

WHITE PAPER



 **CatoCoin**

CatoCoin is a revolutionary idea in masternodes coins and solves the problem of excessive coin emission while maintaining a guaranteed ROI through the use of Patent Pending **NextGen Technology**

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I. INTRODUCTION

This document assumes the reader is familiar with how Masternodes operate.

CatoCoin is the Next Generation in Masternode Technology

Our ground breaking and patent pending Blockchain technology transforms the way in which Rewards and Collateral requirements are implemented. We identified several serious deficiencies in conventional masternode coins that could only be addressed through the introduction of a new coin with revolutionary blockchain technology '*NextGen Technology*' because all conventional masternode coins are plagued with the same fundamental problems.

CatoCoin's *NextGen Technology*

Our *NextGen Technology* decouples rewards and collateral from the blockchain and links them instead to the number of Masternodes. Conventional coins pre-set rewards on the progression of the block chain by 'guessing' how quickly Masternodes will be added over time when the coin is developed. This approach is like **throwing darts blindfolded.**

CatoCoin's ***NextGen Technology*** uses sophisticated algorithms to evaluate the number of active Masternodes and automatically adjust both rewards and collateral requirements. This ingenious approach allows CatoCoin to be the only coin that can Guarantee ROI both now and in the future.

We've made ROI perfectly predictable

CatoCoin's patent pending ***NextGen Technology*** offers excellent short-term profits while guaranteeing long term ROI even after hundreds of Masternodes are running – THIS IS TRULY A FIRST!

About Us

CatoCoin's principal architect is a IT professional with over 30 years of professional IT experience who works with some of the world's largest Fintech companies on block chain projects and on-prem to cloud migrations. This gentleman has also been an active miner for the past 6 years and an investor in Masternodes for the past 2 years.

The Principal Architects' expertise is augmented by a seasoned development and marketing team and a group of three highly knowledgeable advisors who provide valuable input and guidance into the design, development and strategic direction of CatoCoin.

II. CHALLENGES FACED BY MASTERNODE COINS

There are several fundamental problems with conventional Masternode coins, such as (in no particular order):

1. **Over Supply of Coins:** This is the #1 fundamental reason why masternode coins fail. Coin developers keep increasing rewards as the block chain progresses in an effort to produce high ROI percentages in order to attract Masternode buyers. This naturally leads to an inevitable over supply of coins which eventually drives down coin value and contributes to the coins demise. This is why 95% of new Masternode coins fail within a few weeks. We realize these coins are simply created to line the pockets of the creators with no real long-term plan to retain owners. However, even well-meaning honest coin developers make the same mistake. We calculated that a recent Masternode coin actually generated enough coins in its first 21 days to create 2,439 Masternodes. We predicted almost to the day when this coin would imploded under the weight of its own emissions.
2. **Unfair advantage to some initial Masternode investors:** When selling an initial batch of Masternodes, coin developers make no distinction between the first purchaser and the last purchaser. This gives the first or first few Masternode owners a highly unfair advantage in terms of accumulating massive rewards in a short period of time. Most initial investors would prefer a somewhat level playing field. The lack of a level playing field gives rise to hesitancy on the part of potential early investors and they simply conclude "I'll wait till it gets listed". Well....what if there were negative ramifications of 'waiting till it gets listed'?
3. **Panic Selling:** Panic selling by edgy investors because they lack confidence in the development team or have calculated they can sell on a downward slide, then rebuy at the bottom and get 'back in the game' for much less than they originally invested. This behavior propagates and allows these individuals to buy cheaply, then sell cheaply, driving down the value of the coin for all hodlers, causing an even further erosion in a coin's value thus contributing to its demise. We see this happen daily.
4. **Poor understanding of basic economics by coin developers:** Most coin developers are forced to fork the coin's block chain in order to raise the Masternode collateral when an oversupply condition exists , and the number of Masternodes must be reduced to raise demand for the coin

leading to dissatisfaction among Masternode owners or the developers simply abandon the coin and leave Masternode owners high and dry.

5. **Underfunded Coin Developers:** The constant need for coin developers to raise presale funds from Masternode investors in order to pay for Exchange Listings and Advertising funds diminishes confidence on the part of potential investors and hurts the developer's ability to sell Masternode coins prior to an exchange listing. This does not engender trust from potential Masternode buyers.
6. **Coin Dilution:** Most coin developers flood the market initially with their coins in Airdrops, Promotions etc. From a supply-curve economics standpoint this is a mistake. These giveaways dilute the value of the coin and put more coins in circulation. The holders of these coins 'have no skin in the game' and are free to sell at any price they choose and the majority of the time it's at a very low price which drives down the coin value as soon as the coin is listed. History has painfully shown that a coin's value perception at launch is critical to its long-term success.

