



**CoinPoker**

WHITEPAPER



Crypto-Currency Based  
Online Poker Room

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# Executive Summary

CoinPoker is a poker room built on blockchain technology that will offer fantastic value for poker players and casual purchasers. Poker players will benefit from games offered at extremely competitive rakes with huge value added bonuses and promotions to drive traffic and a potential appreciation of their CHPs associated with the development of a robust poker economy.

CoinPoker is not a concept, it's been fully developed and is ready to launch post ICO ensuring immediate benefits to the CHP purchasers. The software is fully tested and the MVP (minimum viable product) is ready to try. Millions have already been invested to get the software to this state.

CoinPoker's blockchain technology also solves the key obstacles inhabiting the growth of online poker today, namely avoiding payment processing issues, managing game integrity, creating purely random number generation and allowing for blockchain marketing initiatives. Even product design, new games can be controlled by a blockchain voting system based on user preferences.

The timing is perfect for CoinPoker as recent forecasts expect online poker to surge in popularity with previously taboo markets coming back online (such as parts of the U.S) and poker growing in popularity in emerging regions such as Asia and South America. Expenditure is set to treble of the next 3 years.

Due to the reasons listed above, we would like to introduce you to our ICO, or Initial Coin Offering. Pre-ICO is going to start on November 16th, and the ICO is expected to start mid-January. Throughout we will be releasing 500 million of our Tokens called Chips (CHP). Chips will be our official currency that will circulate within the platform, benefiting the holders of the currency.

## 1. Online poker today

Online Poker enjoyed a meteoric rise in popularity in the early to mid-2000s but has since plateaued somewhat over the last decade or so, mainly due to regulation. However, forecasts show strong growth going forward. It's expected that, online gaming will grow to a USD \$50 billion market and poker plays a significant role. This multi-billion-dollar market has been growing at 5-7% percent each year.

It is estimated that online poker today accounts for USD \$2.5 billion of overall online gambling expenditure. That figure does not account for the plethora of play money poker apps on Facebook and other social media platforms as well as free poker played at traditional online poker rooms. Considering the number of free money players the market, on a per-customer basis, is likely to be considerably higher. Forecasts going forward are strong with expenditure over the next 3 years expected to reach a staggering USD \$5.2 billion by 2020 in US alone.

The main reason for the predicted increase in expenditure, and trend reversal, is due to some positive legislative reforms in established markets and continued growth in emerging markets. It's expected that more than 20 US States will legalize online poker over the next few years. In addition to the renaissance in the U.S, the market is expanding in emerging geographical regions such as Asia (including India, China and other parts of South East Asia), as well as Latin America and Brazil, which is expected to be the next big "boom" region as access to payment processing get resolved.

The evolution of blockchain technologies is set to be a "game changer" for online poker too as the technology has the potential to solve many key historical problems prohibiting the expansion. That's where CoinPoker comes in - our blockchain applications solve these issues!

### 1.1. Historical difficulties with online poker

Although the popularity of poker as a game is as strong as ever, online users have encountered many problems trying to play the game they are passionate about. The problems are complex and varying, but we would estimate, based on our market knowledge and anecdotal evidence, that about 50% of the market has been lost due to these issues.

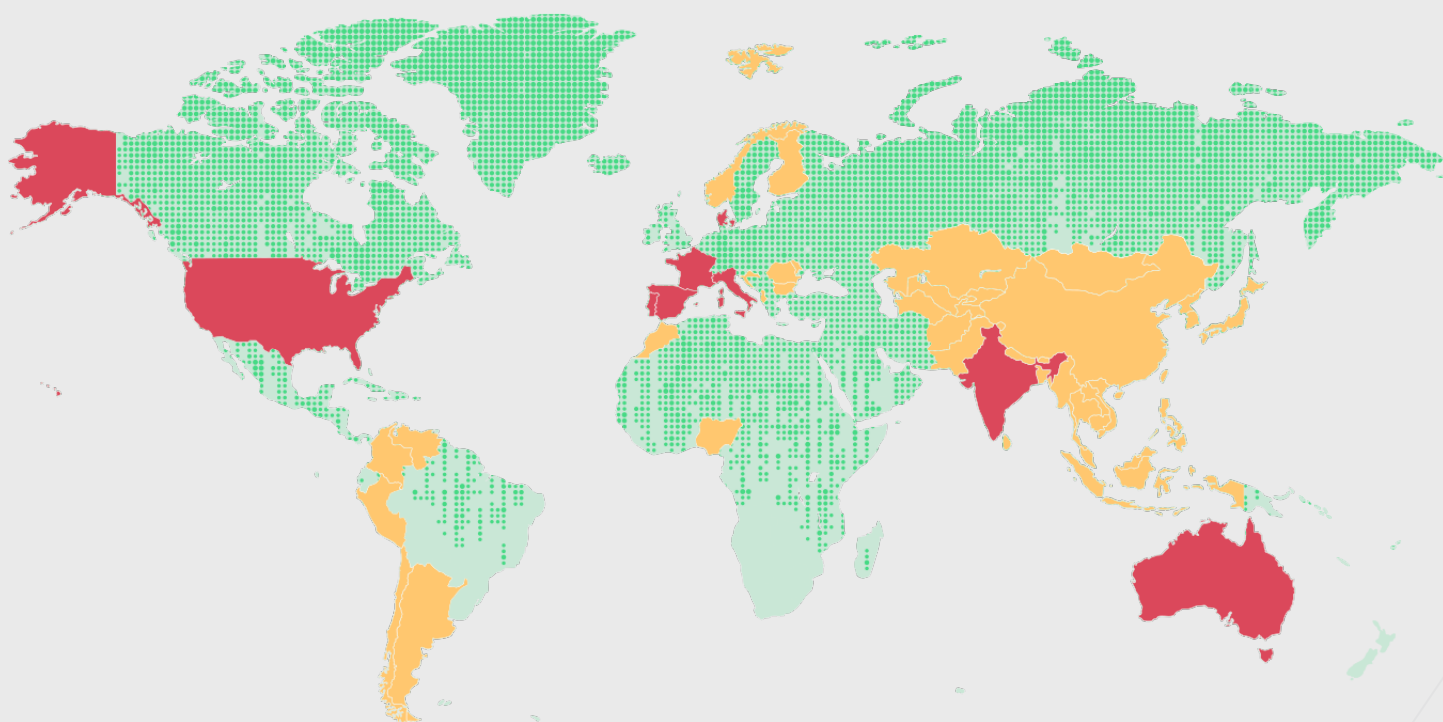
The major reason has been the closure (or ring fencing) of large markets around the world due to regulation, strict and less flexible payment providers and the change of legal status for poker in some countries. As poker also relies on network effects, the reduction in player liquidity has reduced the healthiness of the

overall poker ecosystem. Even regions that have not been affected by regulation, have been impacted by the reduction in player liquidity in other markets.

