



www.Vuepay.co

WHITEPAPER
A DECENTRALIZED PAY HOSTING PLATFORM
BASED ON ETHEREUM SMART CONTRACTS

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1. MARKET OVERVIEW

Social video ad spend is expected to double in 2017 to over 4 billion dollars.

By 2020, mobile will be the biggest online advertising market and video the fastest growing segment.

YouTube is the second-largest search engine in the world, trailing only Google. There are over two billion YouTube videos streamed daily, and advertisers want a piece of this viewership pie.

YouTube advertisers pay per view for ads placed on the platform with average costs per view ranging from \$0.10 to \$0.30.

On YouTube there are four standard types of ad formats:

- In-search – an ad shows up above the YouTube search results.
- In slate – an ad shows up in the suggested videos after your video ended.
- In-display – an ad shows up on the suggested videos beside the video you are watching.
- In-stream – an ad plays before you can watch your video.

The pricing varies per ad unit, with in-display ads ranging towards the higher end (\$0.30) and in-search toward the lower end (\$0.10).

CPV= Total Campaign Cost / Total Number of Views

For example, if the campaign costs \$50 and the number of views are 150 then
 $CPV = 50/150 = \$0.33$.

As the table shows, there will be continuous upticks in video advertising spends with a larger percentage accruing to digital video channels such as mobiles and tablet computers.

US TV* vs. Digital Video** Ad Spending, 2014-2020

billions and % change

	2014	2015	2016	2017	2018	2019	2020
TV*	\$68.54	\$68.88	\$70.60	\$72.01	\$73.81	\$75.29	\$77.17
—% change	3.3%	0.5%	2.5%	2.0%	2.5%	2.0%	2.5%
Digital video**	\$5.24	\$7.66	\$9.84	\$11.72	\$13.39	\$15.15	\$16.69
—% change	40.8%	46.0%	28.5%	19.2%	14.2%	13.1%	10.2%

Note: *includes broadcast TV (network, syndication & spot) & cable TV;
**includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices;
includes advertising that appears before, during or after digital video content in a video player

Source: eMarketer, March 2016

2. OPPORTUNITY

VuePay is a peer-to-peer platform where advertisers can directly target potential customers using demographics variables such as age range, gender, parental status, household income, address, place of birth, level of education, etc.

VuePay will target the worldwide smart devices market, which is predicted to grow to around 3 billion devices by the end of 2020.

VuePay platform will let users watch a targeted video on their smart devices for which they will be eligible for a share of the ad spend. This share will be distributed in an honest, transparent and auditable way using the block chain Ethereum technology.

VuePay sees a big opportunity in this space where the measurement or essence of whole ad campaign depends on the views by customers. Since the viewer is the king, viewer should be rewarded directly for targeted ads they view. If some percentage of what advertiser is paying also reaches the targeted user, it will completely change the dynamics of the advertiser-customer relationship.

The middlemen media and technology companies make huge margins. We believe a percentage of this should also go to viewers who view the advertisements.

3. MISSION

At VuePay our mission is to become the most favored platform for advertising directly to target audience where the users will get paid to watch ads and to tap into the billion plus dollar advertisement market using their smart devices. VuePay will be available on connected mobile devices regardless of geography, language or currency.

VuePay will cut the middlemen and target the viewers directly, which in turn will give advertisers better control in targeting markets and an auditable trail of transactions using the Ethereum Block chain technology.

By using Ethereum decentralized platform our aim is to deliver a solution that offers security, auditability, liquidity, traceability and ease of use.

VuePay brings benefit democracy to Ad ecosystem. The digital advert ecosystem, according to IAB includes several players including content creators, media vendors, etc. Other components of this ecosystem include technology, methods of placement and analytics and market reporting. The ecosystem is illustrated as concentric circles with Brand at its core, and rightfully so. The user or consumer, who adverts are meant to target gets a mention only as a content creator. This is plausible in the age of pervasive social media where the typical user inadvertently share digital content about themselves and their opinions and interests. Whether there is reward attached to this sharing questionable. Well, if social validation, a psychological benefit is to be considered a benefit, then yes. Probably.

