

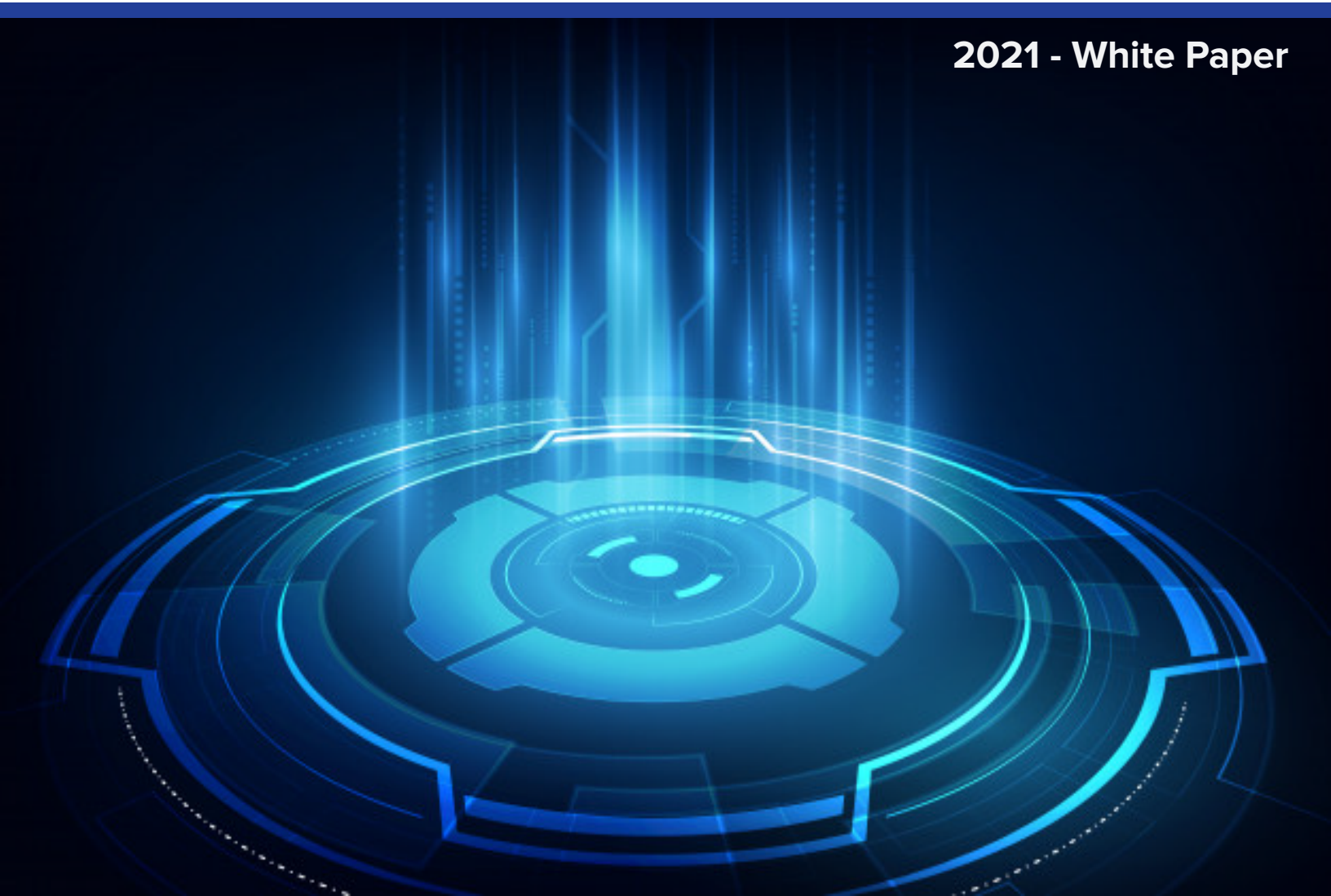


**CALAHEX**

Caribbean and Latin America Hybrid Exchange

**Utility Token Offering**

**2021 - White Paper**



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# 1. Introduction

There are more than 2000 crypto currencies in existence as of January 2020 and many of those tokens and coins enjoy immense popularity among a dedicated (if small in some cases) community of backers and investors. Although the total market cap of all crypto currencies recently passed the USD 1 Trillion, it still dwarfs compared to the total stock market which is more or less valued at USD. 90 Trillion. It does not take a genius to understand that the crypto currency market is still a nascent industry and still has issues and challenges to overcome before it might be ready for mass adoption. There are a lot of white papers stating that such issues include investing into new digital assets including crypto currencies, protocol tokens, Initial Coin Offerings (ICOs) and Security Token Offerings (STOs) because they are subject to high risks of being hacked, poor user experience, legal uncertainty and even fraud. For us those are not valid arguments, for all those issues are a normal consequence of nascent industries. The main focus should be to create a technical environment where you minimize the risk of being hacked or where people can commit fraud and spend all your effort on educating people about crypto currencies and how they work in the first place. Placing emphasis on legal uncertainty is childish; for everything new a law has to be created, which is a normal process that takes time and the crypto industry is not an exception to this rule.

Calahex was created with the purpose of providing access to digital currencies as well as tokenized assets to everyone in a secure and user friendly matter. Our platform enables you to trade and invest in cryptos and tokens and also provides you as an individual or company to list your own tokens without paying a hefty price in doing so. This white paper will provide you with all the information you require regarding our platform and the services we offer.

## 1.1 The concept of Calahex

The concept or the idea behind Calahex was defined by people with a lot of experience in running businesses themselves, and trading on other platforms in both digital assets as well as common stock or options for that matter. It was never our intention to create a platform ourselves but after trading extensively on the largest exchanges in the world today we concluded that access as well as profitable trading is still limited to only a few. We always say you can create all the beautiful tech in the world but if normal people without technical background cannot trade on your platform than it will be of no use to 80% of the world population. Although our platform offers complex technical and fundamental analysis of a certain crypto or token, we fully understand that an average none professional trader will never use them. Things should be easy to understand and many exchanges overwhelm you with so many trading pairs and market data that you do not even know anymore in which crypto or token to invest.

