MADHOUSE TOKEN
LITE PAPER

Introduction

The Madhouse team has developed a token with a strong focus on real use case and incentivized rewards for investors. Our unique Deflationomics take the best of other successful projects and make them work the way they should.

We are a team of like minded investors united by a common goal to make the crypto space more geared towards the investor. We don't want to reinvent the wheel. We intend to make a better one. With the Madhouse Token, we are determined to turn the entire DeFi space on it's head. And we invite you to join us in the new age of how a truly deflationary cryptocurrency should work.

The Madhouse Token is a unique token with a revolutionary system of Deflationomics which incorporates true burning of tokens from the supply and our proprietary liquidity protection protocol.

From our origins in the Markus Madhouse dogecoin YouTube community we have bound together our combined brain power and unique talent pool to develop a new era of optimised smart contracts.

The Madhouse Token is the first of it's kind and will be a game changer in the crypto space. You will be able to share and spend it freely with no tax on transfers, the way it should be. Investors are only taxed when buying and selling to protect the liquidity pool and, most importantly, grow their own bags.

With our custom Deflationomics, Madhouse Tokens can and most certainly will be used as an everyday currency going forward.

THE POWER OF COMMUNITY

The Madhouse Token development has been 100% community driven. From our YouTube channel roots we have grown together. And some brilliant minds have emerged to reveal a truly amazing, diverse and unique talent pool. For such a small community it has been amazing to see how many people have put their hand up to offer their time and services. What we have built goes way beyond the general utility of the Madhouse Token project. There is a passion and desire for the project to succeed which stems from genuine concern for the community as a whole to achieve financial freedom.

We have all been deceived by scammers promising 1000x moonshots only to have the rug pulled from under us. We hear from people every day who have lost large sums of money because they followed the hype of scammers who spin up rugpulls and honey pots on a daily basis. One of the strongest drivers of the Madhouse Token has been to develop a smart contract that protects our investors. When others see our success, they will try to imitate. We will take that as a compliment and, knowing that our contract was designed to be near impossible for copycats to use it to rug pull.

DEFLATIONOMICS

What is Deflationomics?

With traditional tokenomics, investors are usually taxed a fixed percentage on every buy, sale, or transfer of tokens. A portion of the tax would normally be redistributed to all holders. Some would go to marketing. And some would go into the liquidity pool under the false premise of creating an always increasing price floor. But if you take a closer look at virtually any token implementing tokenomics, you will see that it simply does not work this way in practice.

Deflationomics does it a little differently. By using the liquidity protection protocol (LPP). We have found a way to actually protect the liquidity pool without imposing high tax and gas fees on our holders meaning that most of the transaction fee is actually redistributed to our holders.

What is the liquidity protection protocol (LPP) ?

With traditional tokenomics a percentage of each transaction is taken to send to a burn wallet. And another percentage of each transaction is taken to add to liquidity. This is terribly inefficient, costs investors high gas fees and just doesn't work as intended. LPP fixes this by taking a small percentage of tokens from each transaction and destroying them completely. This truly reduces the supply and works towards maintaining the liquidity pool size relative to the overall market cap.

To encourage holders to hold and discourage "dumping", there will be a low 3% fee on all purchases with 2.5% being redistributed to holders and 0.5% LPP/Burn. There will be an initial 25% fee on all sales with 20% being redistributed to holders and 5% LPP/Burn.

The fees on sales will be periodically reduced over time at selected intervals.

Why are we doing LPP instead of the old school liquidity tax?

The old school liquidity tax

Countless tokens have attempted to "establish a floor" using a tokenomics method that diverts tokens from transactions and then sells them in an attempt to add them back to the liquidity pool but ends up with a net effect of diluting the pool and driving down the price. What we really want to do with any form of liquidity tax is to stabilize the price. Prices get unstable when the liquidity pool is a small percentage of the total supply, so we targeted that ratio and implemented our liquidity tax without requiring additional selling of the token.

Liquidity Protection Protocol

Focusing on keeping the liquidity pool value the same or larger percentage of the market cap over time, every buying or selling transaction takes some tokens out of the total supply to increase the ratio of the Liquidity pool value to the market cap, increasing price stability more and more.

Token Burning

Most BSC tokens will mint a ridiculously excessive amount of tokens and "burn" half at launch with a percentage burn per transaction over time to artificially inflate the market cap of the token. In effect this means that all wallets end up having double the percentage of supply that is actually shown in BSCscan at launch. This in itself is not necessarily a bad thing, but nefarious contact owners can use this effect to hide big bags and dump the price at will.

