

WHITE PAPER

DECENTRALIZED INVESTMENTS

A white network diagram on a blue background, consisting of several nodes (small circles) connected by thin white lines, forming a complex web of connections.



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WHAT BLOCKCHAIN IS

The world nowadays gives everybody an opportunity to get their message across, claim about themselves, leave a trace in history, make their dreams come true, develop a successful business or do their beloved job, travel around the world, keep in touch with friends and family on the phone or via video apps anytime, text with various messengers, share interesting and beautiful ideas. All these are just a small part of what the humanity can command at the moment.

We have found a way to apply our skills through **Blockchain** technology and are willing to share the idea with you.

It is widely known that Blockchain technology and other crypto currencies based on it are gaining popularity all over the world. They are, in turn, only a way to use this technology.

WHAT IS BLOCKCHAIN?

The word "blockchain" consists of two words, "block" and "chain". In operations through this technology, every transaction is recorded as a new node of the chain, automatically taking over digital data of the whole chain.

Blockchain technology enables storing information on financial transactions, legal liabilities and ownership entitlements, providing transparency and availability for public examination, at the same time protecting the information securely from forgery, hacking and so on.

In simpler words, we could say that Blockchain is a glass cube under constant CCTV watch: one can put something new there (under surveillance), but any attempt to modify or replace the content would be seen by any observer.

Such system is in theory possible to be hacked, but it would be practically useless because no profit would cover the expenses on a global attack".

The essence of "chain of blocks" as generally accessible, shared and 100 % reliable database makes application of Blockchain rather attractive for companies in different spheres.

BLOCKCHAIN APPLICATION EXPERIENCE

There currently is a range of plug ins for developing Blockchain business apps, providing all the necessary items:

- **safe bilateral transactions** without participation of a third, warranting, party (a law firm, a notary, a bank etc)
- **registrated time of uploading the documents**, which simplifies solving issues of patent rights, copyright etc;
- **confirmation of the product (goods) authenticity** through a safely protected certificate;
- **title perfection of any kind**;
- **safe network administration, preventing hacker attacks like MITM (a man in the middle)** and solving the problem of a single adminictrator;
- **digital certificates storage**, which makes user access to the website totally secure (in particular, making password bruteforce attacks impossible);
- creating generally available digital business cards, **which are automatically updated** even after an Internet dispensing;
- **DNS system, proof against DDOS attacks**;
- **a lot more.**

One can use Blockchain basis to create any kind of open registry to record deals, and payments will be verified by means of the system itself. **For instance, in reality a notary doesn't have to get their colleagues' approval (this concerns not only colleagues from other countries, but even from the same city) to make a record in their books, such as issuing a warrant.** Blockchain technology requires an approval, moreover, the data has to be encrypted through a special code via miner (one could call this putting a lock on the block of the chain).

However, privacy rights advocates have nothing to fear since the system will register only the data on the operations, while private information (personality etc) will not be made public.

The technology is also fit to be applied within online government framework.

FIDCOM is the first investment company in the crypto currency sphere using decentralized government algorithms.

Essentially, this means letting company management be in hands of **Community** (asset holders) and they are the only ones possessing the right to command the assets.

All participants (asset holders) have voting rights, they are not discriminated by property or social status. The management process contains no technical flaws like defaults, bias or red tape. According to Fidcom procedures, fraud by participants is made impossible due to fair and open online voting that does not require any coding skills.

To put it simpler, any person would be able to manage their assets in the company using Fidcom procedures, one doesn't need any specific IT knowledge.

All financial statements and profit indexes, accomplished and planned deals, results and previews of votings are based on Blockchain technology, which is transparent, open and keeps record of every transaction and other action performed. This is made with the only aim to minimize an investor's risk and make company management transparent.

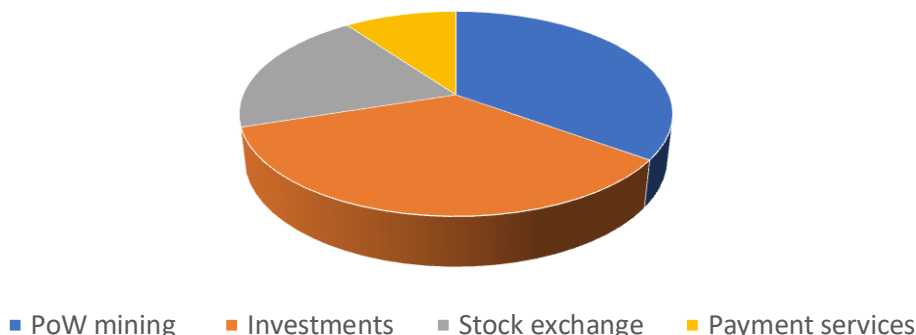
Community appoints an executive body via common voting. This body seeks to put the community business model into action. In its turn, the executive body hires staff, adjusts collaboration between departments, a structure of relationship and controls accomplishment of the tasks set, that is, the main purpose of the executive body is to actually turn the communities' ideas and wishes into reality.

