

WHITE PAPER





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NowCoin

v2.0

May 21th, 2018

1./ Executive Summary¹

Having been involved in multiple crypto projects during the previous months led us to an interesting discovery: there are more than 1500 cryptocurrencies in circulation, and only a handful of them are really trying to build an ecosystem.

What do we mean by saying the above? Well, in our opinion a real and working currency shall have two legs by definition: the holders and the merchants. This is the classic “eggs and chicken” problem, the existence of each leg is based on that of the other one.

If we take a look around in the world of cryptocurrencies (and here we mean the so called payment tokens according to FINMA specification) then what we see is a whopping number of currencies held and traded by crowds of people, and not used in the meantime anywhere for real payments. With the exception of Bitcoin, Bitcoin Cash and probably Dash, none of the cryptocurrencies are really trying to work on mass and organic adoption on the merchant side. And here we are talking about general adoption, not just a centralized adoption around a specific project (ICO's).

On the basis of the above facts, the founders created a vision of how to implement a real, working cryptocurrency ecosystem. The idea of the NowCoin ecosystem, and its foundation: the NowCoin Market Game was borne.

If we start building on standard economical rules, then first we need to create an active network of cryptocurrency holders. They should hold and trade NowCoin, and in the meantime they should be kept actively attached to the developments of the ecosystem. In our concept, the best way to create a network and



constantly keep its members active is to play a game. To play a game where the network members are constantly watching the core information and statistics portal, which leads us to the other leg: the merchants.

As soon as we are able to create a network of holders, and keep them actively following our information portal, the momentum builds for merchants to join the ecosystem. Simple economics: we will base the supply side on the demand that we create.

The NowCoin Market Game will be an exchange trading game, and will be based on the extremely powerful BitShares blockchain. The core concept of general rewards is quite simple: if you hold at least 100 NowCoins on your blockchain address, then every second week you will be entitled to basic rewards, and if you manage to be among the top 1000 holders based on your wallet balance, then you will be entitled to premium rewards. Since NowCoin is tradeable on the BitShares Decentralized Exchange, traders will be able to create different strategies to get to the first 1000. There will also be special bounties, through which we will keep the network of holders actively following the core information channels. Detailed rules can be read below.

When we get to the point where a good number of holders are playing and listening, we will draw merchants in the system, who can offer their services or products in NowCoin to an active network. In our vision, this would lead us to a real, working ecosystem, where the market will decide upon everything: the price of NowCoin, the products and services available for NowCoin etc.

The Game will be absolutely transparent, performed on the blockchain itself. It will have a definite end set forth in the rules, and upon the end all of the income from the sale of NowCoins will be distributed among the network members. Hence the Game is not indefinite, but a real and transparent market trading game with a definite end, and calculatable reward. Most importantly, the Game is not the goal, it is just our founding asset for the creation of the NowCoin ecosystem.



2./ NowCoin – our coin

NowCoin is a crypto asset created on the robust and quick BitShares platform. Ultimately, a total number of 110 million coins will be in circulation, which might be divided up until four decimals. We calculate, that by the end of the NowCoin Market Game, a holder / user network of more than 1.000.000 members will be created, a network strong enough to bring NowCoin into the mainstream cryptocurrency world.

The underlying platform, BitShares² is designed from the ground up to process more transactions every second than VISA and MasterCard combined. With Delegated Proof of Stake, the BitShares network can confirm transactions in an average of just 1 second, limited only by the speed of light. A high-performance decentralized crypto exchange is one organic pillar of the BitShares ecosystem. The fully operational exchange has all features necessary for crypto trading, and will instantly allow holders of NowCoin to create trading pairs with ultimately all assets within the BitShares universe – including stablecoins as bitUSD or gateway-based assets like open.BTC or open.ETH.

Upon genesis, the Exchange Pool account of NowCoin was completely preloaded to the Exchange for sale. It is locked, and will not be altered. The sell orders are built in a way that pricing starts at 1 BTS, but most of the NowCoin genesis supply will be put into circulation for a price between 13 and 15 BTS. In words, a total of 44 million NowCoins are listed for the price range of 13–15 BTS, and only 6 million below this price range.

