

White Paper V 1.0

Introduction

Statistics show that over 1/3 of the world population uses social media platforms and these platforms like (Twitter, Facebook, Instagram, Nairaland, Reddit and the rest) make their revenue by showing advertisements. At the same time, content creators do not receive any part of this revenue usually. Statistics also show that social media revenue has grown up to 107% from 2016 to 2018 accruing the sum of \$68 billion by the end of 2018 for these social media platforms.

This revenue generated, is a result of content published by its users, which sparks interest from other users who may want to interact with it thereby spending more time on the platform. The time spent by each user is what advertisers are looking for. Therefore, Content is the reason social network exists in the first place.

Content= attention = revenue.

Given that social networks are just content networks, it's odd that Facebook is valued at over \$500B while nearly all users of the platform make \$0 for producing its content. ***If writers still make money while their publisher rises in value, shouldn't content creators make money while the networks they share on rise in value?*** Is the technological value that Facebook provides truly worth all of the creative value of the nearly 30% of humanity who post their content on it? We don't think so. We think the future of the economy (and the world) rests with the creator, and the history of the internet is a slow march towards this inevitability.

ABUSE OF POWER

Most social networks have accomplished so much in terms of human interconnectivity and communication largely due to unreserved participation of the general public. While these social networks grow in sizes and revenue they have demonstrated limited transparency and little willingness to share information or revenue with their contents creators/users. Without users and their contents most social network is as good as dead.

Today's social network is synonymous with a crack democracy where users who elect a government to bring to them dividend of democracy abuse that power by using it to acquire wealth for themselves while delivering less to those who put them in power.

Algorithm Manipulation

Algorithm manipulation and organic reach restriction have become pervasive in mainstream social networks. This practice has caused outrage among content creators for silencing voices, shattering income and transforming user experiences into psychological experiments. Entire industries and small businesses have been impacted, and livelihoods have disappeared overnight with no regard for the immense contribution and energy these users invested to build their followings and publish contents. Facebook engagement for brands and publishers fell 20% in 2017 alone, bringing organic reach down as low as 2%.

Other community based social network like Nairaland do not care about the economic social life of their users. They determine at great extent what their users consumes through their homepage and trending feeds and do not promote freedom of speech.

A true community is one that gives power to the people and provides tools that allow the community to checkmate the abuse of such power based on the principles in which that community is founded on.

Our goal

Our goal is to offer a solution that rewards for the value created by any user on our platform without censorship and algorithm manipulation. ***Kemfe, a basis of this solution***, is a blockchain-based system that can provide value for any social interaction done on our platform. Any user, who has an account with ***kemfe*** and create contents, can receive Kemfe credits as a reward for their content engagement.

A Reward Based System.

Most social networks do not reward those who are contributing the content that drives traffic and attention to the networks; they exploit them to increase their advertising revenue and bottom-line growth.

At kemfe, we operate with a new business model that fairly rewards users for their contributions to the network with revenue and expanded reach. Kemfe also allows users to independently reward their favorite auto in the platform. These tools include ad revenue-sharing, tipping, and a proven contribution-driven reward system.

The implementation of crypto-tokens with the reward system allows users to translate their time and energy into tokens that hold real, lasting value on the kemfe platform. Through this properly structured, incentive-based reward system, kemfe has built a sustainable digital economy that effectively rewards the users who contribute the most to the network

How to get rewarded for your opinion

The following attracts instant rewards from the system:

- Post
- Comments
- Referrals
- Votes
- Time Spent

User Rewards

Quality content is essential in order for a social network to grow and thrive -- it is the driving force behind attracting new users and making sure they stick around. It is one of the major reasons tech giants like Facebook and Google have accrued so much power. However, the creators of this content are, objectively, not being fairly rewarded for their efforts. They do the heavy lifting yet reap none of the benefits.

Kemfe is changing this dynamic with its contribution economy. Content creators earn rewards for producing quality content that drives traffic and receives votes, comments, and shares. Additionally, creators earn ***Kemfe Credit*** by referring new users to the site. This equals an added benefit of an accelerated network effect.