The ecosystem fails to highlight two things: the mechanisms via which targeting occurs or adverts are served to users on the one hand; as well as the rents to accrue to the major players. On the first point, ads placement and distribution rests solely on

the shoulders of publishers and networks without recourse to preferences of users themselves. The result is that a typical user is bombarded with ads across all channels of digital content consumption. A reaction to this is the fabled ad blockers - the best of which costs money and effort to onboard.

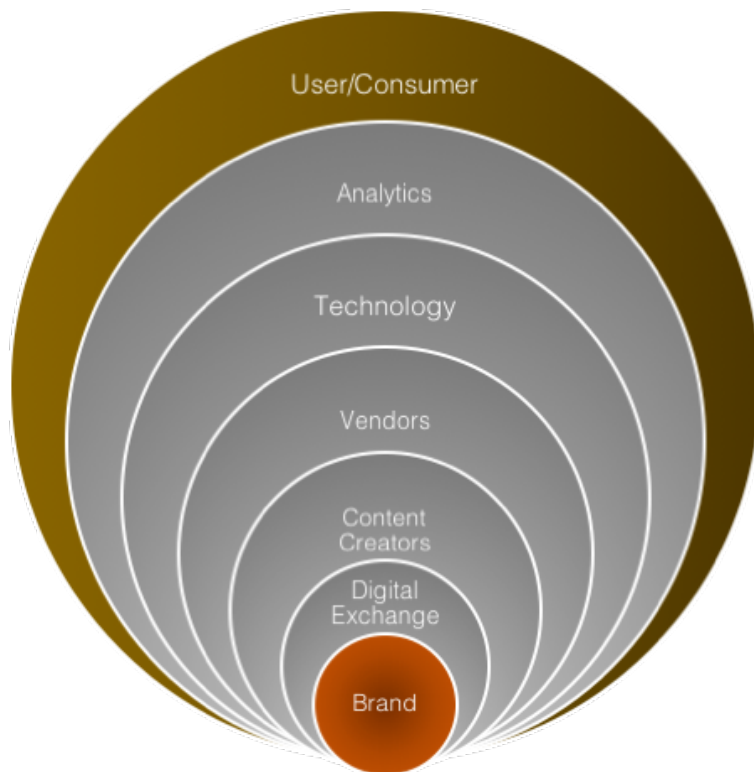
On the second point about economics, marketers, content creators, publishers and exchanges all exist to derive profit from the process. The question to this author is this: where is the voice of the user and consumer? Enter VuePay.

VuePay, as a platform will introduce fairness into the ecosystem in several ways. Now, the digital advert ecosystem looks like this.



Current Digital Ecosystem (based on Interactive Advertising Bureau Digital Advertising Ecosystem)

Brand is at the center of the ecosystem and correctly so because the process and practice of marketing at its very heart is about making a brand of product or service attractive to a paying or procuring population. VuePay will not change this. The next version of the ecosystem diagram shows how VuePay elevates the status of the customer or user.



Digital Advert Ecosystem (in a VuePay 'world')

In the modified version of the digital advert ecosystem enabled by VuePay, most of the players and technology are intact. VuePay places the customer not at the heart but on top of the hierarchy. The in practice means that:

- A customer or user can control what adverts get served to them eliminating unwanted adverts across all channels that VuePay will service
- The typical user spends part of their Internet bandwidth viewing adverts that neither speaks to them nor is aligned to their preferences. This changes in the VuePay ecosystem because users only get notification of adverts that match their profile and preferences
- An on top of the previous points, VuePay institutes a process of sharing the cost of adverts placement with the viewers.
- And finally, VuePay platform is built on Ethereum technology which transparent, auditable and secure. The VuePay token that advert viewers are rewarded with is a fungible asset. A user may chose to trade token at crypto exchanges or perhaps keep it to increase in value in tandem with the Ether.