We were thinking a lot on this Sell Order structure. Our first intention was to setup a balanced initial supply pricing. It is the core interest of the NowCoin ecosystem that the genesis supply is sold in a balanced way. Nobody shall gain advantage of lowly priced coins, since whales entered at a low price can destroy our vision of an organic price balance.

Accordingly, we focused on having most of the genesis supply between the range of 13–15 BTS. However in the beginning you need to sacrifice something on the altar of acceptance. This is why we decided to honor early adopters in a way



that the Exchange Pool will sell 6 million NowCoins for the price range of 1-13 BTS. This is a minority stake of the Exchange Pool supply, and it may help early adopters to join. We believe however that early profit realization will happen, meaning that coins bought for 1 BTS will be sold around 4 BTS, and so on, hence the circulating coin average price can organically be set to the level of 13-15 BTS.

It is very important to state here, that our whole concept is based on trading and organic exchange price. We will never guarantee to you any upside or downside in the price, and we will never give to you any price estimations. The trading community will always be in total control of their NowCoins, and the organic demand and supply will govern the price. This is why the Founders Pool will be locked down for the total time of the Game, this is to secure that no vested whales could play around with the prices.

3./ The NowCoin Market Game

NowCoin Market Game will be an amazing social experience, and tons of fun. We believe that there are many ways for the creation of a new ecosystem. We vote on the fun way. Let's play together an amazing market game, create a community, have a lot of fun and experience together. At the end, we will all win, if we are successful in setting up a vibrant crypto community around a working general-purpose cryptocurrency.

3.1 Let's see the Rules:

Upon Genesis, the total number of NowCoins were distributed to the following blockchain accounts:

Founders Pool: 10 million³

Game Reward Pool: 45 million⁴

Exchange Pool: 50 million⁵

Special Reward Pool: 5 million⁶

NowCoins will be sold exclusively on the BitShares Decentralized Exchange ("DEX"). A total number of 50 million coins (the Exchange Pool) will be listed on the DEX for sale, at the prices starting from BTS 1,- and ranging to BTS 15,-. Anybody with a valid BitShares account will be able to purchase NowCoin from the order book. The Exchange Pool bids listed on the DEX are locked, they will not be altered during the Game. The Founders Pool will be locked during the

entire time of the Game, therefore the vested Founders will not be able to intervene on the exchange. The private keys to the Founders Pool and the Exchange Pool will be deposited with a regulated law firm until the Final Airdrop, so nobody will be entitled to transact with these accounts during the Game.

Following the purchase of NowCoin (from the DEX), the holders will have the possibility to hold the coins, use them for payments between any BitShares account, or list and sell them for any price on the DEX. The holders will be in full control of the coins, and they will be free to use them for any of the above purposes.

The BTS income of the Exchange Pool from the sale of NowCoins on the DEX will be locked and retained on the Exchange Pool Account, fully transparently on the blockchain. The BTS balance of the Exchange Account will be distributed among the NowCoin holders upon the Final Airdrop, as described below.

3.2 The Rewards

The Game itself is basically a motivation system on persuading people to hold and build reserves of NowCoins. The following rewards will be distributed among the members:

- a./ Basic Reward
- b./ Special Reward
- c./ Final Airdrop

a./ Basic Reward

Each account holding at least 100 NowCoins will receive a 3% reward on the balance of their account address on the 1st and 15th days of each month. Balance calculation time will be 0:00 AM (UTC) on these dates. Rewards will be calculated on the balance of NowCoins held on the account upon calculation, and paid from the reward pool in NowCoin. The reward is going to be paid automatically, and is not subject to any further conditions. Basic reward payments end upon the Final Airdrop. Coins held in the Founders Pool account are excluded from this reward.

b./ Special Reward

The top 1000 accounts based on their NowCoin balance will be rewarded with 8% of their balance on the 1st day of each month. Balance calculation time will be 0:00 AM (UTC) on the 1st of each month. The purpose of the special reward is to

motivate the holders to accumulate funds. Special reward payments end upon the Final Airdrop. Coins held in the Founders Pool account are excluded from this reward.

c./ Final Airdrop

The Final Airdrop is the end of the NowCoin Market Game. The Final Airdrop will be done upon either the Reward Pool account dropping below the balance of 10M or; alternatively on 15th July, 2019 at 0:00 AM (UTC).

