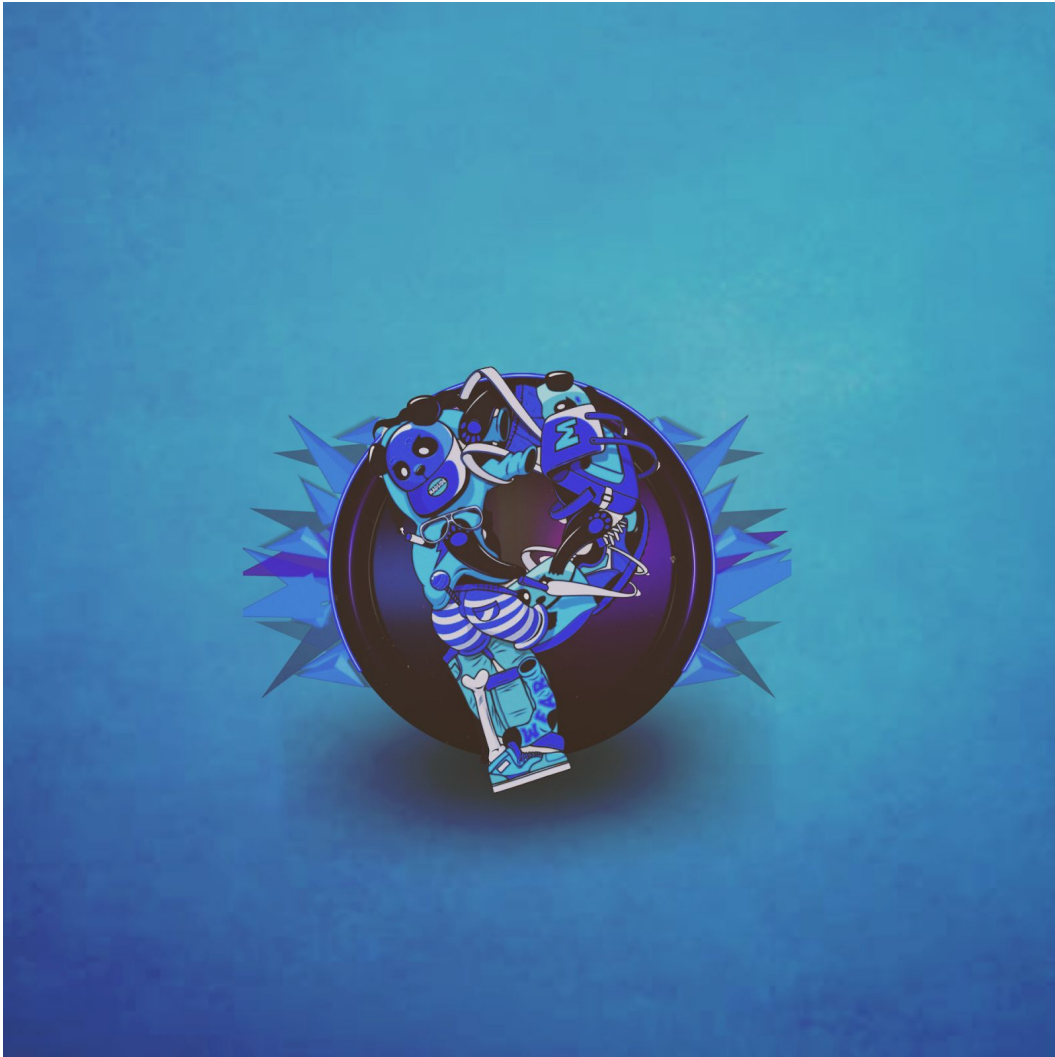**<u>Pivvr DS Experimental Currency - White Paper</u>**

Welcome to the Proof of Big Liquidity Ecosystem
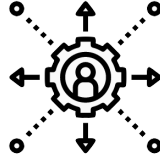
10th July 2020 - The Pivvr Collective

Written & Edited by Wasapé - Lead Developer

Contents

Executive Summary

"I'm very excited about the potential DeFi offers in principle. The idea that just anyone, anywhere in the world, can have access to a system that lets them pay each other, and choose their own financial exposure, is a really powerful thing."

Vitalik Buterin, Ethereum Founder - ETHDenver, 2020

Welcome to the Pivvr DS Experimental Currency White Paper. We are pleased to have you onboard. The following document is a detailed outline of Pivvr's DS Experimental Currency pair, with background information regarding the growth of DeFi on Ethereum and how DeFi represents the next evolutionary stage in personalised financial management. It will inform you as to the opportunity and risks within the DeFi space, and how Pivvr's new DS Experimental Currency aims to tackle one of the foremost issues facing DeFi today: liquidity. This White Paper aims to educate the Pivvr community as to the opportunity available with the upcoming launch of the DS Experimental Currency, and should form part of your wider research around the development team and its ongoing roadmap.