In addition to regulatory issues, the industry has done itself no favors! There have been numerous poker room scandals that have harmed the reputation of online poker as well as fraud attempts, security and transparency issues with game logic, bureaucracy surrounding online gaming accounts and a lack of security, causing reduced trust in online poker. The flow-on effect is that poker has largely gone offline, either via legal poker rooms, pub poker or underground illegal rooms which have all gained in popularity.

We have analyzed poker from a geographical perspective and mapped out a summary on how we see the current landscape, pointing out potential growth regions taking into our account our blockchain application can address the aforementioned issues.

- Under regulations
- Various payments and KYC issues



### 1.1.1. You are not in control of your funds!

One of the key problems identified above is that confidence has been lost in the deposit and withdrawal process which is the pillar of any online gaming system - put simply you are not in control of your own funds! If you transfer money to an international poker room, or cash out winnings, you are often at the mercy of the payment processor, poker rooms or bank's bureaucracy as to the timing of those funds, if they get processed at all. There are increasing KYC requirements, blocking of transactions and in some cases accounts have been banned and funds frozen or confiscated altogether. Impacts vary on a region-by-region basis, with some regions unable to transfer outside their country at all, or customers face charges from between 7 and 12 % to facilitate these transactions by third party brokers, often acting in black markets.

### 1.1.2. The technology is not transparent!

The lack of transparency in technology has been the number one concern around online poker is game integrity and fairness. It's been the number one question since online poker began and the number one thing complained about by poker communities across the world. Blockchain can solve this problem!

Their concerns range across different issues. One of their first concerns is whether random number generators (RNGs) are truly random or could be exploited. Until now, this has never been fully resolved and remains an area of distrust.

Game integrity fears reached fever pitch during the Absolute Poker scandal when it was uncovered that there was systematic cheating via a backdoor entry that allowed some accounts to see other players hold cards.

The icing on the cake was the Ponzi scheme that was run by Full Tilt Poker. Raymond Bitar, the owner, was arrested by the FBI over allegations that Full Tilt Poker, at one time the second biggest online poker company in the world, defrauded players by taking money that was reserved for payments and distributing it to directors of the company. How many millions were lost during this scandal? In the poker industry this day is known as “black Friday”, when Full Tilt playing accounts were frozen across the board.

The above-mentioned examples are some “highlights” of what has been a “troubled” past for the industry, but there are other examples, which are too numerous to mention.

### **1.1.3. Withdrawals are still problematic despite technological advances!**

Even if you are playing at a reputable room with a fair game, problems exist around payment processing. The timeframe for withdrawals takes at least two full days and much longer in some regions. With smaller networks that have less established payment processing solutions, withdrawals can take weeks, even months. Some poker rooms still send a cheques in the mail!

It seems every area of internet gambling has had significant progress over the last decade except payment processing; which has perhaps gone backwards. This reduces trust in online poker and demotivates players. While players are waiting for withdrawals to be processed, they often lose the funds playing casino games as well.

### **1.1.4. Sharks swallow fish!**

Given that Poker is regarded as a game of skill, another issue with online poker is that “smart” money tends to dominate recreational players resulting in a high burn rate for the recreational segment of the market. If recreational players are nurtured well from the outset then they become loyal participants and add significantly to the ecosystem, but managing new players is essential.

Smart money comes in a range of formats. The “ethically” based players that have developed a high level of skill in the game and the “unethical” or shady side of the industry including algorithmic/machine learning bots that prey on recreational players and teams colluding by having more than one player at a table. In fact, the online poker scene has matured significantly and the combination of the above factors means that recreational players have never been at a greater disadvantage.

Winning accounts are often fueled by rakeback incentives and other loyalty based promotions further exacerbating their advantage.

The knowledge gap between recreational and smart money has been a driving force killing of liquidity for many years. It’s been a significant reason for the plateauing of online poker. Blockchain can reduce the gap between the smart and recreational money by identifying the unethical poker accounts thereby eliminating or reducing this segment of the market. Of course, there is always a place in poker for skill based ethical players and they should be celebrated accordingly!

## **1.2. How CoinPoker can tackle these problems**

The blockchain revolution has the potential to solve the key challenges identified above. It’s perhaps the biggest hope for the future of the industry.

CoinPoker’s is an online poker platform which uses a fully decentralized programmatic set of contracts using advanced blockchain technologies via Ethereum and other blockchain technologies. These processes will help eliminate/limit the major online poker problems we are facing today.



### 1.2.1. Crypto-Currency based Online Poker

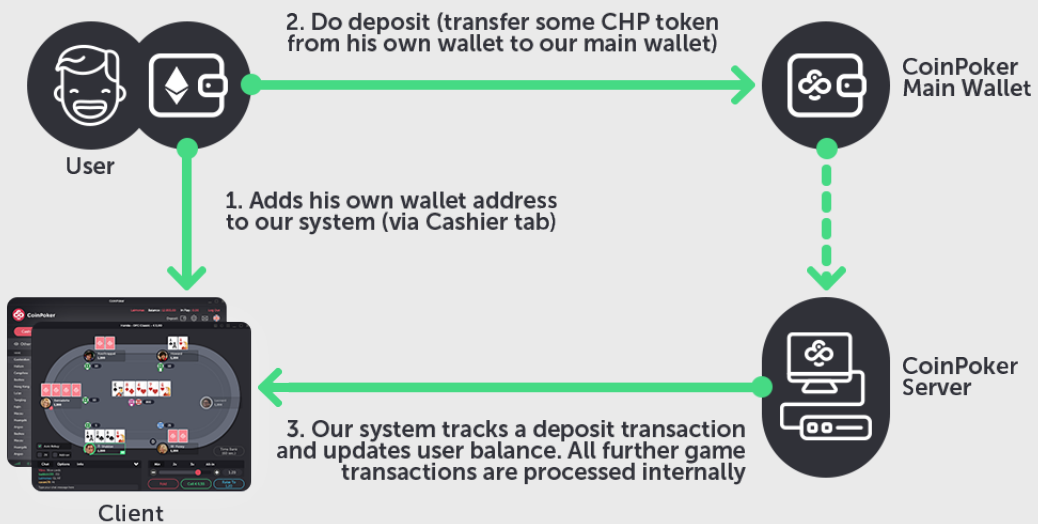
CoinPoker will operate on Ethereum smart contract based crypto-currency protocols and will introduce a new cryptocurrency called a "CHP" (CHiPs).

The most important advantage of using our CHP cryptocurrency is you can buy it online no matter what geographic region you reside in. The second advantage is the speed of processing. Players can fund or withdraw from their CoinPoker account instantaneously. As a consequence the CHP has enormous utility.