III. THE SOLUTION REVOLUTION

Problems are simply opportunities for creativity to flourish.

CatoCoin is the solution

1. **Over Supply of Coins:** CatoCoin's patent pending NextGen Technology has a built-in algorithm designed to increase collateral requirements for new Masternodes as the number of Masternodes increases. Even though our rewards increase as the number of Masternodes increase, the rate of increase in collateral exceeds the rate of increase of rewards. This insures that the increasing supply always has a higher demand rate, therefore there will never be an over supply of coins and helps create an increasing coin demand for new Masternodes. The reward and collateral schedules have been formulated from running a number of simulations using advanced modeling techniques and carefully crafting the demand & supply curves.
2. **Unfair Advantage to initial Masternode investors:** We implemented an accelerated reward schedule for the first 30 Masternodes without increasing the required collateral in order to minimize the dilution impact of additional Masternodes, while maintaining excellent ROI for all initial Masternode owners. In addition, the first 30 CatoCoin Masternode owners received a 100-coin bonus when the coin was listed on CryptoBridge. This was our way of saying 'Thank You'.
3. **Panic Selling:** The inherent design and innovative features of CatoCoin incent Masternode owners to retain their Masternodes for these important reasons:
 - a. Since CatoCoin's Masternode Collateral increases every 30 Masternodes, there is a high probability that a Masternode owner will have to purchase more coins than they sold in order to start a new CatoCoin Masternode in the future.
 - b. Masternodes once started, remain active even though the collateral for newer Masternodes has increased. This makes their Masternode more valuable than the initial amount they paid for the coins.

- c. Masternodes can be sold privately between individuals. In addition, the CatoCoin roadmap includes plans for a CatoCoin 'Masternode Exchange' where Masternode owners can list their Masternodes for sale and sell them at market value instead of shutting them down and selling their coins
4. **Poor understanding of basic economic theory by coin developers:** The mathematical models on which the CatoCoin algorithms are based take into consideration the laws of supply and demand, supply curve, demand curve, market equilibrium, consumer sentiment and perceived value. While the rewards may increase over time, the collateral increases outpace the reward increases percentage wise which increases demand; the primary driver of value. More demand for a commodity always increases value.
5. **Underfunded Coin Developers:** CatoCoin is well funded, and we have pre-paid all development costs and prepaid the listing fee for crypto-bridge and a Masternodes.online listing.
6. **Coin Dilution:** CatoCoin initial promotions by paying in BTC so as not to dilute the coin when coin supply was low

Addressing and Solving the Root Cause of Masternode Coin Failure:

Investing in a Masternode Coin is a roll of the dice because even though you may know the emission rate of a coin as the block chain progresses you can never predict how many other Masternodes you'll be competing with for rewards; therefore, you'll never be able to predict ROI on the coin regardless of emission rate.

This is why ROI fluctuates constantly. CatoCoin's unique algorithm takes the unknown number of Masternodes out of the ROI equation when it comes to this guessing game. Coin developers have always 'guessed' at the number of Masternodes at certain block numbers and set their reward schedules accordingly and they're nearly always wrong. If they are right it is simply through dumb luck, not empirical knowledge. CatoCoin's unique algorithm addresses this unknown and adapts accordingly so CatoCoin Masternode owners know 'up-front' what their ROI will be now and, in the future. No more throwing darts blindfolded (someone could get hurt, and it's always the investors).

IV. CATOCOIN SPECIFICATIONS

Coin Type:	POS
Algo:	Xevan (No Pow)
Block Time:	60 seconds
Total Coin Supply:	42,000,000
Collateral for 1 st 15 MN:	2,000 coins
Reward Split:	70% Masternode / 30% POS
Pre-mine:	400,000

Pre-mine % 0.98% (less than 1%)

- Locked coins to not stake
- Masternodes rewards are not confirmed until 15 confirmations
- Coins do not mature for staking until 200 confirmations

Reward, Collateral & ROI Schedule

Please note that as soon as the number of Masternodes reaches the number in the first column ALL Masternodes receive that reward, regardless of when they were instantiated.

