



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

**WHITE PAPER**

KarmaGlobal.tech

“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. A truly effective community network doesn't just track members or activities but catalyses participation and help organizations reach their goals.

The blockchain capabilities of the Karma Community Network Software Platform 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

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Term	Stands For	Description
<b>KML</b>	Karma Member Lounge	The current, custom-built community network, the foundation for our upcoming efforts.
<b>Karma</b>	Karma Global Tech, Ltd	The entire solution offered by Karma to power membership-based organizations and to manage their transactions and operations.
<b>Karma Instance</b>	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.
<b>KIT</b>	Karma International Token	The Ethereum-based token which allows each Karma Instance to tap into the powerful benefits of the blockchain offered by Karma.
<b>TGE</b>	Token Generation Event	The process of securely generating and transferring your purchased KIT tokens.
<b>Module</b>	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.
<b>Marketplace</b>	Karma Marketplace	The hub for publishing, distributing and managing all Karma Modules, including those created by the Developer Community.
<b>Developer Community</b>	The home of Karma Module developers	All members of the KIT Token Holder Community who publish and distribute Modules.

## THE CHALLENGE

Spinning up a new software platform to support the growing business models of organizations 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 software systems (i.e., networks and systems based on older, non-blockchain technologies), face similar and additional difficult challenges. These organizations' legacy software systems 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, as a membership organization, has the 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**

**500+**  
**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.

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**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 Community Network (KCN), 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.**

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 will itself increase due to the network effect.

**Adding blockchain capability will change the way organizations are managed.**

Blockchain enables organizations and chapters to more easily and securely communicate. Members are able to control their own private information but are able to easily reach out to other members across an organization's network. Blockchain enables simple, smart voting which empowers members to control the organizations. Blockchain and the KIT also add the potential for an additional incentive layer for organizations to leverage.

According to social scientist Mancur Olson, organization members join in order to find some benefit or incentive. This could include the feeling that comes with supporting a purpose you believe in, solidarity and networking, or self-expression. By adding a token system to membership, organizations can incentivize participation through purpose and self-expression but also materially, which benefits the strength of the network as a whole. This can be customized by organization depending on how they want members to participate, but could include options such as tokens as a reward for donations, participating in events, or referring members.

“ Only a separate and ‘selective’ incentive will stimulate a rational individual in a latent group to act in a group-oriented way ” *Mancur Olson*

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## MARKET ANALYSIS

The potential market for the Karma Community Network is comprised of organizations looking to better engage their members and grow their community. These organizations include charitable causes which would use the network to grow their donor base and engage them on fundraising goals and outcomes. Member clubs, such as interest groups, private clubs and alumni organizations, would use the network to track membership, vote on governance and inform members of upcoming events. Business networks, such as association or professional licensing groups, would use the Karma Community Network to reach out to members, offer benefits and network connections, and manage governance.

There are innumerable organizations that fit these descriptions. In the United States alone there are more than 1.5 million nonprofit organizations, just a small cross section of the types of organizations who could find value from the Karma Community Network. Organizations are constantly looking for ways to find new donors or members and ways to better engage those members. Karma enables organizations to easily connect with their base better and to create incentives for participation by taking advantage of the power of the blockchain. Other solutions that exist simply manage member or donor registries and none are enabled by blockchain technology.

Karma is a next-generation, one-stop solution for managing and growing membership organizations.

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.
5. our strategy to give the KCN Platform to several hundred worthy organizations to use with no start up fees and thus create mass adoption.

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## THE TEAM

### Executive Officers

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#### Dylan Marer

Chairman / CEO

[dmarer@karmainternational.com](mailto: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."

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## **Michael Costache**

### **President**

[mcostache@karmainternational.com](mailto: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 CrowdMentor, 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](mailto: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.

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## **Greg Marer**

### **Vice President of Operations**

[gmarer@karmainternational.com](mailto:gmarer@karmainternational.com)

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**

[rgolden@karmainternational.com](mailto:rgolden@karmainternational.com)

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**

[ffrausto@karmainternational.com](mailto:ffrausto@karmainternational.com)

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 CrowdMentor, a strategic investment and advisory firm empowering blockchain investors, funds, startups and entrepreneurs to reach their goals.

## Blockchain Architects

### Ioana Frincu

[ioana.frincu@krowdmentor.com](mailto:ioana.frincu@krowdmentor.com)

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](mailto: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

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### **Josh Lawler**

Zuber Lawler & Del Duca

Josh Lawler is an equity partner with the law firm Zuber Lawler & Del Duca where he focuses on corporate law, securities law, and mergers & acquisitions, with an emphasis on technology and intellectual property. Josh has taken a particular interest in Blockchain technology and the legal issues relating to the finance, merger and sale of companies using or involved with Blockchain technology.



### **Sagar Parikh**

[sagar.parikh@krowdmentor.com](mailto:sagar.parikh@krowdmentor.com)

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

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### **Andrei Bucur**

[andrei.bucur@krowdmentor.com](mailto:andrei.bucur@krowdmentor.com)

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

[robert.preoteasa@krowdmentor.com](mailto:robert.preoteasa@krowdmentor.com)

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 Sustainable Development and Entrepreneurship.

for

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

[bianca.dinescu@krowdmentor.com](mailto:bianca.dinescu@krowdmentor.com)

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.

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## 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**

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### **Eric Stotz**

**Founder**

**Karma International**

[estotz@karmainternational.com](mailto: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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## Revenue Streams

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The current revenue streams are based on the adoption of Karma by membership organizations, using the Karma Community Network platform as a SaaS (software as a service) which includes KIT to power the capabilities provided by the KCN platform. KIT will be used for all system capabilities, including:

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

## Karma Operational Costs

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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 \$20 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

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## Customer Verticals

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

1. Physical membership organizations (such as country or golf clubs), private clubs, etc.
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.