FINANCIAL RESULTS FORECASTING

The described Fidcom business model reflects the company agenda, planned at first stages. Depending on the ongoing market trends at any certain moment, the attention will focus on one or another vector of development, always opting for the most perspective and profitable one.

The key areas of the company activities at the moment can be represented as follows:

Initial investments distribution



Projected company asset structure (USD mln)

	Q4 2017	2018	2019	2020
Main means, including facilitation of PoW mining	6,9	10,7	17,3	27,8
Investment portfolio	9,9	9,0	11,4	14,5
Intangible assets	2,6	3,2	3,9	4,7
Funds at stock exchange	0,0	4,3	8,2	17,5
Total assets	19,4	27,2	40,8	64,5

Projected company profit structure (USD mln)

	Q4 2017	2018	2019	2020
Revenue	2,9	21,8	40,5	72,8
Operating costs	0,3	4,6	10,2	20,0
Administrative costs	0,3	1,7	3,0	5,3
Net profit	2,4	15,5	27,2	47,5
including that to reinvest	1,2	7,7	13,6	23,8
including token buy-back	1,2	7,7	13,6	23,8

PoW Mining is a process of directly mining crypto currencies with special computing equipment, gradually reaching the combined power of 1 TH/s.

This area of activity will receive 35 % of initial investments, which makes about \$ 6,3 mln. The funds will be used to acquire producing areas of sufficient energy resources and the equipment itself.

The calculations use the following assumptions:

- the initial capacity of the acquired equipment is 260 GH/s;
- daily profit of \$ 75 per 1 GH/s;
- electricity costs of 5 % of the revenue;
- facility and equipment maintenance costs of 5 % of the revenue.

To minimize all possible risks and provide stable uninterrupted operation of this activity area, the equipment will be installed in a few distant and energy self-sufficient venues. As a country to place the equipment, we are looking at the northern part of the Russian Federation, possessing the lowest rates for energy and cold climate conditions.

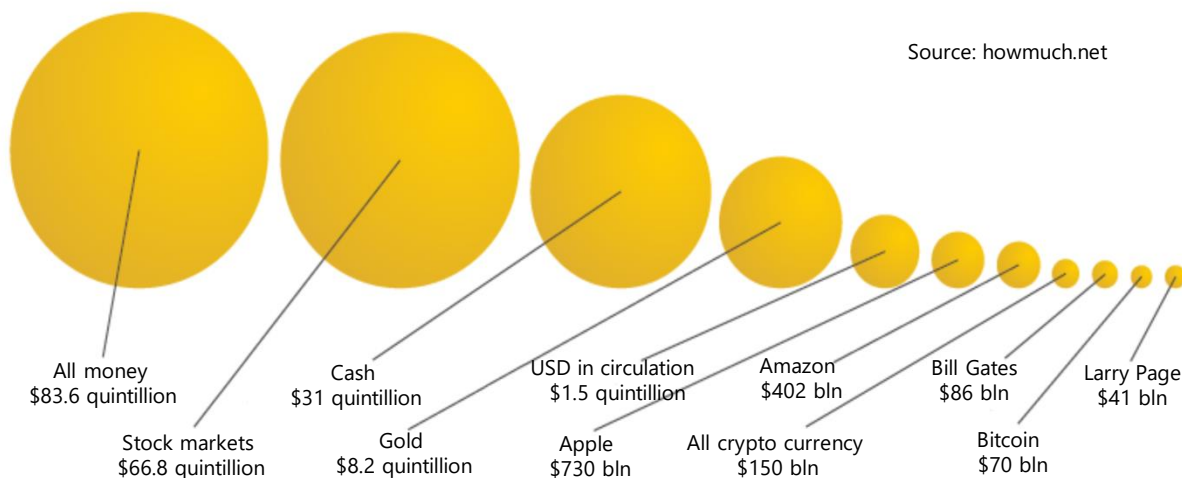
Expected financial outcome of this area of activity (USD mln)

	Q4 2017	2018	2019	2020
Average hashrate (GH/s)	263	337	539	868
Revenue	1,8	9,1	14,6	23,4
Operational costs	0,2	0,9	1,5	2,3
Area profit	1,6	8,2	13,1	21,1

50 % of the net profit that this area of activity will bring, will be reinvested to acquire new equipment and increasing capacity.

