



WORLD'S FIRST
DECENTRALIZED
**SMART
COMMUNITY
NETWORK**

WHITE PAPER

karmainternational.com/tge

“Karma, when properly understood,
is just the mechanics
through which consciousness manifests.”

Deepak Chopra

IMPORTANT DISCLAIMER - PLEASE READ

This document (also referred to herein as a white paper) introduces Karma, a blockchain-based solution for creating, managing and growing member communities of various sizes, across multiple use-cases.

This document is distributed publically solely for the purpose of announcing the Karma project, its development goals as we currently understand them (subject to change), and to solicit comments from the developer community. It is not intended to serve as a binding commitment or contract. This document is not an offer of tokens (whether they are deemed securities or otherwise), or a solicitation of an offer to purchase tokens. All statements contained herein are qualified as subject to applicable law.

Karma is inspired by systems previously built and operated by Karma International, LLC (Karma International). Those systems are the result of years of investment and dedicated work. However, Karma will be developed and operated by a separate and distinct entity established to serve best those purposes (referred to in this white paper as Karma Global Tech, Ltd). Various persons who were previously, are currently, or will in the future be associated with Karma International may provide services to the Karma Global Tech, Ltd in connection with their employment or retention by Karma Global Tech, Ltd. However, if they do so, this will be in their capacities and in no way in connection with their various associations with Karma International.

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“Every action we take generates a force of energy that returns to us in kind. When we consciously choose actions that bring happiness and success to others, the fruit of our karma is happiness and success.” *Deepak Chopra*

INTRODUCTION

Karma is a bold initiative which leverages the power of decentralization and blockchain technology to empower membership-based organizations around the world.

Our slogan perfectly sets forth Karma's vision: World's First Decentralized Smart Community Network. This is considerably more than just a slogan for us, but rather the basis for all our combined efforts. Our mission is to become the core provider of such tools – empowering communities of all shapes and sizes and allowing them to scale new heights. All this while providing them with support and incentives along the way.

The blockchain capabilities of the Karma Protocol and, more specifically, the Karma International Token (KIT), lay the foundation of all of these efforts: allowing organizations to launch, manage, build and operate on Karma and ensuring a thriving, sustainable and diverse module and support ecosystem. Karma also seamlessly integrates best of breed off-chain technologies to provide a completely optimized and modularized solution.

This white paper describes what Karma is under the hood, how it will be brought to life by our team, and our vision and approach for bringing Karma into the world.

TERMINOLOGY AND ACRONYMS

Term	Stands For	Description
KML	Karma Member Lounge	The current, custom-built community network, the foundation for our upcoming efforts.
Karma	Karma Global Tech, Ltd	The entire solution offered by Karma to power membership-based organizations and to manage their transactions and operations.
Karma Instance	A single community or organization that utilizes Karma	Each community or organization powered by Karma will have its own completely encapsulated Karma Instance. Each Karma Instance will benefit from the full Karma solution and the use of KIT.
KIT	Karma International Token	The Ethereum-based token which allows each Karma Instance to tap into the powerful benefits of the blockchain offered by Karma.
TGE	Token Generation Event	The process of securely generating and transferring your purchased KIT tokens.
Module	Karma Module	A useful collection of related functions (e.g., “Billing”) which can be selectively deployed and customized by Karma Instances based on their requirements. Modules can be created and reused by many parties (including our Community Developers), resulting in Karma continuously improving.
Marketplace	Karma Marketplace	The hub for publishing, distributing and managing all Karma Modules, including those created by the Developer Community.
Developer Community	The home of Karma Module developers	All members of the KIT Token Holder Community who publish and distribute Modules.

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THE CHALLENGE

Spinning up a new Community Network is a considerable challenge. Organizations across the world seeking to do so face numerous difficulties selecting the right technologies and solutions, and after that selecting the right development partners in order to implement those choices. Even if these initial selections are appropriate, actually implementing, operating and maintaining the resulting Community Network can be fraught with complications.

Established organizations, with their Legacy Community Networks (i.e., networks and systems based on older, non-blockchain technologies), face similar and additional difficult challenges. These organizations' Legacy Community Networks are often a diverse mix of incompatible technologies (different vendors, versions, protocols, ages, interfaces, etc.). Grafting on newer components, even if those components, considered in isolation, are the right choice, can be combinatorially difficult. Bottom line - as growing organizations scale their operations, their Legacy Community Networks simply cannot keep up.

Karma International faced this issue itself. Established in 2005, Karma International had the original mission of connecting exceptional and inspirational individuals both socially and professionally through a variety of high profile experiential events, business networking summits, social gatherings, and international excursions. Karma International was very successful with this tightly focused business model. Over the next several years Karma International built and evolved its own Community Network, often in response to pressing and immediate requirements. Karma International's ever increasing growth and the vast expansion of its model to that of a true membership organization eventually rendered this approach unsustainable.

\$32,000,000
TOTAL REVENUES

65,000
PLATFORM USERS

6,050
KML MEMBERS

374
EVENTS

12
YEARS

THE KARMA SOLUTION

In 2014 Karma International took the initiative and resolved to develop a new internal platform, what ultimately became the Karma Member Lounge (KML). The KML was designed from the ground up to have the capacity to power and manage all aspects of Karma International's expanded and anticipated business models. The KML has become a powerful and multi-faceted platform which has benefited from many years of industry experience, significant investment, R&D, and focused and organized software development efforts. The KML has been a true labor of love for Karma International and fulfills its mandate of providing its members with the best possible experience.

Karma International has been and will always be focused on providing value back to the community, towards those organizations most in need. It has contributed to hundreds of nonprofit efforts over the years and is directly involved in charitable and community efforts. Our new offering, Karma, continues and massively scales this vision, representing the distributed, blockchain technology based, tokenized, secured and scalable reimaging of the original KML - made available to any membership-based organization.