# 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 worthy organizations and 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 intends to give thousands of these Community Grants and allow these worthy, approved organizations access to the KCN Platform without any start up fees or per user fees. Additionally, with the aid of the Community Grants, Karma will even customize needed modules to benefit these organizations to create mass adoption and acceptance of the Karma Community Network

## KARMA'S PROSPECTIVE CUSTOMER BASE

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:

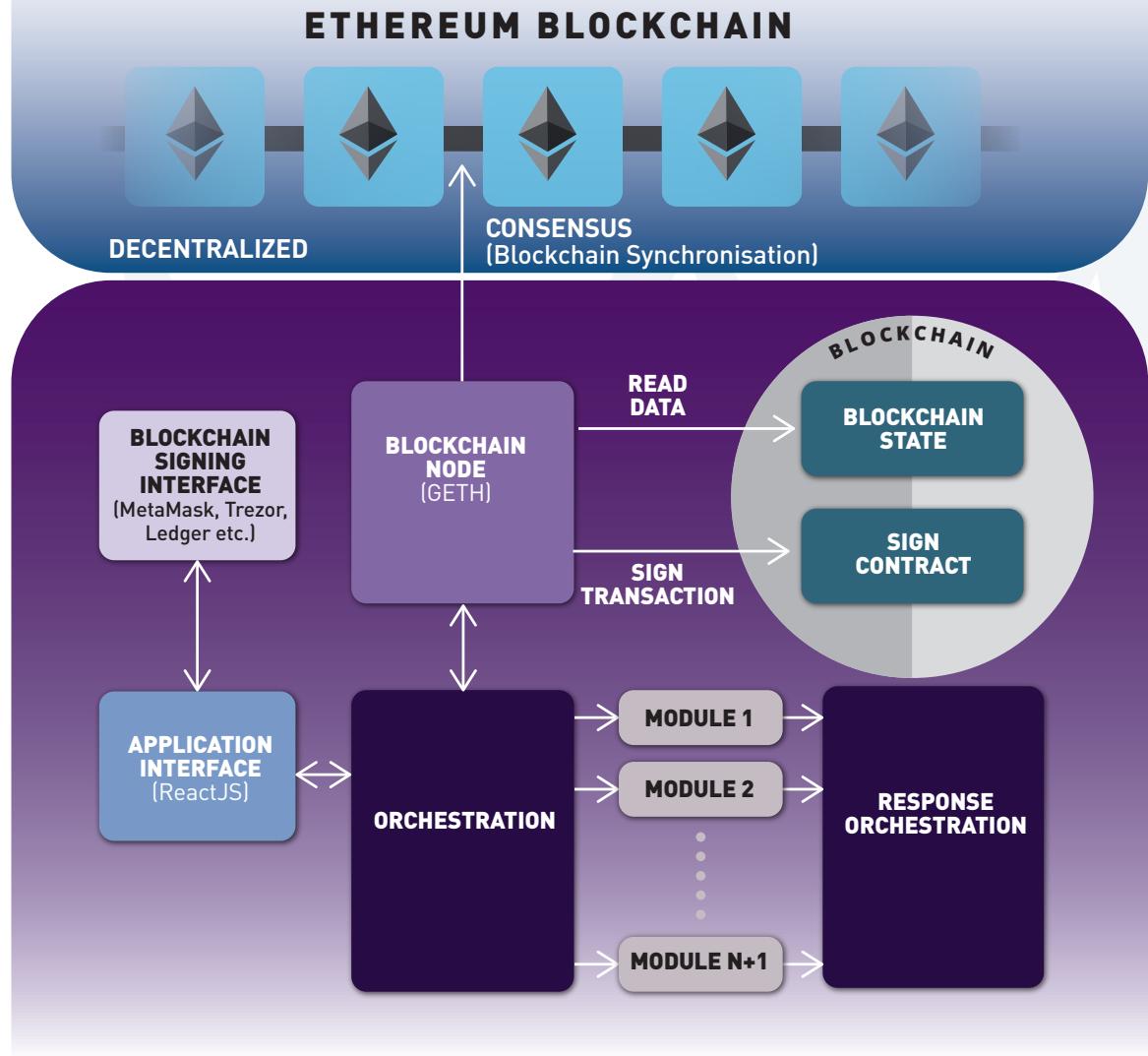
Industry	Karma Members	Karma Advantage	KIT Usage
<b>Worthwhile Causes</b>	Donors/ Supporters & Beneficiaries	Operate a community where donors can connect with end-beneficiaries and encourage transparent processes.	Vote to implement new projects, process payment and contributions using Smart Contracts.
<b>Member Clubs</b>	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.
<b>Barter Network</b>	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.
<b>Business Network</b>	Organizations & Individuals	Allow individuals to openly access, review and connect with matching businesses	Make decisions based on consensus, using Smart Contracts

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## TECHNOLOGY STACK



## DApp Design

By using Ethereum as the abstract foundational layer, Karma is able to implement all the features and rules of the KIT token 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

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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.

