

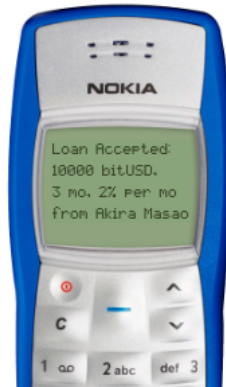
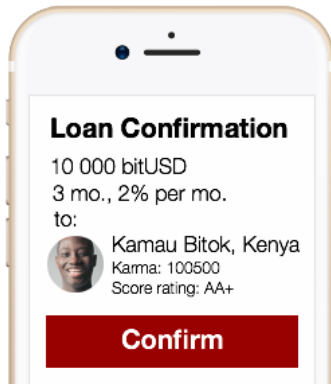


Karma

Economy of Trust

What is Karma?

A platform for creating social and economic interaction between people all over the world: from pawnshop to charity, from loans to direct exchange of goods and services.



Mission:

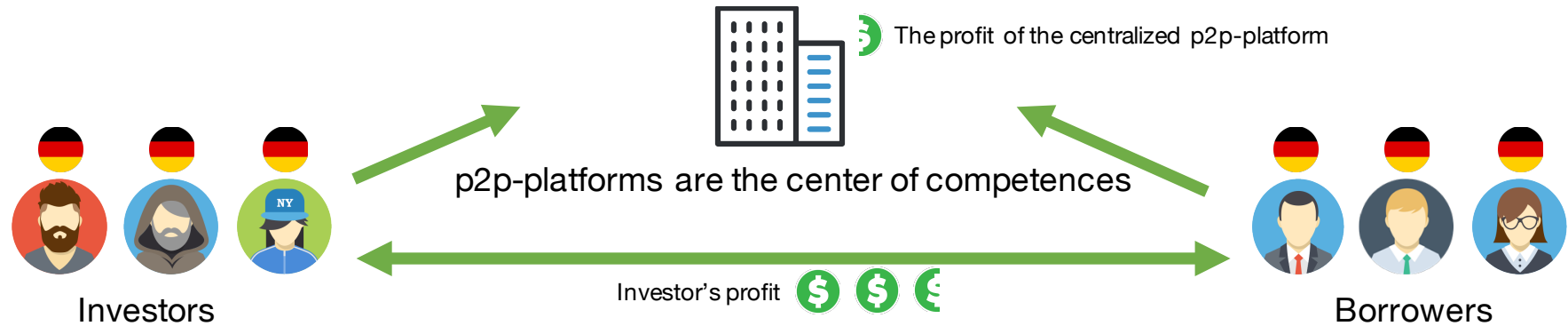
- Give people from countries with inefficient financial systems access to resources.
- Create possibility for investors from countries with low interest rates to invest into emerging markets.
- Create a powerful impulse to the development of entrepreneurship all over the world.
- Create a society of mutual trust and aid.
- Lower down the interest rates to 0% (net of inflation).

18th - 20th Centuries Economy



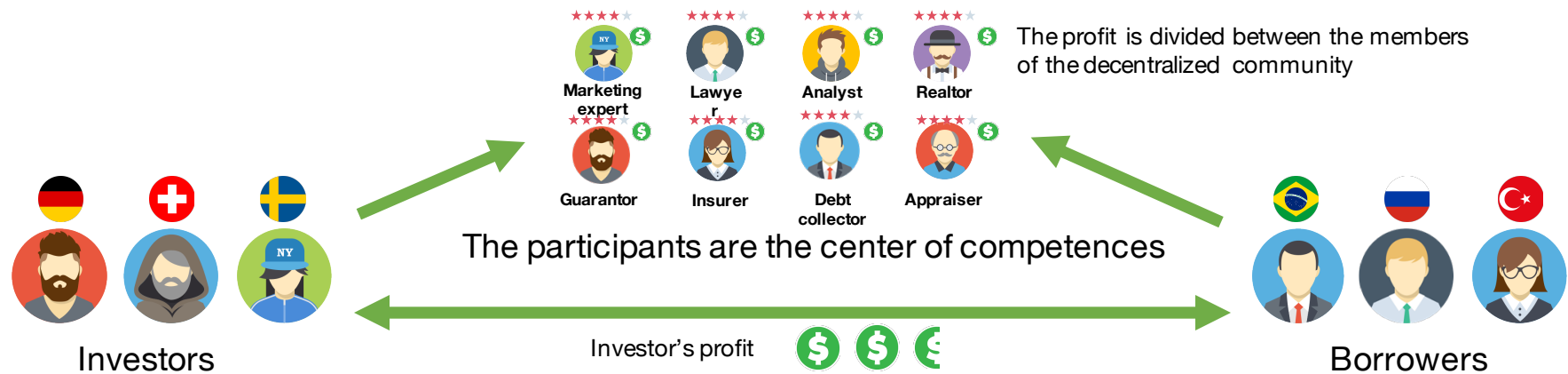
The investor brings money to the bank, because he does not have competences and information for independent crediting.