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Karma will also enable organization-to-organization (and organization to Community Developer) communications, financial management, donating and voting. This will create opportunities and create value on an unprecedented scale. As more and more organizations and Community Developers adopt Karma, the value proposition of the platform (and the related KIT token) will itself increase due to the network effect.

Karma will be adaptable and extensible, meaning that it can be tailored to the diverse and evolving needs of membership organizations worldwide. In order to achieve success at velocity, we will leverage:

1. the knowledge we have gained from building, operating and managing a highly successful community network (KML),
2. the expertise and skills of our blockchain development team,
3. the guidance of our advisors, and
4. the valued input of the growing Karma Community.

THE TEAM

Executive Officers

Dylan Marer

Chairman / CEO

dmarer@karmainternational.com

Mr. Marer has led Karma in creating vision and direction to create the infrastructure and expand the brand both nationally and internationally. Mr. Marer has twenty nine years' experience developing sales and marketing strategies for direct sales companies, advertising campaigns, commercials, sales collateral, sales & training media, and distribution strategies for a wide variety of corporate clients for their direct sales and retail product campaigns. Mr. Marer is an award winning, television acclaimed, live event and show producer with experience in mass marketing, events and television commercial productions that include some of the nation's most recognized entertainment, tech, and product-oriented brands. Marer's productions range from the Global Media Launch of the movie Avatar Blu-ray for James Cameron, Oscar party celebration for the host of the Academy – Seth MacFarlane, Fox Entertainment movie press launches, Qualcomm, Best Buy, Maxim Media, and Twitter Flight 2016, just to name a few. Broadcast and Television experience include American Idol Singers Advantage, Sylvester Stallone's InStone, ABC's Extreme Makeover, Miracle Skin Transformer, Spray White 90, Hydroxatone, New Image, Doctors Say Yes, Free Triple Score.com, AbsolutePoker, and the World Poker Tour.



Mr. Marer has been recognized and covered by hundreds of major television media, news media, entertainment magazines, industry magazines and lifestyle pieces, including being the featured star of two, one hour, television documentaries on Nat Geo's "Party Like an Emperor" and "Party Like the Queen of France" highlighting his creativity and skill as a live event producer and comparing his productions with some of the greatest events of all time. Additionally, Marer prides himself on using his expertise and creativity for the creation of movie quality, theatrically designed themes for the higher end charity events to raise money for worthy causes; "parties for the right reasons."





Michael Costache

President

mcostache@karmainternational.com

Mike never liked being put in a box so he spent the last 20 years as an entrepreneur, investment banker, author, professor, speaker, angel investor and fundraiser for various charities.



Currently, Mike is the President of Karma, the world's first decentralized Smart Community Network, using the Karma Protocol and Karma International Token (KIT) to empower membership-based communities.

Mike is a Managing Partner at KrowdMentor, a strategic investment and advisory firm empowering blockchain startups, funds and entrepreneurs to reach their funding and liquidity goals. Mike is also the founder of the Blockchain Investors Consortium (BIC) and serves on the Advisory Board of Token-as-a-Service (TaaS), the first ever tokenized closed-end fund dedicated to investments in blockchain assets.

Since 2011, Mike is a member of Tech Coast Angels (TCA), a network of 330 angel investors in Southern California who have invested \$185 million in 300+ deals and raised over \$1.5 billion from VCs.

From 2006 to 2011, Mike was the President of Leo & Leo, which represented brands such as Maserati, Segway, NetJets, PrivatSea, Sunseeker Yachts, NetSuite, Marsh, Orgil Greenhouses, Miss Universe, and Rockstar Energy Drink. Total sales amounted to €60 million.

From 2000 to 2006, Mike served as founding CEO of Pioneer TeleCare, an e-commerce firm with total revenues of \$4 million. From 1998 to 2003, Mike was an Associate at WestPark Capital, The Interlink Group, Millennium Capital Partners, all LA-based i-banks.

Mike holds a degree in Economics from Pepperdine University, a Graduate Certificate in Dispute Resolution from Pepperdine's School of Law and has completed the Program on Negotiations for Senior Executives at Harvard.

Born in Romania in 1977, Mike migrated to Israel in 1988 and in 1992 to the US. Mike was featured in USA Today, Wall Street Journal, Inc., Entrepreneur, CCTV, Business Week, Men's Health, Top Gear and numerous other media outlets.

Marvin Epstein

Executive Vice President

mepstein@karmainternational.com

Marvin is an accomplished serial entrepreneur. As the founder and president of the private equity firm I.A.T. Capital, his areas of success include sports, entertainment, film financing, and new media technology. In 2005, Marvin became a principal and partner of Karma. He has created a platform of services and strategic partners for the members-only organization, including the development of numerous charity, hospitality and media relationships. Marvin has raised awareness and hundreds of thousands of dollars for a variety of deserving non-profit organizations.

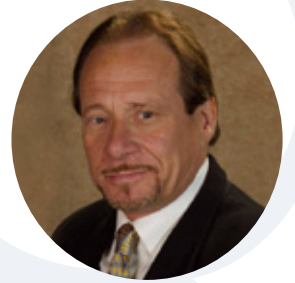


Greg Marer

Vice President of Operations

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Mr. Marer spent the last thirty-eight years excelling in all facets of the event production and hospitality industries and has developed extensive knowledge and experience in business administration and management. Having graduated from the Century School of Culinary Arts, Greg is an accomplished chef who has held numerous positions as an Executive Chef and General Manager for many well-known upscale restaurants and executive dining management firms.