Another contribution that is equally valuable to the growth of a social network is user attention. From a content creator's perspective, a network is only worth the engagement it provides. For this reason, it is important to also measure user attention from a 'time spent' perspective when determining a user's contribution to the network on a given day. An activity-based crypto-reward mechanism is valuable to both active users and the network itself considering that monthly active users, daily active users, and hourly active users are essential metrics to quantifying the growth and stickiness of modern social applications.

Fraud and Abuse

- **Use of Mobile Number**

Kemfe may require all users to provide a unique mobile number. This will help limit the abuse of the system. kemfe will not store the phone numbers you provide. The numbers are hashed using SHA-256 and combined with a salt key. The salt ensures that the numbers cannot be matched unless the correct salt is provided. This step allows for unique count aggregations when querying contribution scores. It is important to note that all creation rewards are dependent on engagement from other users. One issue with other existing Points reward system was the ability for a user to earn rewards for actions that do not require the unique engagement of others, such as uploading a video or writing a post. By moving the creation rewards to be entirely dependent on the actions from other unique users, it significantly reduces the vulnerability to manipulation. Kemfe will continue to implement and improve the system as it grows in popularity.

- **Rate Limiting of Votes/Voting Power**

A major part of minimizing abuse is the rate-limiting of voting. Individual users can only read and evaluate so many work items per day. Any attempt to vote more frequently than this is a sign of automation and potential abuse. Through rate limiting, the votes of stakeholders who vote more frequently count for less than the votes of stakeholders who vote less frequently. Attempts to divide tokens among multiple accounts also divide influence and therefore do not result in a net increase in influence, nor does it bypass the rate limit imposed on voting.

Users are allotted a fixed amount of voting power. Voting power is determined by a user's Earning Power (The number of tokens being locked by the user) to determine how many shares in the reward pool should be allocated to a given work item. Every vote that is cast uses a percentage of their remaining Earning power. Users can vote for more posts, but each vote will be worthless, and it will take longer to reach full Earning power again. Earning power recharges at a fixed linear rate of 15% per day.

Kemfe Tokenomic

Kemfe Credits is a social network utility token built upon the Ethereum ERC-20 standard. Kemfe chose to issue its tokens on the Ethereum network because it is the leading open-source, general-purpose blockchain optimized for smart contracts. It includes sophisticated web tools to develop a user-friendly experience and has established broad credibility through market experience with mobile payments, distributed exchanges, cryptocurrencies, and enterprise blockchain solutions

Kemfe Credits will be used to deliver services on kemfe networks like advertisements and rewards. Incentives and rewards encourage users to share their content and be active on the network. Kemfe tokens may be used to subscribe to exclusive programs and boost your earning power, tip other users for their quality content, or purchase advertising views from the network or a specific ads space.

Kemfe will offer users the choice between OnChain and OffChain transactions. OnChain transactions benefit from being published and secured on the public blockchain, while OffChain transactions benefit from speed and no transaction fees. OffChain tokens will be referenced and stored on a non-public database maintained by kemfe. These tokens will be stored in kemfe reserve wallet and will directly represent a 1:1 reservation of OnChain tokens.

Allocation & Supply & PowerUp Minting Rebate (PUMREBATE)

- **Current Allocation & Supply**

Starting with the launch of the network on the 25th of November 2019, Kemfe will begin the minting and distribution of kemfe Credit (KFC) at the rate of 100KFC per minute. The reward rate will be halved after every

1000days until there is no more KFC to mint.

Of the new tokens that are generated, 70% goes to fund the content creator's reward pool, which is split between publishers and curators. Another 25% of the new coins are kept in the networks reserve pool while the remaining 5% is reserved for the team.