21st Century Economy



The investor gives a loan to the entrepreneur directly, an independent peer-to-peer platform provides the investor with the competences.

Future Economy

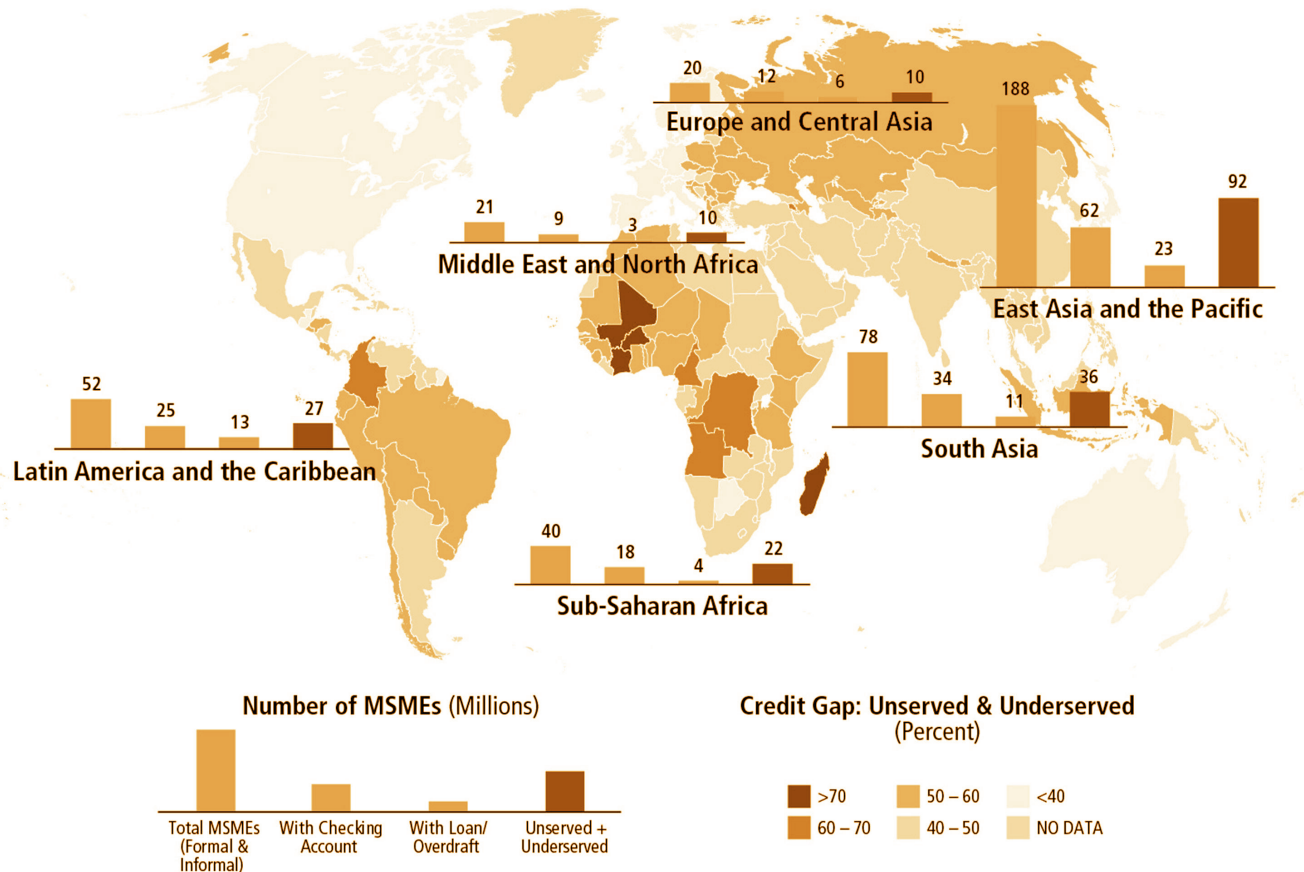


Loan becomes a cross-border activity. Competences are passed to independent participants, the efficiency is defined by their rating.