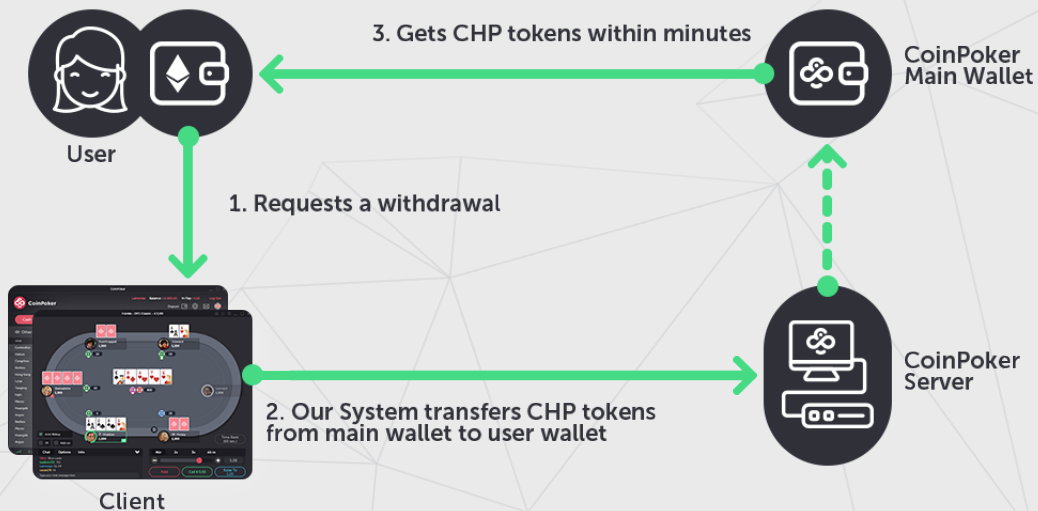
The CHP will be available globally and can be purchased and tradable via reputable third party exchanges regardless of the jurisdiction of the purchaser; however, the CHP can only be used on the CoinPoker platform from places where it is legally permissible to do so. In other words, the CHP can be used to play poker on the CoinPoker Platform by any person who has rightful possession of the CHP and is situated in a Permitted Jurisdiction. Permitted Jurisdictions, include (a) jurisdictions where Online Poker is legal because it is considered a game of skill; (b) Jurisdictions where Online Poker is licensed by a legitimate authority, or (c) Jurisdictions where Online Poker is not governed by the laws of the jurisdiction where the person is situated.

This process addresses two of the major concerns identified above. It opens up previously closed geographical markets and bypasses banks, e-wallets and other third-party brokers who create distrust in the poker community and cause payment delays. Below you will find a depiction that demonstrates how the CHPs will flow through the CoinPoker ecosystem.

#### CoinPoker Cashier System Deposit Process



#### CoinPoker Cashier System Withdrawal Process



### 1.2.2. Anonymity

Smart contracts will guarantee the token holders' anonymity and safety. Backed by solid legal opinions worldwide, the poker room will operate with maximally simplified registration process, avoiding redundant user personal data collection.

## 1.3. CoinPoker based on Ethereum Smart Contracts

Smart contracts are a central component to next-generation blockchain platforms. The main goal of a smart contract is to enable two anonymous parties to do business with each other, usually over the internet, without the need for a middleman.

Our main goal is to create next generation poker, which must meet our strict criteria:

- **Transparent & Fair** - it should rely on the blockchain to verify gameplay.
- **Fast & Cheap** - there should be zero latency between the user pressing any UI button and seeing the result. Moreover, it should avoid expensive costs of blockchain transactions and data storage.

Using Ethereum smart contracts, together with our own system, we can fulfill all these criteria. Players will have full visibility of everything that happens on the network, including game play actions by players and the randomness of card distribution (see Section [1.4](#)).

Our Ethereum-based token contracts complies with the ERC20 standard, which has gained significant prominence among developers. More detailed info about the ERC20 standard can be found [here](#).

It is nearly impossible to corrupt or censor smart contracts, because they are placed in a decentralized infrastructure. All of our Ethereum smart contracts will be publicly available for everyone to see and examine.

## 1.4. RNG transparency on blockchains

The most important part of any poker software is the random number generator (RNG). All software-based RNG are effectively pseudorandom number generators (PRNGs), which is a process that appears to be random but is not and therefore could be exploited.

Blockchain has the potential to change this. The idea of a transparent blockchain RNG is not a new concept. There have been many academic discussions surrounding this idea. However, no project to date has successfully integrated this technology. One of the principle reasons for this is that blockchain technology is in its infancy, and processing speed limits its implementation. Having said that, we have developed what we call a "compromised" blockchain RNG. This blockchain RNG has been engineered to use blockchain technology to improve randomness, but still relies on some traditional RNG techniques to maintain speed. As technology improves, it is likely that a full blockchain solution can be implemented to ensure complete randomness without compromising execution speed.

Various PRNGs implementations on blockchains have run into problems, which should be kept in mind when trying to incorporate this technology into a dynamic game such as online poker:

- **Oracles** – are third-party centralized services, working outside of the blockchain structure and its consensus mechanism, which leads to some obvious credibility issues. Using oracles to generate randomness is slow, limited to blockchain confirmation speeds. Usually it takes about 1-2 minutes to pick one number or to generate one card from the deck. It would take, for example, up to 5 minutes to see a flop in Hold'em.
- **Block Hashes** – is perhaps the worst implementation of RNG. They are slow and fundamentally vulnerable to attack due to their poor design.

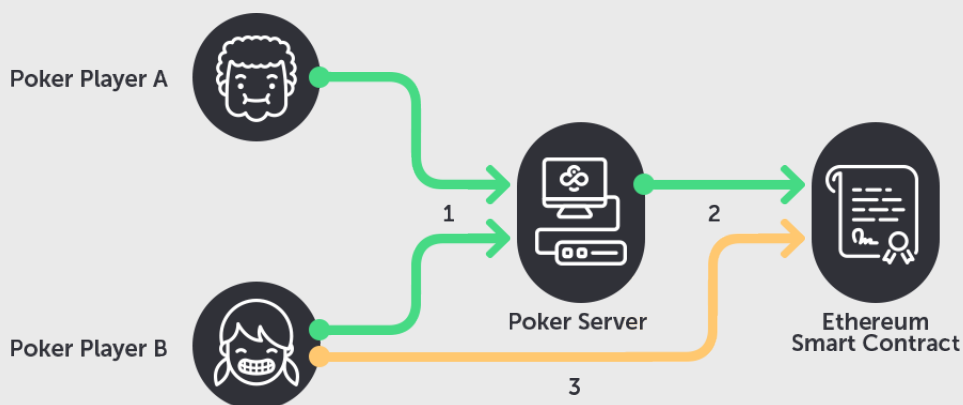
As you can see none of the current technologies can create a manageable game of poker in terms of speed.

There are two other important reasons that suggest, at least at this early stage, purely on-chain architecture may not be optimal.

- Ethereum transaction confirmation times result in significantly delayed responsiveness (around 35s, according to April's data), which would be unacceptable for poker players.
- Ethereum blockchain requires fees to be paid for every transaction. If every card shuffle would be a transaction, which is worth of approx 2-3USD in Ether cryptocurrency, this would create a very expensive and unbeatable game for both the poker players and poker room.