## 2. Centralized vs Decentralized

**Our centralized exchange (CEX)** offers both the newcomer as well as the professional trader all the tools he or she needs to engage directly into trading the digital assets we have listed against familiar pairs. All cryptos and tokens are setup against either the USDT (Tether) “Digital Dollar”, BTC (Bitcoin) or ETH (Ethereum). It is simple and clear and understandable for especially newcomers to this industry. In addition we offer Margin Trading and Futures Trading for the more advanced traders but we emphasize only to engage in this type of trading if you are familiar with the concepts and know the risks involved. Our centralized exchange is freely accessible when it comes to Spot Trading and users can register their account from across the world, irrespective of their geographical location (with the exemption of the countries listed of course in the Calahex terms of use agreement).

**Our decentralized exchange (DEX)** offers an easy process to connect your open source blockchain based Ethereum based wallet to our platform and trade directly all listed so called DEX tokens. The decentralized part of our platform also allows new tokens to be listed and helps blockchain as well as non-blockchain based projects to be listed after we review them extensively. This part is what motivates us, because it gives unknown projects the possibility to get exposure and therefore increases their opportunity to secure funds for their innovative projects.

### 2.1 Our way

With Calahex we have created a one stop shop for all your crypto needs. In developing the platform we have observed and analyzed the major crypto exchanges in the world and the challenges that you face as a trader when you decide to invest in crypto currencies.

**Fee structure.** The whole purpose of the blockchain based solutions are to make the transfer of funds and storage secure, seamless and cost effective. This is not the case with all the large central exchanges in the world today. At Calahex we believe fees should be limited and if they can be avoided, they should. High fees not only limits the profitability of each trade but also prevents the mass adoption of blockchain technology and crypto currencies in general.

**Know your customer (KYC) procedures.** Access to any trading platform should be easy and fast. On popular exchanges you need to wait a week or more to get access to your new account and start trading. This is called the white listing procedure. At Calahex you just need to register with your email to get direct access to your spot trading account and if you feel confident enough to activate your margin or futures account for example then you will find an innovative system in place to assist you with registration by filling in a simple online form and your application will be processed within 48 hours. In case of using our DEX you do not even have to register your email, you just connect your blockchain Ethereum based wallet and start trading.

**Hybrid Exchange.** Calahex is a hybrid exchange, which means that part of our exchange is running on a centralized authority and the other part is completely decentralized without a central authority controlling everything. Our DEX is a golden opportunity for new projects to launch new tokens. There are no trading fees charged and you do not have to pay exorbitant fees to get listed. Large exchanges will charge you between 50K and 1M, just to get listed which in our opinion goes against everything blockchain solutions stand for. We only charge a one time fee of maximum **1 ETH** in case we decide to list a new token to cover the cost of the technical requirements to do so and the time we spend in reviewing the submitted token.