Upon the Final Airdrop the following distributions will be made:

- Reward Pool balance distributed among the top 1000 holders proportionally;
- Special Game Pool balance distributed among the top 1000 holders proportionally;
- Exchange Pool balance (both NowCoin and BTS) distributed among the top 1000 holders proportionally.

3.3 Procedure of reward calculation

Periodical rewards will be calculated on NowCoin transactions, the basis of a periodical reward will be the calculated balance of each account at the moment of the reward deadline. Only transactions confirmed until the reward deadline will be calculated in the balance. In case there is a blockchain infrastructure failure at the moment of reward deadline, the calculation will be performed upon restoring of normal blockchain operation.

Rewards will be transferred continuously following the reward deadline, within normal functioning of the blockchain. The reward transfers will be publicly available on the website and in block explorers.

Reward calculation is based on the balance of confirmed transactions which may differ from the actually indicated balance of the wallet. Reason for this is that the wallet platform indicates the balances which are not in orders at a certain moment - for example pending orders are deducted from the shown balance in the wallet while they are still in the ownership of the account.

Example:

Susan has 1000 NowCoins in total

Susan is selling 100 NowCoins with a limit sell order which is not filled yet

Result: After that Susan's balance is shown as 900 NowCoins on the wallet

platform, but her actual total balance is still 1000 NowCoins since the limit order is not filled yet. Accordingly the basis of the reward calculation will be 1000 NowCoins.

3.4 Restrictions on the Founders Pool

Founders and their advisers will retain a total number of 10 million NowCoins as indicated above. This is the pool which allows the founders to bring professional advisers on board via vesting in NowCoins.

During the total period of the Game, the Founders Pool shall remain intact, it shall never enter the DEX. Thus the Founders Pool will not be able to modify the market price on the DEX. The purpose of the Game is to set an organic market value for NowCoins, and the Founders Pool shall not interfere with this purpose. The Founders Pool will be distributed among the vested founders and advisers within 5 days following the Final Airdrop. Until this time, the private keys providing access to the Founders Pool will be deposited with a reputable law firm in official attorney deposit, and the related verification deed will be published on our website.

Founders Pool is excluded from Basic and Special rewards. These rewards serve the purpose of expansion of the NowCoin user network, and the Founders Pool shall not interfere with this purpose.

Upon the Final Airdrop, the Founders Pool will be excluded from the distribution of the Reward Pool Account and the Special Game Pool. The Founders Pool will be included however in the distribution of the Exchange Pool (both NowCoin and BTS).

3.5 The Special Game Pool

This reward pool will serve the purpose of motivating the network members in special projects. Such project may include for example competitions for merchant point creations, organization of network events, rewarding special efforts etc. The special bounties (Target Bounties and Range Bounties) will also be paid from this pool. The special bounties will serve the purpose of keeping the NowCoin community active, since their concentrated attention will be our core asset for building the merchant leg of our ecosystem.



The Special Bounties will be published on the official website of the NowCoin Game along with the official Telegram and Twitter channels. It is strongly recommended for the holders to follow these channels, since there will not be any direct notifications. We wish to draw the constant attention of the holders to our official channels, since that will allow us to publish merchants accepting NowCoins.

3.6 How will the NowCoin Market Game assist the NowCoin Ecosystem?

We wish to bring NowCoin to the masses, and thus to create a strong ecosystem. A game, which may develop multiple strategies, which is fun, and which motivates the participants with immediate rewards could catalyze the energies that we want to build our ecosystem on.