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# THE KARMA TOKEN

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## Economics and Functional Specifications

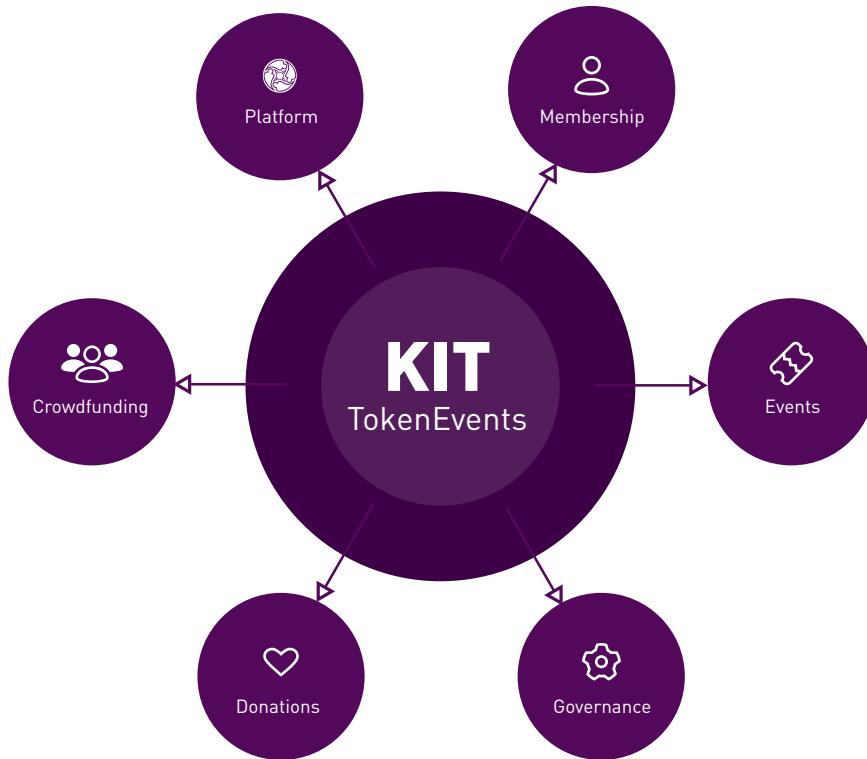
We will be generating a custom ERC223 token (the successor to the ERC20 token standard) with eighteen digits after the decimal point and the ticker symbol KIT. This will become the foundation for all capabilities within Karma. All operations within the Karma Community Network software platform are executed with its internal digital currency the KIT token, an ERC223 token. This ensures security and prevents unauthorized human intervention in the processes.

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

KIT tokens can be used in the Karma Community Network platform in the following ways:

1. Membership
2. Organization and chapter governance
3. Event ticketing
4. Donations and crowdfunding
5. Karma platform
6. Other uses as created by network



## Membership

The KIT token shall be used to support organization membership through dues, regular fees or costs to join. This transaction will flow between individual members and the client organization.

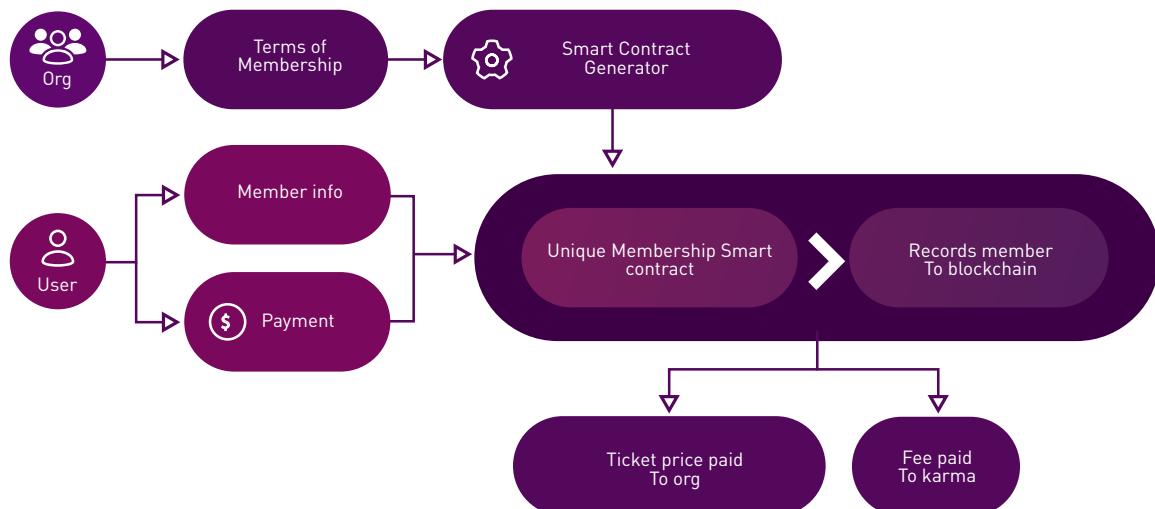
### The client organization will determine:

1. The frequency of the membership price (one time, annually, monthly, etc.);
2. The cost in KIT;
3. If the dues/fees can be refunded;
4. Exclusivity of the organization (open to the public, or limited);
5. Any personal information requested of the member.

This information will then be deployed as part of the membership smart contract for that organization. Each organization will have a separate, individualized membership smart contract which will accept KIT to pay for membership dues. The sign-up flow will be automatically created with a landing page and sign-up form.

The member paying dues will need to, before paying, have a compatible wallet containing enough KIT to pay the dues. That member will fill out the webpage form to join or re-up their membership. This form would include any information the organization requests about the member. The member would then submit that form and be prompted by the KIT compatible wallet to sign, or accept, the transaction - which would send the payment from the member's wallet to the membership smart contract. When the transaction is confirmed and recorded to the blockchain the membership smart contract will release the KIT to the client organization, except a small, transparent transaction fee which is paid to Karma. The member will then receive confirmation that their dues have been paid and will be marked as "in good standing," for the period of time determined by the client organization.