**Market volatility.** The name of the game in crypto currencies is market volatility. Prices can fluctuate within minutes or seconds and it is important to us that traders do not miss any trading opportunities in case of slow transaction speeds. Congestion in large exchanges is a frequent affair and this has caused many traders to miss out on the best opportunities. Every self respecting crypto exchange needs to deliver the required processing speed during congestion and a quick conversion button. At Calahex we deliver both.

**User friendly.** Any interface solution needs to be simple. We truly believe that a platform will engage more users if the user experience were much simpler and user friendly. Most of the people on this planet know what the value of 1 USD dollar is or for that matter 1 EUR and if you are a new comer to crypto trading than you sure as hell now that Bitcoin and Ethereum are the 2 largest crypto currencies in the world. That should be the starting point and the visible core throughout any exchange and trading against these pairs is in most cases is easier to understand.

**Customer service.** For a new comer trading on any platform can be a scary thing. For us customer service is not only assisting a trader in activating for example a margin or futures account, or guidance in withdrawing a certain crypto currency or explaining why the hell his Bitcoin has not yet been deposited on his spot account and so forth. At Calahex our primary focus is to educate our customers. Our goal is not to be the largest exchange in the world but the coolest one indeed. Where customers are still being treated as a human being and not as a ticket number.

**Different deposit methods.** The Calahex platform supports different deposit methods to our customers in both fiat and digital currencies. BTC, ETH and USDT can be directly deposited and withdrawn from your account and if you do not have any BTC, ETH and USDT in your wallet to transfer to your Calahex account, you can use different fiat gateways to purchase them through our platform such as payoneer, paypal and all major debit/credit cards.

### 3. The future of exchanges

Traditional exchanges offer trading and exchange of a variety of crypto currencies and most if not all are blockchain based projects. What about existing real business, companies that already have a proven track record, or early start ups with creative ideas that might disrupt an existing industry but lack the network and funds to develop innovative products?. **We firmly believe that token offerings will become a universally accepted concept emerging out of what we call the ‘crypto bubble’.** The explicit use of the term token offerings and crypto bubble is done to clarify our point of view that there are different types of tokens on the market today with different legal perspectives, not only depending on the type of token issued but also on the geographical origin of the entity issuing such a token. The term crypto bubble is used because logic states that of the more than 2000 crypto currencies on the market today few will survive in the future. The ability to tokenize existing businesses in one form or another will be the core of how we do business in the future in any industry. Calahex is a step into that direction for half of our exchange is totally dedicated to that simple concept; getting real businesses on board by tokenizing their assets, or profits, or revenue or any tangible or intangible part of their business. With tokens enabling fractional ownership and thereby lowering minimum investments, more liquidity will come into the market. As more people will be able to purchase smaller stakes, many assets that are considered to be illiquid, or not easily to (re)sell can increase their liquidity on the blockchain. For example, if an owner of an expensive piece of property or a rare piece of art wants to turn it into cash, it will be much more likely to find investors who want to lay claim to just a fraction of it, rather than the entire asset. Fractional ownership is not a novel concept—the Roman Republic and the Dutch East India Company employed this idea of joint ownership.

#### 3.1 The DEX model

To understand how the decentralized part of our exchange works it is important to establish which kind of token you will be offering to traders that visit our platform.

**Currency tokens.** As the name suggests, these are tokens used as a form of payment and a store of value which can be retrieved at a later time. Arguably, this makes them identical to “coins” like Bitcoin and other cryptocurrencies.

**Utility tokens.** The advent of Ethereum created what became known as “utility tokens.” Unlike currency tokens, this type of token gives holders access to products or services within a particular platform or network. Utility tokens are multi-functional - they typically “reside” on top of a given Blockchain such as Ethereum, and for the most part, can be used within their respective network.

**Securities tokens.** In addition to allowing holders to purchase goods and services, securities tokens often promise investment returns and value appreciation. This quality was a reason for some market participants and regulators, most notably the US Securities and Exchange Commission (SEC), to classify them as securities. As such, they constitute an investment contract and have the potential for profit, passive income and dividends.