Robert Golden

Vice President of Membership

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Robert has been an entrepreneur and business leader all his life. In his 20s, he successfully ran organizations in retail, manufacturing, and telecommunications. Later in his career, Robert joined the corporate world and worked in the resort development business for over ten years and successfully built top-performing sales teams around the United States. Robert joined the Karma International Team in 2010 and became a partner in the company. In his role as VP of Membership, Robert continues to work on increasing Karma's value to members and growing membership worldwide.



Frank Frausto

Vice President of Digital Marketing

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Frank Frausto is a Google veteran of over 14 years and experienced first-hand the evolution of the world's most recognizable startup from a private valuation of \$18 billion in 2003 to today's market capitalization of \$640 billion. Frank is the VP of Digital Marketing and the Founding President of Karma International's San Francisco Chapter.



Currently, Frank serves on the Advisory Board of KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their goals.

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Blockchain Architects

Ioana Frincu

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Ioana has found the perfect balance in life by combining her vocation of creating comprehensive software with her avocation of addressing the world's humanitarian needs. She loves taking up challenges while developing and growing innovative projects into real-life products.

Currently, Ioana serves as COO of KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their goals. Her expertise is token design and white paper creation, having worked on multiple successful Initial Coin Offerings.



Dan Cearnau

dan.cearnau@krowdmentor.com

Dan is an experienced tech entrepreneur, cryptocurrency enthusiast and a blockchain developer implementing smart contracts applications on Ethereum for numerous ventures raising capital through Initial Coin Offerings.

Currently, Dan serves as the CTO of KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their goals.



Adrian Cazan

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Adrian is an entrepreneur with 15 years of technical expertise across multiple industries in both Europe and the United States. Currently, Adrian is the Chief Solutions Officer at KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their liquidity goals.

In 2015, Adrian co-founded TimeWare Solutions, a Los Angeles-based home and office automation company, and became an authorized dealer of Crestron, the world's leading manufacturer of advanced media, control, and home and office automation systems.



Legal Advisors

Julian Zegelman

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Julian Zegelman is a rare breed of an American-Israeli-Russian lawyer with 12 years under his belt representing blockchain ventures, TGEs, venture capital funds, nonprofit organizations, and individuals in a range of matters, including capital raising, labor and employment lawsuits, corporate transactions, regulatory compliance, licensing, negotiations, and mergers and acquisitions, as well as products liability, employment, consumer, and civil rights class actions.





Sagar Parikh

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Sagar Parikh is not your regular attorney who bills by the hour or by the project. Sagar thinks outside the box and works only with entrepreneurs and business owners where his creative legal solutions save them a lot more money than what they pay for his services.

Currently, Sagar serves as general counsel of KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups, and entrepreneurs to reach their goals. Sagar specializes in acting as general counsel for organizations in a variety of industries, including, but not limited to, blockchain, real estate, digital media, finance, healthcare, restaurants, bars, nightclubs, and multi-level-marketing



Branding

Andrei Bucur

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Starting as a graphic designer in 2001, Andrei's interests and projects became increasingly complex, moving to expertise areas such as corporate branding, strategic design, and contemporary marketing. Mainly focused on futureproof and world changing issues like education, art, technology and entrepreneurship.



Event Marketing

Robert Preoteasa

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Robert is a tenacious entrepreneur immersed in the decentralization movement that blockchain technology has swept ashore over the past few years.

Currently, Robert is a Senior Associate at KrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their liquidity goals.

Since October 2016, Robert is also the Executive Director of d10e, the leading conference on decentralization, blockchain and TGEs.

Since January of 2016, Robert is the President of the Bucharest Chapter of Karma International.





Adina Bold

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Adina is currently an Event Executive at d10e, the leading conference on decentralization, blockchain and ICOs. Since 2014, d10e's editions were hosted in Amsterdam, Bucharest, Kyiv, San Francisco, Singapore, Tel Aviv and Warsaw.

She is passionate about event planning, sales and marketing and has worked at Mercedes-Benz Romania and produced the Forum for Sustainable Development and Entrepreneurship.

Adina earned a degree in Business Administration and is currently a candidate in the MBA Program for Innovation and Entrepreneurship in Romanian & German at the Bucharest University of Economic Studies.



Bianca Dinescu

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Bianca generates ideas, insights and content as Marketing and Event Executive at d10e, the Leading Conference on Decentralization, Blockchain and ICOs. Since 2014, d10e's editions were hosted in Amsterdam, Bucharest, Kyiv, San Francisco, Singapore, Tel Aviv and Warsaw.

Prior to joining d10e, Bianca created and implemented PR and marketing strategies for NGOs (PRIME, PR&Ad Fair, Experience Bucharest), numerous tourism and hospitality corporate clients (Air France, KLM, Vola.ro,) and product-oriented brands, FMCG (Philip Morris, BIC and Henkel). In addition to marketing strategies, Bianca organized for them a wide range of events from private dinners to large scale conferences, workshops and cocktail parties

Bianca earned a degree in Communications from the Romanian National University of Political Studies and Public Administration.



Strategic Karma Advisors

Ruslan Gavryliuk

Co-founder & CEO

Token-as-a-Service (TaaS) Fund

Ruslan Gavryliuk is the co-founder and CEO of Token-as-a-Service (TaaS) Fund, the first-ever tokenized closed-end fund that allows its investors to capitalize on the rise of blockchain markets. Ruslan has more than 14 years' experience in founding and managing projects in geoscience, mobile money solutions, oil and gas operations, precious miners mining, sports, and fashion. Alongside his co-founders and advisors, Ruslan raised \$7.6 million through an ICO back on March 27 - April 27 from 3,972 contributors.

TaaS has since invested \$3.5 million in 15 promising ICOs and was very active in crypto trading, producing 61% ROI for its first fully-operational quarter (May 1 - Aug 1).





