

CoinBet White Paper

Whitepaper version 1.0, under review

COINBET IS A DECENTRALIZED LOTTERY BASED ON ETHEREUM SMART CONTRACTS

This document describes the technical implementation of a system based on ethereum smart contracts and important aspects regarding the promotion and market launch of the system.

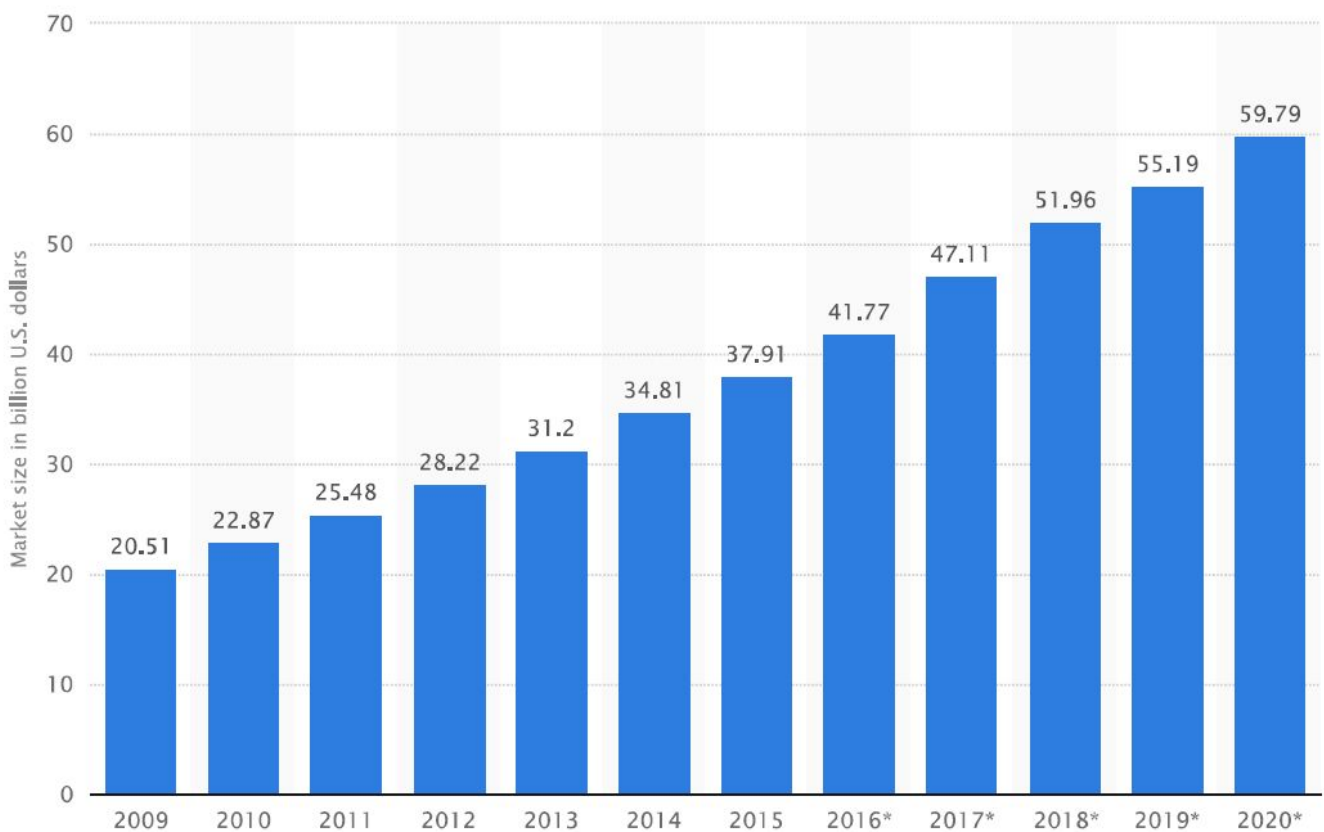
1. Introduction

Scholars regard the origin of the lottery as an era of ancient Egyptian pharaohs. The lottery is providing healthy entertainment with a certain level of gambling. The Global Lottery market is anticipated to grow at a steady rate. The easing of government regulations on different forms of lottery are driving the growth prospects for the global lottery market. Lottery contributes as one of the major sources of revenue for governments, business and individuals all over the world. The legalization of online lottery market will bring in high revenue in the form of taxes, create employment opportunities, and will contribute to social welfare. The share of lotteries on the world's gambling market is over 30%. The annual turnover of this market today is \$284 Billion. Along with the penetration of the Internet and the growing number of devices connected to a network, the number of users who prefer playing this game online is growing. Consequently, the online lottery market today is promising area. The rules and regulations on lottery markets are slowly evolving in different parts of the world as the different forms of lottery are being legalized.

Decentralized exchange is an important progression from the ecosystem of centralized exchanges for a few key reasons: decentralized exchanges can provide stronger security guarantees to end users since there is no longer a central party which can be hacked, run away with customer funds or be subjected to government regulations.