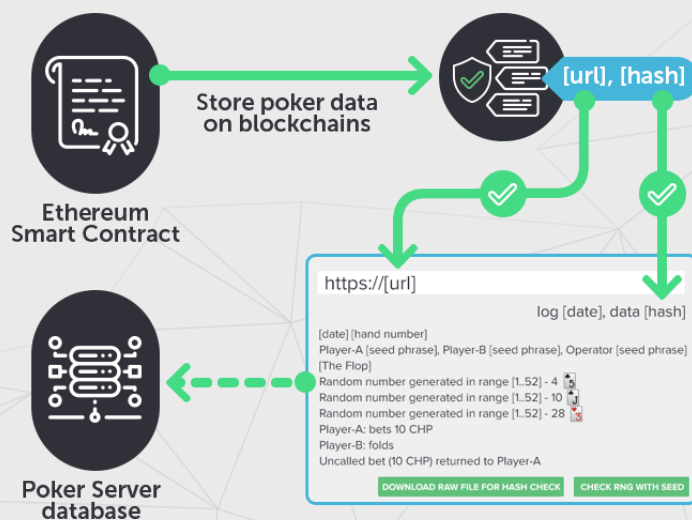
As part of our core intellectual property, we have invented what we believe to be the most accurate RNG in the market, based on a hybrid system using pre-committed partial RNG seeds provided separately by each participating player and the operator. These partial seeds are combined into one and then used by the RNG engine (SFMT<sup>1</sup> algorithm), which is placed inside our server. All gameplay actions, including each participants seed information are recorded and uploaded publicly in defined time intervals. Final game information becomes visible via a smart contract on blockchain, where everyone can review and verify the randomness procedure.

Using this system described in the diagram below, we are decentralizing RNG, making it fully transparent, eliminating unbeatable blockchain transaction fees and gaining manageable speeds that will increase over time.



- 1 All Players provide their own phrase (seed).
- 2 Poker Server combines all phrases: Player A + Player B + Server, use it in RNG and later sends data to smart contract.
- 3 Players can review and check transparency of whole process.

### CoinPoker smart contract for data storage on blockchains



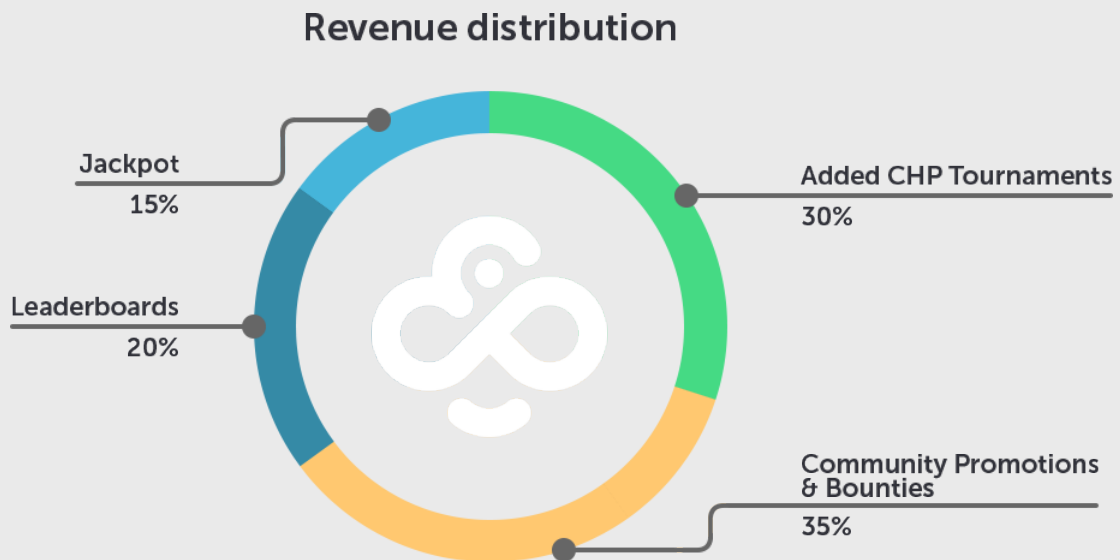
<sup>1</sup> SFMT is improved Mersenne Twister algorithm and is based on the Mersenne prime  $2^{216091}-1$



## 1.5. Revenue distribution via smart contracts

Rather than providing traditional rakeback, whereby the mechanism is often unclear and sometimes shady CoinPoker will use a blockchain based community reward system to keep poker rooms liquidity and stable in a fair and transparent manner.

A smart contract will be created for monthly revenue distribution to the community for full transparency. Each month, CoinPoker will transfer no less than 25% of tokens collected via these smart contracts. Distribution channels will have separated public blockchain wallets, where everyone will be able to track the movement of funds. Revenue will be distributed back into the system according to the following diagram.



## 1.6. Fairplay (fairblock) program and initiatives

The CoinPoker Fairplay security and fraud system will monitor user actions to identify and eliminate unethical/robot play on a per account basis. For example, our algorithm will analyze all actions and characteristics of each account to distinguish between human and bot-like behavior. This will help identify unfair play, malignant solutions and programs, bots etc. The following techniques will be developed:

- **Player behavior analysis.** Our team of poker professionals and the use of computer algorithms will look for anomalies to help to identify unfair play. Such anomalies might include simple solutions such as too many continuous games without a break, or too many simultaneous games (indicating bots) being played at a high level, or, accounts playing too quickly and at a very high level consistently. Even mouse clicks and other actions can be used to identify unfair game play.

More advanced techniques will involve identifying fraud using artificial intelligence and other machine learning algorithms, which might extend to deep learnings. Outside of machine learning, Benford's Law can also be implemented to detect other forms of fraud, much like banks and other financial institutions use. For example, this technology could be used to pick up chip dumping.

We have invested into leading experts and technologies to make game security one of our highest priorities.

- **Captcha** - these heuristic approaches will require users to "prove" that they are human (in case of successful detection). The premise behind captcha technology is to require a human to interactively solve a problem that is difficult (or more desirably impossible) for a computer to solve.
- **Voting system.** The leading experts in identifying fraudsters has always been other poker players. For example, it was poker players that uncovered the Ultimate Bet scandal. At CoinPoker players will encourage reporting/voting of suspicious playing. If we identify a trend with an account further analysis will be conducted.

- **Collusion detection system** – we will build machine learning algorithms to continuously analyse hand histories to search for signs of team-play, collusion and chip dumps, which is a common problem with online poker. This technology can also be built on the blockchain for full transparency.

## 1.7. The future of blockchains and how we can grow with it

CoinPoker will be at the heart of blockchain development in poker. As such, new and exciting blockchain applications, most of which have not even been thought of, will be developed over time with the overall goal of providing more transparency to the industry.

