

Send SDT Token Distribution

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1 Token distribution

1.1 Goal

Three principal challenges stand in the way of massive adoption of cryptocurrencies: volatility, speculation, and a lack of user-friendliness. Send (SDT) addresses these challenges through price consensus.

1.2 Strategy

- Build and enforce a stable unit of exchange within the network to prevent value losses caused by volatility during transactions and storing of value.
- Define the unit of exchange price by predictable mechanisms based on use to allow forecasting rather than speculation.
- Update the unit of exchange price by fixed periods of time to allow time frames of stability and predictable exchange rates.
- Distribute a fixed amount of units of exchange and allow for unit value to expand as demand increases.

1.3 General mechanics

- The P2P network is **WeSend** and will allow trading of the official unit of exchange against fiat and crypto currencies.
- The unit of exchange is a digital token Send (SDT)
- The mechanism that will expand unit of exchange value and define its price is the SDT Consensus Price Formula
- The time frame during which the unit of exchange price is maintained is defined as the SDT Consensus Period.
- The SDT digital tokens will be distributed by a token generation process

1.4 Token Allocation

- **33% to investors (3 months vesting for early backers, no vesting for general investors) - 231 million SDT tokens.** Investors include early backers and general investors; unsold tokens will be burned.
- **25% to Send Foundation (7-year linear vesting) - 175 million SDT tokens.** Long-term Foundation budget for distribution that incentivizes participation in the ecosystem, research and development.

- **24% to WeSend Corporation (7-year linear vesting) - 168 million SDT tokens.** Long-term alignment of interests, private decisions and strategic future acquisitions to benefit the Send ecosystem.
- **10% Send rewards pool (7-year linear vesting) - 70 million SDT tokens.** Rewards for consensus network organizations and applications, distributed by Send Foundation.
- **7% team and advisors (3-month linear vesting for advisors; 4-year linear vesting for team) - 49 million SDT tokens.** Reserve for team and advisors.
- **1% to cover distribution costs - 7 million SDT tokens.** To cover operation costs.

2 Token Distribution Terms

- Total token supply: 700,000,000 SDT
- Public distribution cap: 231,000,000 SDT

2.1 Distribution Stage 1 - Pre-sale

- Cap: up to 70,000,000 SDT
- Timeframe: Runs for up to 1 month in Q2 2018
- Price: Tokens sold at a fixed price 0.14 USD/SDT + F&F bonuses
- Vesting: 3-month vesting.
- Coins accepted: Bitcoin (BTC), Ethereum (ETH)
- Unsold tokens burned

2.2 Distribution Stage 2 - Initial price formation

- Cap: 161,000,000 SDT
- Timeframe: Runs for 365 days, starting on Q3 2018
- Price: Dynamic; starts 0.20 USD/SDT and sold at SDT Consensus Price Formula
- Vesting: New token pool vests daily (441,095.89 SDT/day)
- Coins accepted: Ethereum (ETH)
- Unsold tokens will be burned at the end of each day (23:59:59 EST)

2.3 Post-distribution - SDT Value Expansion

- Timeframe: Starting Q3 2019
- Price: New reference price discovered every Monday at 00:00:00 EST by the SDT Consensus Price Formula.

3 SDT Consensus Price Formula

3.1 Summary

Stage	SDT Consensus price	Consensus period
Stage 1 (Pre-sale) Starts Q2 2018	Fixed price (0.14 USD)	N/A
Stage 2. (Initial price formation) Starts Q3 2018	$0.2 + \frac{19.8 * \text{sold tokens}}{161,000,000} \text{USD}$	24 hours
Post-Distribution SDT value expansion. Starting Q3 2019.	$* \left\{ \begin{array}{ll} \min(\frac{k * V * \log_2(1+P)}{S * P}, \frac{P * P_g}{2}) & \text{if } P_g > 0, V_g > 0 \\ 0 & \text{otherwise} \end{array} \right\}$	7 days

* **Price increment** formula for Send (SDT). See [Send \(SDT\) Whitepaper](#) for more details about this formula