Digital currencies gained a lot of popularity on gambling websites as an alternative payment method, allowing players to deposit their funds to the online casino in a fast and secure way. However, cryptocurrencies alone could not help the industry to solve all of its current problems, especially when it comes to fairness, transparency and withdrawing funds. Thanks to the blockchain a new approach to gambling has been discovered. Among thousands of applications of the blockchain technology gambling is one of those capable of changing the rules of the industry forever. For the first time in the history of gambling

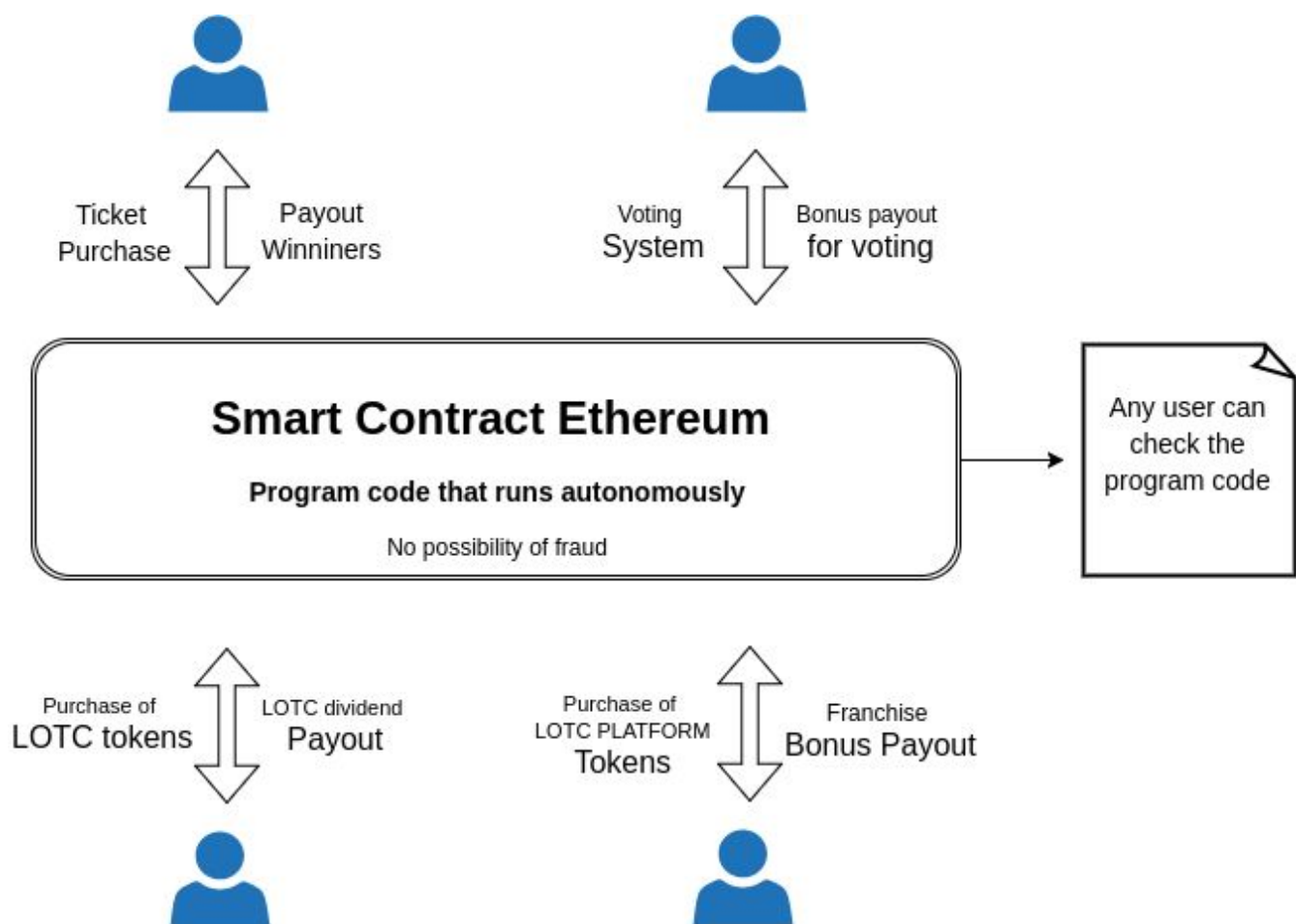
the blockchain technology allowed the industry players to witness transparency, which hasn't been there before. According to statista.com the world gamble scale has reached \$ 20.5 billion in 2009, \$ 37.9 Billion in 2015 and \$47.1Billion in 2017 where it continues its growth expecting to increase upto \$59.79 by 2020.



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As shown in the market indicators. The lottery is the largest social and entertainment game in the world. The share of lotteries on the world's gambling market is over 30%. Along with the penetration of the Internet and the growing number of devices connected to a network, the number of users who prefer playing this game online is growing. Consequently, the online lottery market today is promising area. Decentralized exchange is an important progression from the ecosystem of centralized exchanges for a few key reasons: decentralized exchanges can provide stronger security guarantees to end users since there is no longer a central party which can be hacked, run away with customer funds or be subjected to government regulations. Digital currencies gained a lot of popularity on gambling websites as an alternative payment method, allowing players to deposit their funds to the online casino in a fast and secure way. However, cryptocurrencies alone could not help the industry to solve all of its current problems, especially when it comes to fairness,

transparency and withdrawing funds. Thanks to the blockchain a new approach to gambling has been discovered. Among thousands of applications of the blockchain technology gambling is one of those capable of changing the rules of the industry forever. For the first time in the history of gambling the blockchain technology allowed the industry players to witness transparency, which hasn't been there before. Now, thanks to smart contracts, we have the ability to address these critical issues. CoinBet is a decentralized lottery, the main advantage of which is the complete transparency of all processes taking place on the platform and the fundamental absence of opportunities for fraud. Unlike "fair play checks", which allow one to check game results in existing cryptocurrency lotteries, CoinBet itself eliminates the potential for fraud. This is made possible by Ethereum and the concept of smart contracts. The marketing component of the lottery is also implemented based on smart contracts, allowing franchise partners and owners of CoinBet tokens



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ETHEREUM AS THE BASIS FOR IMPLEMENTATION