Eventually, a solution will exist to have fully decentralized poker, otherwise known as Mental Poker (The idea, first described in the 1978 paper by cryptographers Adi Shamir, Ron Rivest and Leonard Adleman proposes an encryption scheme and communication protocol that ensures shuffled deck are unreadable to any single player by encrypting and shuffling the card cooperatively). Although, the inherent “peer to peer” nature of Mental Poker can be difficult to manage and doesn’t blend well with traditional server-based online game models, we believe it could be the right path for all community of poker.

## 2. CoinPoker business plan

CoinPoker will merge traditional poker models with the cryptocurrency world, maximizing the chance of success. This will combine two communities as well, poker players and crypto investors. Whilst there will be some overlap, in general poker players can be thought of as the mass market while crypto investors, at this stage, are more niche.

How does the business model work?

First – CoinPoker will generate revenues by taking a small administration fee in the way of CHP for running and administrating the games much like the way traditional poker rooms collect rake.

Our CHP cryptocurrency will be listed in various exchanges and has great potential to increase on the strength and success of the poker platform. This will suit investors who might not have an underlying interest in poker.

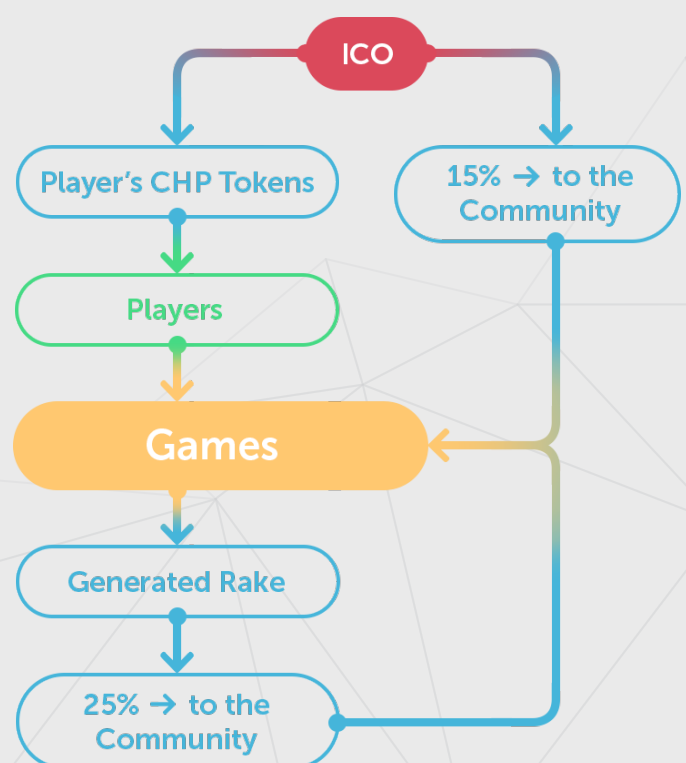
### 2.1. The Circle of money flow

CoinPoker will bring increased player value to users. To facilitate this, 15% of tokens distributed through the ICO will be reserved to build poker room liquidity by offering incentives such as juicy tournament guarantees, leaderboards and freerolls, which we believe will have immediate effect. We aim to offer early adopters significant value which will go viral through poker communities.

Every month no less than 25% of the rake and fees collected will be returned to players in a form of increased bonuses and promotions such as tournament prize pool to benefit recreational players and to control the climate of our games.

The promotions will be aimed at making sure the recreational players, as they join the network, see continued value which will build a thriving ecosystem and create loyalty and word of mouth advertising.

As more players join the network, more games will be run with larger the prizes.



## 2.2. Tournament Series at the end of ICO

All the CHP holders will be able to participate in the first tournaments series at the completion of the ICO, where we're going to return 15% of the coins raised in the ICO coins back to the community. This has the potential to be the largest giveaway in poker history!

| Opening Tournaments |           |              |                  |                     |                     |
|---------------------|-----------|--------------|------------------|---------------------|---------------------|
| Date                | Time      | Buy-in (CHP) | Prize Pool Added | CHP Added (max Cap) | EUR added (max Cap) |
| February            | 19:00 GMT | 5000         | 5% / 15%         | 25,000,000          | 1,603,784*          |
| February            | 19:00 GMT | 5000         | 3% / 15%         | 15,000,000          | 962,270*            |
| February            | 19:00 GMT | 5000         | 2% / 15%         | 10,000,000          | 641,513*            |
| February - April    | -         | Various      | 5% / 15%         | 25,000,000          | 1,603,784*          |

\*The amounts provided are approximate.

It is expected that these tournaments will run with at least six figure added value, which will be a massive incentive for traditional poker players to join the network providing immediate liquidity. Such prize pools attract big numbers of players, on average 2,000 to 10,000 each tournament based on online poker room benchmarking. The mainstream community will need to buy tokens to participate, driving revenue for CoinPoker and increase the value of the CHP for CHP holders.

On top of 15% added from the ICO tokens we will throw in additional tokens from our generated monthly revenue to increase value not only in special events but to daily regular tournaments as well.

PokerStars, 888 and Party Poker is a great example how special events attract a lot more players compared to the regular ones.

| Platform    | Event                   | Prize Pool    | Player Count      |
|-------------|-------------------------|---------------|-------------------|
| 888 Poker   | \$215 Mega Deep         | \$150,000     | 1,000 - 1,500     |
| 888 Poker   | Special Series          | ~\$500,000    | ~2,500 - ~5,000   |
| Party Poker | Sunday Re-Entry         | \$150,000     | 500 - 1,000       |
| Party Poker | Special Series          | ~\$300,000    | ~1,000 - ~3,000   |
| PokerStars  | Sunday Million          | \$1,000,000   | 5,000 - 9,000     |
| PokerStars  | Special Sunday Millions | ~\$10,000,000 | ~25,000 - ~40,000 |

## 2.3. Games and rake at CoinPoker

CoinPoker will offer traditional "cash" games and tournament play all using CHP tokens. Initially, CoinPoker will allow poker players to play the most popular games including Texas Holdem No Limit and Pot Limit Omaha with a limit starting at the equivalent of €0.05 for the big blind all the way up to €5. Starting with lower limits is expected to attract the recreational players, which is essential to build a thriving community.

CoinPoker will add higher limits according to demand, which could range up to €1,000 equivalent per big blind. Over time, we will develop other types of poker as liquidity builds including 5-Card Omaha, limit games or Open Face Chinese Poker.

The tournament section will be where most of the value is for players. Buy-ins will range from €1 to €100 equivalent in CHP tokens for the first month after the room launches.

In Q1 of 2018, CoinPoker will add tournaments to the value of €1,000 depending on demand. Since blockchain technology allows us to build a truly global site games will run 24-7 to cover all key time zones for CoinPoker players.

We will offer very competitive rake with cash games raked @4% with certain caps adjusted for different limits, this is significantly less than the market average of 5%. Importantly, many of the regions that we will market to have no alternative and often play offline poker with higher uncapped rakes. CoinPoker will offer tremendous value and new found convenience to those players.