Craig Sellars

Co-founder | **Partner**
Tether, BlockV | **Block.One/EOS**

Craig Sellars is the co-founder of Tether, BLOCKv and Partner at Block.One. Craig leads the development of global innovations on top of the Bitcoin blockchain as the Chief Technologist of the Omni Foundation and acts in a variety of roles as co-founder, technologist, facilitator, director, and advisor for several blockchain projects and companies including Omni, Tether, vAtomic, Bitfinex, Unsung, KrowdMentor, Fuzo, Factom, Synereo, Tau Chain and the MaidSafe Foundation.



David Blumberg

Founder & Managing Partner
Blumberg Capital

David Blumberg is the founder and Managing Partner of Blumberg Capital. David is an authority on early stage investing with more than 25 years of experience, four funds with over \$500 million under management. He founded Blumberg Capital in the early 1990s and launched its first venture-backed fund in 2001. Blumberg Capital's HQ is in San Francisco and has offices in NYC and Tel Aviv while its portfolio companies are spread in a dozen countries.



Eddy Travia

Founder & CEO
Consilium Group

Eddy Travia is the co-founder and CEO of Consilium Group. Eddy is a pioneer investor in blockchain and Bitcoin startups since 2013. He was nominated among the top 3 'Most Influential Investors of the Year' at the Blockchain Awards 2014 along with Marc Andreessen and Roger Ver.



Ryan Scott

Entrepreneur, Investor, Philanthropist

Ryan Scott is an entrepreneur, social impact investor, humanist, philanthropist and online marketing pioneer, having developed and patented the double opt-in email methodology. After selling NetCreations in 2001 for \$111 million, Ryan became an angel investor alongside Sequoia Capital, Mark Cuban, Newscorp, CBS Corporation, Elon Musk, and Burda Media in a number of companies such as Inside, Tesla, CrowdFunder, Tiltify, Lottery.com, Earth Class Mail, Principle Power, Signum Biosciences, Greener World Media, Sierra Nevada Solar, and Cool Earth Solar.



His biggest personal investment since 2011 has been Causecast, the world's most innovative workplace giving, volunteering and social impact platform. Ryan's vision is to create a world in which corporations compete with each other to make the most positive social impact.

Gordon Einstein

Crypto-Attorney and FinTech+Blockchain Expert
CryptoLaw Partners

Gordon Einstein is a hybrid crypto-attorney, technologist and enterprise strategist. Gordon received his undergraduate degree in Politics in 1991 from Brandeis University in Boston and then received his JD in 1995 from the USC Gould School of Law in Los Angeles. Gordon is also a proud Eagle Scout, having served in Boy Scout Troop 223.



Jeremy Gardner

Co-founder | Entrepreneur-in-Residence
Augur | Blockchain Capital

Jeremy Gardner is the founder and Chairman of the Blockchain Education Network (BEN) and a founder of Augur, the decentralized prediction market platform. He now works as an Entrepreneur-in-Residence at Blockchain Capital, where he has started a new company, SAAVHA. Jeremy also serves as editor-in-chief of Distributed Magazine.



Harry Yeh

Co-founder & Managing Partner
Binary Financial

Harry Yeh is the co-founder and Managing Partner at Binary Financial, an investment management company focused on providing superior returns for its clients and partners in the cryptocurrency space, trading and facilitating large block trades for high net worth individuals and institutions.



Eric Gu

Founder & CEO
Metaverse

Eric Gu is the founder and CEO of Viewfin. He is a senior expert in fintech and digital assets and a well-known opinion leader in the Chinese blockchain ecosystem. In 2014, Mr. Gu successfully introduced China's first public blockchain – Metaverse (500 BTC back when it was at \$400) by relying on the country's huge market demand for blockchain and advantageous technological trends.



Brad Yasar

Co-Founder & Managing Partner
KrowdMentor

Brad Yasar is an entrepreneur, investor, mentor, and advisor who started and bootstrapped several companies from inception to maturity over the past 20 years. Currently, Brad is the co-founder and Managing Partner of KrowdMentor, a strategic crowdfunding advisory firm focusing on TGEs, cryptocurrencies, blockchain, and token powered organizations.



Karma Partner Advisor

Eric Stotz

Founder
Karma International
estotz@karmainternational.com

Eric Stotz is a serial entrepreneur, investor, connector and advisor. Stotz is the founder of Karma International and is driving force behind the Karma Member Lounge (KML) and Karma's overall technology direction. He is the founder and Managing Director of LawLinQ.com, a California State Bar Certified Lawyer Referral Service and the Managing Director of Consumer Law Experts, PC, a law firm focused on advocating for consumer rights.



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BUSINESS MODEL

Revenue Streams

The current revenue streams are based on the adoption of Karma by membership organizations, using KIT to power the capabilities provided by Karma. KIT will be used for all system capabilities, including:

1. On-going Karma Infrastructure usage fees (Operational Costs);
2. Fees for intra-organizational payments (membership payments, purchases, Karma Exchange, Module acquisition, etc.);
3. Service fees for Karma Business, Technology or Outreach services;
4. Tiered usage fees for bandwidth, storage and processing power.

Karma Operational Costs

The right to operate a Karma Instance will be available to all KIT holders. This is subject to using KIT for any type of payment, exchange and consensus reaching.

The revenue streams outlined above will cover Karma's Operational Costs and the maintenance of its underlying infrastructure. The fees will be apportioned in accordance with each Karma Instance's size and infrastructure requirements and will also decrease with widespread adoption.

