-driven solution that creates optimally diversified investment portfolios for clients on the Stella Financing Market. Stella IQ automates decision making and risk management, innovating a new service called individual portfolio creation. This product is designed for those investors who want more advanced risk management, risk reduction, and cash flow stability (without any manual work) while contributing on the Stella Financing Market.

Stella IQ uses the P2P nature of the Stella Financing Marketplace so that investors can spread funding across multiple projects and so that any given project can enjoy funding from multiple investors.

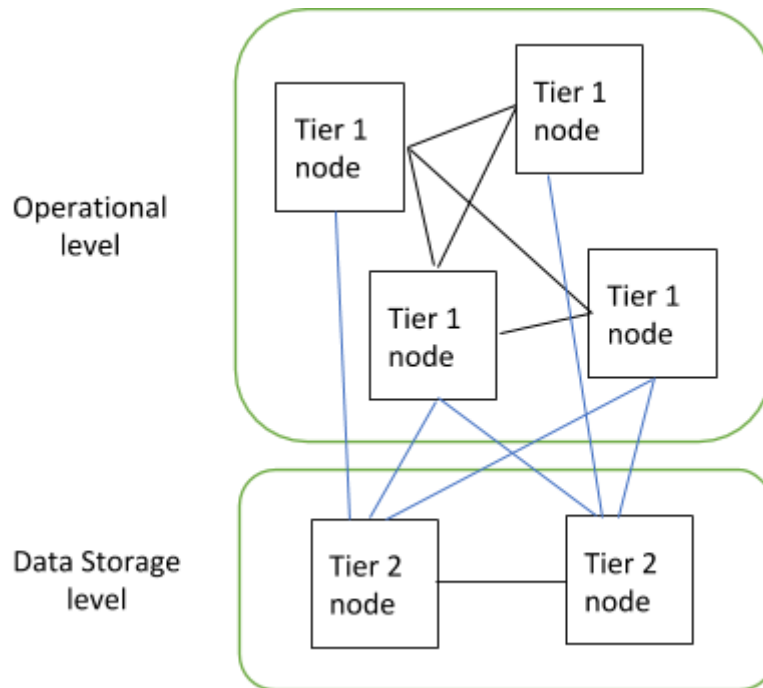
Potential Developments

Stella Project's future development will remain true to the central mission--to provide powerful, real-life, blockchain-driven solutions for both private and business customers.. This means that Stella will continue to develop and adopt new services and opportunities that we believe will be valuable to the Stella Community and its members.

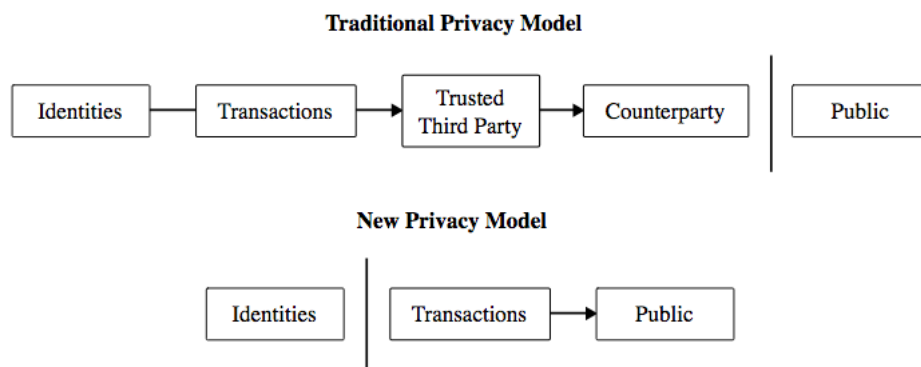
Future priorities include:

- Development and implementation of new AI technologies to improve product quality and create new opportunities for customers.
- To provide more B2B products, similar in nature to Stella Scoring.
- Creation of a B2B oriented Factoring Market.

Technical architecture concept



Stella Blockchain consists of two types of nodes: Tier 1 and Tier 2. Tier 1 performs such operations as transfers and smart contracts execution. Tier 2 level nodes provide network and blockchain data consistency, and blockchain storage. Information stored on Tier 2 level nodes is available to any Stella community member and could be used for any type of audit or checks.



Privacy Model: Despite the fact that information from the blockchain ledger is open and transparent, client privacy is protected, and personal data is not available directly from the blockchain data. Stella blockchain privacy relies on the privacy concept defined by Satoshi Nakamoto's landmark White Paper, [Bitcoin: A Peer-to-Peer Electronic Cash System](#).