In recent months there has been extreme excitement regarding the new cryptographic experiment of 'Proof Of Liquidity' tokens and cryptocurrencies. Those familiar to the cryptocurrency space will know that the creation of a new token or cryptocurrency is often plagued by one fundamental flaw: liquidity. Liquidity is the amount of Bitcoin, Ether or other major asset that backs a new token or cryptocurrency; the amount of Bitcoin or Ether available on the exchange order-books that can be instantly exchanged for another crypto-asset. This is a vital subject, particularly within the context of decentralised exchanges, otherwise known as a DEX, where spreads between the buy and sell rate of a specific crypto-asset can be considerable, resulting in large variations in price and volatility, which in turn puts both buyers and sellers at risk due to uncertain price discovery.

Because it is technically straightforward to create an DeFi token and execute a single, high priced sell on a DEX, many people have been tricked by scammers who offer the next evolution of crypto-asset with their new token, only to discover than the token is completely illiquid, even though verification tools such as Etherscan confirm that the token is worth x amount of dollars. However, the reality is that it is worthless, because of a lack of liquidity. If you are unable to trade something which you have purchased, that is to say *sell* a crypto-asset due to insufficient liquidity on the order book, then the risk of engaging with such markets is exponentially increased. Proof Of Liquidity (PoL) tokens were created to solve this fundamental problem, by proving that a certain amount of liquidity is always available to enter or exit a trade.

<u>Decentralised Finance on Ethereum - The State of The Market</u>

"DeFi already holds $11 billion in 2020. This is 2.5 times higher than it was within all of 2019. This metric shows the growth of the DeFi category by 1,410% year-on-year and 150% quarter-on-quarter."

DAppRadar - DApp Report Q2 2020

Traditional finance has always been plagued by three fundamental problems: censorship, corruption and trust. As time goes on, an increasing number of individuals are not permitted to bank at institutions because of their political beliefs, which results in *economic censorship*. This is one fundamental problem that Bitcoin sought to remedy. Not only is censorship a problem, but the people in control of the machinery of currency have shown themselves *to be corrupt*. It was after the banking crisis and global recession of 2008 that Satoshi Nakamoto decided to create Bitcoin in a response to the mismanagement of the global financial markets. You can find out more about this in the original [Bitcoin White Paper](). The third fundamental flaw of traditional finance is *trust*. You have to trust your bank, your stock broker and your advisors, if you want to participate in traditional finance. Here at Pivvr, we have two words to anyone who believes that this is the way things should be done: Bernie Maddoff.
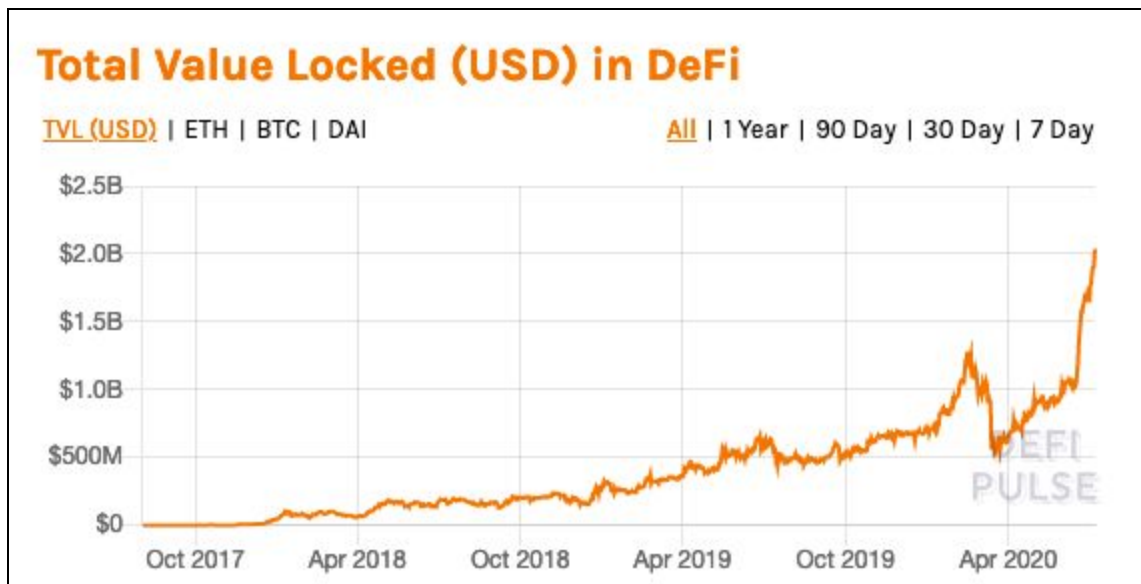
DeFi is essentially conventional financial tools built on a blockchain - specifically Ethereum. They are mostly predicated on open-source protocols or modular frameworks for creating and issuing digital assets and are designed to confer notable advantages of operating on a public blockchain like censorship-resistance and improved access to financial services. The decentralised finance sector differs from the traditional financial sector in two significant ways:

i. The trust source of decentralised finance is public blockchains while the trust source of traditional finance is public governance frameworks composed of laws, licensed financial institutions and financial authorities.

ii. The decentralised finance sector is a more open system with almost no entry barriers as everybody who has programming skills can build financial services on top of public blockchains. In contrast, the traditional financial sector has massive entry barriers as it is necessary to get proper licenses from regulators to be allowed to provide financial services.

Arguably, the most popular and fastest growing sector of DeFi is borrowing and lending platforms. Similar to a bank, users deposit money and earn interest from other users borrowing their crypto-assets. However, in this case the assets are digital and smart contracts connect the lenders to borrowers, enforce the terms of the loans, and distribute the interest.

Tokens called stablecoins are also important to the DeFi ecosystem. You may be under the impression that all cryptocurrency is volatile. However, stablecoins are currencies designed to hold a specific value and are typically pegged to fiat currency, like the US dollar. For example, DAI is a stablecoin pegged to USD and backed by ether (ETH). For every DAI, there is $1.50 of ETH locked into the MakerDAO smart contract as collateral. This concept is worth noting in relation to the Pivvr DS Experimental Currency, which makes use of a native stablecoin for liquidity purposes.

There are varying degrees of decentralisation when it comes to DeFi services. Because the truth is, not everything can be or needs to be fully decentralised. As previously mentioned, stablecoins are popular in DeFi. But, not all stablecoins are as decentralised as DAI. Many of them are actually tokens representing fiat currency deposits. For example, for every USDC token, there is 1 USD being held in a bank somewhere. You can theoretically "tokenise" or create a token to represent any real world asset. This is where things become a little less black and white, because while you can trade, send, and receive these tokens on the blockchain, you cannot completely eliminate the need to physically manage or redeem the real world asset.

Take for example, purchasing a home on the blockchain. Say someone tokenises the deed to their home, places it on a decentralised exchange, and you buy it. Without the proper legal setup and the law on your side, you cannot simply force this person from their home regardless if you own the digital version. As it currently stands, you would need to fall back on the court system of your home country to settle the dispute. In short, there are limitations to the technology and sometimes the lines of DeFi begin to blur. In due course, laws will adapt to the

changing financial landscape and DeFi's place in the world will become clearer. In the meantime, it is important to recognise the importance of decentralisation within the development of stablecoins, as it is the underlying asset which ultimately defines the degree to which it is decentralised and liquid.
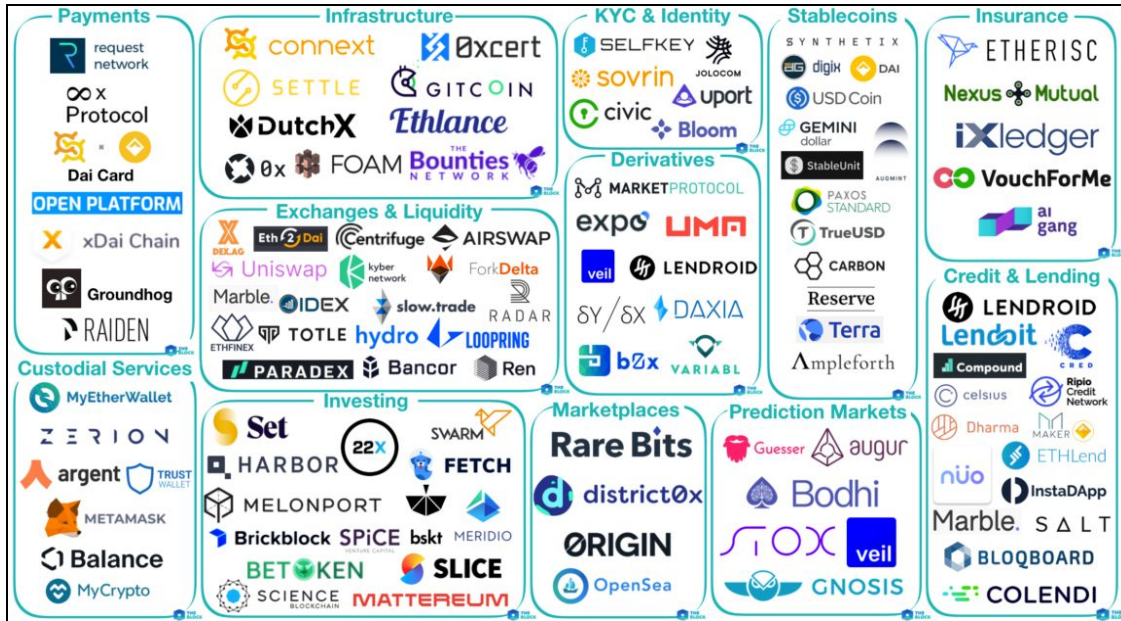
Snapshot of the Ethereum DeFi Ecosystem - The Block