3.2 Initial price formation

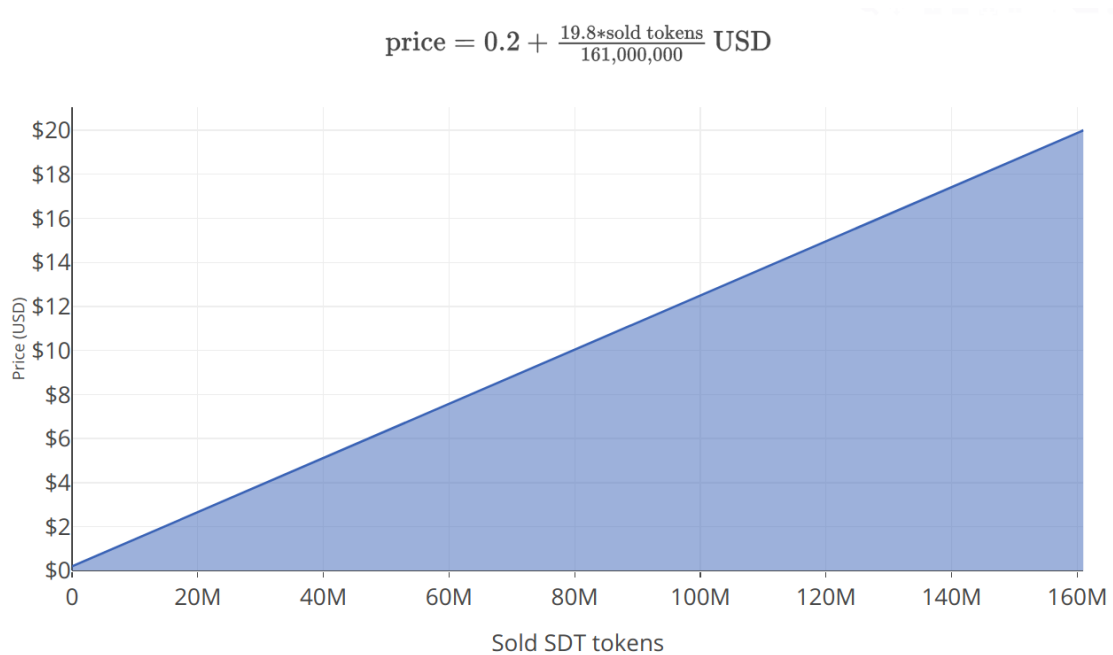


Figure 1: Stage 2 price formula (Initial price formation)

Before the 7-day consensus period starts running, there are 2 unknown values, **initial supply** and **initial price**, that, in order to grow a healthy economic environment should not be pre-designed but rather defined by supply/demand and the actual massively accepted price.

The initial price formation mechanism is designed to provide those initial values to the ecosystem by finding how high that massively accepted price is. The upper bound of 20 USD has been defined based on the most optimistic projections of the SDT 7-day consensus price potential price growth.

3.2.1 Bonus

Purchasers could claim a bonus after each day. The bonus is dynamic based on the percentage of sold tokens at the end of the day.

The bonus is calculated as follows: $\text{bonus}(\%) = (0.1 - \frac{\text{sold tokens}}{4410958.90411}) * 100$

Example: If at day 58, only 100,000 tokens are sold out of the 441,095.890411 available, then a purchaser will be able to claim a bonus of 7.733% **over the purchased tokens**. That means, if Bob bought 10,000 SDT, he could claim a bonus of 773.3 SDT.



Figure 2: Stage 2 SDT bonus function

4 WeSend - A use case for SDT

1. At the end of the day on May 11th, 2018, a total of 1,323,287 SDT tokens have been sold during the initial 3 days of distribution.
2. The SDT Consensus Price for the fourth day will be 0.36 USD and 0.36 USD will be the minimum unit of exchange price for the WeSend network on this day.
3. WeSend agents buy/sell SDT in local currency at the Consensus Price + Agent fee.
4. Assuming an SDT/USD Agent sells SDT at the SDT Consensus Price and another SDT/VEF Agent buys SDT at 10,000 Venezuelan Bolivars per dollar, the rate of exchange in the last mile will be $1 \text{ SDT} = 3,600 \text{ VEF}$
5. When Marina sends \$100 USD to Pablo in Venezuela, an Agent sells 277.7777 SDT to Marina through WeSend.
6. Pablo receives 277.7777 SDT and exchanges it in the last mile for 1,000,000 VEF.
7. On the fifth day, if the SDT Consensus price is \$0.41 USD, the WeSend system updates Agents' rates.
8. On this day, in exchange for her \$100 USD, Marina will receive 243.9024 SDT, and Pablo can expect the same 1,000,000

Regardless of the value of the unit of exchange, when consensus is imposed within the WeSend P2P network, users exchange with efficiency during time-frames that honor a stable price. The SDT Consensus Price Formula will be updated after token distribution to establish the Send Protocol 7-day Consensus Period.

5 Product

5.1 Status

- Send (SDT): <https://www.sendprotocol.com> | ERC-20 Token and the native unit of exchange of the WeSend P2P trading network; smart-contract already audited by CoinFabrik
- WeSend: <https://www.wesend.co> | P2P network of traders buying and selling Send SDT at the SDT consensus price + trader commission; 80% developed and on-pace to launch Q2 2018.

5.2 Protocol Beta test

The Send (SDT) protocol and WeSend P2P network described above will be massively promoted and tested initially in Venezuela, a country with a high demand for digital money in cross-border transactions.