Market Volume

We create new relations worth trillions of dollars

Lack of loans in emerging markets: 2.1 – 2.6 trillion USD



50%

The percentage of GDP in bank deposits worldwide
(World Bank)

38 trillion USD

Approximate value of bank deposits in the world

The background of p2p development

Old banking formats



Time

It takes a bank from 1 to 6 months to process a business loan application



Collateral

Banks act like pawnshops with SMEs. The value of the collateral exceeds the loan a few times.



Strictness

Strict loan requirements and rigorous procedures of checks limit financing options

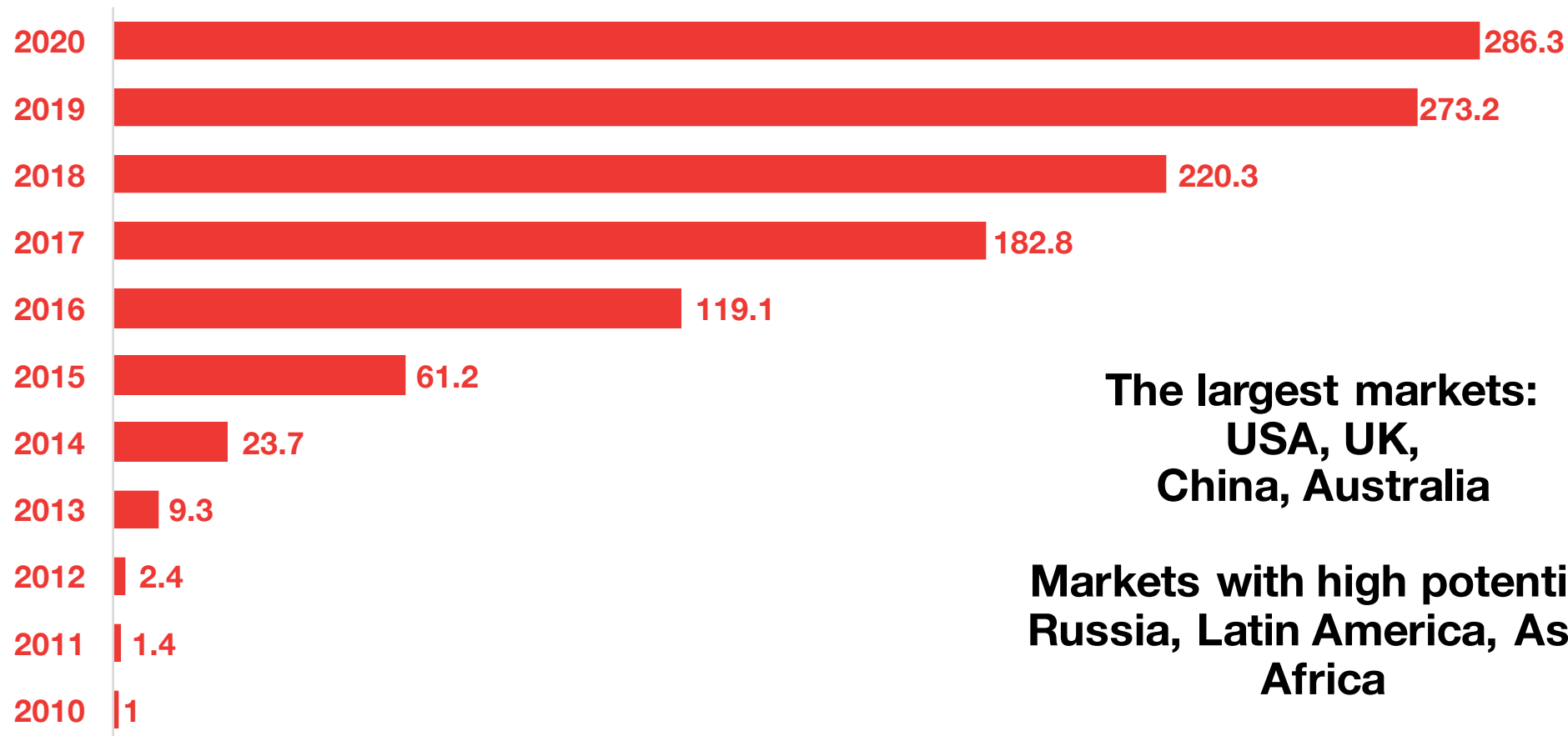


Inaccessibility

More than 2 billions of people are unbanked in the world.
(World Bank).

