

# Merlin AI Foundation

*White Paper*

*Version 1.0 – April 2025*

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## Merlin: A Decentralized AI Agent That Thinks, Talks, and Acts for You

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### 1. Executive Summary

Merlin is not just an artificial intelligence — it is an autonomous software agent that interacts with users in natural language and can take direct action on their computers. It doesn't just answer questions; it performs tasks.

This white paper introduces a revolutionary AI development model: a fully decentralized, open-source project where contributors are rewarded with a native token (MRN) minted only as a direct response to value-added work. No tokens are pre-mined. No tokens are given for speculation. Every MRN in existence is backed by real technical contributions that expand Merlin's abilities.

The Merlin AI Foundation does not seek profit. All revenue generated by the platform is used exclusively to repurchase MRN tokens on the open market. The goal is a self-sustaining ecosystem where developers, users, and investors are aligned by design.

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### 2. Vision and Mission

#### **Vision:**

To build the world's most capable AI agent — one that can understand, speak, and take action — entirely through open collaboration and decentralized governance.

#### **Mission:**

To reward developers and contributors for building the open-source Merlin agent, and to create a fair token economy where all value flows back to those who build and support the system.

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### 3. The Problem

Today's AI development is highly centralized and profit-driven. Access is controlled, data is siloed, and the financial value generated by AI is absorbed by a small number of companies. Developers are often unpaid, underrecognized, or locked into corporate structures.

Meanwhile, many crypto projects promise decentralization but rely on speculative token models disconnected from real productivity.

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### 4. The Merlin Solution

Merlin introduces a new model:

- A powerful AI agent that can talk to you, understand you, and take actions on your machine.
- A community of developers who contribute code, features, or improvements.
- A token (MRN) that is minted only when work is delivered and verified.
- A foundation that redistributes 100% of platform revenue into buying back MRN tokens on the open market.

This model ensures that tokens are backed by value, contributions are incentivized, and ownership is distributed.

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## 5. Token Design: MRN

### 5.1 Token Type

MRN is an ERC-20 token deployed on a low-fee, scalable blockchain (e.g., Base or Polygon). It follows standard token interfaces and is compatible with major wallets and decentralized exchanges.

### 5.2 Supply

MRN has **no fixed maximum supply**. Tokens are minted only when a contribution is approved by the foundation or future governance structure.

### 5.3 Minting Rights

Only the foundation can mint MRN tokens. Each minting event must correspond to an approved contribution or bounty completed by a developer.

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## 6. Token Distribution and Phases

### 6.1 Pre-ICO Phase (Transfer Lock)

- MRN is minted and distributed as payment to early contributors.
- Token transfers are disabled on-chain to prevent speculation.
- A one-time, strategic sale of MRN to a private fund is conducted to secure initial capital.
- This capital will later be used to support operations and repurchase tokens during early market phases.

### 6.2 ICO Launch

- Transfers are enabled.
  - MRN is listed on a decentralized exchange (e.g., Uniswap).
  - From this point on, anyone — including investors — must purchase MRN from the open market.
  - The foundation **no longer sells MRN** directly (see Token Sale Policy below).
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## 7. Token Sale Policy (*Under Evaluation*)

Currently, the Merlin AI Foundation does not sell MRN. However, the possibility of limited and transparent token sales is under consideration to support operational liquidity or maintain market stability.

If adopted, the policy will include:

- Strict caps on sales (e.g., 5% of tokens minted to date)
  - Public disclosure of all sales and their purpose
  - Guarantees that no sale will be used for speculation or profit distribution
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## 8. Economic Model

1. Developers earn MRN by submitting improvements to Merlin.
2. These tokens can be held or sold on the open market.
3. Merlin generates revenue from services (API usage, subscriptions, enterprise integrations).
4. All revenue is used by the foundation to **buy MRN** from the market.
5. This creates buy pressure, supporting the price of MRN and giving contributors a way to realize value.

The foundation never distributes profits. All economic activity exists to strengthen the token economy.

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## 9. Token Utility

- Developers receive MRN as compensation for contributions.
  - Users may use MRN in the future for access to premium AI services.
  - MRN may be used for staking, governance, or prioritization in future versions of Merlin.
  - Investors may hold MRN as a store of value linked to the growth of the ecosystem.
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## 10. Community Contribution System

Merlin is not built by a central team. It is built by contributors around the world who submit proposals, code, and features.

### 10.1 Bidding on Issues

Anyone can view open Requests — tasks or features proposed by the community or foundation. Developers can:

- Submit a bid with the amount of MRN they would like to receive.
- Include a short explanation and a video showing the functionality.
- If accepted, they proceed to submit a Pull Request (PR).
- Once the PR is approved, the tokens are minted and paid.

### 10.2 Open Proposals

Contributors may also suggest entirely new ideas, not tied to existing Requests, and request MRN in exchange.

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## **11. Governance Structure**

### **11.1 Decentralized Community**

Merlin has no hierarchy. There are no executives or permanent leaders. Power comes from contribution and reputation.

### **11.2 Core Committee (*Under Evaluation*)**

A rotating, decentralized committee is being considered to:

- Evaluate and prioritize Requests
- Approve Pull Requests
- Guide long-term technical strategy

Selection methods being explored include:

- Community voting
- Nomination and reputation-based access
- Rotating roles tied to contribution history

This structure will evolve alongside the community and may eventually be replaced by a full DAO.

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## **12. Legal Structure**

The **Merlin AI Foundation** will be registered as a nonprofit in the state of New York. Its charter will specify that:

- All assets are used to fund the mission of open AI development.
- No profits are distributed to individuals.
- MRN is not a security and is not sold as an investment.

All token mints, revenues, and repurchases will be made public for legal and ethical transparency.

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### 13. Transparency

- Every MRN minted is tied to a documented contribution.
- All token sales (if any) are publicly reported.
- All revenue and MRN buybacks are published regularly.

The foundation will maintain a live dashboard showing contributions, payments, and token flows.

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### 14. Conclusion

Merlin is more than just another AI — it is an intelligent agent that can think, talk, and act for you. It is built by people, not corporations. It is governed by contributions, not titles. Its token is not mined, but earned.

By aligning incentives between developers, users, and capital, and by reinvesting every dollar earned into supporting the token, Merlin offers a new model for open-source collaboration, technological empowerment, and community-driven intelligence.

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