Team

Team of Stella project has in-depth experience in FinTech, traditional financial industry and Software Development. Greatest advantage of Stella team is a previous experience of successful cooperation on creation of international data-driven financial enterprise from scratch and scaling it up of with AI-driven products.

Stella Coin ICO

Generation Event

1 billion of tokens will be created during the token generation event. Tokens will be created without possibility of emitting new tokens in future. To provide maximum transparency and compatibility with current Blockchain environment, tokens will be generated according ERC20 standard.

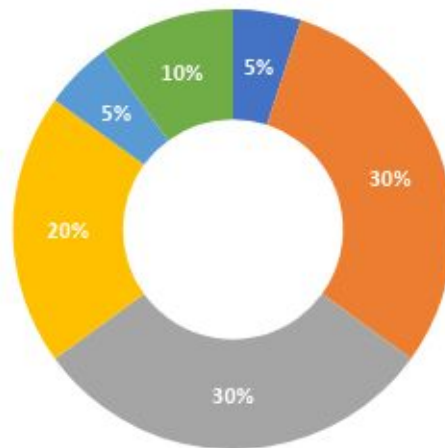
Stella Tokens will be used for the Pre-ICO, ICO and SCO activities. Right after launch of Stella, token to coin exchange functionality will be provided, which will exist in Stella project forever with a fixed 1:1 exchange rate.

Tokens Allocation

65% of tokens will be distributed during Pre-ICO, ICO and SCO (Secondary Coin Offering) including bounties and bonuses. 10% of tokens will be preserved by Stella as financial capital to ensure stable, continuous running of services, liability insurances and internal reserve of the Stella ecosystem. 20% of tokens will be preserved for allocation to founders, management team and employees over time. 5% will be allocated to advisers and partners of Stella Project.

Tokens allocation

■ Pre-ICO ■ ICO ■ SCO ■ Team ■ Advisers ■ Financial capital



Pre-ICO

Pre-ICO will be launched for limited number of participants to test the exchange rate and hard caps. Only 5% of Stella tokens total amount will be allocated for the Pre-ICO. Price of Stella Token will be set to 1 USD per token. All the unsold tokens from Pre-ICO allocation will be destroyed. Prices of token for all following offering activities (ICO, SCO) will be guaranteed to be higher than Pre-ICO token price.

ICO

ICO will be launched to raise the funding for Stella ecosystem launch, Stella products development and start of operations.

30% of total Stella Tokens amount will be distributed during the ICO. 5% out of 30% will be allocated for the ICO bounty program. All the unsold tokens from ICO allocation will be destroyed. Prices of token for SCO will be guaranteed to be higher than ICO token price.

SCO

Secondary Coin Offering will be held after the launch of Stella Project on international scale, including real operations in Stella Financing Market. SCO fundraising will be used for scaling, global expansion and marketing on local markets.

Similar to ICO, 30% of total Stella Tokens amount will be distributed during the ICO. 5% out of 30% will be allocated for the ICO bounty program. All the unsold tokens from ICO allocation will be destroyed.

Bounties

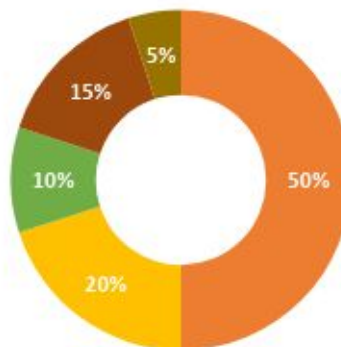
Bounty program of Stella will allocate 5% of total Stella token amount during ICO and 5% of tokens for SCO.

Contribution allocation

ICO contribution will be spent on development of Stella ecosystem.

ICO Contribution allocation

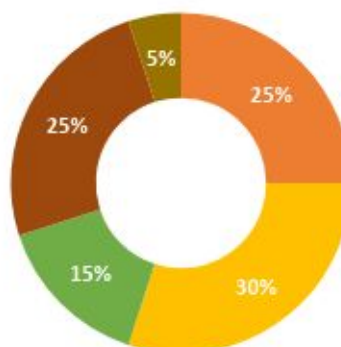
- Software Development
- Business Development & Marketing
- Operations & Legal
- Local Markets Operations & Legal
- Misc. & Unexpected



SCO contribution will be spent on expansion, local marketing and business development.

SCO Contribution allocation

- Software Development
- Business Development & Marketing
- Operations & Legal
- Local Markets Operations & Legal
- Misc. & Unexpected



Conclusion

Disclaimer

References