The speed of p2p credits market growth

Morgan Stanley, Disruptive Innovation in Financials



The largest markets:
USA, UK,
China, Australia

Markets with high potential:
Russia, Latin America, Asia,
Africa

Competitors and partners

The main Karma's difference: it's an open platform for economic relations with unlimited options for people around the globe.

	Karma	BitBond	Everex	WeTrust	Dharma	SALT	Suretly	Kiva	LendingClub
Cross-border international deals	✓	✓	✓	✓	✓	✓	✓	✓	✗
Members can play any role in the process	✓	✗	✗	✗	✗	✗	✗	✗	✗
Different types of credit assets (crypto, fiat, other)	✓	✗	✓	✗	✗	✗	✗	✗	✗
Different types of collateral assets	✓	✗	✗	✗	✗	✗	✗	✗	✗
Members can create new types of loan conditions	✓	✗	✗	✗	✗	✗	✗	✗	✗
Interest rates are determined on the open market	✓	✓	✓	✓	✓	✓	✓	✗	✗
Different types of scoring parameters	✓	✓	✗	✗	✗	✗	✗	✗	✗
Mutual responsibility, reputation accumulation	✓	✓	✗	✗	✗	✗	✗	✗	✗
Loans for the future delivery (forward contracts)	✓	✓	✗	✗	✗	✗	✗	✗	✗
Legal in fiat world	✓	✓	✓	✗	✗	✗	✗	✓	✓

Karma has no competition policy:
we are ready to become partners with any financial service
or asset tokenization platform.

10 key features

1

Decentralized roles

Community members can perform any role: scoring, investment, borrowing, insurance. The efficiency will affect the members' karma (rating).

2

Unlimited relations parameters

Participants can choose loan conditions: credit terms, interest and collateral rate from zero to infinite.

3

Decentralized geography

An efficient entrepreneur from Asia can get a loan from an investor in Switzerland. Currency risks are insured by other participants.

4

Decentralized IT

Thanks to the blockchain technology, the data is securely stored in a worldwide delegates network.

5

Any assets to borrow or lend

Crypto assets, fiat currencies, mortgage through API, loan against housing, goods in transit, gold, and other assets.

6

Maximal automation

Electronic loan agreements and surety bonds, transfer of rights, class actions, deposit or collateral registration and liberation.

7

Smart scoring

Programmed scoring: big data, machine learning. External scoring services. Online scoring of borrowers' performance.

8

Mutual responsibility

Every deal participant puts their reputation and money at stake. We create a close community based on mutual responsibility.

9

Marketing

The producers of goods and services will be able to tell about their products to the world. Buyers can become investors.

10

Loans for the future delivery

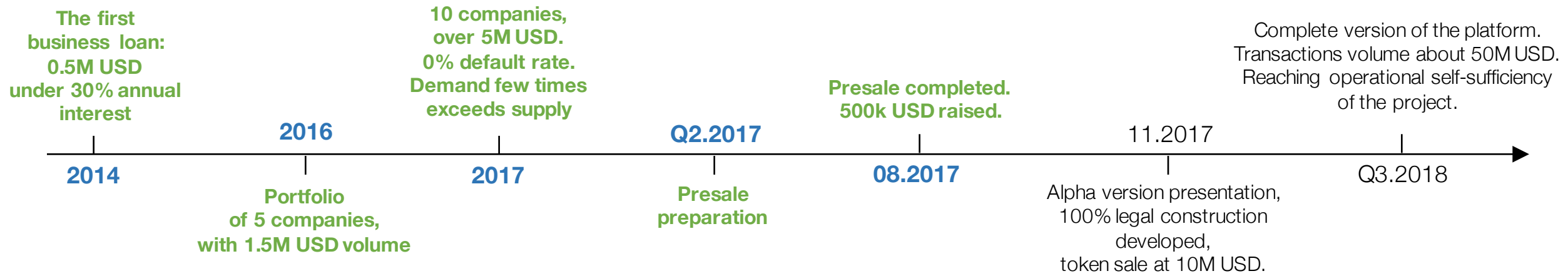
Selling goods or services to be delivered in future. For example, selling under-construction real estate.

