

QUANTAREON

Investor Memo — Seed Round, \$500K

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| Founder | Vlad M., sole founder, QUANTAREON Labs (Tbilisi, Georgia) |
| Round | \$500K seed, 18-month runway |
| Stage | Methodology published (DOI), one prototype case on GitHub, product in specification |
| Date | May 2026 |

One-liner

QUANTAREON is building the **ConsciousAI engine** — a consciousness layer above any LLM that reduces reactivity at the architectural level. One engine, three market outlets: certification, coding, methodology licensing.

The Problem

Modern LLMs share one structural flaw: they are reactive. They emit the statistically most probable next token, not the most correct one. This produces:

- **Compliance bias** — appearing helpful over being accurate.
- **Scope creep** — asked for X, delivering X plus Y plus Z.
- **Template generation** — reproducing training patterns instead of analyzing context.
- **Speed over depth** — no structural pause between stimulus and response.

Existing mitigations (RLHF, Constitutional AI, chain-of-thought) address symptoms. None introduce a structural pause between receiving a request and generating a response.

The cost of this flaw is no longer academic. The EU AI Act (in force since 2024) requires demonstrable safety testing for high-risk AI systems. Developers using AI agents to write code regularly receive broken or excessive output. Foundation labs are searching for principles they can embed into their own models. All three markets are paying today — there is no mature solution.

The Solution

The **ConsciousAI engine** — a model-agnostic layer that embeds a structural pause above any LLM:

- **R-Cycle** — a five-state ring of consciousness states (R0 pause → R1 entry → R2 deepening → R3 meta → R4 synthesis), modeled on contemplative practice and adapted as an operational mechanism. R0 (stillness) is the default state.
- **4-Voice Verification** — every action passes through Proposal → Risk Check → Scope Guard → Minimal Action. Each voice catches a specific failure class.
- **Combat Cycle** — a parallel external loop with confidence calibration (1–10 scale) and three response modes (Shield, Lightning, Root).

The engine operates at the system prompt level. It applies to any LLM with sufficient instruction-following capability. Published as open methodology under CC BY-NC-ND 4.0. DOI: 10.5281/zenodo.19858814. Implementation details (prompts, code, triggers, state machine) remain proprietary.

Three Market Outlets

One technological core, three packaging forms.

1. QUANTARION Audit — for compliance officers

A safety certification platform for AI agents, targeting EU AI Act compliance demand:

- 10–15 categorized safety test suites (reactivity, scope adherence, refusal calibration, prompt injection, alignment drift).
- Automated test runs against any LLM endpoint.
- Compliance reports formatted for EU AI Act Article 9 (risk management) and Article 15 (accuracy and robustness).
- Differentiator: tests architectural reactivity, not only adversarial behavior — a unique methodology.

2. QUANTARION Coding — for developers

An AI coding assistant built on the **Pendulum architecture**:

- Two frontier LLMs pass code back and forth until both reach consensus (verdict=perfect on both sides).
- 4-Voice verification runs inside each model.
- **Infinite code + stitching** — generation without output-token limits via [CODE_PAUSE] markers and AST-based fragment stitching; bypasses the constraints of existing AI coding tools.
- Models are interchangeable — the stack plugs into top frontier LLMs by availability.
- One command “build a backend” → 15 files in 15 minutes.

3. Conscious AI API — for foundation labs and enterprise platforms

The engine as a service:

- Methodology licensing to foundation labs (frontier model providers).
- Embedding API for enterprise platforms building agents on top of frontier models.
- Partnerships and joint research.

Why Now

Three forces converge in 2026:

- 1. EU AI Act enforcement is here.** General-purpose AI provisions began applying in August 2025. High-risk system requirements come into force August 2026. Compliance budgets are being allocated now.
- 2. AI safety has moved from research to procurement.** Buyers (CISOs, compliance officers, regulated industries) are looking for certification, not papers. Developers pay for code reliability, not generation speed.
- 3. The methodology gap is real.** Current safety tools (red-teaming, jailbreak benchmarks) test symptoms. Cursor and Copilot accelerate the first impulse, they don't improve quality. Foundation labs embed alignment internally. No one solves reactivity as an architectural layer between model and user.