4. VUEPAY PLATFORM

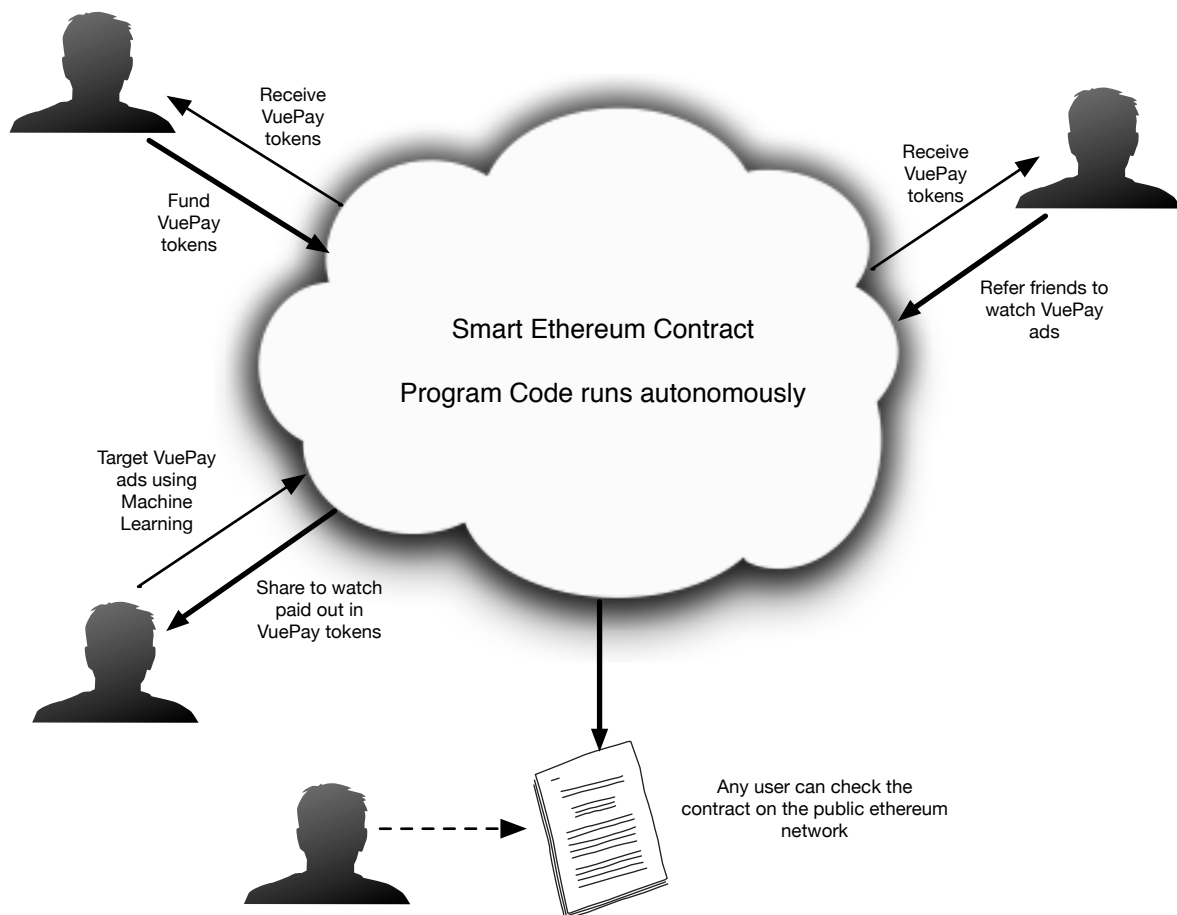
VuePay is a decentralized distributed platform where users can earn a share of the advertisers bid on the Cost Per View on targeted advertisements on mobile devices.

Currently the cost publishers charge advertisers for adverts is not shared with end users and the end user has no transparency with regards to the formation and distribution of the advertisements costs.

- With VuePay, the end user will know what the advertiser is willing to share in terms of cost for CPV for watching their advertisements.

- The end user can pick and choose which adverts to watch to maximize their share.
- The whole process is run in a decentralized and autonomous manner on the Ethereum network.
- All transactions are transparent and auditable.
- The share payout settlement is quick.