The standing of each member will be visible on the Karma platform and organizations will be able to send reminders to users to pay dues or fees. Members will gain access to their organizations social pages where they can find out about events, read organization news and interact with other members.



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## Organization and Chapter Governance

The KIT token shall be used to enable organizations and their members to contribute to the governance of their organization. Client organizations will be able to create smart contracts for members to vote on changes or leadership. Client organizations will determine:

1. The issue being voted on;
2. The possible outcomes for the proposition;
3. If each member gets one vote or multiple;
4. If vote impact is based on stake in KIT tokens or not;
5. If members are to rank their preferences or not;
6. The length of the voting period;
7. If there is a cost to vote or not.

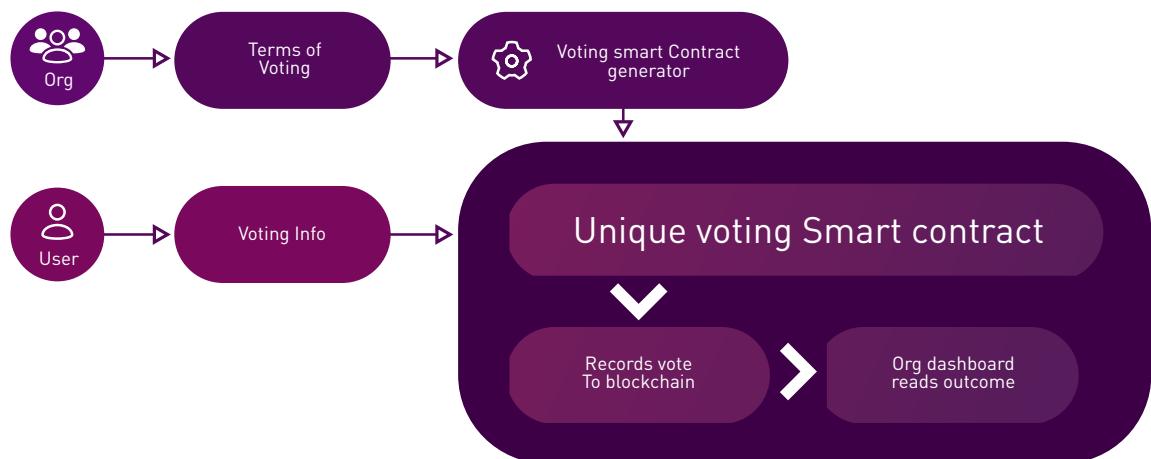
This information will then be deployed to a voting smart contract and will create a landing page for voting. All active members in good standing will have access to the voting page, and through the platform client organizations will have the ability to send email notifications about the ballot or election.

Members will make selections on the voting landing page, as determined by the options created by the client organization. The actual vote will be recorded in one of four basic ways based on what the client organization has chosen:

1. Voting costs nothing and one vote is registered to each wallet address. The vote or votes can be changed at any time by simply making new selections which shall be registered to the address, removing the previous selections from that address.
2. A vote costs some predetermined amount of KIT and one vote is registered to each wallet address. This vote can be changed like in the previous option.
3. Voting costs nothing and the amount of votes any member gets is related to the amount of KIT they are holding in their wallet as compared to other members of that organization. This structure could be useful to incentivise users to contribute to events as speakers or vendors. These votes can also be changed.
4. A vote costs some predetermined amount of KIT and the amount of votes any member gets is related to the amount of KIT they are holding in their wallet as compared to other members of that organization. These votes can be changed.

When the member submits their vote it is then recorded to the blockchain. At the end of the voting period the results of the vote will be posted to the client organization's internal page so that all members and leadership can see the blockchain-confirmed outcomes of the vote. This will not contain any personally identifiable information on any of the members, so as to protect privacy.

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## Event Ticketing

The KIT token shall be used to sell tickets for organization events. Each event will have a discrete event smart contract. Client organizations wanting to host an event will determine:

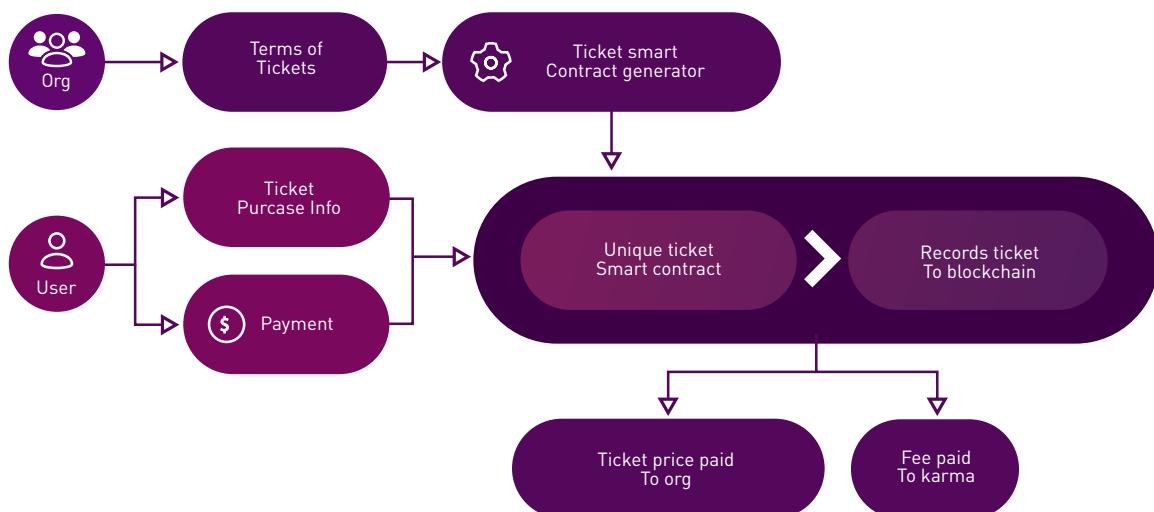
1. The date of the event, which will also be the date the smart contract is terminated;
2. The cost in KIT to attend the event;
3. If the event is recurring;
4. A description of the event;
5. Any third parties within the Karma network who will be paid from this event (ex. Speakers who will receive an honorarium, nonprofit who will receive a donation) and the amount of the total that will go to those parties;
6. Number of tickets available;
7. If the event is private to members only or public;
8. If members can purchase more than one ticket;
9. If tickets are transferable;
10. If refunds are available;
11. Any personal information about the purchaser.