The place of Bitcoin in the global financial system

Source: howmuch.net



All money = money in any form, including bank deposits and other, as well as banknotes and coins

Cash = money used in transactions including banknotes, coins and current bank deposits.

Crypto currencies as means of payment and investments are only appearing now. Capitalization of the market leader Bitcoin is approximately USD 70 bln, and the capitalization of all the crypto currency is only 150 billion US dollars which makes a meager sum from perspective of the global financial system.

It is expected that in the nearest future this type of assets will undergo massive inflow of funds and disposable savings, leading to a significant increase in costs for the most perceptive currencies due to their limited amount.

It is forecasted that by the end of 2019 crypto currencies capitalization will reach USD 500 bln, and in 2022 it will make USD 1 quintillion.

Fidcom company therefore plans:

1. To create a portfolio of the most popular and perspective crypto currencies and run it professionally. As an additional source of income the portfolio is planned to be used in PoS mining technologies, especially if the latter becomes widely applied.

The following currencies will be invested into: Bitcoin, Ethereum, Ripple, Litecoin, Ethereum Classic, Dash and others.

The portfolio will be managed by professional traders through automatic trade systems. A professional team of analysts and risk managers will perform fundamental analysis of every currency on a real-time basis.

2.2. Investments into the most promising start ups in the crypto currencies market

There are plenty of companies coming out to the market at the moment, all offering to invest into their tokens (currencies). This variety is hard to deal with for an unprepared person. The main problem now is that a significant part of these companies do not represent any real value. They often lack a proper and feasible idea, a professional team, a technology and necessary knowledge. Although there are some truly decent projects among them, and it is planned to invest in those ones.

A team of professional analysts, information search specialists and IT specialists will thoroughly look at every start up in terms of its feasibility, team qualification, work experience and profitability. The decision to invest in any project will be made by a joint body upon a complex assessment of the information received.

Considering high volatility of the market, huge prospects of crypto currencies and also high level of our traders' and risk managers' competence, the expected profit rate in this area of activity is more than 40% annually. The portfolio management costs will make approximately 10 % of the profit.

Expected financial outcome in this area of activity (USD mln)

	Q4 2017	2018	2019	2020
Portfolio volume	9	8	11	14
Revenue (affirmative re-assessment)	1,2	4,7	5,4	6,9
Operational costs	0,1	0,5	0,5	0,7
Area profit	1,0	4,2	4,9	6,2

50 % of net profit of this area of activity is planned to be reinvested to increase the volume of the investment portfolio.

CRYPTO CURRENCIES STOCK EXCHANGE

We are currently witnessing a chasm between markets of fiat and crypto currencies. Considering forecasts of capital cross flow to the latter, the market needs simple and convenient tools of exchange, input and output of currencies.

One of Fidcom's areas of activity will be creating a gate between fiat funds and crypto currencies along with creating its own stock exchange.

Approximately 20 % of investments will be spent on doing so, the biggest part of them will provide liquidity of the currencies circulating at the market. Initially the largest market maker will be Fidcom company itself, quoting both rates of the basic pairs of currencies. As the stock exchange grows, it is planned to attract third-party market makers.

The first investments will allow to provide daily trade volume of USD 6-7 mln. The stock exchange commission is going to make 0.2 % of the trade volume. The costs of providing uninterrupted stock exchange operation is estimated to be 40 % of the profit.

Expected financial outcome in this area of activity (USD mln)

	Q4 2017	2018	2019	2020
Volume of trade per day (average amount)	-	6,6	16,9	35,0
Revenue	-	4,8	12,1	25,2
Operational costs	-	1,9	4,9	10,1
Area profit	-	2,9	7,3	15,1

50 % of the net profit received in this area of activity will be reinvested to increase the stock exchange liquidity and amount of currency pairs quoted.

PAYMENT SERVICES

The market of various services for circulation, exchange and payments in crypto currencies is currently underdeveloped. Fidcom company plans implementing convenient IT applications on iOS and Android platforms (like Smartphone Stock Exchange, CryptoWallet) which will enable users to make payments and attach them to plastic cards.

This area is estimated to cost 10 % of the received investments. The operational fee for transactions through the system is planned to make approximately 2 %, the service maintenance costs are expected to have the size of 40 % of the revenue.