- **PowerUp Minting Rebate (PUMREBATE)**

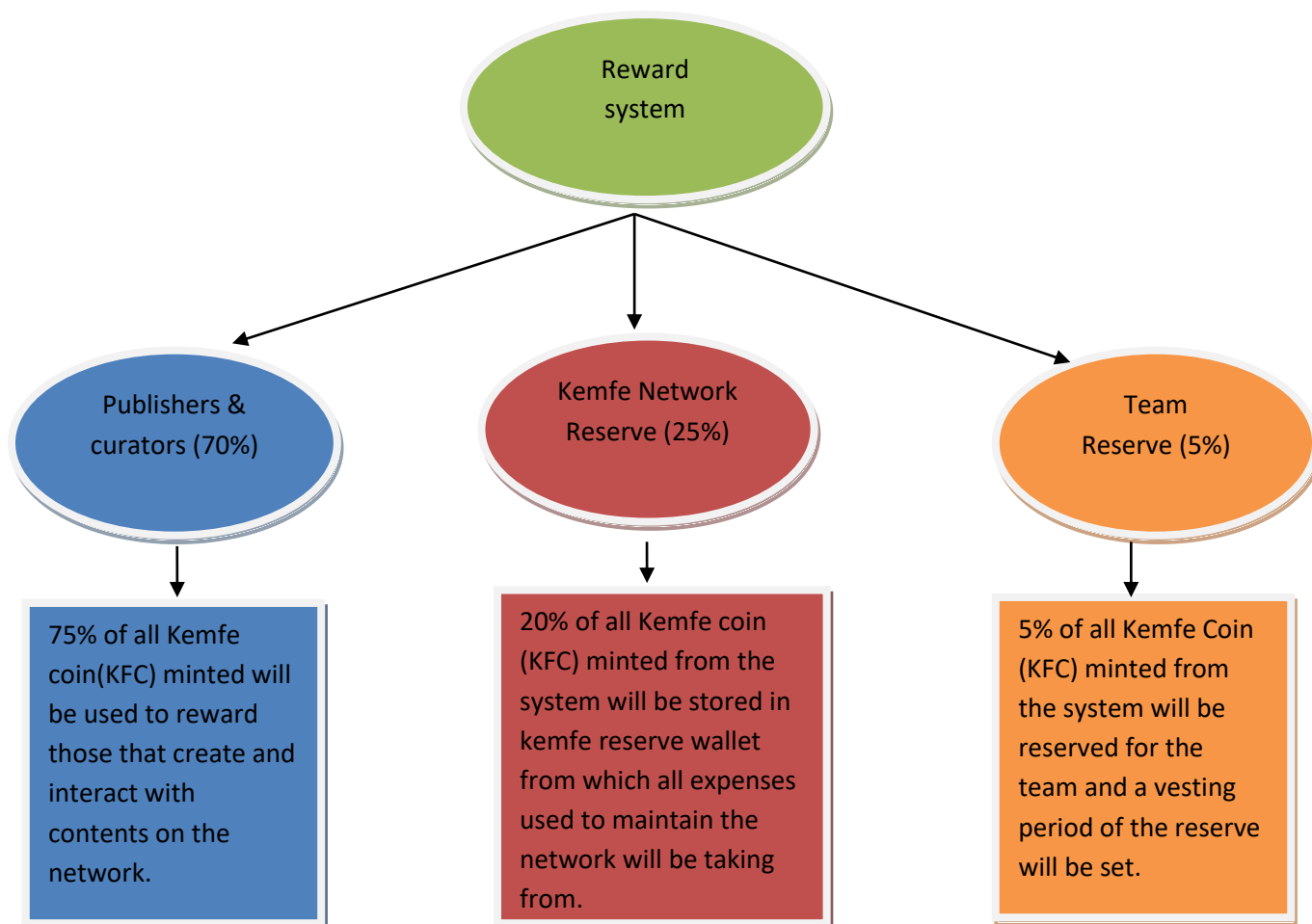
Each time a new user that is referred to the system powersUp his wallet with KFC, the system mints an equivalent amount of KFC from kemfe blockchain and rebates the referrer. This is done to encourage users to constantly refer their friends and family to grow the network. All KFC used to powerUp are locked up permanently in the user's power wallet and cannot be withdrawn or used to purchase any services on the network.

PumRebate minting process work independently and in parallel to the original network minting process.