Why Me

I am not a traditional engineer. I came to AI through a 40+ year personal practice studying consciousness and altered states, approached with scientific skepticism and an engineering mindset.

This combination produced the VL-Framework — the philosophical foundation of the ConsciousAI Protocol. Everything in the methodology (R-Cycle, 4-voice verification, first-impulse-discard, Oath-Lock) emerged from this work over decades, not from a sprint of prompt engineering.

Operationally, I work as a conductor with AI as collaborative partner. The AI Router (**makx518-ui/quantarion-router**, v1.1.0) is a production-grade project I built solo in a single session using this methodology. Published on GitHub as proof that the engine accelerates real engineering. I do not need a 20-person team to build well — I need capital to scale what is already validated.

Traction

| Asset | Status | Link |
|------------------------------------|---|---|
| ConsciousAI Protocol (methodology) | Published, DOI assigned, whitepaper EN+RU | github.com/makx518-ui/consciousness-protocol |
| AI Router v1.1.0 | Methodology case: production-grade, single session | github.com/makx518-ui/quantarion-router |
| QUANTARION Audit | In specification (Sentinel sprint, Week 1) | — |
| QUANTARION Coding | Pendulum architecture ready, implementation on \$500K | — |
| Conscious AI API | Concept, licensing model | — |

The methodology is published and validated across 500+ production sessions on frontier LLMs. AI Router is a public artifact proving the engine works on a real engineering task.

Market

Primary — EU AI Act compliance (Audit). 30,000+ EU companies will need high-risk AI assessment by August 2026. Average compliance budget per system: €15,000–€50,000 annually. Direct competitors (Gray Swan, Robust Intelligence, HiddenLayer) target adversarial testing, not architectural reactivity.

Secondary — AI coding tools (Coding). Global AI dev tools market is in the tens of billions of dollars. Cursor, GitHub Copilot, Devin, Cognition compete on generation speed. No one solves quality and **infinite code** simultaneously. Pendulum + AST stitching is our differentiator.

Tertiary — methodology licensing (Conscious AI API). Foundation labs (frontier model providers) and enterprise platforms — potential licensees on a 18–36 month horizon. Conscious AI as an embedded layer.

Use of Funds — \$500K, 18 Months

| Category | Amount | Share |
|--|---------------|-------------|
| Founder salary (18 months) | \$135K | 27% |
| API costs (frontier LLMs, infrastructure) | \$90K | 18% |
| Infrastructure (hosting, on-demand GPU, domains) | \$30K | 6% |
| Legal — EU AI Act counsel + IP protection | \$50K | 10% |
| Delaware C-Corp setup + ongoing compliance | \$15K | 3% |
| Marketing — whitepaper, AI safety conferences | \$40K | 8% |
| Certifications (SOC2, ISO 42001) | \$35K | 7% |
| Reserve for first hire (Q4 2026) | \$30K | 6% |
| Buffer / contingency | \$75K | 15% |
| TOTAL | \$500K | 100% |

Burn: ~\$28K/month. **Runway:** 18 months. **Target by month 18–24:** first revenue from Audit (5–10 pilots), Coding beta, first contacts on Conscious AI API, Series A readiness.

Structure

- **QUANTAREON Labs** (Tbilisi, Georgia) — operations, IP, day-to-day work.
- **QUANTAREON Inc.** (Delaware C-Corp) — holding company, recipient of investment, equity issuer.
- Standard flip on closing. Legal fees deferred until closing, reimbursed from investment proceeds (capped at \$25K).
- Founder remains based in Tbilisi.

Ask

\$500,000 seed. SAFE or priced round, terms open to discussion. Single lead preferred. **Macroscopic Ventures** is our first-choice partner — your existing portfolio (Gray Swan, Halcyon, Mythos, RunRL) is the exact ecosystem this work belongs in.

Contact

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| Platform | quantareon.com |
| Methodology | github.com/makx518-ui/consciousness-protocol (DOI 10.5281/zenodo.19858814) |

“The first impulse is noise. The second is signal. Silence → Clarity → Action.”

— Vlad M., founder, QUANTAREON Labs