Expected financial outcome of this area of activity (USD mln)

	Q4 2017	2018	2019	2020
Volume of transactions per day (average amount)	-	0,5	1,2	2,4
Revenue	-	3,3	8,3	17,3
Operational costs	-	1,3	3,3	6,9
Area profit	-	2,0	5,0	10,4

50 % of the net profit of this area will be reinvested to develop and improve the mentioned services and other areas of the company's business activity.

PROFIT DISTRIBUTION PROCEDURE

TOKEN BUY-BACK

It is planned to assign 50 % of net profit of the company to reinvest and increase volumes of activity. The rest 50 % will be spent to buy back the investors' tokens according to the following plan:

- token buy-back is to be carried out quarterly after summing up the company's activity for the reviewed period;
- the price of buy-back is to be set on the basis of the company's asset value on the day of the quarter review, divided by the amount of tokens in free circulation;
- the price of buy-back is to be defined within 10 business days after the quarter review day;
- the price of the buy-back after the transaction is fixed as BITCOIN per 1 Fidcom;
- the buy-back is accomplished on the company site and/or stock exchanges where Fidcom is circulated via positioning orders to buy tokens by the company at the calculated price;
- orders to buy in the set amount are supported by the company during 1 week since the announcement of the buy-back;
- all the funds that have not been used are directed to the company's investment portfolio.

Forecast token price*

	Q4 2017	2018	2019	2020
Total company assets eop	19,4	27,2	40,8	64,5
Opening Amount of tokens (mln pieces)	20,0	18,8	13,4	8,9
Calculated price of buy-back (USD)	0,97	1,45	3,04	7,22
Forwarded to buy-back (USD mln)	1,2	7,7	13,6	23,8
Bought back (mln pieces)	1,2	5,3	4,5	3,3
Amount of token eop (mln pieces)	18,8	13,4	8,9	5,6
Assets per token eop (USD)	1,0	2,0	4,6	11,4

* the forecast supposes that all token holders will place them for buy-back within the planned deadlines. In practice the amount of tokens bought back can be smaller because the investors might not claim them to buy back.

PROFIT DISTRIBUTION PROCEDURE TOKEN BUY-BACK

The proposed mechanism of token buy-back allows:

- to operate profit distribution among investors;
- to maintain adequate and fair price for the company's tokens without letting it fall without causes;
- to provide constant growth of the token price through periodic decreasing of their amount in free circulation at simultaneous increase of the company's asset value.

Secondary distribution

The tokens bought back are kept at a specially designated company wallet with its balance open for examination around the clock. Upon the expiry of the calendar year since the ICO, if decided so by the Community, the tokens bought back could be directed to attract additional investments to the company through distribution of the mentioned tokens to an unlimited amount of investors.

The price of the secondary distribution will be defined at the biggest rate of:

- ratio of the company's asset value to the general amount of tokens in free circulation;
- market value of the tokens at the stock exchange.

The suggested mechanism of the secondary distribution of tokens will enable the company to attract additional investments and expand volumes of the company's activity. However, secondary distribution of tokens will not lead to a decrease in their market rates because of an increase in their amount in free circulation, because the attracted ones will increase the amount of the company's assets proportionally.

DECISION MAKING PROCEDURE

Decision making concerning company's operation will be accomplished via common voting of the investors. Any Fidcom token owner can advance an issue for public discussion and subsequent decision on the issue.

In such a case, the issue presented for discussion have to contain the following:

1. The question must have a background;
2. The mechanism of the action must be specified and its use for the company explained;
3. The realization procedure has to be worked out;
4. Realization costs has to be noted;
5. Realization deadlines has to be set;
6. Economic or other perspectives have to be described.

A decision on every posed issue will be carried out in three stages:

The first stage is the issue moderation. The issues admitted for discussion must correspond to generally accepted censorship, must not contain obscene words or be spam or flood messages. A message can be regarded as spam or flood if it doesn't contain any real use, impact or is unspecified. Official feedback from a moderator is due to be given if the issue wasn't admitted to the next stage. A rejected issue falls into the section of "not admitted by a moderator" with mentioning of the reason for rejection. All rejected issues are available for public view. If a moderator finds the issue interesting and perspective, but not requiring any demands, they return it to the sender for improvements.

The second stage is filtering of the questions of the Community. At this stage, the participants decide if the issue is worth being posed for public discussion. To be presented for discussion it should get at least 10 % of votes from all participants on the net.

The third stage is a common voting on a positive or negative decision. At this stage, it needs at least 51% of members of the net to vote (quorum). For a decision to pass as positive, at least 51 % of votes "for" is needed.