Although the target market is recreational players, we recognize that there will be demand from high stakes players, particularly out of Asia, who might also be cryptocurrency enthusiast. To cater for this market, we will introduce rake caps, making CoinPoker the most attractive option in the market for these players. It is expected that this will lead to higher stake games being well patronized.

| Limit         | Pot Size | Rake 4% (without cap) | Rake 4% (with cap of \$4) |
|---------------|----------|-----------------------|---------------------------|
| \$2.5/\$5     | \$1,000  | \$40                  | \$4                       |
| \$0.1/\$0.25  | \$50     | \$2                   | \$2                       |
| \$0.01/\$0.02 | \$4      | \$0.16                | \$0.16                    |

Here is an example of how rake caps affect different limits.

Providing a low rake environment should also attract the traditional rakeback players as the total rake that they are paying at CoinPoker will be equivalent to what they are paying now, considering the rakeback they are getting offered at other sites (which is usually around 20%). This is an attractive proposition compared to a pure rakeback model which tends to benefit the high volume "smart" money players at the expense of the recreational player. This should ensure that the recreational players are competing on an even playing field.

The other issue with a pure rakeback model is that money leaves the ecosystem as the "smart" money cashes out their rakeback. CoinPoker has a better model using a blockchain based community revenue share approach. Instead of delivering rakeback to selected community member, part of rake will be returned to community by adding loyalty programs and additional funds to create action in the poker room. This is a fair and engaging model to keep the poker rooms liquidity up and ensures continued action.

The advantage of this approach is that money can be directed back towards the recreational player stimulating the ecosystem, rather than the sharks who take money out of the economy. Some ideas around this include:

- Worst bad beats of the month (voted on by the community);
- Participation in forums and other social media;
- Refer-a-friend programs;
- Random giveaways;
- Player bounties;

## 2.4. No less than 25% back to community

Although there are obvious benefits to a blockchain poker site, the most important element to success is providing as much value to customers as possible to poker players.

Every month no less than 25% of the revenue raised will be returned to the community through various promotions including rake races, daily tournaments, jackpots etc. This is very important part of this project as these tools will ensure player loyalty through rewards. Not only that, these monthly contributions will reach players pockets and keep tokens circulating for a significant time period.

- **Daily and Weekly Tournaments:** Each day we will schedule tournaments with additional CHP bonuses added.
- **Leaderboards:** Leaderboards will award active recreational players.
- **Jackpot:** After development of this feature we're going to contribute 15% of our monthly revenues to jackpots.
- **Bounties:** Through various promotions we will reward players who will bring other players to the network (refer-a-friend). In addition to this, we will reward players who play in our play money app version before the ICO with real CHP coins.
- **Loyalty Program:** After development of loyalty program, players will be able to earn points from various games and limits. The more they play, the higher limits they crush, the more points they will get. However, this system will be weighted to benefit recreational players, more than the sharks. Later those points can be converted to CHP to buy into other games or tournaments at CoinPoker. After this program will be developed it will unite cashback and leaderboards.

## 2.5. Our token will provide increased value for the initial holders of the CHP coins

Holders of CHP post ICO will benefit from an increase in the price of CHP as demand for coins increases. The only way for any poker fan to play at CoinPoker is to buy coins at market rates. If the site grows, as outlined above, so will the price of CHP coins, this will result in more utility and use on the platform.

CoinPoker will release 500 million CHIPS (CHP) tokens into the market (see 3. Token Sale) and this amount will be fixed. Newcomers to the site after ICO, or those who have lost and need to chip up again, will need to buy additional CHP. To do this, they will need to buy CHP on the exchange from holders of CHPs looking to cash out, these transactions are done at market rates. This structure of fixed supply and increasing demand will cause the price of CHP to rise facilitating a significant return-on-investment for early adopters giving them more playing power on the CoinPoker Network.

Here's simple example: if there's 1,000 coins in the market spread evenly between 20 players with 50 coins each. Statistically if 5% of poker players are winners in online poker, eventually all the coins will end up in one player's wallet. So the remaining 19 players will have to buy additional tokens in order to play and this demand will increase the value of all tokens.

## 2.6. Initiatives and approach to build a community

At CoinPoker we are offering partners the ability to run their own referral business. We will offer revenue share, by way of tokens, to those that help build our community via referrals which will be fully transparent. Referees can choose to keep the coins or offer some of them back into the system to generate more referrals or higher customer value for existing customers.

We also plan to reward those that participate actively in the community with tokens to help promote good social networking.

Our team is also motivated to increase the popularity of various formats of the game which have been lost with the domination of Holdem, which will bring back the fun to online poker. Through communities we are going to organize various region dedicated events both live and online. The community can even vote and decide on which games and products to add.



### 3. Token sale

CoinPoker is going to launch a Pre-ICO (Initial Coin Offering) on 16 November 2017 to help fund the ambition to become first real cryptocurrency based online poker room. The main ICO is expected to launch mid-January.

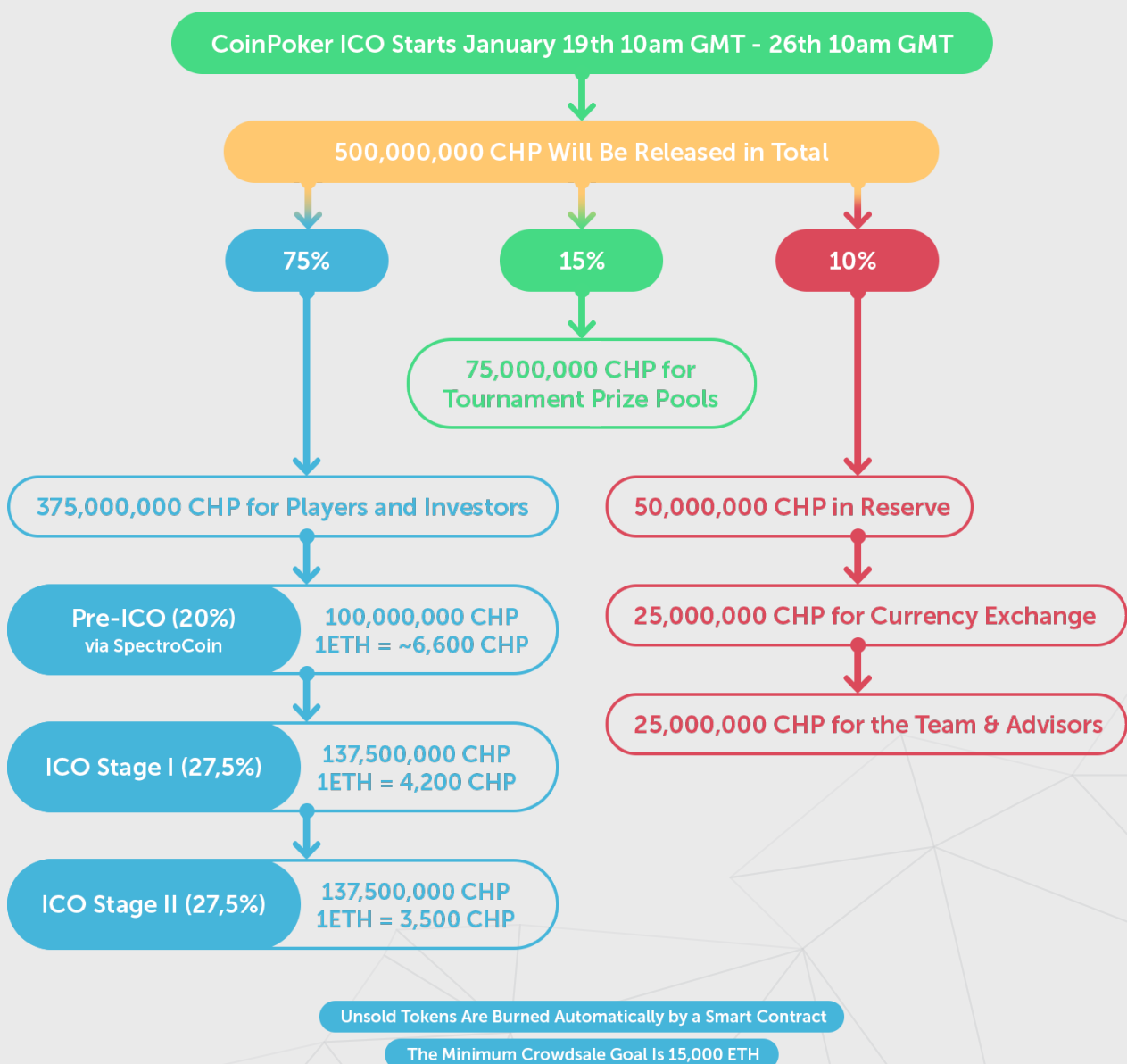
#### 3.1. CoinPoker official currency - Chips (CHP)