This information will then be deployed as the ticketing smart contract. The ticket purchasing flow will be automatically generated. This will include a landing page and purchasing form.

The member purchasing a ticket will, like in the membership description, need to have a KIT compatible wallet and enough KIT token in order to complete the transaction. The member will fill in the ticket purchase form. When the member submits the ticket purchase form they will be prompted by their KIT compatible wallet to sign the transaction - which sends the payment from the member's wallet to the ticketing smart contract. When that transaction is confirmed the member will receive their ticket by email which can be used to check into the event. The incoming KIT payments will be held in the ticketing smart contract until the event ends. The KIT is held in order to facilitate individual refunds or refunds for event cancellations. When the event passes and just before the smart contract is terminated the KIT brought in from the event will be distributed to the wallets of the client organization that hosted the event as well as any identified third party vendors. Third party vendors with a KIT compatible wallet will be able to be paid automatically through the smart contract. These fast, simple payments will be just another benefit for the talented members looking to give back to the community, and organizations looking for great speakers have access to the entire Karma network.

Tickets, RSVP lists and attendance records will be accessible through the Karma platform, and verified by the blockchain. When members purchase tickets they will gain access to the event social page, where they can post comments and photos and share feedback about the event.

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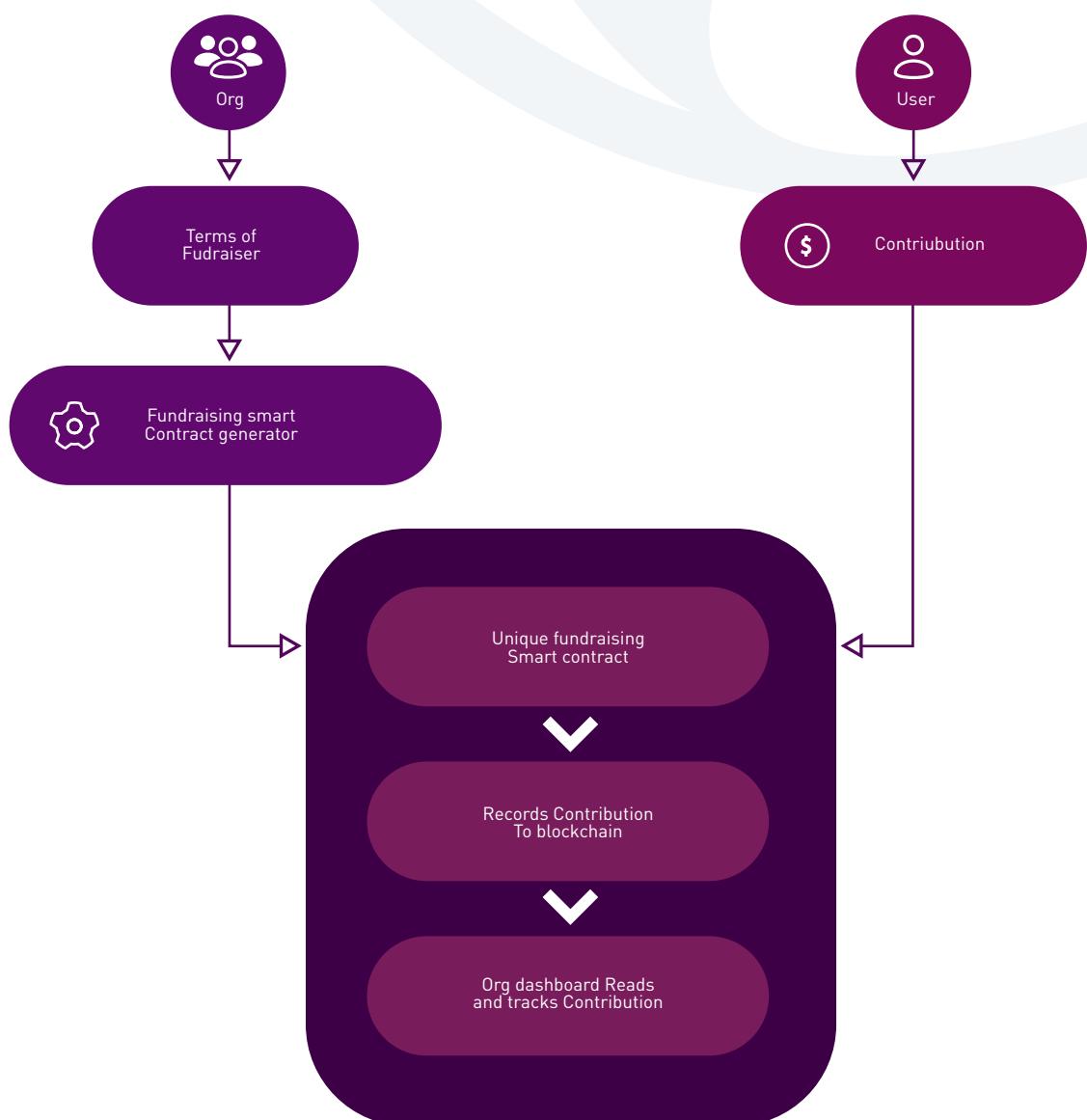
## Donations and Crowdfunding

The KIT token can be used for internal donations and crowdfunding of organization initiatives. Organizations will determine:

1. Description of the fundraise or crowdfund;
2. Fundraising goal;
3. Length of time the fundraise will last.

This information will be launched as a fundraising smart contract and landing page.