There are six primary features that differentiate public blockchains from the private networks used by governments and traditional financial institutions:

- **Permissionless:** Anyone in the world can connect to the network
- **Decentralised:** Records are kept simultaneously across thousands of computers
- **Trustless:** A central party is not required to ensure transactions are valid
- **Transparent:** All transactions are publicly auditable
- **Censorship Resistant:** A central party cannot invalidate user transactions
- **Programmable:** Developers can program business logic into low-cost financial services

Advantages of DeFi

DeFi definitely has some major advantages, both in theory and in execution, that make it such an thrilling phenomenon. As an idea, DeFi is immensely powerful. The idea of building censorship-resistant products that are completely independent of existing structures is game-changing. DeFi applications have a multi-faceted, long-term potential. It can be argued, as it often is in the sector, that fallible people run existing financial structures, which are thus highly susceptible to vulnerabilities. It is this notion that sits at the heart of DeFi as a concept.

In Venezuela, for instance, poor policies combined with crashing oil prices have crippled the

economy. DeFi applications can build alternate financial systems that are more transparent and less susceptible to human failings. In fact, in Venezuela itself, some people are using Bitcoin to protect themselves from inflation and send money across borders. The decentralised financial sector could be an alternative financial service provider when the traditional financial sector faces trust crises like the 2008 banking crisis, hyperinflation, currency crises or unexpected devaluations. The decentralised financial sector could provide uncensored access to global financial services to circumvent bans or restrictions imposed by the traditional financial sector to users; for example, capital outflow or foreign exchange controls imposed by local and federal governments. Depending on your status and control, these can all be seen as advantages.

Additionally, the decentralised financial sector could be an innovation sandbox to provide financial services where the traditional sector proves to be inefficient; for example, serving two billion unbanked people in the world or to provide cross border services; payments and loans, etc. As well as accessibility, the decentralised financial sector could empower user financial creativity by providing tools to create financial products that, in traditional finance, is allowed only to licensed institutions; for example financial derivatives, futures and swaps etc.

Disadvantages of DeFi

However, it should also be noted that DEXs, cryptocurrencies and blockchains also have their fair share of scams, hacks, theft, and other vulnerabilities. While there is no doubt that DeFi is one of the most promising phenomena in the crypto scene right now, it is still in its early stages. And that comes with its own share of challenges. One of the biggest risks of DeFi applications is that you are ultimately trusting in open-source code. Over time, many people are looking at that code and there is always a chance that someone could hack the smart contracts and steal the private keys. In reality, people also feel that DeFi is probably too idealistic. Many people prefer the scale that solutions such as centralised government or corporate stablecoin solutions promise, versus the idealism of a DeFi application.

The truth is that the DeFi sector is still extremely underdeveloped. This means users need to be especially cautious while using DeFi platforms. Furthermore, the technology is still user-unfriendly and prone to vulnerabilities. It will be some time before the security protocols are in place and the technology is actually safe to use. This brings us to the critical issue of rogue projects and that all important subject of liquidity within the DeFi space. It is a major piece of the puzzle, one which Pivvr aims to tackle with the upcoming experimental currency launch.

Because it is so trivial to create a token on the Ethereum blockchain, many have done it. Unfortunately many of the people who have done it have scammed people. Even if they did not explicitly mean to scam, the lack of liquidity of a project will doom it to failure. This is why Proof Of Liquidity (PoL) was created. All PoL tokens are seeded with a set amount of Ether, giving the project liquidity and providing a platform for its success. Without liquidity a cryptocurrency can take decades to come to fruition, as was the case with Bitcoin. With liquidity already seeded, the ability to fast-track the adoption of that crypto-asset becomes much more accessible.