- **Initial Allocation, Supply & Payout**

50Million KFC was originally minted for the purpose of initiating privately exclusive sale to investors who supported the development of the ecosystem.

Reward System



Publisher & Curators Reward Pool

70% of all minted tokens are deposited into the reward pool on hourly basis and distributed to the network users based on their activities on the platform. An individual's daily contribution will be determined by how much they contributed to the network that day relative to the entire community. This percentage will then be applied to the Daily Reward Pool to determine each individual's daily grants. Another parameter that affects the daily grant of a user is his Earning Power.

WALLETS

Every registered user on kemfe network has three different wallets to manage his funds. Each of these wallets plays a role on the value of rewards a user can claim at any point in time.

These wallets are;

- Main Wallet

This wallet allows user to perform withdrawal, deposit, make transfers, pay for adverts, or boasted post or banner ads and other activities such as gifting a user in the form of tipping.

- Power Wallet

This is the wallet that determines the amount of reward you can earn when users interact with your post. It also determines the percentage of daily block reward grant you can earn based on your content engagement.

Every token deposited in this wallet is locked permanently and cannot be used to perform any transaction within the network. The more token a user lock in this wallet the more he increases his earning power.

- Escrow wallets

This wallet temporally holds all tokens earned from the system by a user. The escrow wallet plays an important role in content curation. Every earnings are held in the escrow wallet for 7days before the system approves it for withdrawals if within these periods the content is not deleted or flagged. Once your content is flagged and found to violet our content policy all earning awarded to that content will be withdrawn from the escrow to the reward pool and the content deleted.

Earning power (EP) is the amount of power an individual control in the system. This EP is directly proportional to the amount of kemfe credits permanently locked by that individual in his power wallet. E.g If Mr. A locks up 1000KFC and Mr.B locks up 100KFC, the earning power of Mr. A is ten times that of Mr. B. If Mr. A and Mr. B have the same post engagement, Mr. A will have chances of earning ten times higher than Mr. B from the daily reward grant.

REWARDS & INCENTIVES

The user rewards are categories in two factions; **Passive Rewards** and **Active Reward**

1) Passive Rewards

This is the reward a user is awarded instantly as other users interact with his contents through upvotes and comments. It is a continuous reward for those who create valuable content that continuously generates interactions.

- **Post Rewards**

This is the reward you get instantly when you post or share content to the platform.

Mathematically it is calculated to be: $PR = \frac{EP}{TNEP} \times PC$

Here;

PR= Post Reward

EP= Earning Power (Note: EP= Total KFC in You Power Wallet)

TNEP= Total Network Earning Power

PC = Posting Constant

Posting constant is a number multiplier that changes every day by calculating the Total Post activities and number of active users.

- **Comment Rewards**

This is the reward you get instantly when users comment on your post or shared content.

Mathematically it is calculated to be: $CR = \frac{EP}{TNEP} \times CC$

Here;

CR= Comment Reward

EP= Earning Power (Note: EP= Total KFC in You Power Wallet)

TNEP= Total Network Earning Power

CC = Comment Constant

Comment constant is a number multiplier that changes every day by calculating the Total Comment activities and the number of active users.

Note: When a user makes a comment on a post; the post earns rewards but when a user replies a comment; the two comments share the comments reward.

Upvote Rewards

This is the reward you get instantly when you post or share content to the platform.

Mathematically it is calculated to be: $UR = \frac{EP}{TNEP} \times PC$

Here;

UR= Upvote Reward

EP= Earning Power (Note: EP= Total KFC in You Power Wallet)

TNEP= Total Network Earning Power

PC = Upvote Constant

Upvote Constant is a number multiplier that changes every day by calculating the Total Upvote activities and number of active users.

- **PumRebate**

Each time any user you referred to the network powersUp his wallet, you will be rebated an equivalent amount to your wallet. There is no limit to the number of users you can refer as such there is no limit to the amount of reward you can earn through this mechanism.

2) Active Rewards (Daily block reward)

This is the reward a user is granted daily for actively participating in the network. At the end of each day, all excess tokens left in the pool will be distributed to all active users in the network.