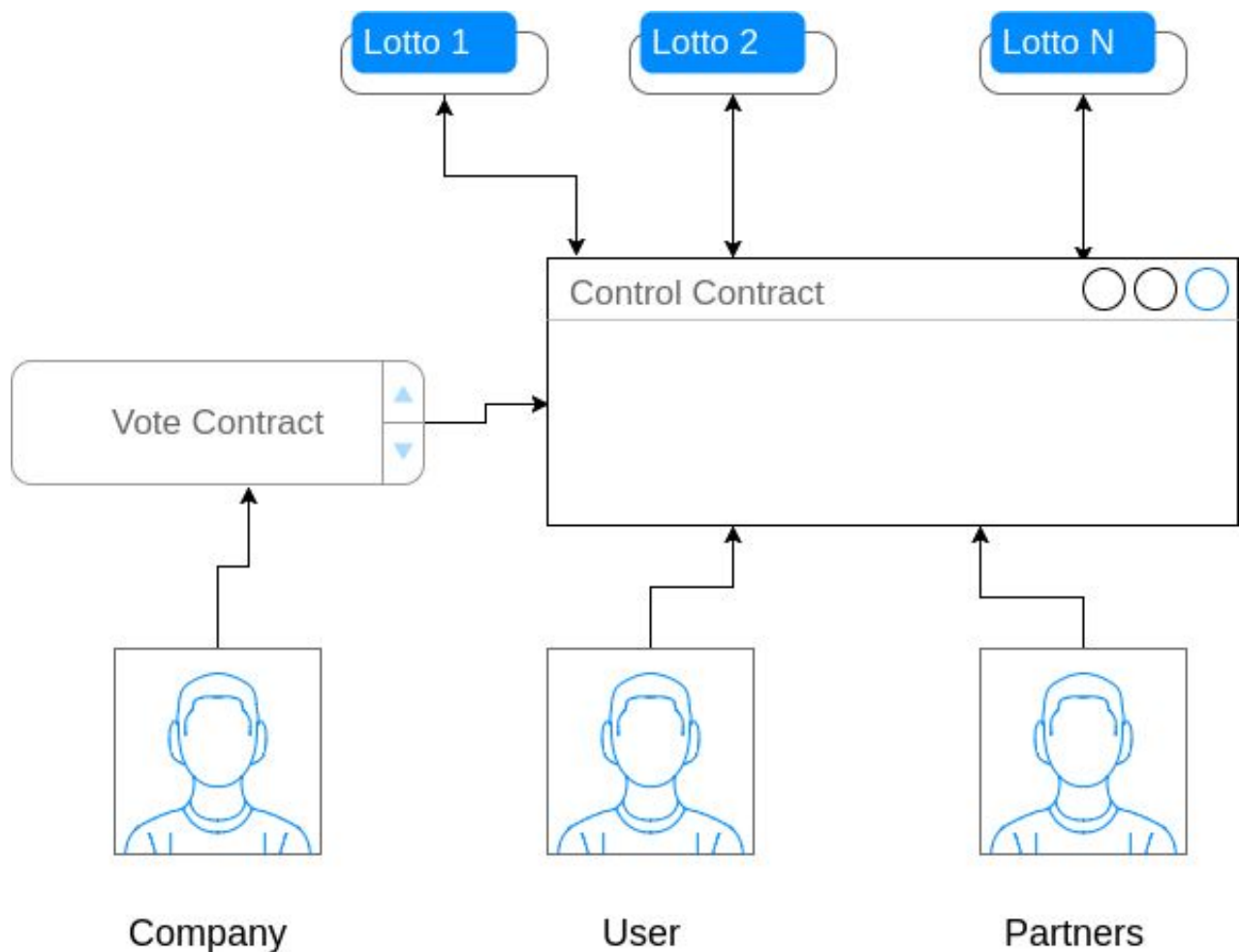
The Ethereum decentralized network, which uses the concept of “smart contracts” has great potential for scaling and the broad support of the crypto community and investors. Currently, the network is theoretically capable of handling about 10 transactions per second and they are making possible to accept more than 50 million users in the near future. Ethereum has proposed a new model of transparency, in which the blockchain is the game changer. In the gambling world, because of the blockchain, the players do not have to trust their funds to the game operator anymore, as no individual within this framework can hold the funds. This produces a direct effect on the reputation of casinos, which can now use smart contracts as a proof of reputation. Apart from transparency, lower transaction costs and anonymity are a valuable asset gained from using crypto-tokens on the blockchain-based gambling platforms.

2. CoinBet Framework

Ethereum infrastructure cannot yet offer a complete solution which includes the decentralized part of the interface, As it is not yet possible to decentralize the application interface itself at the moment, the CoinBet project is implemented partially in a server infrastructure which contains standard solutions for such cases, as well as a specialized application based on smart contracts.

3. CoinBet Contract Scheme

CoinBet contract schema initially stages the platform's work, contracts in the system can be replaced based upon the model of lottery where upon completion of the test and development stages, the relations between contracts will be recorded and subsequent changes in contracts and their relationships will not be possible. The entire system is been developing based upon the schema connecting managing contracts, repository code maintenance so that it will be open and a transparency for as per the ethereum algorithm. The below system will be explaining about the Multiple Lottery connecting with the voting contract where users will be registering their votes into their control contract, This simplified system is been build with ethereum schema where the entire system is been secured with ethereum smart contracts.