With the madhouse token we don't have any immediate plans to burn a large number of tokens. A small burn may become necessary at some point. However, we have put a lot of

thought into minting the right amount of tokens at launch making the manual burning of tokens, although a possibility, generally unnecessary.

The liquidity protection protocol takes care of reducing the supply gradually over time by completely destroying a small percentage of tokens from each transaction. They do not sit in a "burn" wallet. They are simply gone. This also removes a layer of complexity from the contract meaning lower network gas fees and greater speed for all transactions.

BREAKDOWN OF FEES

Fees on token purchases

3% fee on all purchases – 2.5% redistributed to holders and 0.5% LPP/Burn.

Fees on token sales

The initial fees on sales are set at 25% to reward early adopters and encourage holding. 20% is redistributed to holders and 5% to LPP/Burn. These fees will be reduced in stages to reflect market stability and community input.

Fees on token transfers

The only fees you will ever pay on the transfer of tokens from wallet to wallet will be the small network gas fee imposed by the Binance Smart Chain network itself. This means you can freely transfer tokens between wallets, to and from exchanges and to and from cold storage.
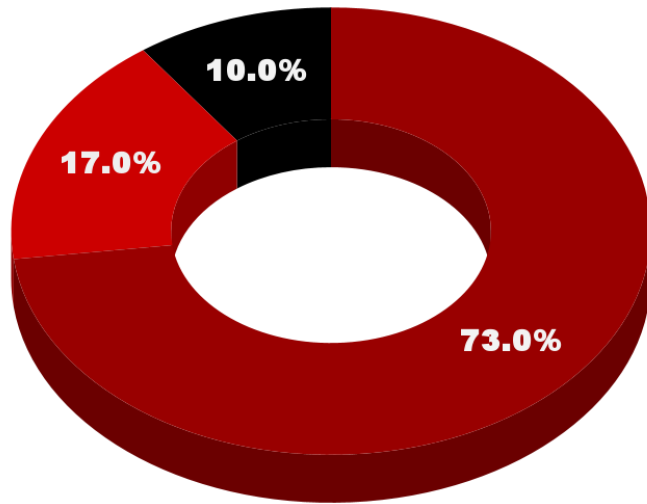
TOKEN DISTRIBUTION

Total supply : 1,000,000,000

Liquidity : 73%

Private Sale : 17%

Marketing : 10%

● Presale/Liquidity ● Private Sale ● Marketing

MARKETING

Much of our marketing and promotion will be done in house and via the YouTube channel. We don't plan on any extreme marketing measures at the expense of holders. However we will spend the money on marketing when and if it is deemed necessary

All transactions on the marketing wallet will be made public and receipts provided where applicable.

We will allocate 10% of the initial supply to marketing which will receive the same reflections that all holders receive. The marketing may however be excluded from exit fees depending on community consensus.

There will be no extra tax on transactions to be allocated to marketing thereafter. This way we can allocate more reflections to our holders.

The marketing wallet will also always be open for donations from anyone who wishes to contribute. And direct transfers to the marketing wallet (like all direct transfers) will not be charged any fees.

REAL WORLD UTILITY

EDUCATION

The Madhouse Token is intended to give new investors an entry point into Decentralized Finance (DeFi). With so many scams and tokens out there with complex tokenomics, we intend to use the Madhouse Token, via the youtube channel, to educate people on the ins and outs of DeFi investing and trading in a hands-on and entertaining environment.

We will create a safe space for new crypto investors to learn how smart contracts work, what to look out for and what questions to ask when looking to invest in new projects.

TIPPING, SHARING, SPENDING

We believe one of the simplest yet more powerful use cases of cryptocurrencies is the ability to use, spend and share with others. That's why the Madhouse Token has zero tax on wallet to wallet transfers.

We want you to hold our token. But we also want you to share it around with your friends, tip your favourite youtubers and content creators, and ultimately use it to buy stuff. The tax on transfers with almost all other BSC tokens has always been a barrier to sharing. So we've eliminated that.

GLOBAL CURRENCY

By its very nature, the Madhouse Token can be used all around the world without foreign exchange fees. Because the only fee you ever pay on transfers is the small network gas fee, it's fast and easy to transfer your tokens to a friend's wallet overseas. Or take it with you wherever you go, and convert to fiat in whatever country you are in. We also have plans to partner with online payment portals in the near future.

ONLINE TABLETOP GAMING

Perhaps the most unique, and quite frankly game changing utility, being introduced with the madhouse token will be the integration with Dungeons and Dragons campaigns that will be streamed live. The DM will be able to utilize the blockchain to track players' in game funds eliminating dishonest players.

Participants will also have the added benefit of being able to make some real life money while playing. And the absence of transfer fees makes the madhouse token ideal for this purpose.