5. HOW WILL VUEPAY WORK



VuePay as the name suggests intends to pay the end user for every ad the user views. VuePay will primarily cater to advertising through videos on smart devices.

The VuePay process primarily involves interaction or contracts involving multiple parties and the VuePay Application.

1. VuePay Application
2. VuePay advertisers
3. VuePay users

VUEPAY APPLICATION

VuePay will serve as the platform for hosting and viewing all the advertisements through the VuePay app and portal. VuePay tokens (VUP) will be used as common currency for making any payments and receiving any rewards on the platform.

Users will download the VuePay App and configure preferences. Machine learning algorithms will utilize the preferences and user demographics as input data to match and recommend adverts to users.

VuePay users get rewarded in the form of VuePay tokens to watch adverts. The more adverts a user watches, the more VuePay tokens they can earn. A user can further trade the VuePay tokens for cash or accumulate them as an asset for trade later.

VUEPAY ADVERTISERS

Advertisers post advertisements on the platform choosing their target audience and the criteria to match potential the audience. The VuePay platform matches the published advert to users appropriately.

Primarily the advertisers will decide the following:

- The objective of the advert
- Number of people the advert should reach
- Geography, culture and age group of audience
- Other demographic variables
- The maximum and minimum CPV the advertiser is willing to pay

The adverts will become available to targeted users on VuePay app. The VuePay platform will use machine-learning algorithms to match the adverts to potential users. All these above will be embedded in an Ethereum smart contracts and once conditions are met, the contract is automatically executed.

The token due to viewers are directly paid to user's wallet addresses automatically with the execution of contracts.

VUEPAY USERS

VuePay users will download the VuePay app on their mobile devices and configure preferences that determine what adverts notifications they receive.

The VuePay platform with the help of machine learning algorithms will match the adverts to users depending on their preferences, behaviors and demographics.

Each downloaded app will come with 10 tokens of VUP credit.

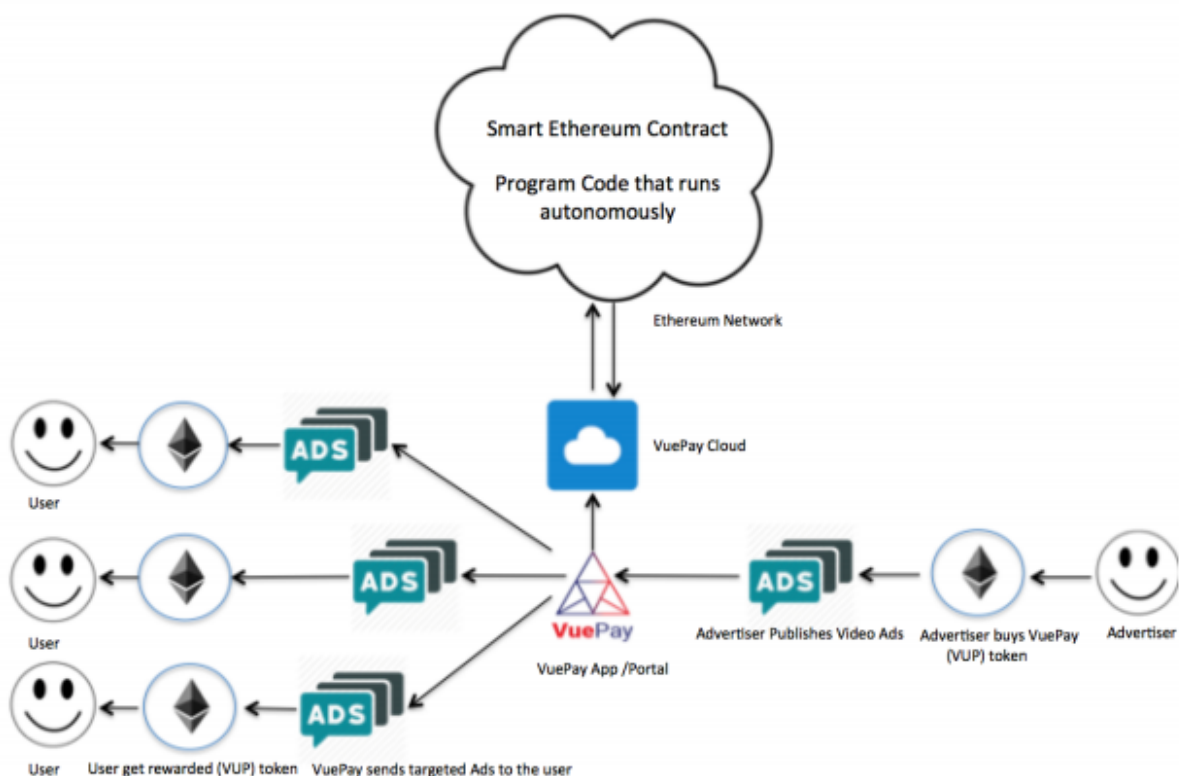
VuePay platform will monitor the advert views and calculate the reward for each user depending upon the total CPV the Advertisers has agreed to pay and the number of users targeted towards watching the adverts.