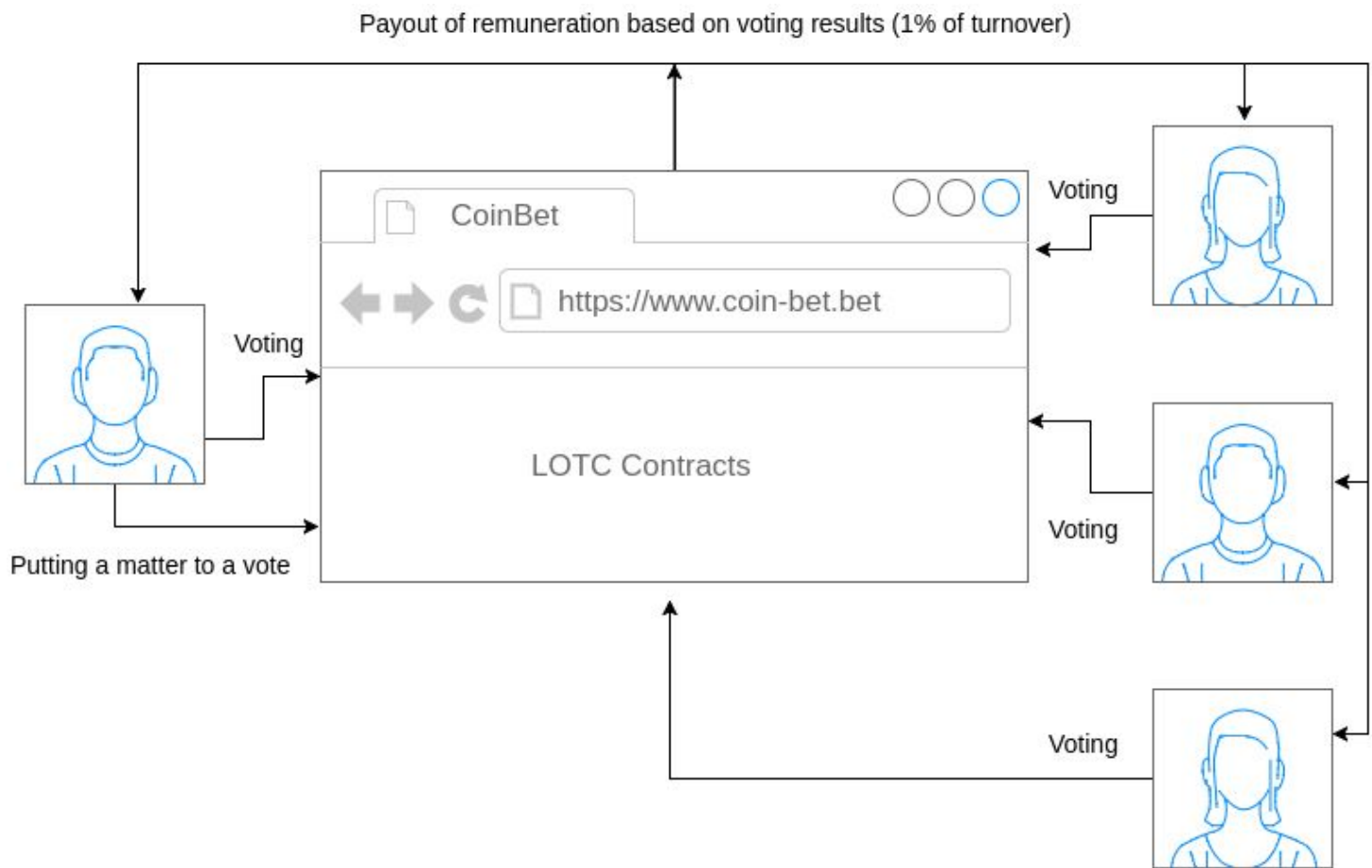
4. CoinBet Contracts

The CoinBet very serious on creating secure contracts based upon ethereum models focusing the coverage of entire lottery system with its perfect payout rules. Currently CoinBet focusing on

1. Token Generation (LOTC)
2. Token Selling
3. Participants Pool
4. Bonus Allocation
5. Payment Approval
6. Payment Decline and Refund
7. ICO Smart Contracts
8. Lottery Systems
 - a. 3 Digit Lottery (3 of 9, Hourly)
 - b. 6 Digit Lottery (6 of 45, Daily)
 - c. 6 Digit Lottery (6+1 of 40+40, Daily)
9. How to use
 - a. Ethereum Deposit
 - b. Buy Lottery(0.01ETH)
 - c. Lottery Results
 - d. Results Payout

The model of Contract management is carried out by voting of control token holders. The list of issues and the decision-making conditions for each of them is initially set in the contract. Any control token holder can initiate voting on any issue in the list and vote. Voting results are accepted in the case of a positive vote of 30% to 51% of control token holders, depending on the importance and impact on the subsequent development and operation of the CoinBet platform of the issue put to vote. Each contracts works in their specified rules which supports the other contracts to get activated where their will be complete chain of pipeline with no breakage nor no security flaws. The Token Generation contract majorly focus on the generating secure tokens for CoinBet users when every a user tries to buy a LOTC coin, where Token Selling Contract will be focused on selling a calculated number of LOTC Token with amount of Ethereum ETH Tokens. Participants Pool are heard commonly on cryptocurrency network where all users will be connected to a pool for complete the respective task. Bonus Allocation Contract is specially created for Pre-Sale where based upon the percentage which has been clearly explained in CoinBet cryptocurrency section. Payment

Approval Contract is major task which are been carried out with manual work where each and every transactions are been manually approved by admin for security purpose where it will be connected to Payment Decline and Refund contract - incase of any fraud occurs, our powerful system will detects and tells admin as invalid token are been issued where admin has the authority to decline the transaction and refund the ethereum cryptocurrency which has been spent. The entire CoinBet is been secured with series of connecting smart contracts which are placed transparently of its working models and its assigned rules with various statements.