Members will need to have a KIT compatible wallet with an amount of KIT in it. The member will fill in their personal information and click the donate button on the landing page and be taken to their wallet. They will enter the amount of KIT they would like to donate. The KIT will be held in the smart contract until the fundraising goal is met or the timeline ends. At that time the KIT will be transferred into the client organization wallet. The organization will be able to keep members updated on fundraising progress on their member page.



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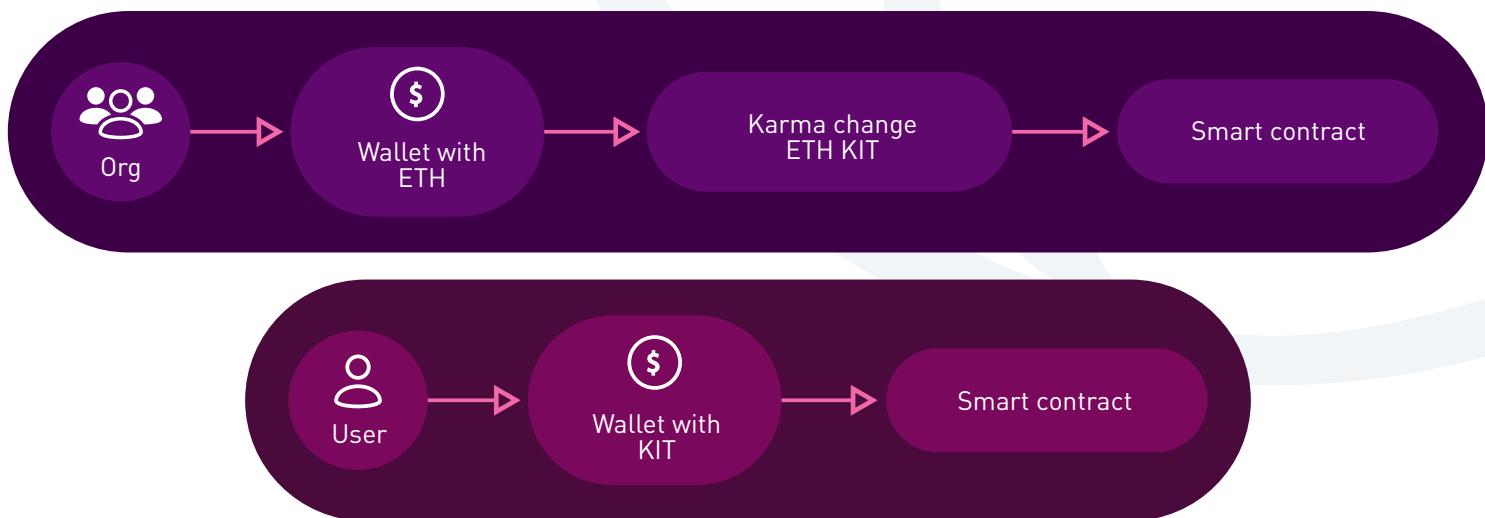
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## Karma Platform

KIT will also be used to pay for use of the Karma platform (per user fees). Client organizations that have not been given Community Grants will be charged up front for some platform features and per transaction or contract launched for other features. These payments will be made through platform smart contracts.

Client organizations will select which type of plan they need based on the number of members and activity level. When the organization makes their selection they will be prompted by their KIT enabled wallet to sign the transaction. When the transaction is signed and recorded to the blockchain they will have access to the platform as allowed by their selection. Similarly, they will be able to launch smart contracts or allow certain other transactions.



## Other Uses as Created by the Network

The capabilities listed above are certainly innovative and will change the way organizations are run. But, the most exciting prospects come from the network of organizations using the platform. We recognize that with such a diverse range of organizations, their needs will extend beyond what we are able to build. This is where we will harness another of the strengths of the blockchain. We will create a Marketplace for new capabilities to be requested, created, bought and sold. Organizations can post requests for tools and smart contracts that they would like built for their organization. Developers will be able to bid on the projects and organizations can fund their development internally or by crowdfunding their development as described above.

Developers will also be able to post new tools that they created which can be used or purchased by client organizations. The flexibility enabled by this Marketplace will help organizations take full advantage of this new era of technology and better grow and engage their membership.

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# 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

---

Karma will provide a number of fundamental Modules (as presented within the "Key Features & Capabilities" section) which will provide the Karma Community Network software platform 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 3<sup>rd</sup> party authentications).**

## Custom Modules

---

Custom Modules deliver useful functionality beyond what is offered by the Core Modules. They are developed by either the Karma Community Network team or outside Developers Community 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).

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**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 enforce 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.**

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# KARMA'S LONG TERM GOALS

Given the era of decentralization, Karma's mission is to provide the Karma Community Network Software Platform and Karma International Token (KIT) to bridge the gap and empower membership based communities around the world.