Out of the \$25 million raised in the Token Generation Event (TGE), \$10 million will be allocated towards the development of the Core Modules and the Marketplace. Each Karma Instance will have two options with respect to Module selection:

1. Previously Developed Modules
 - a. **Core Modules** - will be delivered upon the creation of each Karma Instance and can be enabled and disabled by each such Instance;
 - b. **Marketplace** - the virtual location where Custom Modules developed by the Community Developers may be acquired by Karma Instances.
2. Request Custom Module Development
 - a. May apply for Community Grant
 - b. May retain the services of a developer from the Developer Community

Customer Verticals

There are three primary customer verticals which will aggregate the revenue streams for Karma:

1. Physical membership organizations (such as country or golf clubs)
2. Virtual membership organizations (universities alumni chapters, business networking organizations, etc.)
3. Non-profit organizations, which lack the operational backbone (CRM, ERP, BI, etc.) to raise funds from their donor base transparently.

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SOCIAL IMPACT: KARMA COMMUNITY GRANT

Karma is a next-generation solution that appeals to a wide array of membership organizations, including nonprofits working for the good of the world. Our highest value is supporting these efforts.

The Karma Community Grant is a collectively-operated, publicly-audited program created to jump-start a qualifying community within Karma. Funding will be directed to the Developer Community through the Community Grant for the purpose of supporting the growth and success of nonprofits seeking to serve the public good.

This program will become instrumental in allocating critical assistance and providing technology and business support to any Community or Development Partner. They can use the tokens to integrate and build within our Karma infrastructure.

The Program will be completely administered by the KIT Holders, through consensus reached in the DAO.

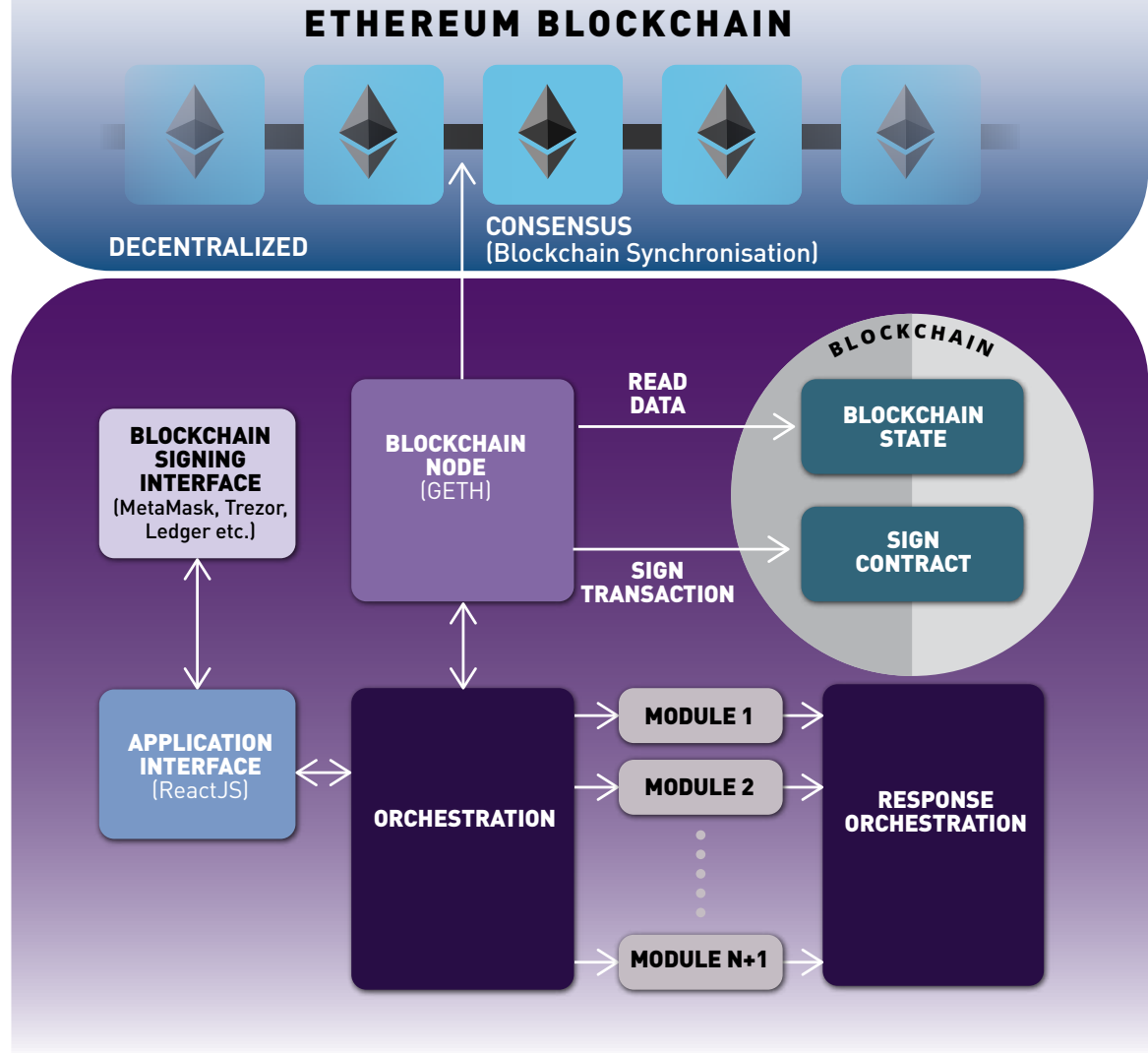
Karma's prospective customer base is comprised of organizations operating or logging to create their own community networks.

We are focusing our efforts on providing Modules which will deliver the greatest benefits to the four types of prospective customers described below. Once the Marketplace is launched, the Consensus mechanism will drive the direction of Karma's capabilities via Module development.