Voting terms and procedure

1. The first stage is a possibility to offer an issue for discussion to a moderator around the clock.
2. The second stage, which is a confirmation that the issue will be voted upon, is carried out once a month.
3. The third stage, which is a common voting session of the Community on pre-confirmed issues, is carried on once a quarter.

The right to vote and the percentage of votes is defined according to the number of tokens in the wallet on the company's official website as of the day preceding the voting day.

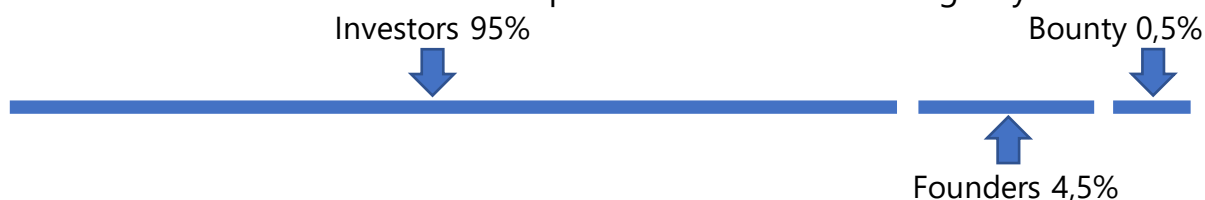
We are planning that the time for the final implementation of all conceived ideas, as well as honing the mechanisms of the operation of the company, will take about 1 year. Consequently the issues on changing the development strategy are accepted only if the initiator was able to offer a variant that is unquestionable and capable of benefiting the company. In the first year, voting follows the same rules. Initiation of issues for voting is possible immediately after the completion of the ICO, but the issue to a general vote is possible not earlier than 6 months after the end of the ICO. This restriction is due to the fact that after the ICO we will be implementing the investment strategy.

The executive body is selected by the community for two years, with the right to re-election unlimited numbers of times. Early termination of powers is possible if the principles of the Company and the development strategy have been violated. Any participant has the right to declare his disagreement with the actions of the executive body and put it to a general vote to make a decision. In the first two years of the Company operation, the executive body will be the development team. The community also has the right to challenge the actions of the starting executive body and decide on the termination of powers under general rules.

ICO – INITIAL TOKEN OFFERING

Issuing details	
Token name (abbreviated)	Fidcom (FIDC)
Technology	Smart-an Ethereum contract Standard ERC20
The total number of coins	Will be determined by the results of the placement, but not more than 20 million. The smart contract will stop the emission on the end of the ICO or at the full placement of the token
Additional emission	Not applicable
The currency of attraction	Ethereum
Represents	Proof of being a company member
Benefit for the owner	Voting rights in decision-making inside the company
Buy-back	The company commits itself to direct at least 50 % of net profit quarterly to buy back tokens

The distribution of tokens will be implemented in the following way:



Tokens are going to be allocated in a few stages with gradual raise of the price to motivate investors additionally at the first stages of ICO

Stage 1 500 тыс. FIDC 1 ETH = 588 FIDC	Stage 2 1 млн. FIDC 1 ETH = 392 FIDC	Stage 3 3 млн. FIDC 1 ETH = 367 FIDC	Stage 4 14,5 млн. FIDC 1 ETH = 294 FIDC
The target value ICO: 19 million tokens in the amount of 60 000 ETH or roughly 18 million \$.			

1. ICO launch is planned on 19.09.2017
2. Tokens will be allocated uninterruptedly according to the planned stages
3. The maximum period of stages 1-3 is 10 calendar days each. Token allocation may be finished prior to the schedule with the condition of total sale of tokens designated for that stage.
4. The maximum length of Stage 4 is 30 calendar day. The stage closes prematurely if all the company's tokens have been acquired.

PROJECT DEVELOPMENT STAGES

Agenda	Period	Result
Launching ICO	19.09.2017-19.11.2017	Raising \$ 18 mln
PoW Mining	By 01.12.2017	Mining hardware with capacity of 260 TP/s
Investment Portfolio	By 01.12.2017	Investment portfolio of \$ 9 mln
Crypto currency Stock exchange	By 01.04.2018	Launching it own stock exchange with daily trade volume of \$ 6 mln
Payment Services	By 01.04.2018	Launching Payment Services with daily operation volume not less than \$ 0.5 mln
Initial Profit Distribution	14.01.2018	Upon completion
Secondary token distribution	01.10.2018	By Community decision

Caution! For the profit increase, the implementation of the investment strategy will begin immediately with receipt of the first investment, without waiting for the collection of the whole amount during the ICO.