**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 202,291,654 KIT, combined with 50% 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, in addition to the tokens used for incentivizing the developer community, approximately \$275,000US per month will be spent on Development, Community Support, Infrastructure, and Research and related Services.

**Q1  
2018**

**Q3  
2018**

**Q3  
2018**

**Q4  
2018**

**Q2  
2019**



Public Pre-sale

KIT Release  
(Sale Ends)

Token Release

Karma Software  
Release (limited)

Karma Software  
Market Place Launch

DATE	TARGET	OBJECTIVES
Q4 2018	<b>Graduate Karma Capabilities</b>	Complete all beta and alpha grade features within the test network. KIT Holders can manage their wallets and exchange items within the network.
Q2 2019	<b>Open Karma for Public Use</b>	Anyone owning KIT tokens can now create new Communities and activate Core Modules.
Q2 2019	<b>Karma Marketplace</b>	Open up Marketplace for Community Developers to create, integrate and sustain added-value business services for Karma Instances
In the future	<b>KIT Blockchain Transitioning</b>	Transition our current Ethereum-based KIT from the public Blockchain to a custom-built, specifically-purposed Blockchain for all KIT transactions.
In the future	<b>Processing Blockchain Transitioning ALPHA</b>	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	<b>Processing Blockchain Transitioning BETA</b>	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	<b>Distributed Request Handler</b>	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	<b>Completely Decentralized BETA</b>	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	<b>Completely Decentralized (on-going)</b>	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).

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# TOKEN SALE

**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.

The Karma International project plans to attract investments via the Initial Coin Offering (ICO) method, by issuing 1,250,000,000 KIT, ERC223 tokens. We intend to issue 42.2% of the tokens as part of the token sale. The rest will be held back in order to facilitate the growth of the community. The token will be issued with a smart contract written in the Solidity language. The principle of open and transparent funds distribution will be observed. All transactions will be shown in the smart contract.

Maximum target figures for attracted funds during the ICO is an amount equivalent to \$20 million. The tokens can be purchased with Bitcoin (BTC), BitcoinCash (BCC), Litecoin (LTC), Ethereum (ETH). We will be issuing 1,250,000,000 KIT tokens at a starting price of \$0.0706 USD per token. The token sale will offer incrementally decreasing discounts on the price of the token over stages as outlined in the diagram. The token purchases will be made using BTC, ETH and EOS. All other Altcoins will be converted into BTC through Changelly or similar.

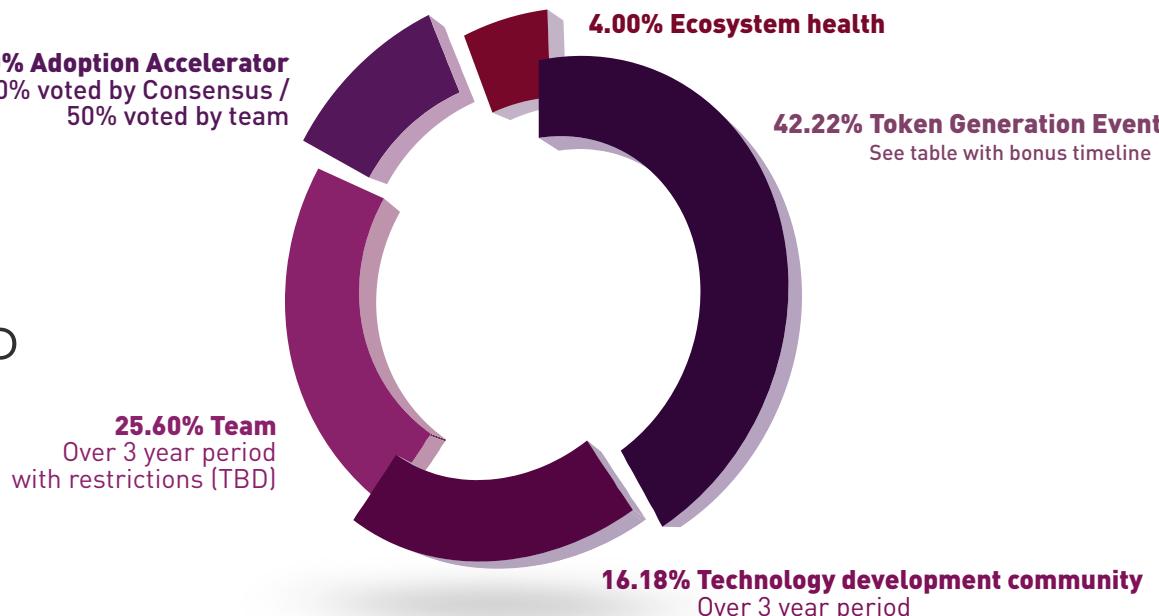
**1,250,000,000  
BEGINNING TOKENS**

**0.070588234  
SALE PRICE / TOKEN**

STAGE	PERIOD	TOKENS	BONUS	TOTAL	REMAINING	REMAINING %
1	pre-TGE	70,833,335	100%	141,666,670	1,108,333,330	88.6%
2	Until Sold	141,666,670	85%	262,083,340	846,249,991	67.7%
3	Until Sold	70,833,335	75%	123,958,336	722,291,654	57.8%