The algorithm of a deal

1. Users register and browse lists of supply and demand for resources.
2. To conclude deals, it is necessary to go through KYC (Know Your Client) procedure: provide their mobile phone number and passport or identity card.
3. The deal participants sign an electronic agreement that has legal force.
4. Karma provides an independent escrow account in a bank for fiat currencies or crypto escrow for crypto assets.
5. The creditor sends assets to the escrow account, the system adds a note with the number of the electronic agreement.
6. The smart contract analyzes the notes made to the payment orders and sends money to the borrower from the escrow account.
7. Karma registers the loan in the blockchain.
8. The borrower performs monthly repayments through the escrow account, the system marks the number of the electronic agreement in all the payments.
9. The smart contract sends the payment from the escrow account to the creditor.
10. Karma registers the repayment in the blockchain.
11. When the repayments are finished, Karma registers the loan closing in the blockchain.
12. The deal participants' karma is recalculated (their rating is updated).

Plan

Past, present, future



Alpha version (11.2017):

- Collateral-free loans with fiat;
- Loans against crypto currency.

Second version (Q1-Q2.2018):

- Karma-token as a payment for internal commissions;
- Cross-border deals;
- Currency risk hedging;
- Increasing the number of social roles;
- Involvement of new partners in scoring, identification, and liquidity.
- Creation of the global ambassadors network.

Third version (Q3-Q4.2018):

- Transaction with tokenized offline assets (real estate, gold, other resources);
- Creation of new social roles;
- Financing for the future delivery of goods and services;
- Barter economy.

Presale

17-30 August 2017

Hard cap 500k USD successfully reached

— **Funds distribution:**

- Alpha-version development;
- Project management;
- Legal construction development;
- Token sale Marketing and PR;
- Creating a foundation for investing in the first loans inside Karma.

Token Sale

27-29 November 2017

Hard cap: 10M USD

- **Basic token price:** 0.01 USD. Token sale is held directly at the exchange. After the token sale ends, new exchanges will be added to provide extra liquidity.
- **Until 26 November 2017 inclusive:** whitelisted participants KYC.
- **27-28 November:** exclusive token sale for whitelisted members.
50% discount until 0.5M USD is collected, 30% until 1.5 M, 15% until 4M.
- **29 November:** open sale of remaining tokens.
- **Task:** fundraising for platform development during 1 year, until reaching self-sufficiency.
- **Funds distribution:**
 - 45% product development and marketing,
 - 20% conservative endowment foundation,
 - 18% marketing and PR of token sale,
 - 10% mutual aid system (insurance fund),
 - 2% lawyers,
 - 5% founders, 1-year vesting,
- **Final distribution of tokens:**
 - 50% token buyers,
 - 25% founders, 1-year vesting,
 - 25% bounty reserve.

Karma token economy

Utility token for paying commission to transaction participants

- **All of the ecosystem commissions will be paid with karma tokens:** scoring, transaction processing, insurance, collection, and others.
- **Transaction participants** will **automatically buy Karma tokens** on a **stock exchange** via **API**.
- The **bigger** the **transactions volume** in the ecosystem, the **greater** the **commissions volume** and **Karma tokens demand**.
- While the **total tokens number** remains **steady** and **demand increases**, the **token's price** will **grow**.
- The **growth** of the **token value** and the **number of people** who will want to **keep tokens** will **create extra deficit in supply**.
- Unlike BTC or ETH, the **absolute commission will not grow proportionally** to the **growth of token value**.
If **Karma token's exchange rate** has **doubled**, one will **pay 2 times fewer tokens** for the **same commission**.
- **Additional options for holders of more than 100 000 tokens:**
 - Priority access to new applications from investors and borrowers.
 - 50% discount on conducting transactions inside the platform.

Economic development forecast:	2017	2020	2025
Transaction volume, USD	5M	1bln	15 bln
Commission volume (demand for tokens), USD	250k	50M	750M

Economy

Karma's operations

- **Karma** is a **non-profit project**.
- **The aim of the project is the ecosystem development, that is why surplus revenue will be spent on:**
 - Buying tokens from anyone wishing to sell them;
 - Maintaining and developing the platform;
 - Forming the insurance foundation;
 - Giving subsidiary loans to the ecosystem members;
- **Karma gains a commission on every deal.**
- In the **beginning**, while **Karma team** will be playing **numerous roles**, about **3-5 %** from **every deal** will **go to the team**.
- **Later**, when the **roles** are **delegated** to the **community members**, **Karma's commission** on every deal will be **less** than **1%**, while **all the other commissions** will be **distributed across** the **community**.
- For **maintaining** the **project**, it is necessary that **operations worth 0.5M USD** are **conducted** in the **system daily**.
This **figure is hundreds** of **times smaller** than in a typical fiat bank.