The reward will be in the form of VuePay tokens, which can be traded for cash, or other tokens supported by the crypto currency exchange network. Token rewards will be calculated and paid on a weekly basis to the users.

Example Scenario:

- ✓ Sue downloads the VuePay app; Sue will get started with a default VuePay credit of 10 VUP tokens as an incentive for Sue to use the platform.

- ✓ Sue is allocated a default wallet where she can track all her payouts. She will be asked to configure the app, i.e. location preferences, demographic information etc. Sue will never have to put in any personal details; Sue's wallet is her identity.
- ✓ Sue will configure the frequency of targeted adverts she wishes to see every hour day and the desired duration of the video she is interested in. Sue also gives the VuePay app permission to learn from her browsing behavior. The VuePay platform will use to these details to notify Sue when the adverts that match her preferences are available.
- ✓ Relevant adverts are served up by the VuePay platform and Sue has the options of watching The typical duration of the video adverts will range from 5 to 30 seconds
- ✓ Sue would be credited VuePay tokens (VUP) on a weekly basis; Sue can exchange these tokens for cash on the exchange
- ✓ The more Sue watches, the more she gets rewarded.



6. VUEPAY REVENUE

VuePay will charge a fixed fee of 10 percent to all VuePay advertisers. The payment of rewards will be made weekly directly to user wallets.

All the payments to viewers will be free from any fee for first year of launch. Going forward it is planned to charge a nominal fee of 1 percent from the payments.

The entire fee would be charged in VUP tokens and held in the VuePay wallet. This will serve as the primary revenue model for VuePay.

7. CONTRACTS

Contracts are business rules, which are coded and execute in the Ethereum Virtual Machine (EVM) on the Ethereum network.

7.1.VUEPAY CONTRACT

This is the main contract, which acts like a Decentralized Autonomous Organization and manages the creation of VuePay contract between advertisers and viewers. This contract code is transparent, auditable, secure and immutable on the Ethereum block chain network.

7.2.VUEPAY TOKEN CONTRACT

VuePay token contract holds and manages VUP token on behalf of its shareholders. During the initial pre sale and Initial coin-offering phase, the VUP token is held by the VuePay token contract. If the minimum cap is reached, the tokens will be allocated to the contributors as per the allocation described in the token sale value section below, if the minimum cap is not reached, VuePay contract will automatically return all the ether back to the contributor wallets. Contributors are liable to pay the GAS.

If the minimum cap is reached, the VuePay contract will automatically move all the Ether to a secure multi signatory wallet.

8. VUEPAY TOKEN

The VuePay token is crucial as it fuels the VuePay platform. Every transaction on the VuePay platform involves the VuePay token.

8.1.VUEPAY TOKEN SALE

During the pre-sale phase & ICO, tokens can be acquired exclusively through contributing to VuePay token contract.