5. LOTC Games

The LOTC Games is an addictive lottery gaming system completely focused on simplifying the challenging lottery rules into understandable rich user interface connecting with transparency of winning and increasing high payout rates during the probabilities. The CoinBet is simplified its gaming system by dividing into three

types of gaming models as 3 Digit Lottery with draw of every one hour, 3 Digit Lottery with draw of every 24 hours and 6 Digit Lottery with the draw of every week. Each and every model is designed based upon the time and numerical digits formula. The mini game is designed for Pre-Launch and it's been loaded with huge bonus, where it is focused with first 50 minutes of digit selection and rest 10 minutes for result from a complete a hour, this game can be played 24 times which implies that a new game is been played every hour. The 3 Digit and 6 Digit Lottery Games are similar where 3 and 6 numbers are picked in the interval of time respectively. Each games is been designed with engaging 60 minutes, 1 day and 1 week time intervals. The payout result will be updated in blockchain ledger which makes a very transparency for the winners as well as the participants. The entire gaming and result payout system is secured with transparency of ethereum smart contracts.

6. LOTC Initial Coin Offering

The Initial Coin Offering (ICO) for LOTC Coin will be initiate with 300 Million of Total Volume Coins where are projected with different volumes on each ICO respectively.

The CoinBet LOTC are been planting various lottery machines in 5 different countries which gives a extra boost for Trustworthy and Value of LOTC in Global Cryptocurrency Market.

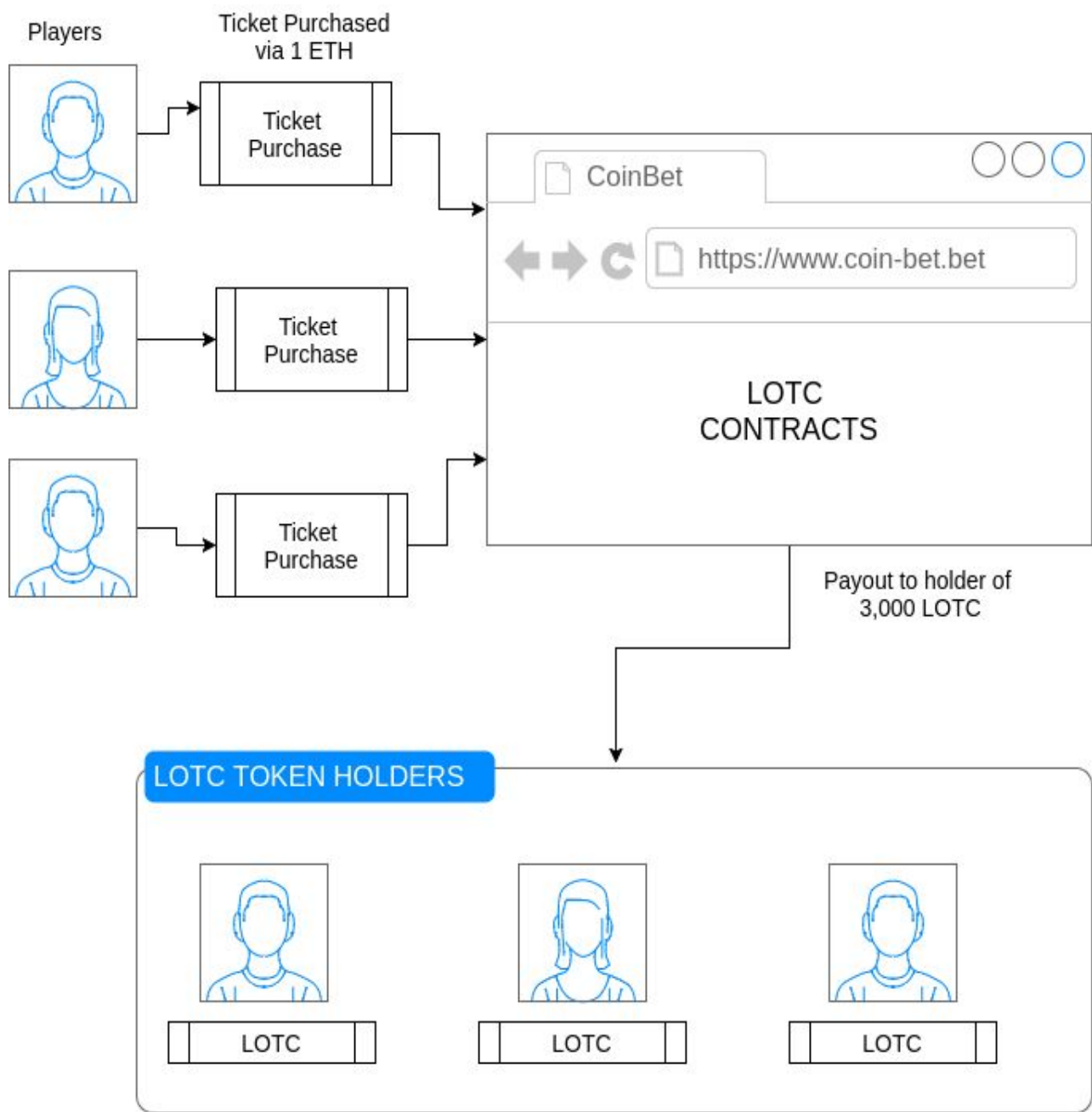
The Entire ICO will be process with Ethereum ETH values where Every ticket which are been purchased are transparently calculated with equal amount of LOTC focusing on principles of CoinBet where The CoinBet platform has several different types of tokens, each of which has its own set of features and an expanded incentive system.

All Payouts and accruals of remuneration in the branch network and all types of tokens are triggered when tickets are purchased (this is the most frequent action in the system). All payouts and remunerations are made directly to the user's wallet in ETH cryptocurrency. The CoinBet has increased its limitation rules where is no maximum amount of participation defined and The Entire system is been calculated as follows focusing with volume of LOTC and Profit share between the investors and users during the various stages of initial coin offerings.