Karma usage scenarios:

Industry	Karma Members	Karma Advantage	KIT Usage
Worthwhile Causes	Donors/ Supporters & Beneficiaries	Operate a community where donors can connect with end-beneficiaries and encourage transparent processes.	Vote to implement new projects, process payment and contributions using Smart Contracts.
Member Clubs	Members	Allow any organization built around a member-centric community (such as interest groups, private clubs, etc.) to connect and communicate under their own branding.	Voting on business items, consuming tokens for membership, relevant dues and purchases. Exchanges between members.
Barter Network	Members	Leveraging the benefits of blockchain technology to track all assets, services and products, transactions, and provide transparency, security and reliability.	Replacing legacy and internal use only "point systems" and allowing them to use a fast, reliable system backed by and monetized by the KIT token.
Business Network	Organizations & Individuals	Allow individuals to openly access, review and connect with matching businesses	Make decisions based on consensus, using Smart Contracts





DApp Design

By using Ethereum as the abstract foundational layer, Karma is able to implement all the features and rules of the KIT Protocol directly into smart contracts, which are deployed and processed by the entire network. By using the entire Ethereum infrastructure with the purpose of validating transactions and adding new blocks to the blockchain, we minimize any possible attack on the protocol.

On top of Ethereum, we have built the services using Geth. Geth is a multipurpose command line tool that runs a full Ethereum node implemented in Go. In this case, it is running on a proprietary Linux server with no RPC/HTTP open ports. The communication, which involves the Geth, is managed through the Python intermediary application and the Ethereum network.

The applications connect to the Ethereum blockchain are built on Truffle. Truffle is a development environment, testing framework and asset pipeline for Ethereum. We use Ethereum Truffle for:

- Built-in smart contract compilation, linking, deployment and binary management**
- Configurable build pipeline with support for custom build processes**
- Network management for deploying to many public and private networks**



Communication with the Ethereum node is done through the JSON RPC API. JSON-RPC is a stateless, light-weight Remote Procedure Call (RPC) protocol. Primarily this specification defines several data structures and the rules around their processing. It is transport agnostic in that the objects can be used within the same process, over sockets, over HTTP, or in many various message passing environments. It uses the JSON (RFC 4627) as its data format.

The frontend application is implemented using the ReactJS framework. This application is located on a different server and communicates with the Intermediate Layer using Web Sockets and a REST API.

OffChain Stack

The Request Processor represents the main centralized system in Karma to which all incoming requests are routed. It is written in GO, which gives it high-scalability and similar capabilities to those of CloudFlare. The Request Processor will be responsible for loading the correct public and private encryption keys.

The Object Storage Services are built on top of existing object-storage systems (S3, CloudFiles, etc.) and represent the data storage mechanism for managing the information about the Karma Instances. Content delivery is done through this system and will also incorporate security features, such as encryption based upon a combination of private master and local keys.

Data storage will be done by using both relational and non-relational database management systems, which are:

Key-value (NoSQL) storage for object elements and caches (using MongoDB)

Managed Relational Database storage for any ACID compliant requirements (using PostgreSQL)

The core modules will be developed using: GO and PYTHON 3.x and gRPC communication channels. They will be cryptographically signed by Karma. The Modules delivered by the Developer Community will support any virtualized technology (via Docker) and must be able to utilize gRPC to communicate with the rest of the infrastructure. They must be cryptographically signed by the developer. The application front-end will be a React-based Interface which uses Material Design and TypeScript for external JS modules.

We will be generating a custom ERC223 token (the successor to the ERC20 token standard) with eighteen digits after the decimal point and the ticker symbol KIT. This will become the foundation for all capabilities within Karma.

KIT will become more valuable and offer more utility as Karma continues to grow in the following ways:

1. Member Organizations will use it to advance their vision and purpose
2. Individual Members can take advantage of KIT to purchase and sell items or services
3. KIT Holders can use Consensus to vote on relevant items
4. Development and Marketplace Partners can use KIT to build their applications and reach completely different audiences for their offerings

THE KARMA
PROTOCOL

14

WORLD'S FIRST
DECENTRALIZED
**SMART
COMMUNITY
NETWORK**



Protocol vs Token

The main difference between a Protocol Token and a Traditional Asset Token (TAT) is the correlation with traditional centralized assets. This correlation defines the strength of the relationship between two variables. The more they evolve together, the higher the correlation.

Given the fact that TATs are created based upon real-world centralized and valuable assets, they are dependent on the value of those goods and are greatly influenced by the market fluctuations around them.

A Protocol Token has low correlation with all traditional financial systems due to its independence each such systems As such, they are not as exposed to any hidden erosion in value (such as Quantitative Easing) or traditional risks that have emerged over the years in financial markets. Since the total market cap of all protocol tokens is less than 1% of that of gold, there is extreme potential in this asset class. Although high correlation does not necessarily imply causality between two evolving entities, in this case a high correlation between TATs and traditional centralized systems does imply it.

KIT Token Utility

KIT is a fundamental component of Karma. There are three main ways in which KIT will be used:

Tokenizing the Sharing Economy (Karma Exchange)

Sharing goods between community members becomes easy as KIT can be used for directly lending assets between Karma users and customers, thus creating a sharing economy model. These offerings will be adapted to the specific requirements of each party.

The Karma Exchange will allow Community Members to optimally offer their assets and receive KIT in return. This will create a safe sharing environment and optimize the use value of assets on the Karma Exchange.

Reaching Consensus

Voting is a critical component of Karma.

In order to have a simple and fast consensus reaching mechanisms, each organization that uses the KIT protocol will effectively become a DAO (Distributed Autonomous Organization).

Using KIT DAO tokens, proposals will be created for the different situations which require voting, using the DAO's submission guidelines. The proposal is then announced to other KIT holders for discussion and voting. KIT holders can also choose to amend the proposal's terms.