**Asset tokens.** Asset tokens serve as a digital representation of an asset in an organization or platform.

**Equity tokens.** More of a theoretical than practical concept right now, these tokens give their holders an ownership share in the issuer's capital, pretty much like stocks do.

**Reward tokens.** Most commonly, these are the blockchain equivalent of loyalty points or other reward programs.

**Dividend tokens.** Or better known as 'pure profit class tokens', those that offer a share of the profit of the issuing organization.

With the exception of currency tokens, most other tokens represent an investment contract in a joint establishment, promising potential for a passive income. Such income may come in different shapes. Examples include profiting from value appreciation, profits from investments and mining operations and others. Some organizations share their profits by distributing dividends among token holders. In addition, there are blockchains that have dividend-like features, making their currencies akin to "dividend tokens." Similar to stocks, tokens with dividend features may or may not carry voting rights. Unlike stocks, holding dividend tokens entitles the holder to passive income without necessarily constituting ownership in the organization. Staking, or Proof of Stake (PoS), can be viewed as a form of dividend concept. Stakers hold their tokens in a designated wallet, receiving payouts for the duration of their holding. Dividend payouts may be regular, for example weekly or monthly, may be dependent on a certain level of token ownership - e.g. large holders receive payments before smaller ones - and may depend on the issuer reaching certain performance milestones.

At Calahex we will always establish the token type that meets your criteria and our preference will be based on the principles of a dividend or profit class token concept. It enables startups and companies to obtain alternative funding without losing control of their company and the direction she or he wishes it to go. Token creation and max supply of tokens is created by the issuer and this one time effort will only cost you between USD. 35.00 - USD. 250.00 depending on the fact if you compile the code yourself on an opensource platform such as the Ethereum main network. After that if you wish to raise funding for your project you need to list your token on an exchange. As stated before the popular exchanges out there will charge you in between 50K to 1 million just to get listed. With us the cost are really low because that part of our platform is like an empty book that's needs filling.



### **3.2 The key to success**

Many exchanges will promise you high liquidity for your new token through shared connectivity. We call that wishful thinking because the fact of the matter remains the same for each new token. Liquidity for each new token is crucial and the only key to success. So to understand liquidity we should first understand what it actually means. The technical definition of liquidity is “the degree to which an asset or security can be quickly bought or sold in the market without affecting the asset’s price”. The higher the volume of activity in a market, the more an asset can be regarded as liquid. This is exactly where many new tokens fail. They do not consider how the value of their coin will sustain and grow while they work towards completing their project. Nor do they put in place mechanisms that will manage exchange rates. New currencies or tokens are particularly susceptible to liquidity problems. They cannot directly link to other currencies — either fiat or crypto. They are dependent on active traders on exchanges to interlink currencies. However, a certain volume of trading activity is required to achieve market liquidity. This makes it extremely difficult for small-scale currencies to be convertible for other popular currencies, using a market-determined exchange rate. In effect, they are disconnected from the greater economy. This makes them less useful to their holders and limits their value and their adoption.

### **3.3 Market mechanisms and token liquidity**

It is imperative to understand that there are basically three sources of value in trading traditional stock and that those sources of value also apply to trading tokens.

#### **Price appreciation**

Price appreciation may come from pure speculation, this is a normal market phenomena and often based on hype and speculative activity in the exchange prior to going live. In most cases a disconnection exists between value and valuation. Real appreciation however and liquidity can come from the actual usage of a token. This can be on a protocol level in other words the token is required to access the system and they embody the transaction fees to actually write to the blockchain. Ether (from Ethereum) is a good example for it is the ‘gas’ required to access the Ethereum blockchain. Other tokens derive their appreciation based on applications. In these cases appreciation comes from the adoption of the underlying goods and services. The more people wish to engage in the product or use the token as a trading tool for the goods and services, the more the value grows and the more liquid the token will become. These are both examples of blockchain based projects, but what about non blockchain based projects?. The clear answer is that it works the same. Established companies with a good track record that find the cost of an IPO (initial public offering) to expensive or do not have direct access to a secondary markets, now have the opportunity to tokenize their assets, projects, part of their assets or profits etc through Calahex against a very cheap listing price. In addition they will be better equipped than any start up to create liquidity for their token.