CoinPoker official currency is called – Chips (CHP). Chips will be a cryptocurrency based on Ethereum and can be used for buy-in for all games on CoinPoker. The CHP will be divisible to 18 decimal points, just like ETH cryptocurrency and will be transferrable as well.

As the CHP rises in value we will be ready to adjust game limits accordingly pegged to the EURO.

#### 3.2. ICO details & Timeline

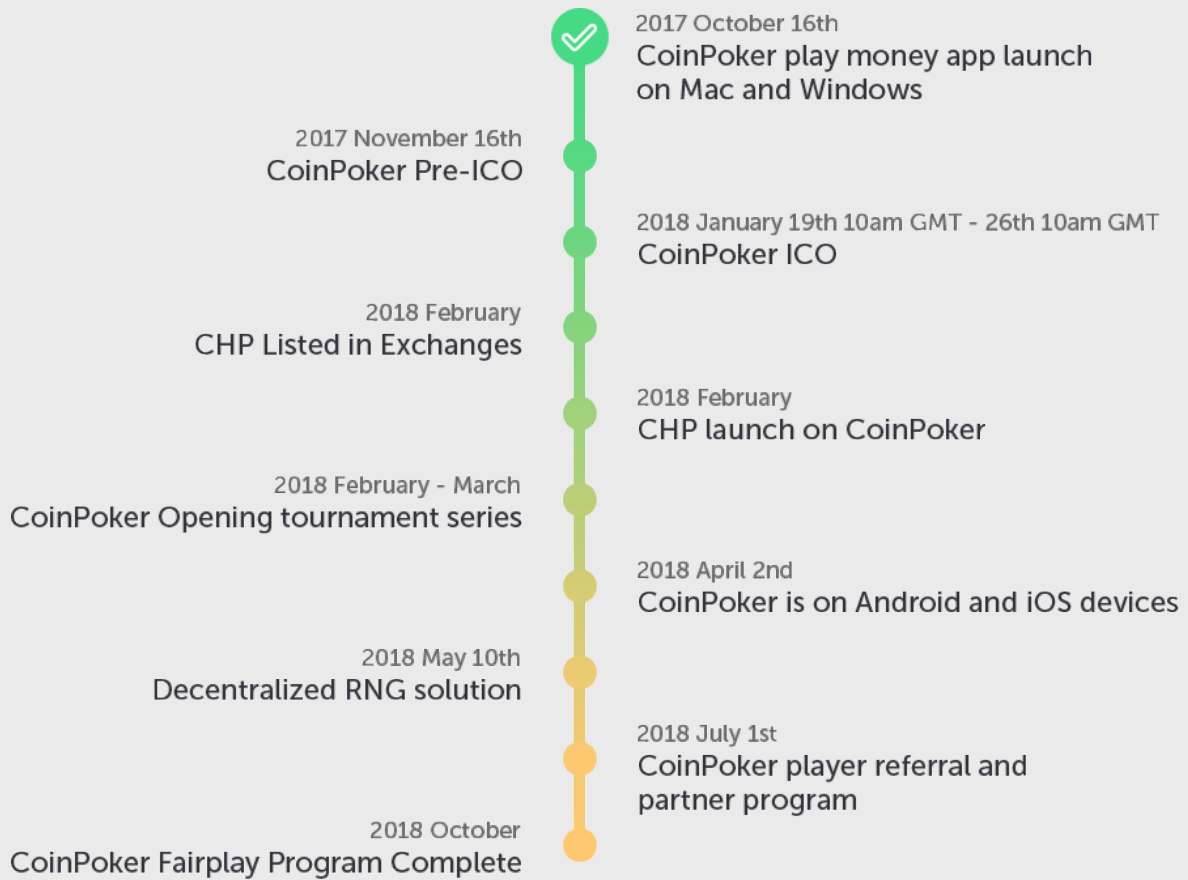
Please find details bellow of our ICO details, token price and time.



\* Due to the ETH price fluctuations, we will be making adjustments to our ICO pricing. We are still working on choosing the best method and delivering exactly what we promised.

### 3.3. Milestones

CoinPoker is already in advanced development with the MVP complete. This ICO is different from many in the market place as we have a working product, which can launch right after the ICO. Our play money version of CoinPoker has already provided proof of concept. With that said, there will be continued development post ICO and significant testing before launch



### 3.4. Token Allocation

We'll leave 75% of tokens for purchase. The remaining 25% will be reserved for promotions to ensure the best possible value for players, according to the following schedule.

- 15% of tokens will be reserved for value added to our tournament series to attract players.
- 5% of token will be reserved in the exchange so that players can do deposits after the end of ICO. This will also help us to be on as many exchanges as possible.
- The remaining 5% will be divided between management and advisors for their contribution to the project (see 5.2 Team and 5.3 Advisors).

| CHP allocation  |       |             |
|-----------------|-------|-------------|
| What            | CHP % | CHP Supply  |
| Tournaments     | 15%   | 75,000,000  |
| Exchange        | 5%    | 25,000,000  |
| Team / Advisors | 5%    | 25,000,000  |
| ICO             | 75%   | 375,000,000 |

### 3.5. Ethereum Allocation

Most of the Ethereum collected to fund this project will go towards fulfilling our development plan using blockchain technologies (see 4. Development plan), integration of cryptocurrencies, development of transparent blockchain applications as well as maintaining the poker room and its servers. Developing new features to please our customers will also be a priority.