One of the first examples of a situation which requires voting within Karma will be the Community Grant Program.



Tokenized Payments with KIT

This allows members to consume their KIT in order to purchase value-added services within Karma.

These services will include, amongst other capabilities:

1. Pay for Community Membership and associated costs
2. Purchase Goods and Services provided by a Community
3. Contribute to a Worthwhile Cause
4. Buying support and access to assistance from Karma or relevant support teams
5. Paying for development services of these Modules (Marketplace)
6. Paying for usage of modules (which are distributed through the Karma Marketplace)
7. Paying for resource usage within the infrastructure (processing, bandwidth or storage)

MODULES

In order to truly take advantage of the extensibility provided by our architecture, we will provide three different types of Modules. All management, discovery and billing are realized through a single content marketplace hub called the Marketplace.

All Modules will share the same capabilities and access to the same resources, the main difference being the author and use-case for each type.

Karma's processing and computing functionality will be delivered and extended by an ever-growing collection of distinct and self-contained plug-and-play Modules. Each Module will offer its own features and benefits. Modules come in two varieties: Core Modules and Custom Modules. These are described in more detail below.

Core Modules

Will provide a number of fundamental Modules (as presented within the "Key Features & Capabilities" section) which will provide Communities Networks with the core features required by most organizations.

Core Modules are provided, maintained and updated by Karma. They are automatically included and enabled for each member organization (i.e., each Karma Instance).

One illustrative example of a Core Module is the Membership Module. Some illustrative functions and subobjects contained in this Module combination are:

defining the Member object, which represents any kind of human, user, member or impersonating application which interacts with Karma in this manner,
Member Authentication (Login, Password Recovery, 2 Factor Authentication), and
Login Control Flow (OAuth2 for custom Mobile Apps or 3rd party authentications).





Custom Modules

Custom Modules deliver useful functionality beyond what is offered by the Core Modules. They are developed by the Karma Community Developers and then submitted to the Marketplace for review, feedback and approval by Karma. Each Karma Instance can select which Custom Modules to install into its organization. Organizations can also request Custom Module development as well as funding for it through the Karma Community Grant.

This model will allow skilled teams and developers to create and be rewarded by organizations running the platform for their ongoing efforts, creating a self-regulated eco-system where sustainable organizations can be formed.

Instances have the ability to create and deploy Modules suited for their own business needs without Marketplace acceptance consensus (only within their own Communities).

The Marketplace includes the functionality which rewards Community Developers with KIT when their Custom Modules are purchased and/or utilized. This will produce a positive dynamic which will drive innovation on Karma.

The Marketplace, with its selection of Custom Modules, will be one of the most effective methods to increase the value added to Karma through Community Developers. Instances of these Custom Modules will be fully capable of consuming KIT based on their own unique requirements, individually maintaining metrics on a per Module instance basis.

We will allow all Community Developers to create highly specific, self-contained processing Modules. These can take one or multiple roles for the benefit of all of our Communities, across very diverse industries.

Module Admission

The Token Holder Community will be responsible for accepting any new or updated Modules within its network, based on the Consensus mechanism enforced by the DAO. Quality, performance and reliability guidelines will be enforced for any new admission, to ensure the Marketplace is only composed of excellent modules.

Module Management

Community Developers will have the ability to define exactly how their KIT-based pricing works. This promotes a healthy, self-regulated application eco-system where high-quality modules will be able to build a sustainable business model.

Acquisition Costs will be subsidized, using Consensus, from the initial TGE allocation for Research & Development, providing most of our capabilities at no cost for Communities. Example:

Alice creates a Community Developer Module that offers newsletter capabilities

Alice applies for Marketplace approval and sets her acquisition costs as 2000 KIT

The new module is tested and vetted by our automated systems

The module is validated by a manual review team

Once approved using consensus, her module is available for any community to install

Communities acquiring the module can benefit from subsidized acquisition costs during the first development stages of the platform

Alice receives 2000 KIT per installation.

KARMA'S
LONG TERM
GOALS

When envisioning Karma’s long-term goals, a useful caveat is that this space moves very fast. The arrival of new disruptive solutions or technologies can either speed or delay our timelines.

We believe that within the next three years, Blockchain networks and/or its underlying foundations will be scaled and improved to such a degree as to allow complete computation in a fully distributed manner.

Our development allocation of 70,000,000 KIT, combined with 42.5% of the capital raised in our TGE, will become the Research & Development budget. This expected total R&D budget will be divided into thirds (one portion per each of the expected three years). Meaning, an approximately \$200,000 per month will be spent on Development, Community Support, Infrastructure, and Research and related Services. Karma proposes the following timeline:



DATE	TARGET	OBJECTIVES
Q2 2018	Graduate Karma Capabilities	Complete all beta and alpha grade features within the test network. KIT Holders can manage their wallets and exchange items within the network.
Q3 2018	Open Karma for Public Use	Anyone owning KIT tokens can now create new Communities and activate Core Modules.
Q4 2018	Karma Marketplace	Open up Marketplace for Community Developers to create, integrate and sustain added-value business services for Karma Instances
In the future	KIT Blockchain Transitioning	Transition our current Ethereum-based KIT from the public Blockchain to a custom-built, specifically-purposed Blockchain for all KIT transactions.
In the future	Processing Blockchain Transitioning ALPHA	We can begin rolling out our complimentary, alpha-grade Processing Blockchain which will serve certain types of Modules from a purpose-built processing cluster. We will also transition object storage to a decentralized ledger, such as FileCoin.
In the future	Processing Blockchain Transitioning BETA	New/Updated Modules will now be required to operate completely on the “Processing Blockchain” and existing services will be transitioned/emulated on relevant technologies.
In the future	Distributed Request Handler	An important step in placing all of our technology in a decentralized stack is to have a completely autonomous request handler, which can coordinate the processing stacks.
In the future	Completely Decentralized BETA	The majority of our financial (KIT) and processing capabilities will go through a series of non-centralized systems built on top of distributed networks.
In the future	Completely Decentralized (on-going)	At this point we will be aiming to operate all of our systems on top of a Blockchain-based solution. The timeline depends upon the advances of the industry and user adoption of certain replacement protocols (such as DNS).