## **Buybacks and burning**

Liquidity is not created out of thin air, it takes money, time and effort. Companies can also ensure liquidity through token buybacks and burning. Buybacks are a normal phenomena in the stock market where companies buy back their own shares on a regular basis. It is known as a repurchase of its own shares and in the crypto market it means repurchasing their own tokens. It may be looked upon by investors as an exit strategy by the company's major share holder(s) but it is also a way to maintain liquidity. It reduces the number of tokens on the public market, in some cases to avoid hostile take overs, and in some cases to minimize dilution as more tokens are created. For crypto companies, such buybacks are sometimes accompanied by burning or destroying all or some of the tokens bought back. This reduces the total number of tokens in existence, increasing scarcity value, theoretically increasing the value of each of the tokens that remain, and giving investors a greater percentage share than they originally had. Investors have the option of selling some tokens and still maintaining their original percentage share.

## **Dividends**

Dividends are a cash distribution of profits paid to all shareholders. While this can be done for crypto currencies, there are regulatory and logistical difficulties in doing so, as well as high transaction costs. Buybacks are the more usual way of returning value to shareholders.

## **4. Why Calahex?**

Calahex was designed to make crypto currency trading easy, profitable and secure for all investors. The crypto currency market is growing rapidly (passing 1 Trillion recently, as stated earlier) and there is a need to keep up and innovate constantly. Our mission is not only to offer traders a basic crypto exchange infrastructure with our own platform algorithms but also essential tools and features required for profitable trading. In addition listing on Calahex is probably one of the cheapest options out there, right now and should be your first choice, when it comes to getting immediate exposure to the secondary market. Your company or project will get listed on the Token Exchange with links to your website white paper and detailed info on your company will be uploaded to the portal for all traders to view. It is not only security tokens that you can launch on our DEX but any type of token we have listed before. Some have more intrinsic value than others but besides currency and utility tokens all other types of tokens behave like actual financial market instruments, for they allow

1. Direct or indirect company governance
2. Automatic dividend payouts
3. Periodic financial goals and commitments.
4. Profit sharing
5. Ownership of tangible and non tangible assets
6. More proof of credibility
7. Equal and fair access to liquidity
8. A 24/7 secondary market

9. Transparency
10. Easy listing and low issuance fee

#### **4.1 Strategic management**

Our trading platform is not only designed to be user friendly but also profitable. We have put in place an infrastructure that goes beyond conventional crypto currency exchanges and the strong part of our exchange is our commitment in getting you on board to fully maximize both trading profits as well as fund raising in case you decide to list your own token. Emphasis is placed on you as a trader or fundraiser and the personal level of commitment of the founders and their expertise in conducting business globally is also part of the resources we offer you. If you are successful, we are successful.

#### **4.2 Market situation**

It is public knowledge that there are trillions of dollars available in the world in illiquid assets that can create a storm of liquidity on the blockchain. There are so many industries that sooner or later will transform their illiquid assets into liquidity. This already has started with both commercial and residential properties and property land for that matter but it will not stop there. Every tangible or intangible asset can be traded, partially or full. New start ups or already existing companies will flock to these new exchanges to obtain fund raising for their projects. Intermediary jobs will disappear and better ones will be created.

People familiar with initial coin offerings in 2017 know that it became the most preferred method for funding new entrepreneurial projects. According to research done by Ernst and Young roughly 10% of 3.7 billion raised by ICOs was stolen and let us not begin to calculate the percentage wasted on projects that never had a future to begin with. This opened the way for a new secure funding model called the STOs (Security Token Offerings) where established companies conduct corporate directly issued security token offerings. We are placing it seems now a lot of emphasis on security tokens because they can be heavily regulated but is that also the future we all imagine it will be?. At Calahex we believe that there are many types of tokens one can issue and that the degree of regulation should fit the type of token.

The Bitcoin and tokenized assets market is growing rapidly. With more and more businesses continuing to adopt blockchain technology. Over a period of less than 6 years it has become a multi billion dollar industry. There are now about 500 plus exchanges in the world, 259 more or less listed on coin market cap and others in the process of being developed. Approximately 95% of the market volume is controlled by centralized exchanges (we believe that was never Satoshi Nakamoto idea in the first place). We at Calahex do not have the ambition as others to become the largest exchange in the world. Our ambition is for you as as trader or as a fundraiser to use our platform and respectively become a little more financial independent in the process or obtain the funds required to finance your new project.