During the Pre Sale and ICO period, VuePay tokens can be acquired by transferring ETH into the creation contract (i.e. sending ETH to the address that will be published on [VuePay.co](https://vuepay.co) along with clear instructions).

8.2.ACCEPTED CURRENCY DURING PRE SALE & ICO

ETH (Ether) will be accepted currency during the Pre Sale and ICO, details about contribution and supported wallets will be published on the VuePay website.

Fiat currencies for e.g. GBP, USD, EUR would need to be converted to through the relevant exchanges to **ETH** (Ether) before contribution.

9. VUEPAY FUNDING

VuePay plans to raise the initial minimum funding of **ETH 20,000** (minimum soft cap) using Ethereum ERC20 based tokens named VuePay tokens (VUP). All VuePay contributions will be allowed a **refund** if the minimum cap is not reached.

The funds would primarily be used for the development of the VuePay platform, The VuePay app and VuePay team expansion as required and running marketing campaigns.

Note: Because of the fluctuating price of the ETH, the team and founders will decide if a lower than minimum cap is acceptable to make the project viable.

10.TOKEN SALE PROCESS

The VuePay tokens sale will be governed by smart contracts. The VuePay token will be open for trade in multiple exchanges immediately after the close of ICO.

When all the tokens are sold or the minimum funding goal is achieved in the nominated timeframe, the contract will automatically be terminated and no more additional funds would be accepted.

VuePay website would be used by investors to participate in the Pre Sale and the ICO process. All the information in relation to Pre Sale and ICO dates will be published on the website.

11.OWNERSHIP STRUCTURE

Total token amount will be **1 Billion**. The supply of VuePay (VUP) token can never increase this cutoff limit. The initial limit is set high to maintain the required liquidity in the exchanges for trading.

- 40 percent of these tokens will be available for sale during the ICO process. Any unsold tokens will be held, as company asset for any future fund raising requirements and the community will decide if ever they need to be released.
- 10 percent will be available for User Development Fund. This fund will be incorporated for building and acquiring the VuePay user base. Each user who downloads VuePay will be given 10 VUP tokens.

- 5 percent will be held in the company account to be effectively allocated to developers, managers and business builders. These will be for the permanent employees of VuePay.
- 5 percent will be reserved for the Advisory team members.
- 5 percent for the Core Team.
- Cofounders will hold 35 percent of the tokens.

12. PRE-SALE & ICO

Before the ICO launch, 2 week's window would be provided for Pre-Sale to buy the VUP tokens. Total allocation of **400 Million tokens** will be sold during the Pre-Sale and ICO; tokens unsold during the Pre-Sale will be carried forward to the ICO.

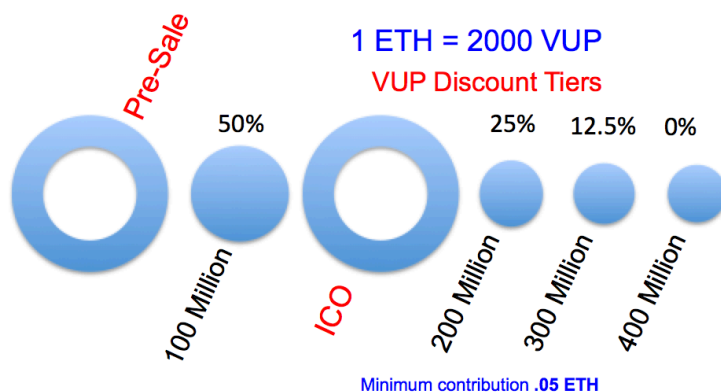
1 ETH = 2000 VUP

We have set up the bonus structure to reward those who choose to invest early. **50% bonus VUP** tokens will be provided for all contributions during presale phase of 100 million tokens.

Pre-sale will close in 14 days from day of launch or when 100 million VUP tokens are sold out. ICO will start after the 14 days Pre-sale finishes or the 100 million tokens are sold, whichever happens first.

The VUP ICO will be run for 4 weeks.

Applicable Pre-Sale & ICO Discount Tiers are as follows



13. USE OF TOKENS

VuePay token will be used for the following

- VuePay token will fuel the VuePay platform. Users or viewers will be paid in tokens and Advertisers will pay in VuePay token to host their adverts.