**The contribution will be made using BTC, ETH and EOS.
All other Altcoins will be converted into BTC through Changelly.**

TGE Bonuses

Bonuses are to be given in a time-based manner during the TGE as below:

STAGE	PERIOD	TOKENS	BONUS	TOTAL	REMAINING TOKENS
1	pre-TGE	70,833,335	50%	106,250,003	893,749,998
2	TGE – Day 1	28,333,334	25%	35,416,668	858,333,330
3	TGE – Day 2	28,333,334	22%	34,566,667	823,766,663
4	TGE – Day 3	28,333,334	20%	34,000,001	789,766,662
5	TGE – Day 4	28,333,334	17%	33,150,001	756,616,661
6	TGE – Day 5	28,333,334	15%	32,583,334	724,033,327
7	TGE – Day 6	28,333,334	10%	31,166,667	692,866,659
8	TGE – Day 7	28,333,334	8%	30,600,001	662,266,659
9	TGE – Day 8	28,333,334	5%	29,750,001	632,516,658
10	TGE – Day 9	28,333,334	3%	29,183,334	603,333,324

TGE Proceeds Allocations

We will allocate the TGE funds into multiple areas, in order to run, built, create and release Karma and the vision that we are describing within this white paper.

Both Karma and KIT are designed to benefit from the “network effect”

In other words, as more organizations, users, customers and developers join Karma and engage in KIT transactions, the utility provided by both Karma and KIT to those parties will commensurately increase. Of course, a solid and ever-improving technical basis is a prerequisite for a sustained network effect (the “Research & Development” allocation). In addition, Karma will proactively drive adoption of the platform and KIT through community building, education, marketing and good governance.

Marketing & PR

30%

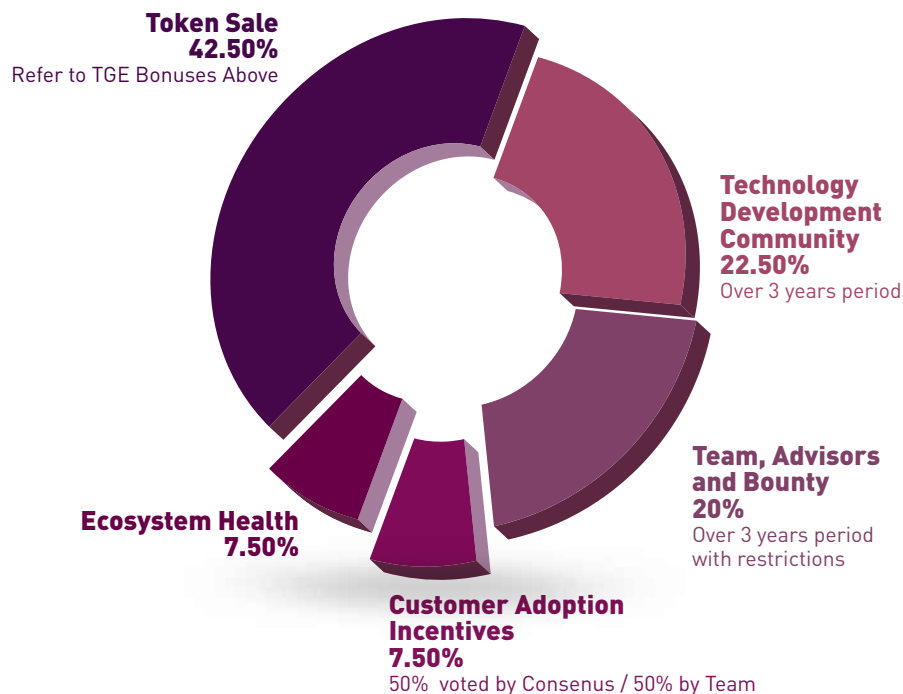
Research & Development

40%

Corporate Operations & Expansion

30%

We will allocate all our 1,000,000,000 KIT (at an initial price of \$0.0706/token) as follows:



TGE Proceeds Usage Breakdown:

I. Technology Development \$10,000,000 :

Technology Infrastructure, Bandwidth, Security for 3 Years	\$1,500,000
Developers, Programming, Infrastructure for 3 Years	\$7,500,000
Miscellaneous for 3 Years	\$1,000,000

II. Corporate Operations & Expansion \$ 7,500,000 :

Executives / Managers / Staff Salaries for 3 Years	\$3,000,000
USA Main Office, Regional Office & GA Expenses for 3 Years	\$1,500,000
European Office Regional Office & GA Expenses 3 Years	\$1,500,000
Legal, Insurance, & Miscellaneous for 3 Years	\$1,500,000

III. Marketing & PR \$ 7,500,000 :

Events: National, Major Regional, Chapter Launches	\$4,000,000
Event Production Manager, Regional Coordinators	\$1,250,000
Media Marketing, Advertising, Graphic Design	\$1,500,000
Public Relations	\$ 750,000

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A night-time photograph of a city skyline, featuring several prominent skyscrapers. The image is overlaid with a network of glowing blue lines and dots, creating a digital or technological aesthetic. The text 'karmainternational.com/tge' is centered in the middle of the image.

karmainternational.com/tge