Legal structure

100% legal token sale, even for the US and China residents



- **Token sale** will be **based** on **online offer agreement**.
- From the **legal point of view**, a **token** is a **software license** that **can be sold, granted or inherited**.
- It is possible to legally buy a token even for USD.
- It is **planned** to **set up** a **company** as a **non-commercial organization**.
- **Legal structure** will be **designed** by the **start of token sale** in **November**.
- To conform with AML and CTF, it is **planned** to perform **KYC** of **token buyers**.
- The participation of USA and China citizens in the token sale will be limited: only for qualified investors.
- Until the token sale, the responsibility for targeted use of the presale foundation was taken by London-based company Goodeast Consulting Ltd. (company number: 10596223).
- **Presale foundation** is in a **Multi-Sig wallet** that can be **opened** with **3 or 4 signatures**, two of them belong to EU-based lawyers.
- **Karma team weekly reports** on spending the presale foundation.

The Team. Founders



George Goognin

Founder, Evangelist

Ph.D in Mathematical Economy Models

IT-career since 2002, first IT-startup made in 2008.

2009 to 2013 — Chief Operating Officer in ADV web-integrator,
TOP3 in Russia. Clients: MOEX, VTB, X5 Retail.

2010 to 2014 — co-founder of digital business school RIK
(more than 1000 students completed the courses).

2013 to 2016 — e-commerce automation (Apple, Samsung, LEGO, Nike)



Artem Laptev

Founder, Investment Director

Since 2010 has managed private p2p investment fund for SME.

Developed own scoring strategy with stable and positive results

More than 10 years of experience in portfolio management in
financial industry: Troika Dialog, Sberbank, Ancor Invest.

International CFA-certified financial analyst.

The Team. Partners



Ronny Boesing

OpenLedger, partner in Denmark

Founder of the World's First Decentralized Fintech Exchange OpenLedger, CoinsBank and OBITS. Official partner to multiple funds and exchanges in China. With his partner, Dan Larimer, Ronny is constantly developing the Graphene/BitShares ecosystem. Open Ledger is also a significant player at the global ICO promotion market.



OpenLedger

OpenLedger

Partner in PR and ITO Marketing

Open Ledger is a decentralized conglomerate aiming to make ICOs mainstream. The OpenLedger ecosystem includes advertising, trading, blockchain talent, and ICO marketing subsidiaries dedicated to one goal: Crowdfunding the future of startup businesses.

The Team. Partners



Rustem Zubairov, law partner

Deloitte hits BIG4 for a decades. Rustem is a department director, took part in project of crypto-currencies legalization in Kazakhstan.



Michael Shlemov, mentor.

UBS, Executive Director of the analytics department. More than 10 years of experience in finance. At Deutsche Bank managed the VTB IPO. In 2008 took part in the MOEX IPO. Has been recognized several times in a row as the best industry expert in Russia (Institutional Investor). Ranked among the TOP-3 analysts in financial sector by Extel Russia.



Alex Chinyaev, law partner

UK Karma partner. Worked at Citi bank, RBC, PWC London. More than 15 years of investments and financial operations experience. Alex have UK Investment Management IMC certificate.



Den Svinarchuk, fintech advisor

MOEX IT-infrastructure architect. Designed the core of the MOEX trading system, managed dev team. High-load expert: MOEX core supports 140,000 transactions per second.



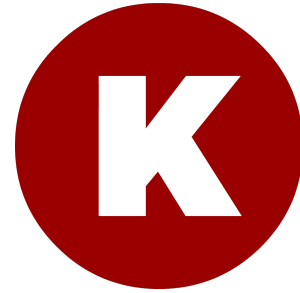
Tomoaki Sato, advisor

Blockchain developer, founder of the Starbase project. In collaboration with Bitcoin Suisse Tomoaki san is creating a platform for crowdsourcing and fundraising the innovative startups all over the world. Prior to this he worked a lot to create a islamap: map application for muslims in muslim minority regions in Japan.



Dmitry Schnellereich, blockchain consultant

Expert in b2b-sales, marketing, and partnership networks. Business lobbyist. Has brought more than 20 startups to the market since 2012. Ex-advisor in President Putin's Administration.



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