Funds will also be used for marketing to ensure that CoinPoker is ranked highly all over the poker community. Our goal is to be visible everywhere possible and with the help of our team and ambassadors we believe we can make this a reality.

The ETH collected will be distributed according to the following table.

| ETH allocation                |       |        |
|-------------------------------|-------|--------|
| What                          | ETH % | ETH    |
| Development                   | 60%   | 49,500 |
| World wide community building | 25%   | 22,500 |
| Team / Advisors / Ambassadors | 15%   | 13,500 |

## 4. Development plan

### Q4 2017

- CoinPoker Play Money version. Fully functional Texas Hold'em Poker cash and tournament games.
- Cashier module improvement for Ethereum based CoinPoker tokens (CHP) processing.
- Fairplay security and fraud system (heatmaps and captcha, see Section [1.6](#))

### Q1 2018

- Fully functional cryptocurrency (CHP tokens) version.
- Fairplay security and fraud system (time alerting and voting system, see Section [1.6](#)).
- Jackpots.
- New games: OFC (Open Face Chinese)

### Q2 2018

- Fully decentralized random number generation (see Section [1.4](#)).
- CoinPoker mobile client version. We are planning to develop cross-platform mobile version for both iOS and Android.
- Advanced AI fraud detection techniques developed
- Poker server data storing on blockchains via smart contract.
- New games: 5 Card Omaha and Multiple day tournaments \*

### Q3 2018

- Poker data review page and tools, which will be released publicly for RNG transparency validation.
- Fairplay security and fraud system (collusion detection system, see Section [1.6](#)).

- Player referral and partner program.
- Bonus and Insurance systems.
- New games: Double Hold'em, Pineapple Hold'em and All-in Poker \*

## Q4 2018

- Loyalty program (see Section 2.4).
- New games: Spin IT (the regular poker game where players will spin their prizepool) and Mixed game tournaments \*

\*CoinPoker community will decide what games will be released or developed.

### 4.1. CoinPoker is Live now

CoinPoker is not a concept, it's already here! As proof, you can play a fully functional CoinPoker play money desktop application. You can jump in and try it with your friends right now.

Each day we'll credit your account with 10,000 play money chips which you'll be able to spend across various poker games. Play against your friends or with others online. Any feedback would be greatly appreciated.



### 4.2. New Games and features

As per our development plan, we'll continue to develop our poker applications even further. Our main focus on launch will of course be providing a crypto-currency based platform and RNG generator, but we'll not forget our players as well, who are always seeking some fun games to play and huge rewards for doing so.

We do have Open Face Chinese poker ready for everyone's enjoyment. Our plan is to start with OFC Pineapple version cash games and depending on popularity we'll move onto the famous 2-7 Pineapple, Progressive Pineapple and Turbo OFC.

A very important part of our development plan is to build Android and iOS applications. We're happy to say that this is work that has already started with highly skilled iOS and Android devs working on it and we're hoping to present you results no later than Q2 of 2018.

Next on the agenda is building a VIP system (loyalty system), to release bonuses and affiliate program for partners.

Poker is evolving, specially online with new games and formats being added every month. CoinPoker will be agile enough to move on these exciting new developments as they arise to provide new formats for recreational poker players.

To name a few:

- All-in Poker – poker SnG games, where players go all-in every hand
- Mixed game tournaments – where we'll offer a combination of games such as OFC, Texas Hold'em and PL Omaha which will change every round.
- 5-card Omaha
- Various Hold'em versions

### 4.3. Player partnership and referral program

One of our focuses after the ICO will be to develop a player partnership platform. Such programs have been a significant driver of traffic for traditional online poker rooms. However, the advantage of CoinPoker's blockchain technology is that affiliates can have full visibility over the players they refer because blockchain can be used to monitor their activities. Building this technology will be a priority and should empower affiliates to maximise the engagement of their referrals, increasing network revenues.

This platform can extend to monitoring players results, bonuses, deposits and other financial data. Affiliates can manage their own business and even empower sub manages and team leaders under a tree structure. Master affiliates can also provide poker training etc. to different referrals based on their ability which is visible.

## 5. Advisors and Team

Our project is heavily backed by the poker community as well as crypto enthusiasts all over the world. Our advisors board includes such respected names as HSDB, Pokertube, PokerNews, as well as Brian Hall, Warren Lush, Teresa Nousiainen. We're planning to add a lot more familiar faces including poker pros and crypto industry sharks as the project progresses.

### 5.1. Meet our Team

- René Boutestijn - Chief Development Officer
- Justas Kregždė - CTO & Smart Contract Developer
- Michael Josem - Head of Security
- Isabelle Mercier - Community Manager
- Paulius Mikaliūnas - Product Manager
- Alex Mishiev - Online Business Strategy & Digital Marketing Expert

### 5.2. Our Advisors & Partners

- Antanas Guoga – Tony G - Entrepreneur
- Mike Segal - Cryptography expert
- Kevin Hobbs - Blockchain Technology Expert
- Danilo S. Carlucci - Marketing & Communication Expert
- Emerson Fonseca - **CryptoFonzy** - Blockchain Consultant, Cryptocurrency Trader and Community Advisor
- Teresa Nousiainen - Poker and Community Advisor
- Warren Anthony Lush - PR and Marketing Expert
- Brian Thomas Hall - Legal Advisor
- Eugene Dubossarsky - Data Scientist
- Chadd Burgess - Quantitative Trader & Capital Markets Consultant

### 5.3. Partners

- ValueNet Capital - Venture Fund Investors



- **DigitalX** - Financial & Technical Advisors
- **Pokernews** – Biggest online poker news and affiliation site in the world
- **HighstakesDB** – Online Poker News
- **Pokertube** - World's largest poker media portal, providing all the essential poker TV shows, live events and videos.

## 6. Important Considerations:

The health of the CoinPoker Platform and all technical developments are subject to changes in the interpretation, application and regulation of gaming laws in multiple jurisdictions around the world. Sudden changes can impact the utility and value of the coin and the health of the CoinPoker network.

Although this document details the CoinPoker Platform and its functionality, the CHP coin is not limited to use only on this platform. The value of the coin will depend on the health of the platform and the adoption of its use by the general public, which can be impacted by many factors that are beyond the control of CoinPoker. As such, neither the CoinPoker, nor the CHP make any representation as to the health of the CoinPoker economy whatsoever.

In addition, the ability to trade the coin outside of CoinPoker may be impacted by third parties and their trading policies. Again, this is beyond the control of CHP and neither CHP nor CoinPoker have any obligations related to the external trading of the coin.

Please be advised that this document was originally drafted in the English language. Consequently, and without limitation, this original English language version shall prevail in the event that there are any inconsistencies, conflicts or uncertainties, of any kind whatsoever, between the original English version and any version translated into any other languages whatsoever.