- **Post daily grant (PDG)**

$$PDG = \frac{\text{Your Post ER} \times EP}{\text{Total Network ER}} \times \text{Daily reward pool}$$

Where ER= Engagement rate.

EP=Earning Power = total amount of KFC permanently locked by the individual in his power wallets

$$\text{Your Post engagement rate (ER)} = \frac{\text{Interaction Rate}}{\text{Total Views}} \quad \therefore ER = \frac{IR}{TV}$$

IR= Total votes x Comments x Share x Time spent

TV= Total Post views

- **Comments daily grants (CDG)**

$$CDG = \frac{\text{Your comment ER} \times EP}{\text{Total Network ER}} \times \text{Daily reward pool}$$

Your comment **ER** = Total votes + Replies x Time spent

EP=Earning Power = total amount of KFC permanently locked by the individual in his power wallet.

Where **Total Network ER** = Total Number of Daily Active Users x Total Time Spent by the users

Notes: Block rewards are granted on a daily bases and cannot be granted twice.

- **TIPPING**

Users in the network can freely reward their favourite author using kemfe tipping tool. This is a form of donation to the user in order to encourage him good writers & bloggers.

- **Referrals**

Referring friends and family members to the network also attract rewards.

- **Contest**

Monthly and weekly contest hosted within the network is a great avenue for user to compete and earn fabulous prices.

COMMUNITY REWARD

Kemfe rewards community creators/managers who maintain an active community on the network. An active community score percentage is used to determine the rewards a community manager gets. The percentage is determined by the activities and total daily community active users. A user needs to lock a minimum amount of kemfe credit is required to create a community.

Network Reserve pool

Funds Usage

- 35% of the funds will be used to build the Kemfe platform and perform upgrades to the system, which includes team recruiting, training, and the development budget.
- 50% will be used for Kemfe branding and marketing, including continuous promotion and education of kemfe and blockchain innovations in industry mediums. A sufficient budget for various advertisement activities, to help kemfe become popular among content creators, and to attract active users to the platform.
- 10% will be kept to cope with any emergency or unexpected situation that might come up.
- 5% will be used to reward community managers. There will be a set of criteria that a community will meet to qualify for partaking in the five percent (5%) incentives.

Team Reserve and Vesting Period.

All team rewards received by the team will be subject to lock for a minimum of 24 months after which 20% of the total accumulated rewards will be released every quarter.

Kemfe Credit (KFC) Value, Demand and Supply.

One of the most pressing questions on the mind of most content creators/curators will be, **How will the coin gain value over time since most of them are gotten through content creation?**.

Demand and supply is the basis for value creation. When the supply of a commodity that is in great demand is reduced, the value tends to move upward because of its scarcity. Some of the mechanism that will constantly reduce the supply of KFC in the market includes;

- **Advertisement**
 - **Ads to Burn Mechanism**

Advertisers who want to advertise their goods and services will have to do so by buying the corresponding value of the amount they wish to spend in KFC. All tokens used for advertising through boost or banner ads will be completely destroyed and taken out of circulation through the “Ads to Burn Mechanism”.

- **Fees**
 - **Fees to Burn Mechanism**

All fees collected from transactions within kemfe ecosystem are destroyed thereby taking them out of circulation. The percentage amount of fees to be charged within the ecosystem will be determined by users through a decentralized voting mechanism. Only those that have a minimum of 50 000 KFC in their power wallet are eligible to partake in the voting process. For the start, withdrawal fees within the system will be capped at 5% per transaction.

- **Halving of Network Reward**

All fees collected from transactions within kemfe ecosystem are destroyed thereby taking them out of circulation. The percentage amount of fees to be charged within the ecosystem will be determined by users through a decentralized voting mechanism. Only those that have a minimum of 50 000 KFC in their power wallet are eligible to partake in the voting process. For the start, withdrawal fees within the system will be capped at 5% per transaction.

Payouts

Whilst post receives block rewards daily, Payout for any accumulated rewards is done at the end of every 7days. Users can choose to withdraw their earnings or stake them for more rewards. Staked coins are called **Earning Power** and cannot be withdrawn when stacked. It is locked permanently.