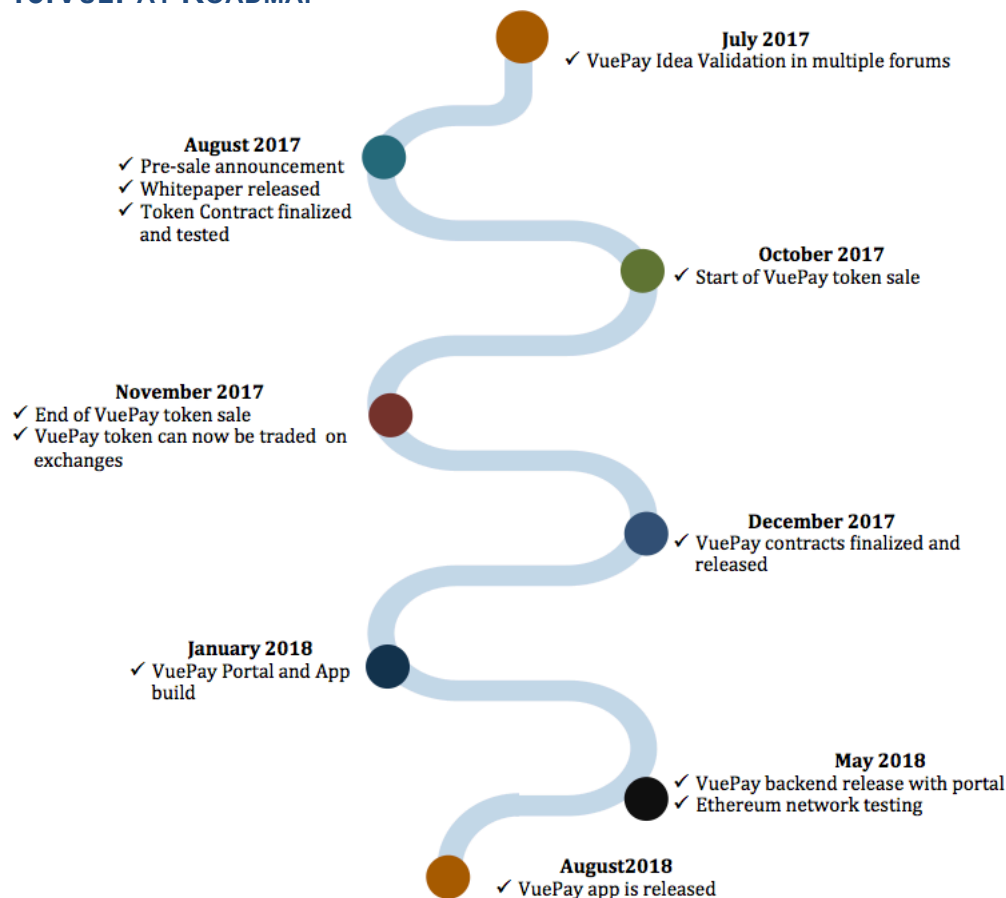
- Investing in building the VuePay Platform
- For trading on Exchanges

14. USER DEVELOPMENT FUND

User growth fund is used to incentivize users to participate in the VuePay ecosystem.

- ✓ 100 million VuePay tokens are reserved for early adopters of VuePay and the VUP at up to 10 VUP per user.
- ✓ This limit is for a maximum period of 2 years to bring as many users on board to VuePay.
- ✓ VUP received as a reward can only be used within the VUP ecosystem for value added services or sold in exchange for other currencies.
- ✓ Unused VUP after 6 months will be sent back to the user development fund, which can then be used for new users.
- ✓ No new tokens will be created once the user growth pool is exhausted.

15. VUEPAY ROADMAP



16. VUEPAY TEAM

16.1. FOUNDERS

The team at VuePay brings together a great mix of talent pool from developers to strategists.