The Importance of Liquidity within DeFi Markets

"Within the space of financial apps, I would say the success of stablecoins has shown that what people want is not to get away from the USD right this minute, but to move into the crypto environment where they have more options of what to do with their money. Freedom of exit."

Vitalik Buterin, Ethereum Founder - Twitter, 2020

Liquidity - the ability to sell an asset for cash - is an important factor that tends to be forgotten when calculating value or net worth. Liquid assets are possessions that can be turned into cash quickly, and the liquidity of a specific market is what ultimately determines the value of that asset. The term "liquid asset" is most often associated with investments in a stock market. Liquid assets are those that have a ready pool of buyers willing to pay the market price. In contrast, illiquid assets are those with few buyers. With an illiquid asset, the owner may have to wait to find someone willing to purchase the asset.

Some penny stocks are an example of an illiquid asset and the less liquid the asset, the greater the variation in value will be relative to the volume of asset being bought or sold, and thus greater the risk. In an illiquid market, when you try to buy, the price goes up, and vice versa when you try to sell, the price goes down. None of this is ideal for the party looking to execute that trade, which is why traders are attracted to liquid markets. Of course, DeFi markets typically suffer from illiquidity, meaning a slower rate of adoption by investors and speculators.

Say you own a house. A quantity surveyor comes to appraise your property and tells you it is worth $100,000. How do you access that $100,000? You have to sell it, and that is not as simple as it sounds. You have to find a buyer and negotiate a price. You will want them to pay the $100,000 but they will want to pay considerably less. Maybe you need a real estate agent and they will charge you 10% for finding a buyer (the exchange fee), causing the value to drop to $90,000. Then you have to pay closing costs, taxes etc. Soon the house that is technically worth $100,000 is, in reality, only worth $75,000. That is liquidity in action. With fewer options to execute the sale and limitations of choice regarding intermediary parties, the capacity for negative fluctuations in ROI increases. In DeFi markets, this metaphor applies to the lack of liquidity to execute the transaction and the large spreads between buy and sell.

The technical term for this change in price is called 'slippage', and it is this concept limiting your freedom to *enter or exit an asset*. So while DeFi has many advantages in terms of accessibility, censorship resistance and transparency, it is ultimately liquidity stifling its widespread adoption.

The Pivvr Paradigm Shift: Deflationary Experimental Currency Pairs

"Decentralized finance should not be about optimizing yield. Rather, we should be solidifying and improving a few important core building blocks: synthetic tokens for fiat [...] AKA stablecoins.

Vitalik Buterin, Ethereum Founder - Twitter, 2020

As you may have noticed, almost any token can rise 200x on Uniswap these days. Of all these tokens, the most legitimate are the PoL tokens. So naturally, you may ask yourself, what is a Proof of Liquidity token? Simply put, it is a token that proves its liquidity. It is trivial to launch a token with a huge market cap, because market cap is simply the last price of token X total supply. In principle, anyone could create a token and have it possess a billion dollar market cap with a single trade, most likely by selling it to themselves. But of course, that is deceptive, because you cannot extract 1 billion dollars from the token. As discussed, you need liquidity in order to access that trade.

Liquidity is the total amount of buy orders, for example the number of units of ETH, available to purchase that token. Thus PoL was born. In the PoL model, the total supply of tokens is sent to Uniswap along with a seed amount of ETH. This seed amount of ETH ensures that there is liquidity. But at Pivvr, we were not satisfied with that basic conclusion. We needed more liquidity. So we paired a *deflationary* proof of liquidity experimental currency, that is to say a currency the total supply of which decreases *and* is liquid, with a stable coin. And what does the Stable coin do? It adds double the liquidity. How? because not only can you sell your Pivvr Stable units for ETH on Uniswap, you can sell your Pivvr Deflationary unit for the Pivvr Stable unit, worth 0.001 ETH *or* 1 Pivvr Deflationary unit.

You might correctly predict: if all of the units are backed 1:1 with reserves, eventually stable coins will be withdrawn from the market as the Pivvr experimental currency price goes up. And you would be correct. As the price of the Pivvr experimental currency rises, the stable coins will become a scarce commodity, because they are all you can use to make gains (the increasing price of the Pivvr experimental currency) without exposing yourself to risk (they are always 0.001 ETH). So, when stable coins run out then *Version 2* is launched. Version 2 re-mints the supply of stable coins, and now each Pivvr Stable unit is worth 0.001 ETH and 0.5 Pivvr Deflationary units (as opposed to the 0.001 ETH and the 1 Pivvr Deflationary unit of Version 1). And so on and so forth to the 18th decimal. The unit price will go up and down, and every transaction will burn a small amount of the units transacted. This is deflationary and will lead to an increase of unit value, similar to the decrease in dollar value from inflation.