Kemfe Platform.

- **Technology**

Kemfe combines technology concepts from traditional social media communities and the security of

blockchain-based cryptocurrency reward systems that will enhance community building and social interaction with cryptocurrency. An important key to inspiring participation in any community, currency or free-market economy is a fair accounting system that consistently reflects each person's contribution. Kemfe is the first cryptocurrency social network in Africa that attempts to accurately and transparently reward an unbounded number of individuals who make subjective contributions to its community.

User's important information like email, password phone numbers and other information are hashed using SHA-256 and combined with a salt key. The salt ensures that this information cannot be matched unless the correct salt is provided. We have also introduced Google two factor authentications to enable users to add another layer of security to protect their account. Kemfe will move to a full blockchain-based application by the last quarter of 2021.

- **Transactions**

Onchain & OffChain Transaction

To secure a user's OffChain balance and prevent a balance from being spent more than once by multiple transactions, kemfe allows users to move and store their coins on the blockchain. When a user wants to withdraw his earning to the blockchain, the user will have to pay for withdrawal fees know as Gas fee as required by the ethereum blockchain. While all Onchain transaction is stored on the blockchain, all OffChain transactions are stored on the Kemfe's databases for reference with application-level immutability. The database uses a replication factor of three which ensures that the data is maintained on at least three active nodes at any given time. We will monitor and review all user balances daily to check for anomalies and will continue to follow and implement cybersecurity best practices, such as continuous threat monitoring and frequent software audits

R I S K S

The purchase of the kemfe Credits carries significant risk. Prior to purchasing kemfe Credits, the purchaser should carefully consider the risks listed below and, to the extent necessary, consult a lawyer, accountant, and/or tax professional prior to determining whether to purchase kemfe Credits..

- There is no assurance that at any time in the future Kemfe Credits (i) may be exchanged for goods or services other than on the kemfe platform, (ii) may have any known uses outside the kemfe platform, or (iii) may be traded on any known exchange.² Kemfe Credits are intended to be used by the purchaser on kemfe.com, a social media platform. It is possible that the user population of kemfe.com will change and/or decline over time, which may affect the functionality of Kemfe Credits on the kemfe platform
- Kemfe Credits will be stored in a wallet, which can be accessed with a password(s) or private key selected by the purchaser. If a purchaser of Kemfe Credits does not maintain an accurate record of his or her password(s) or private key, this may lead to the loss of Kemfe Credits. If a purchaser's password or private key protection is weak and it is cracked or otherwise obtained by a third party, this may also lead to the loss of kemfe Credits. As a result, purchasers must safely store the passwords or private keys in one or more backup locations that are well separated from the primary location. Kemfe is not responsible for any purchaser's loss of password or other credentials.⁴ The purchaser recognizes that some of the services that Kemfe anticipates to offer in the future are currently under development and may undergo

significant changes before release. The purchaser acknowledges that any of its expectations regarding the form and functionality of the Kemfe platform and/or Kemfe Credits may not be met for any number of reasons.

- The purchaser understands that while Kemfe will make the best efforts to launch any anticipated services on time, it is possible that the official release may be delayed or that certain services may not be developed or enabled as currently anticipated.\
- As with other crypto tokens, the value of the Kemfe Credits may fluctuate significantly and decline in value for any number of reasons, including but not limited to, supply and demand, overall crypto token market conditions, political and geographical reasons, changes to laws and/or regulations in any jurisdiction, and technical reasons.
- There is no guarantee that other current or future solutions or technology will not render the Kemfe business plan, platform and kemfe Credits obsolete.
- Kemfe Credits will be issued on the Ethereum blockchain. As such, any malfunction or unexpected functioning of the Ethereum blockchain may impact the purchaser's ability to transfer or securely hold Kemfe Credits. Such impact could adversely affect the value of Kemfe Credits
- Many crypto-tokens fluctuate in value in tandem with the market price of Bitcoin and other tokens. It is possible that Kemfe Credit will be affected by events that cause bitcoin or other tokens cryptocurrencies to increase or decrease in value.