Saurabh



Rohit



16.2. TEAM

Rotimi
Data Chief



Sanjay
Ethereum/ Blockchain Evangelist



Balazs
Chief Data Scientist



Abhijeet
Ethereum & ML Architect



Nitin
Chief Consultant



Arijit
Chief Legal Counsel



LEGAL DISCLAIMER

The purpose of this White Paper is to present the VuePay project to potential token holders in connection with the proposed launch of VuePay token (VUP). The information set forth below may not be exhaustive. It is not binding between the parties and does not imply any elements of a contractual relationship. Its sole purpose is to provide relevant and reasonable information to potential token holders in order for them to determine whether to participate in the VUP launch.

Nothing in this White Paper shall be deemed to constitute a prospectus of any sort or a solicitation for investment, nor does it in any way pertain

to an offering or a solicitation of an offer to buy any securities in any jurisdiction. This document is not composed in accordance with, and is not subject to, laws or regulations of any jurisdiction, which are designed to protect investors.

Certain statements, estimates and financial information contained in this White Paper constitute forward-looking statements/ information or assumptions. Such forward-looking statements or information involve known and unknown risks and uncertainties which may cause actual events or results to differ materially from the estimates or the results implied or expressed in such forward-looking statements or assumptions.

*IMPORTANT RISK FACTORS *

Please be aware that there are specific risks relating to Cryptographic Tokens, Crypto currency and Block chain-Based Software Systems and related services.

The acquisition of tokens involves a high degree of risk, including but not limited to the risks described below. Before acquiring VUP, it is recommended that each participant carefully weighs all the information and risks detailed in this White Paper, and, specifically, the following risk factors.

A. Dependence on computer infrastructure

VuePay has general dependency over software applications, computer hardware and the Internet. Despite VuePay's implementation of all reasonable network security measures, its processing center servers are vulnerable to usual computer viruses, physical or electronic break-ins, cyber breaches or other disruptions of a similar nature.

B. Smart contract limitations

Smart contract technology is still in its early stages of development, and its application is of experimental nature. This may carry significant operational, technological, regulatory, reputational and financial risks.

C. Regulatory risks

The Block chain technology, including but not limited to the issue of tokens, may be a new concept in some jurisdictions, which may then apply existing regulations or introduce new regulations regarding Block chain technology-based applications, and such regulations may conflict with the current VUP Smart Contract setup. This may result in substantial modifications of the VUP Smart Contract, including but not limited to its termination and the loss of VUP tokens.

D. Price of Ether

Cryptographic tokens and currency which possess value in public markets, such as Bit coin or Ether, have frequently demonstrated extreme fluctuations in price over short periods of time. Once purchased, the value of Ether may significantly fluctuate due to various reasons. VuePay does not guarantee any specific value of Ether over any specific period of time. VuePay shall not be held responsible for any change in the value of VUP.

E. Tax matters

It will be a sole responsibility of the VUP holders to comply with the tax laws of the United States and other jurisdictions and pay all relevant taxes.

F. Force Majeure

VuePay's performance may be interrupted, suspended or delayed due to force majeure circumstances. For the purposes of this White Paper, force majeure shall mean extraordinary events and circumstances which could not be prevented by VuePay and shall include: acts of nature, wars, armed conflicts, mass civil disorders, industrial actions, epidemics, lockouts, slowdowns, prolonged shortage or other failures of energy supplies or communication service, acts of municipal, state or federal governmental agencies, other circumstances beyond VuePay's control.

G. Compliance with U.S. and PRC laws and regulations

VUP token holders who fail to comply with verification request, or who are determined to be restricted from dealing with the U.S. or PRC entities or operating in the U.S. or PRC, or who are otherwise ineligible under the US and PRC laws to participate in the launch of VUP, there would be no refund issued by VuePay of those purchased token holders. Such token holders may retain their tokens or may, at their discretion, choose to sell them to eligible customers. Token purchasers are solely responsible for learning about the US and PRC laws and legal restrictions applicable to residents of certain countries and individuals involved in certain activities.

Please note that the VuePay project may be subject to other risks not foreseen by its founders, team and management at this time.