CatoCoin ROI									
If you 'Stake' your Masternode Rewards your coins/day will be higher									
MN's	Total Reward	Mn Reward	POS Reward	Coins Req'd for MN	Blocks / Day	Coins / Day	Coins / Day / MN w/o staking	ROI	ROI Days
1	5.20	3.64	1.56	2,000	1,440	7,488	5,241.6	95659%	0.4
16	5.20	3.64	1.56	2,200	1,440	7,488	327.6	5435%	6.7
31	5.20	3.64	1.56	2,400	1,440	7,488	169.1	2571%	14.2
61	5.64	3.95	1.69	2,550	1,440	8,122	93.2	1334%	27.4
91	7.36	5.15	2.21	2,750	1,440	10,598	81.5	1082%	33.7
121	8.05	5.64	2.42	2,950	1,440	11,592	67.1	830%	44.0
151	8.45	5.92	2.54	3,150	1,440	12,168	56.4	654%	55.8
181	8.88	6.22	2.66	3,350	1,440	12,787	49.5	539%	67.7
211	9.32	6.52	2.80	3,600	1,440	13,421	44.5	451%	80.9
241	9.78	6.85	2.93	3,850	1,440	14,083	40.9	388%	94.1
271	10.27	7.19	3.08	4,150	1,440	14,789	38.2	336%	108.6
301	10.79	7.55	3.24	4,400	1,440	15,538	36.1	300%	121.8
331	11.33	7.93	3.40	4,750	1,440	16,315	34.5	265%	137.7
361	11.89	8.32	3.57	5,050	1,440	17,122	33.2	240%	152.1
391	12.49	8.74	3.75	5,400	1,440	17,986	32.2	218%	167.7
421	13.11	9.18	3.93	5,800	1,440	18,878	31.4	198%	184.8
451	13.77	9.64	4.13	6,200	1,440	19,829	30.8	181%	201.5
481	14.46	10.12	4.34	6,600	1,440	20,822	30.3	168%	217.8
511	15.18	10.63	4.55	7,100	1,440	21,859	29.9	154%	237.1

V. LAUNCH PLAN

CatoCoin's short term plans are as follows:

- Instantiate Block Chain on or about June 22, 2018

- Submit exchange listing requests and payment on or about June 23, 2018
- Begin Sales of coins for first 30 MN's on exchanges on or about June 23, 2018
- Submit MNO Listing request when first exchange comes on-line
- Prior to Announcement on BTC Talk
 - Deploy Website
 - Publish White Paper
 - Create and configure Discord Channel
 - Create Twitter Page
 - Create Telegram
 - Create Facebook Page
 - Setup REDDIT
 - Hire Discord Page Admin
 - Prepare BTC giveaway promotions for CatoCoin
 - Post Windows, Linux wallets and source code on GitHub
 - Create MN Linux Install Script and publish
 - Deploy Block Explorer
- Post Announcement on BTC Talk
 - Begin Translation Bounties on BTCTalk
 - Run promotions on Discord for Invites, Retweets, FB shares, etc.

VI. CATOCOIN LONG TERM PLAN

- Long Term Plans
 - Launch new website 3rd week of September 2018
 - Launch CatoCoin investor portal (Version 1) 3rd week of September 2018
 - View Wallet and address balances through Responsive site (Web & Mobile)
 - View Transactions
 - View Masternode Status
 - Launch CatoCasino in mid 4th Quarter 2018
 - Release V2 of CatoCoin Investor Portal in late Q4'2018
 - Daily Coin accumulation charts
 - Exchange Interface
 - Q1'2019 Create Masternode exchange for MN owners to sell or bid on MNs
 - Q2'2019 Release updated wallet that interfaces with exchanges to show real-time value of coins & masternode current value

Why is CatoCoin a good investment?

INNOVATION IS OUR MISSION: We are thought leaders and innovators

CatoCoin is the first POS Masternode coin with long term value and sustainability designed into the coin. Our innovative approach by linking rewards and collateral increases to the number of Masternodes is revolutionary and addresses the problem with coin oversupply. We have not attempted to attract Masternode owners with unsustainable ROI percentages because we know that it's unrealistic & self-destructive. Our revolutionary coin design insures excellent ROI percentages even after hundreds of Masternodes are running.

Our NextGen Technology has been granted a provisional patent by the USPTO.

The long-term value in CatoCoin will come from our innovations and sharing those innovations through open source. For instance, our revolutionary algorithms to adjust reward and collateral without deactivating the Masternode will be open-source through our GitHub repository.

We are just getting started. Our plans include a real-time wallet interface to exchanges so you always know the BTC and dollar value of your CatoCoins. In addition, we plan to introduce inter-wallet sales of CatoCoin for BTC through P2P connections supplemented by a Cloud Based Microservice architecture (stateless microservices deployed through AWS Elastic Container Services) to interface with several major exchanges.

The addition of CatoCasino will open a new, exciting and huge untapped market for CatoCoin.

Questions or comments? Please feel free to contact us on Discord: 'CatoCoin', visit <https://catocoin.net> or email us at iamcatcoin@gmail.com

Thank You!

CatoCoin
Guaranteed ROI through
NextGen Technology