How Proof of Big Liquidity (PoBL) solves Liquidity issues within DeFi

"One may not doubt that, somehow Good Shall come of Water and of Mud; and sure, the reverent eye must see a purpose in Liquidity."

Rupert Brooke, English Poet - Heaven, 1915

Proof of Liquidity was a giant advancement in the DeFi economy. It removes the possibility of a 'divine dump' and if done correctly, it removes the possibility of early investors crashing the unit price by taking profits in a coordinated fashion. But it does not approach PoBL and Pivvr DS technology in terms of its ability to mitigate risk for experimental currency holders. With PoL tokens you are still faced with the problem that the only way to de-risk is to sell the token. DS decreases the chance of dumping by at least 50%, by giving people a completely new way to de-risk that will actually improve the price of the token instead of decreasing it. If you only have one option to de-risk then that token is 50% more likely to dump than a token with an option to de-risk that does *not* decrease the token price. This looks back to the 'selling a house' narrative.

So, now you are faced with the problem of how early investors can de-risk without removing liquidity and sending the experimental currency on a downward spiral. Pivvr's DS technology addresses this with the pairing of a stable token pegged to 0.001 ETH which is exchangeable for the DS deflationary token. 30% of the liquidity raised in the Pivvr presale will go to provide backing for the stable coin. The 60% released on Uniswap upon launch will still be vulnerable to the process described in the previous sentence, but the 30% of liquidity provided to the Stable units will be safe. This means reserving a good proportion of the liquidity, safe from profit-taking early adopters, but now they have a novel way to de-risk and take profit. They can transfer their Deflationary units for Stable units, and the value of Stable units will never go below 0.001 ETH. But they can also *always* trade their Stable units for Deflationary units. Effectively, this gives traders the ability to make profit without exposing themselves to risk.

There are a variety of stablecoins in the DeFi market, but you are unable to make gains with them. You either give up your ability to make gains and remove your risk, or you accept your risk and you have the ability to make profits. The Pivvr DS pair seeks to accomplish the next evolutionary step in DAI crypto-economics. Because the Pivvr Stable units are exchangeable for Deflationary units, you can take profits without risk. It's a big step forward for DeFi, the ability to make profit without exposing yourself to risk.

<u>Background on the Development / Promotions Team</u>

"That's right, it's liquid and it shrinks. Take that to the bank, Jack.
*Cornpop became a believer and so will you."*

Wasapé, Lead Developer - Pivvr Whitepaper, 2020

Pivvr aims to be the most agile and responsive cryptocurrency company in the Ethereum smart contract space. Trends are evident and what is popular today could be ridiculed tomorrow. Because of this, Pivvr aims to position itself to be at the forefront of trends and popularity. If a new smart token or smart contract is released, we'll be there. With each new release, the Pivvr Stable token will become stronger and stronger, as Ethereum develops and successful trends are funneled into the stable coin contract as it prints more stable coins. This is just the beginning. The company and products will evolve.

The creator of Pivvr has spent many years in the Ethereum smart contract space. He has made multiple Ethereum games and bitcoin.com asked if his game, Pepe Farm, was "the next CryptoKitties". Pivvr was created to be a vehicle for experimental currencies and its goal is to effect drastic change in the technological landscape of Ethereum smart contracts and experimental tokenomics. Wasapé has assembled a crack team of promoters which have years of experience promoting cryptocurrency projects on Twitter, Reddit, Telegram and various image boards. Pivvr is a Christian company and seeks to shine a light in the darkness of the cryptoworld by removing the capacity for greed.

Last year the lead developer of Pivvr launched Nuke Token, which increased in price by 800x from its presale price of 1 cent to an all time high of $8.00 per token. The creation of Nuke Token caused a storm of copy cat tokens, many of which did not change a single line of code and was a major contributing factor to the rise of Initial Dex Offerings (IDOs) which has influenced the contemporary landscape, and was a precursor to the Initial Uniswap Offering, which is an IDO in itself.

Initial DEX Offering (IDO) Timeline and Instructions
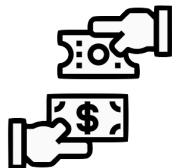
What is Uniswap?