Total Volume of LOTC = 300,000,000 LOTC

- **Total Volume of ETH = 100,000 ETH**
- **ICO Minimum Spent = 0.05 ETH**
- **Market Value : 1 ETH = 2,000 LOTC**

The Initial Coin Offering of 300 Million LOTC are been divided into three stages to get the maximum market share as well as maximum users have their chances of getting LOTC Cryptocurrency, where only 200 million LOTC are subject to sell to the global market where rest will be sold based upon the market demand and shares, the most coolest part of CoinBet is that Mining is currently not necessary till it hits the large market, so it's very clear that it has highest rate of transaction speed to company any transactions with nano time intervals. This entire system for IOC are been stated as follows via various stages.



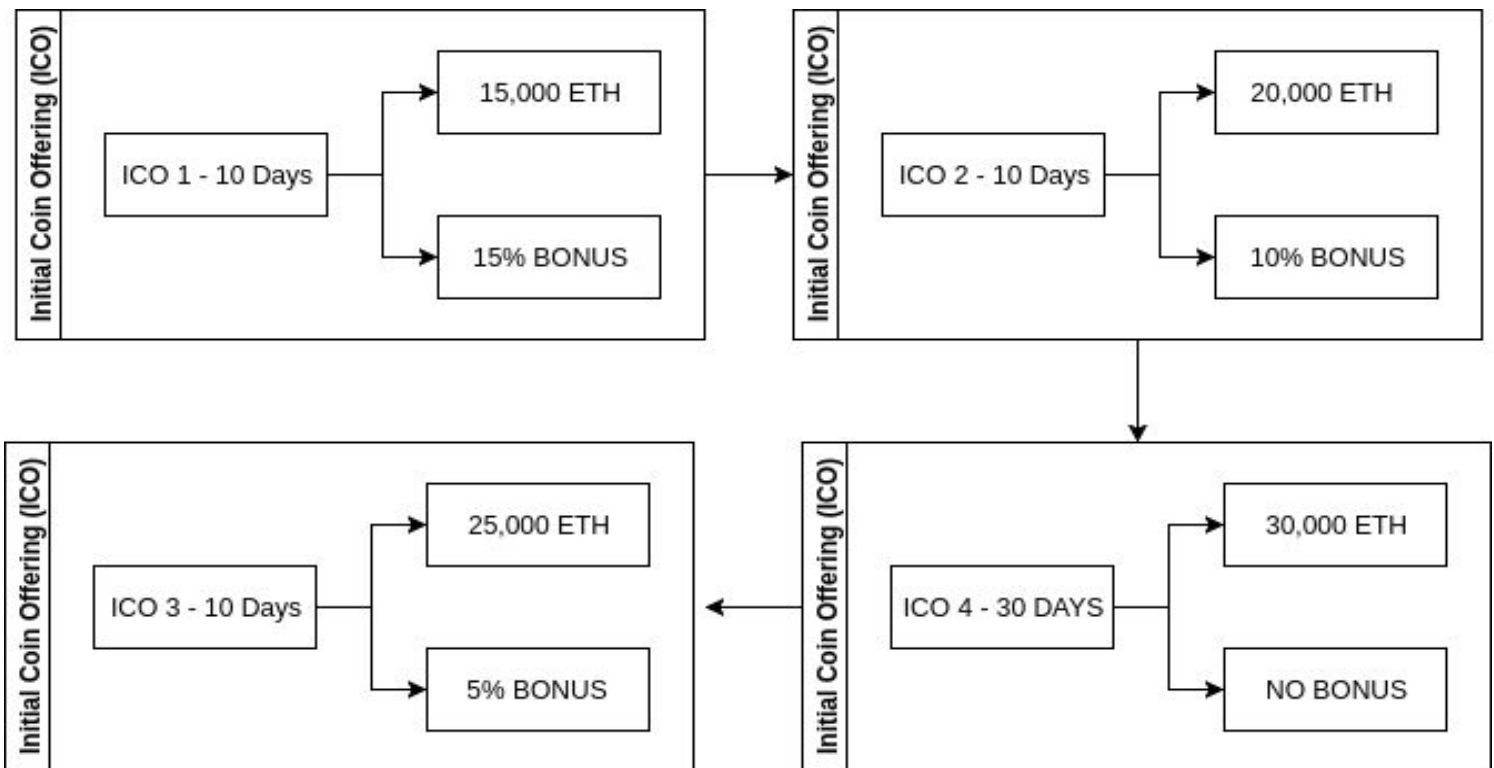
Stage 1 : Pre Sale Market Value : 500 ETH ~ 5,000 ETH

- Day 1 : 40% Bonus
- Day 2 : 35% Bonus
- Day 3 : 32% Bonus
- Day 4 : 29% Bonus
- Day 5 : 26% Bonus
- Day 6 : 23% Bonus
- Day 7: 20% Bonus

Note : * The Pre-Sales will be marked as completed once it reaches 5,000 ETH in between days.

Stage 2 : Initial Coin Offerings (ICO)