An unexpected number of strategies will be available for the players. Some of them will just believe in NowCoin, and will simply be holding, and collecting rewards. Some traders will hunt for exchange price fluctuations around reward periods. Some players will aim to be in the top 1000 for Special Rewards and Final Airdrop, and their appetite for further purchase can be exploited by traders playing against them on the DEX. Merchants will be motivated by Game Pool bonuses, and of course they can also join other hodlers. There will be alliances of holders joining forces and reserves in order to push for a top 1000 place upon special reward periods. And so much more...

We believe that strategic players will love the Game, and thus become affected to NowCoin. Merchants joining the game will spread the word. Basically all network members will spread the word, since as the more people join, the more stable the network will be.

We wish to build network effect through the support of the creation of Clans. We will welcome and support players who wish to build Clans around their account. Playing together under a Clan would give special tactics to the players, such as distribution and redistribution of account balances around reward periods (stealth reward hunting). Clans would also be the social groups where players could maximize their chances to join the top 1000 holders, and maximize their stake upon the Final Airdrop.

The complete Game will be blockchain-based, and totally transparent. Everybody will be able to follow the statuses and balances on block explorers. Founders will not be able to intervene into organic market movements with their vesting, since they will be locked until the end of the game. And most of the coins and collected BTS assets will be given back to the network itself.

We believe that we can raise a strong social movement on the above, and pursue to create the most amazing social trading game ever performed on blockchain.

3.7 Timeline and Roadmap of the NowCoin Project

The timeline for the project will heavily depend on the power of the network itself, since in our social experiment we only intend to set the wheels in motion and to create some initial noise, but after that we wish to heavily rely on our community. We believe that it will be a solid interest of each community members to spread the word, and motivate other people to join the NowCoin ecosystem, since the more of us are around and the more capitalization we have, the more successful the ecosystem could get. And yes, responding to many inquiries: obviously with the success of the ecosystem a sustainable pricing of NowCoin will follow.

Naturally we will maintain strong network and marketing communication all along and also after the NowCoin Game. We wish to strongly motivate the expansion of the ecosystem from the Special Reward Pool through games, competitions, marketing bounties and so.

The current roadmap is built around three phases.

3.7.1 Introduction

At first, we will introduce ourselves within the safe and friendly boundaries of the BitShares ecosystem. We have received strong support from our home platform, the BitShares Blockchain from the very beginning of our project. We are happy to see approval from reputed members of the BitShares Community, and we are thrilled to see lifetime members – who are the building stones of the BitShares ecosystem – joining our network in good numbers. Having the possibility to be presented in our home environment gives us the possibility of a

relaxed beta period. We can test our internal systems and databases, and we receive many great suggestions from the BitShares community. Thank you guys for giving us such a warm welcome!

3.7.2 Global Entry

We aim to expand over the boundaries of the BitShares community around July-August 2018. When we feel ready for introducing our project to the whole crypto world and beyond, we will launch global marketing campaign. We separated a significant amount of marketing budget to proceed with an online campaign, which will include featured articles on main cryptocurrency portals, social media campaigns etc. This is the momentum where we wish to reach a good number of holders, who control a reasonable amount of capitalization. What would this “good number” be exactly? Well, nobody ever wrote a book about this, together we will have to explore and learn all this stuff. But definitely, the NowCoin ecosystem will need several thousand active and focused users, and capitalization should be in the height of millions of dollars. That is when the NowCoin ecosystem could become sexy for merchants providing goods and services.