5.2.1 Venezuela Economics

- Population: 32.2 Million.
- Estimated diaspora around the world: 18%
- Estimated cross-border transactions: 2.9 Billion USD/Year
- Estimated international trade (Import/Export): 61.8 Billion USD/Year
- Principal remittances corridors: Colombia, USA, Spain, Chile, Mexico.

5.2.2 Progress

- Expected date of launch: Q3 2018.
- 223 traders have joined the network.
- 70,000 trader-operated points of payment will buy/sell SDT tokens to provide liquidity for migrants in target corridors.

Our team is working with Mccann Erickson on a TV media plan in Latin-America with to goal of achieving massive traffic for the network. Once transaction volume have reached 10M USD, the protocol will be launched globally.

6 Scenarios

- Informed users that understand the economics, formulas and network performance will take early advantage of the token distribution structure.
- Users skeptical because of crypto market performance will pay closer attention at soon the ecosystem proof that SDT Consensus Price helps community to perform efficient transactions.
- As WeSend transaction volume grows over time using the SDT Consensus Price, it will increase community participation in the token distribution.
- If the number of agents decreases from the network, it may become more difficult to cash-out SDT for fiat. Network Performance Indicators will be available to the public to provide transparency to the community
- If the protocol reaches mass adoption, the SDT token with a semi-stable price could open a new market for efficient payments online and storing of value worldwide.

7 Distribution FAQ

7.1 What is the Send token code?

The Send token is defined as SDT.

7.2 What is SDT token used for?

The SDT token is a new digital asset designed to work as the official unit of exchange in the WeSend P2P marketplace and the Send consensus network applications. SDT token is based on Ethereum's ERC20 token standard.

7.3 What do SDTs represent?

SDTs are digital assets based on blockchain and are not tied to any economic item.

- They are not refundable
- They are not securities.
- There is NO promise of future performance.
- There is NO promise that SDTs have or will hold a particular value.
- SDTs give no rights in the company and do not represent participation in the company.

7.4 How can I participate in the Pre-sale?

The pre-sale runs for 7 days. If you are planning to invest more than 5,000 USD and want to secure your slot, send an email to investors@sendprotocol.com with the subject "SDT Pre-sale". All the pre-sale investments have 3 month vesting. In order to avoid big investors holding most of the tokens, the pre-sale is limited to a total collected amount of 7M USD.

7.5 What's the token distribution cap?

The cap is defined in terms of Send Tokens (SDT) with a cap of 231,000,000 SDT, 70,000,000 SDT for the 1st stage and 161,000,000 SDT for the 2nd stage.

7.6 When do we get the tokens?

Stage 1: All tokens are granted on vesting times from 1 day to 3 months for general buyers. You can claim your vested tokens at any time through a calling function in your wallet.

Stage 2: Tokens purchased during initial price formation process will be immediately accredited to same ETH address where the purchase came from.

7.7 Will tokens vest automatically?

In order to improve network efficiency we won't vest tokens automatically and we won't check vestings for transactions. Instead, you claim your vested tokens whenever you need them. This approach will reduce transactional gas costs for users.

7.8 When will my purchase price get confirmed?

Purchases and prices are not final until after payment is confirmed. We will show an estimated amount in SDT for your payment but only after payment is received the final amount be confirmed. Every payment received increases the token price for subsequent payments so the final token price could be higher than the estimation.

7.9 Is there a minimum or a maximum purchase requirement?

Stage 1: During the first stage (pre-sale), the minimum amount is 10 USD.

Stage 2: For the second stage there will be no minimum purchase amount.

7.10 What cryptocurrencies are accepted in the distribution?

Stage 1: ETH and BTC will be accepted. If you hold any other cryptocurrency, you can exchange it for ETH or BTC in order to participate in the sale.

Stage 2: Only ETH will be accepted.

7.11 Do you have a purchase time-window to guarantee the token price during a purchase?

No, the price of tokens shown during an incremental price purchase (stage 2) is just an estimation, as every token sold increases the token price. The actual number of tokens you will receive is equal to or less than the estimation.

7.12 How do price calculations works to process multiple purchases at the same time and guarantee me a token price during the second investment stage?

All transactions in the blockchain are processed sequentially, which means they are served in the order they are received, so a transaction from someone else may be processed in the blockchain before yours, increasing the price. That's why we can't guarantee a price before a purchase is finalized.

7.13 During the second investment stage, does the ETH amount affect the price during my purchase or can I get the same token price for 0.1 ETH or 100 ETH?

No, the price is only updated after a succesful transaction, that means, if the current price is 0.30 USD you will get tokens at that price no matter how big your investment.

7.14 If the Send price is defined in USD, how much is my ETH worth when sending to your address?

We will take the spot prices from world's largest exchanges, such prices will always be publicly available.