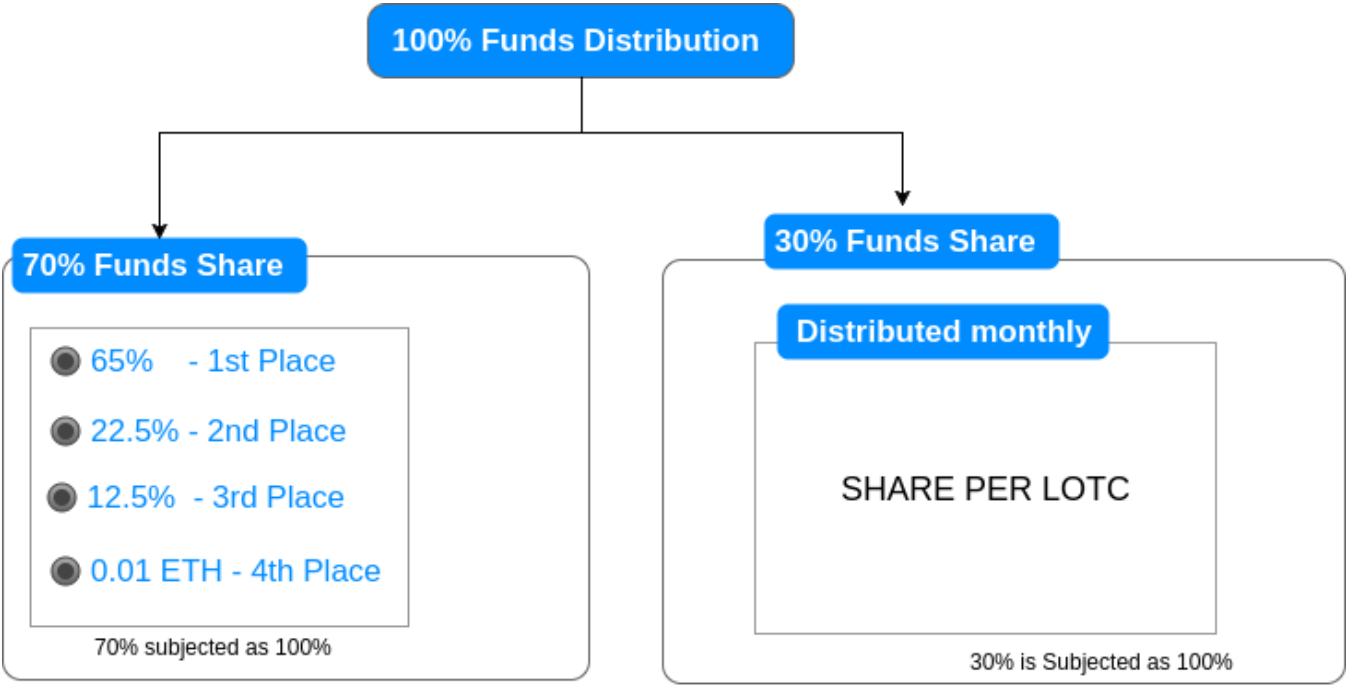
The LOTC have planned to release millions of coins via Four ICO Events, where each event are been loaded with Ethereum (ETH) Value as well as small percentage of Bonus to engage the market, the all Four ICOs are stated clearly as follows



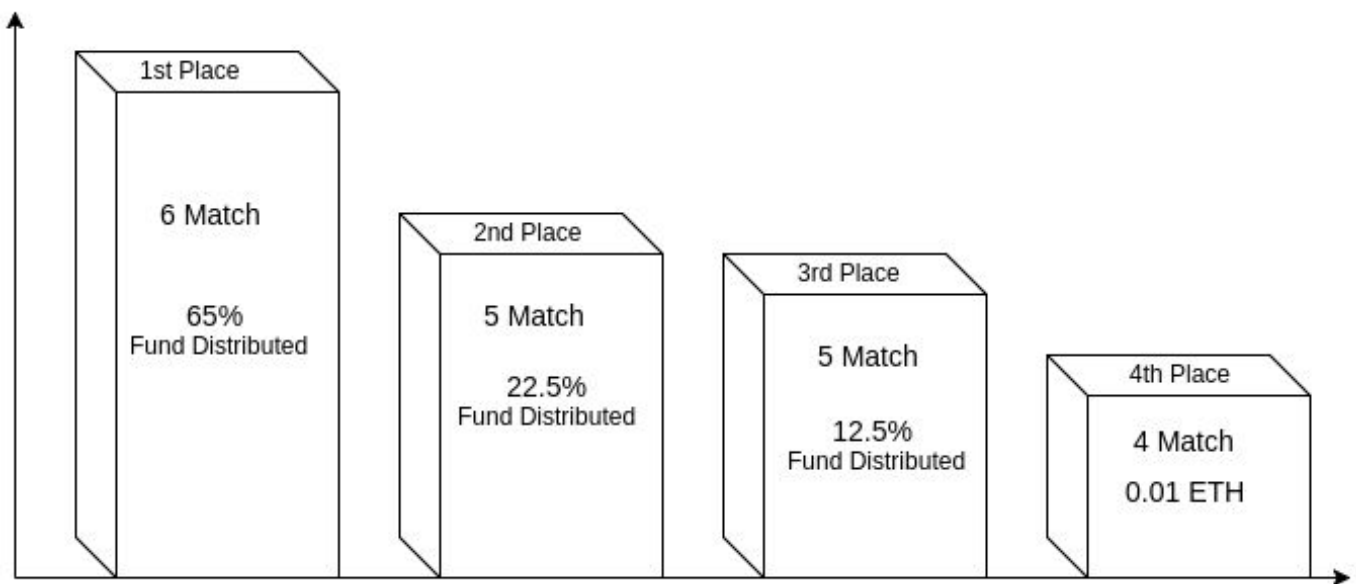
The Complete Initial Coin Offering runs for more than 60 Days where each ICO is been subjected with value of ETH and Bonus Percentage. The Initial Coin Offering - ICO 1 are the most valuable ICO where it's been loaded with 15,000 ETH worth of LOTC Coins with maximum of 15% Bonus and this entire system will be activated and running for maximum of 10 Days and once it's successfully completed it will be followed by ICO 2 which will be loaded with 20,000 ETH worth of LOTC Coins with maximum of 10% Bonus for the users who buys it and even this ICO will be running for 10 Days after that followed by ICO 3 loaded with 25,000 ETH worth of LOTC Coins with 5% of Bonus for next 10 Days where once all this 3 ICOs are been finished the final ICO 4 will be live and will be running for complete 30 Days loaded with a maximum of 30,000 ETH worth LOTC Coins where this is the maximum ICO worth for LOTC, and since all the maximum bonus for market values are already added, this ICO will not have any bonus.