3.7.3 Creation of the Merchant Leg

When we get to having accomplished step 3.7.2 above, we will fire up the campaign for luring merchants to the NowCoin ecosystem. We hope to get there as soon as possible, but definitely before December 2018. Our assets will be the holder network and their focused attention to our Game portals. These will be utilized to raise the merchant attention. As a general economical rule we can declare, that merchants have a core interest of being present in a marketplace where they can find potential buyers. We will motivate merchants to enter through free promotion opportunities and also possibly through special Games and competitions. We are already pursuing discussions with online marketplaces, and have positive feedback on the possible utilization of NowCoin – conditional to successful delivery of our vision milestones. Most importantly and again, we will rely heavily on the NowCoin Community itself. It will be the core interest of NowCoin holders to assist in creating our ecosystem, and the merchant leg of that. Decentralization is truly powerful, and all NowCoin

Community members will understand that the true organic value of their NowCoins will be strongly dependent on the market presence of our ecosystem.

4./ Our Founders and Advisers

Dr. Zoltan Toth, Founder

Crypto and tech enthusiast lawyer and investor, with 15 years experience in international corporate investments, president of the Hungarian Cryptocurrency Foundation. During his advisory practice Zoltan realized, that only a handful of the existing 1500+ cryptocurrencies do have a real plan on how to create their financial ecosystem. Zoltan is a dedicated believer of the disruption of the middlemen in financial transactions, he is the inventor of the NowCoin Vision and the NowCoin Game.

Dr. Szabolcs Hargittay, Founder

Having studied in Budapest and London, as a lawyer, Szabolcs has been assisting business clients and fintech startups with legal advice for more than 15 years. Szabolcs is the member of the board of the Hungarian Cryptocurrency Foundation. He has been playing competitive chess since the age of 6. His love for chess, decentralization and international atmosphere led him to the world of blockchain/cryptocurrencies. His passion for strategic and logical games made him co-inventor of the Nowcoin Market Game.

Dr. Gyorgy Cseh, Founder and Project Manager

As an Executive Leader, Mr. György Cseh was responsible for more than USD 1,5 Billion Assets Under Management at CIB Investment Fund Management Ltd. (an Asset Management subsidiary of CIB Bank Ltd. – Intesa Sanpaolo Bank). Mr. Cseh had experienced senior management positions and responsibilities in the field of finance, investment and asset management. He was the CEO of CIB Investment Fund Management Company between 2002-2009. Prior to that, he was the Head of Portfolio Management Division of CIB Brokerage Ltd. From 1998 to 2001 he was the Deputy CEO of Budapest Fund Management Company (a GE Capital Asset Management subsidiary firm) Mr. Cseh holds a Masters degree in Economics from Corvinus University (Budapest) and has been a visiting lecturer at International Training Center for Bankers (ITCB, Budapest) for years. Mr. György Cseh holds Masters degree in Law (Eötvös Loránd University, Budapest) and he is also a Certified EFFAS Financial Analyst. Mr. Cseh also fulfilled the role of Chairman of the Investment Fund Committee at BAMOSZ, the industry body

association of Hungarian Asset Managers between 2004 and 2005. He was a Member of the Executive Board of the Association of Hungarian Fund Management Companies between 2002 and 2003 and between 2005 and 2009.

David G. Molnar, Founder and Head of Marketing

Crypto Evangelist and Trainer. Founder of CoinAkademia where he is training people to get to know of using cryptocurrencies. Online Marketing Specialist. As an economist he was instructor at Eötvös Loránd University (ELTE). Founder of FullCoin.eu Crypto Exchange.

Istvan Seres, Founder and Online Marketing Management

With the help of his 10 years of entrepreneurship and online marketing experience, he has joined the Project as a Co-founder and he is fully supporting the Online Marketing Management Team. Apart from running a couple of successful business during his professional experience, he is also the Co-founder of FullCoin.eu - Crypto Exchange.

1 <https://medium.com/@tkz/creating-a-cryptocurrency-ecosystem-through-a-trading-game-a69eca0d3380>

2 <https://bitshares.org/>

3 <https://wallet.bitshares.org/#/account/nowcoin-founders-pool>

4 <https://wallet.bitshares.org/#/account/nowcoin-game-reward-pool>

5 <https://wallet.bitshares.org/#/account/nowcoin-exchange-pool>

6 <https://wallet.bitshares.org/#/account/nowcoin-reward-pool>

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