**TOTAL TOKENS SOLD: 527,708,346**

**Depending on the amount of attracted funds, the KIT tokens will be distributed as follows:**



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# \$20,000,000

## HARD CAP

### TGE PROCEEDS ALLOCATIONS



### USE OF FUNDS DETAIL

Category	Amount
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
CORPORATE OPERATIONS & EXPANSION	\$ 6,500,000
EXECUTIVES / MANAGERS / STAFF SALARIES FOR 3 YEARS	\$2,500,000
USA MAIN OFFICE, REGIONAL OFFICE & GA EXPENSES FOR 3 YEARS	\$1,500,000
DEVELOPERS & PROGRAMMING, INFRASTRUCTURE FOR 3 YEARS	\$1,250,000
LEGAL, INSURANCE, & MISCELLANEOUS FOR 3 YEARS	\$1,250,000
MARKETING & PR	\$3,500,000
MEDIA MARKETING, ADVERTISING, GRAPHIC DESIGN	\$2,500,000
PUBLIC RELATIONS	\$1,000,000

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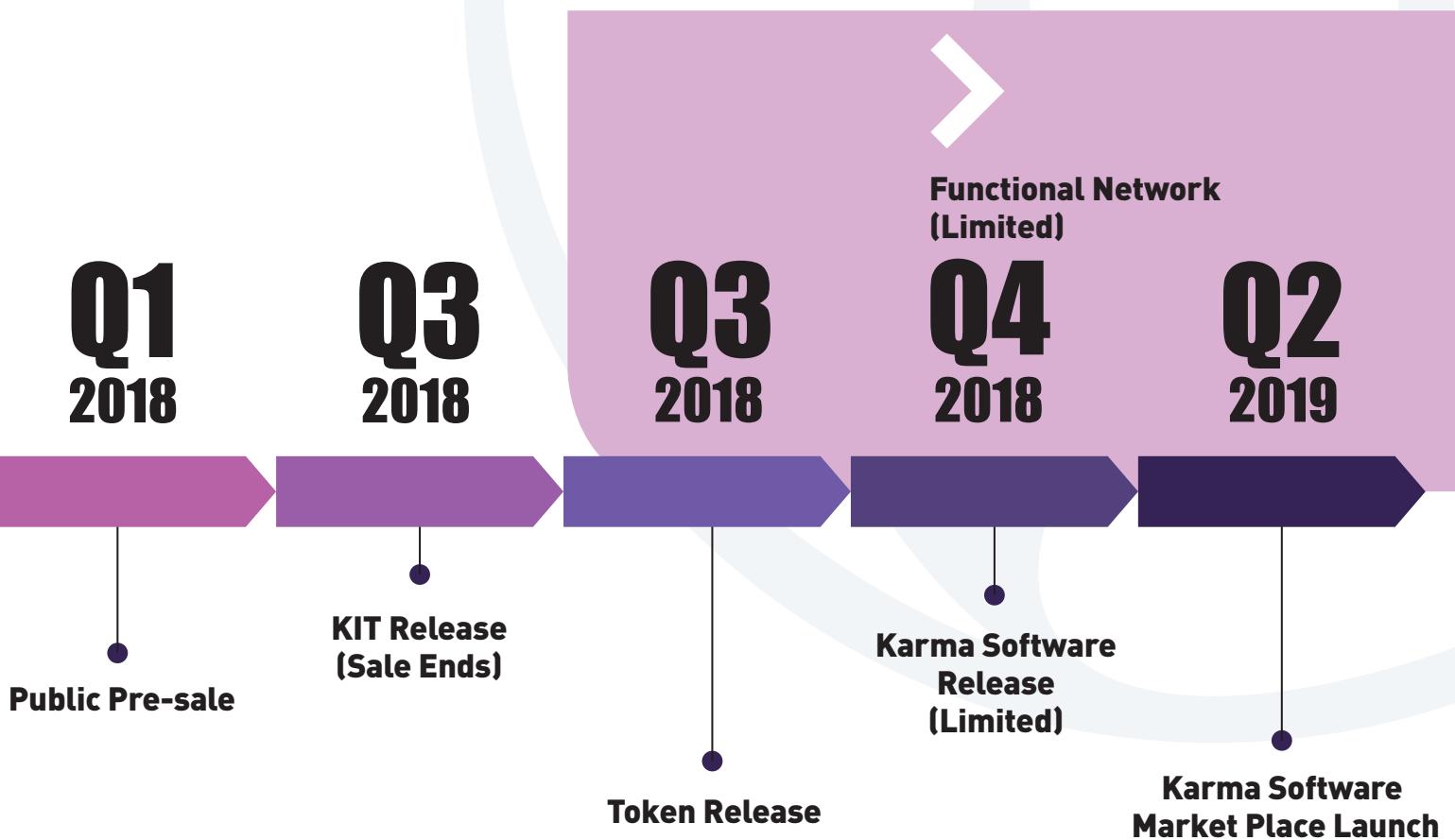
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Note: Additionally, corporate token sale proceeds, revenues from service developments, and revenue from transaction fees will also be used to compliment and increase budgets as needed.

## ROADMAP

The Karma token public presale will begin during the first quarter of 2018 and we will release the KIT token at the conclusion of the sale. Between the end of the token sale and the official public release of the Karma Community Network, the token will have limited utility within the network, including wallet management and trading within the network. By the end of the year we intend to open the marketplace function which will allow members of the network to direct new development and lead innovation.



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The background image shows a dense urban landscape at night, with numerous skyscrapers and buildings illuminated against a dark sky. A prominent feature is a tall, modern skyscraper with a curved, ribbed facade on the right side of the frame. The entire scene is overlaid with a complex network of glowing pink and purple lines and dots, representing a digital or social network. These lines form a web-like structure that connects various points across the image, with brighter nodes appearing around the central text area.

**KarmaGlobal.tech**