### 4.3 A community platform

Growth always starts, in most cases in your community and from there on it can spread regionally and then onwards globally. Time, funds and effort have been spend in creating the Calahex platform so that traders can get the best rates, tools and features and we have the potential to become an important player in the future of crypto currency trading and exchange with the support of the global community. We fully understand that the large popular exchanges have first mover advantage but crypto exchanges should not only be profit driven institutions offering basic functionalities. Technology is rapidly evolving and better and improved platforms and services are required to fulfill the needs of the trader or fundraiser.

Think of Calahex as more than just a facilitator with a robust infrastructure. Calahex is more than that. Calahex is a creation that is meant to be completely decentralized and owned by as many people in this world as possible. The CAX (Calahex) asset token was created for that sole purpose; enabling users to have a vote concerning the future of the platform through ownership of CAX tokens. This should explain why we are different than any other exchange out there. When we generate revenue through our CEX it is for the benefit of the CAX holders community. Calahex creates revenue as follows;

**Trading fees.** Small commissions in the form of maker and taker fees are charged on buy and sell orders placed through the centralized exchange. We do not charge trading fees on the decentralized exchange.

**Token Listing fees.** A one time listing fee will be charged for new tokens on the decentralized exchange and the fee will be one of the cheapest ones on the market today.

**Interest charges from margin trading.** A reasonable percentage will be charged to traders using margin trading and lending features.

This is all sustainable and scalable in the long run because there is no dependency on any third party. Revenue will grow proportionally with the increase of users and trades on our platform

### 4.4 The people

Most people behind Calahex already have income generating jobs on different levels at different companies and the necessary commitment to dedicate part of their time on a voluntary or pro bono basis to the Calahex platform. Services such as guidance and consultation as to tokenization, as well as on boarding and marketing services are an integral part of our services. Compliance and legal matters are tapped using existing networks throughout the world. The decentralized exchange allows any company or business in search of capital to generate their token 24/7. By doing so the issuer gains access to a direct investor environment and the potential to distribute her token to a global community.

Currently the staff at Calahex is reviewing other revenue streams that we might put to a vote in the near future.

**Complete blockchain network service.** In addition to the existing standard listing procedures where the newly listed tokens on the decentralized exchange are based solely on the Ethereum network, other networks are currently analyzed and soon to be integrated into our platform.

**Investment transparency.** Investors that are KYC/AML compliant should have direct access to the issuer and vice versa. This information should flow freely if mutually agreed upon. A small fee to create these open channels through our platform could be charged annually using a yearly rate per investor.

**Additional legal, marketing and other services.** Issuers may require additional services to complete their requirements during the process of listing their new token. We will find the suitable partners specialized in the blockchain and token sector. Calahex can benefit from small percentages to establish these type of agreements.

There are more types of revenue streams currently evaluated by us but time will tell how they evolve in the future. Much depends on the support of the community, the overall trading activity on our platform and the specific needs that will be required in the future.

#### **4.5 The CAX token**

The CAX token is a Ethereum ECR20 based asset token that without a doubt and stated clearly in this white paper represents the digital representation of the Calahex platform. To be more precise if you own all 25 million CAX tokens than the platform and all its technology belongs to you. This however is not the intention of the creators of Calahex and therefore a large amount of CAX tokens will be given away proportionally to a designated amount of traders that are the early once to register their emails once the exchange goes live. It is important to note that we will create liquidity for the CAX token at a rapid pace. Frequent buybacks if required will show the traders that we are serious about the success of our platform and that we fully understand that this will come with a price tag. In addition to this CAX holders can participate in future airdrops by just holding a certain amount of CAX tokens in their account or any Ethereum based wallet. Airdrops we collect from other projects will also be proportionally divided among CAX token holders.

Token name: Calahex  
Token symbol: CAX  
Total supply: 25.000.000  
Public sale allocation: 20.000.000  
Initial Airdrop: 1.000.000  
Staking rewards: 1.000.000  
Founders: 2.000.000  
Reserve: 1.000.000

A total of 25.000.000 CAX tokens are issued of which 20.000.000 will be available for public sale once we go live with the decentralized exchange. 1.000.000 equally divided over the first 500 registered traders will be airdropped to their respective Ethereum based wallet address. 1.000.000 will be kept in reserve for further development of the platform in the future. 2.000.000 will remain in the hands of the founders of Calahex. And 1.000.000 will be rewarded through a loyalty program which requires the staking of CAX tokens. Nothing is allocated for institutional investors because this platform was build by and for the community.