7.CoinBet Revenue Sharing

The CoinBet Funds Distribution are been carried equally connecting all nodes including engage, maintenance and growth. The entire funds are be distribution in multiple percentage to make a effective and transparent system. The Funds are distributed as 70% and 30% for Users and Company respectively, The major 70% funds are been allotted for the Users where The profit distribution of $\text{Total Ticket Sales}/100 * 70 = A$ and that $A/\text{Total LOTC sales volume}$, which includes distribution of prizes as per the calculated percentages allotted by coinbet.



The 30% Fund are allocated to company where it will be equated as $\text{Total Ticket Sales} / 100 * 30 = B$ and The $B/100$ out of from that **20% for Marketing, 20% for Development, 5% for Consulting, 45% for Stockpile** and finally **10% for Operation**. The goal of CoinBet to archive the maximum chances of getting all users winning in the draw, so before allotting the percentages for prizes, coinbet gives 0.01 ETH per User whomever have placed on 4th Place, This Funds calculation is been using a formulae $0.01 \text{ ETH} \times \text{Total Amount of 4th Place Users}$. So for example if 100 Users are in 4th Place then $0.01 \text{ ETH} \times 100 = 1 \text{ ETH}$ Spent removed from the 70% of Fund Share and rest will be allocated using the specified percentage for 3 places. The below chart explains the clear view of fund distribution using the CoinBet system model for 6 Digit Lottery system.



Once The 6 Digit Lottery ends and posts the results, where the 4th Place with 4 Match are been calculated and each 0.01 ETH are been distributed and then the next 3 places will be calculated based upon the matches where 65% of Fund will be send to 1st Place and 22.5% Fund will be send to 2nd Place and finally 12.5% Fund will be for 3rd Place.

When the cumulative payout exceeds 2500 ETH, we will broadcast a live draw on Youtube.

8. Marketing Tools

CoinBet uses the current algorithm of marketing methods to achieve success in promotions where an important marketing component embedded in the CoinBet platform smart contract is the proper motivation of each client at all levels of development, connecting a strong trustworthy and engagement with our users.

9. Road Map

- | | |
|------------------|--|
| ❖ 2016 October | - Global Market Research |
| ❖ 2016 December | - Development of Web Applications |
| ❖ 2017 June | - Internal Test for Funding |
| ❖ 2017 September | - First ICO Landing Page |
| ❖ 2017 October | - Launch for Fundraising And 3 digit lottery Services |
| ❖ 2017 November | - Mobile and PC Wallet Service |
| ❖ 2017 December | - Initial Test Launch |
| ❖ 2018 February | - Initiate Formal Service and Listing on Major Exchanges |

10. Conclusion

This complete document presents a part of the technological and marketing solutions that are planned in the process of the CoinBet platform and also as the Ethereum blockchain improves, we will actively use emerging network capabilities that will make CoinBet the most reliable and extensive decentralized lottery in the world, and will provide an opportunity to all those who joined the platform at the starting period to share our success and other related activities, we will be continuously looking for market values dependencies to make sure our LOTC would also get high rate of usage connecting with leading cryptocurrency industries.

FAQ

Q : What is Coinbet.com ?

A : Coin-bet.bet is a transparent and verifiable lottery gambling platform hosted on Smart Contracts using Ethereum Blockchain ERC20 model.

Q : What Games Are Offered On The Platform ?

A : There are

- 3 Digit Lotto (3 of 9, Hourly)
- 6 Digit Lotto (6 of 45, Daily)
- 7 Digit Lotto (6 + 1 of 40 + 40, Daily Updated)

Q : Clearly explain men each Game with its Rules ?

A : 3 Digit Lotto is will select 3 numbers from 1 to 9

- If the 3 digits match, it is 1st
- If the 2 digits match, it is 2nd

This is an hourly lottery, where exciting winners every hour.

6 Digit Lotto is will select 6 numbers from 1 to 45

- If the 6 digits match, it is 1st
- If the 5 digits match, it is 2nd
- If the 4 digits match, it is 3rd

This 6 Digit is an daily lottery system.

Q : What are the fees for buying Lotto?

A : There are no fees for placing bets apart from Ethereum gas fees.

Q : Is Coin-Bet is Anonymous ?

A : Anonymity is left to the end-user. As Coin-Bet runs on the Ethereum blockchain, all bets are public, however users can use Coin-Bet from any address that they have control over, providing anonymity for users that desire it.

Q : How far is Coin-Bet secured ?

A : Coin-Bet relies on technology such as the Ethereum blockchain in order to function properly. It cannot be guaranteed that zero bugs can exist in Ethereum or in Coin-Bet. Moreover not only Coin-Bet, but all websites can not be free from DDos and hacking. Coin-Bet game works on smart contracts will undergo extensive security audits before they are deployed on the mainnet, ensuring that the probability of security-critical bugs being deployed is as close to zero as possible.

Q : Will Coin-Bet be able to support to buy as Crypto besides Ethereum?

A : No, It will be used as Ethereum (ETH).

Q : Is there any Age Restriction on Coin-Bet ?

A : It varies slightly based upon from country to country laws but generally over 18 years old.

Q : I am a US citizen. Can I participate ?

A : Please refer to the laws of your country among other countries, including the US. There are some countries which should not participate in their laws.

Q : Can I use any ETH wallet to send money directly to smart contract address?

A : We recommend the following wallets **MyEtherWallet, Parity, Mist, Metamask** which are trustworthy.

Q : Which country does Coin-Bed based on ?

A : Coin-Bet will be located in Costa Rica after ICO closed.

Q : Will you provide gambling services other than lottery?

A : Voting with LOTC owners will be selected fairly.

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