Most exchanges maintain an order book and facilitate matches between buyers and sellers. Uniswap smart contracts hold liquidity reserves of various tokens, and trades are executed directly against these reserves. Prices are set automatically using the constant product market maker mechanism, which keeps overall reserves in relative equilibrium. Reserves are pooled between a network of liquidity providers who supply the system with tokens in exchange for a proportional share of transaction fees. The **Uniswap Exchange** is an open source front-end interface for traders and liquidity providers to easily interact with Uniswap's smart contracts.

For animated instructions on using Uniswap, please click here

Funds Allocation / Experimental Currency Distribution
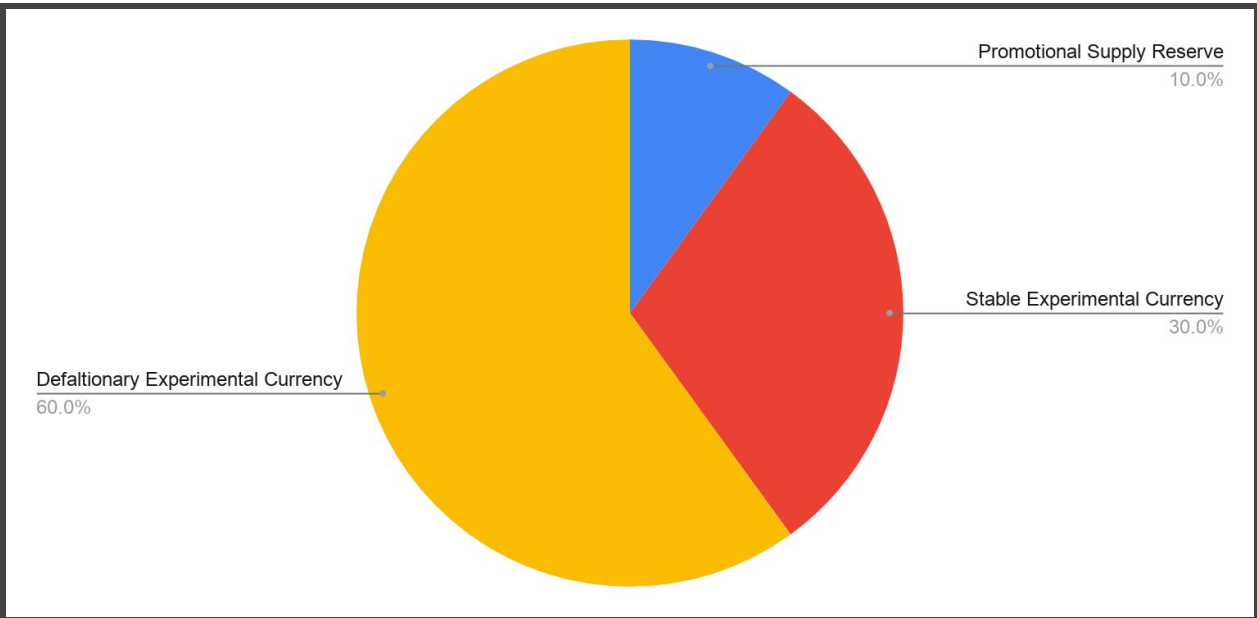
Presale 1 Price

0.00114758686 ETH = 1 Pivvr token

Presale 2 Price

0.001211341792 ETH = 1 Pivvr token

Launch Price
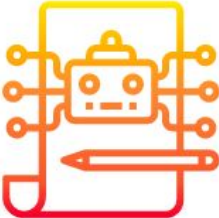
0.001275096623 ETH = Pivvr token

Future Development and Ecosystem

"We choose to go to the Moon in this decade and do the other things, not because they are easy, but because they are hard."

John F Kennedy, US President - Houston Texas, 1962

DefStab Roadmap

July 2020	July 2020	July 2020	July 2020
Deploy DefStab Contract.	Verify DefStab Contract code.	Send entire supply to Uniswap V2.	Active trading on Uniswap V2.
Pending	Pending	Pending	Pending

July 2020	July 2020	July 2020	July 2020
Basic Website V1 Launch.	Basic Website V2 Update.	Coingecko ✔, Coinpaprika ✔, Coinmarketcap Listings.	Etherscan DefStab ERC20 Logo approval.
Pending	Pending	Pending	Pending

Legal Disclaimers

PIVVR TOKEN PURCHASE AGREEMENT

Last Updated: 10th July, 2020

This Pivvr Token Purchase Agreement (this "Agreement") contains the terms and conditions that govern your use of the related ERC-20 Pivvr token smart contact (the "Pivvr Token Contract"); and purchase of the related ERC-20 compatible tokens distributed on the Ethereum blockchain (the "Pivvr Tokens") and is an agreement between you or the entity that you represent ("Buyer" or "you") and The Pivvr Collective ("The Pivvr Collective," together with its parent company, subsidiaries and affiliates, "Company"). Buyer, The Pivvr Collective and Company are herein referred to individually as a "Party" and collectively, as the "Parties". NOW, THEREFORE, in consideration of the mutual representations, warranties and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Company and Buyer hereby agree as follows:

IMPORTANT INFORMATION: PLEASE READ THIS AGREEMENT CAREFULLY AND IN ITS ENTIRETY. Buyer acknowledges, understands and agrees to the following: • MATTERS RELATING TO Pivvr SOFTWARE AND Pivvr PLATFORM: 1. The Pivvr Collective is developing the Pivvr software (the "Pivvr Software") as further described in the Pivvr Technical White Paper (as it may be amended from time to time) (the "White Paper"); 2. at the end of its development stage, The Pivvr Collective will be releasing the Pivvr Software it has developed under an open source software license; 3. Company will not configure and/or launch any public blockchain platform adopting the open source Pivvr Software (the "Pivvr Platform") for any purpose; 4. any launch and implementation of the Pivvr Platform may occur by third parties unrelated to Company; 5. third parties launching the Pivvr Platform may delete, modify or supplement the Pivvr Software prior to, during or after launching the Pivvr Platform; and 6. Company will have no control over when, how or whether the Pivvr Software is adopted or implemented, or how, when or whether the Pivvr Platform is launched. • BINDING AGREEMENT: Buyer understands and agrees that Buyer is subject to and bound by this Agreement by virtue of Buyer's purchase of Pivvr Tokens. • NO U.S. OR CHINESE BUYERS: Pivvr Tokens are not being offered or distributed to U.S. persons (as defined below) or Chinese persons (as defined below). If you are citizen, resident of, or a person located or domiciled in, the United States of America including its states, territories or the District of Columbia or any entity, including, 2 without limitation, any corporation or partnership created or organized in or under the laws of the United States of America, any state or territory thereof or the District of Columbia (a "U.S. person"), or, if you are citizen, resident of, or a person located or domiciled in, or any entity, including, without limitation, any corporation or partnership created or organized in or under the laws of the People's Republic of China (a "Chinese person"), do not purchase or attempt to purchase Pivvr Tokens.

• Pivvr TOKENS HAVE NO RIGHTS, USES OR ATTRIBUTES. The Pivvr Tokens do not have any rights, uses, purpose, attributes, functionalities or features, express or implied, including, without limitation, any uses, purpose, attributes, functionalities or features on the Pivvr Platform. Company does not guarantee and is not representing in any way to Buyer that the Pivvr Tokens have any rights, uses, purpose, attributes, functionalities or features. • NOT A PURCHASE OF Pivvr PLATFORM TOKENS. Pivvr Tokens purchased under this Agreement are not tokens on the

Pivvr Platform. Buyer acknowledges, understands and agrees that Buyer should not expect and there is no guarantee or representation made by Company that Buyer will receive any other product, service, rights, attributes, functionalities, features or experimental currencies of any kind whatsoever, including, without limitation, any cryptographic tokens or digital assets now or in the future whether through receipt, exchange, conversion, redemption or otherwise.

PURCHASE OF Pivvr TOKENS ARE NON-REFUNDABLE AND PURCHASES CANNOT BE CANCELLED. BUYER MAY LOSE ALL AMOUNTS PAID. • Pivvr TOKENS MAY HAVE NO VALUE. • COMPANY RESERVES THE RIGHT TO REFUSE OR CANCEL Pivvr TOKEN PURCHASE REQUESTS AT ANY TIME IN ITS SOLE DISCRETION. • PLEASE READ THE RISKS SET FORTH IN SECTION 7 CAREFULLY AND IN THEIR ENTIRETY. • THIS AGREEMENT INCLUDES PRE-DISPUTE RESOLUTION IN SECTION 9.1 AND REQUIRES ARBITRATION IN SECTION 9.2. ARTICLE ONE: ACCEPTANCE OF AGREEMENT AND PURCHASE OF Pivvr TOKENS

1.1. This Agreement shall be effective and binding on the Parties when Buyer: (a) clicks "I Agree" on the official http://enormous-mother.surge.sh/ website (the "Website") to indicate that Buyer has read, understands and agrees to the terms of this Agreement; or, if earlier (b) upon Company's receipt of payment from Buyer. Buyer agrees to be bound on this basis, and confirms that Buyer has read in full and understands this Agreement and the terms on which Buyer is bound. Buyer acknowledges and understands that the proceeds from the sale of the Pivvr Tokens will be utilised by the Company in its sole discretion.

[END]