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# A Decentralized Network For Sharing Leads

[www.leadcoin.network](http://www.leadcoin.network)

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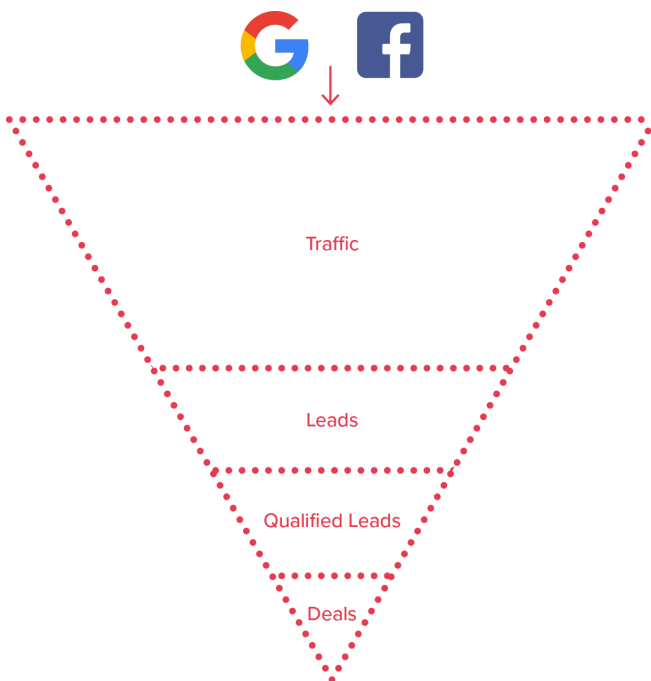
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# Background

Businesses today find new potential customers through a combination of classic, offline methods and newer, digital marketing strategies. One of the most common digital marketing practices today is the use of pay-per-click (PPC) ads on Google (Adwords and Adsense) and Facebook. This method allows businesses to drive traffic, or new visitors to their website in an effort to generate more business from new customers. These PPC ads represent the first step of a classic digital marketing funnel.



**Figure 1** - The classic web marketing funnel.

## Classic Web Marketing Funnel:

**Traffic** - Users who click on advertisements will be sent to either a landing page or a company website where they can register.

**Leads** - Visitors who register then become new potential customers or leads. Once visitors become leads they move down the funnel, moving one step closer to becoming a paying customer.

**Qualified Leads** - Businesses will then typically reach out to these leads, first verifying the lead's name, contact details (Phone & Email) actual interest, intent and required budget.

**Deals** - New paying customers.

Some businesses prefer to skip the step of converting traffic to leads and simply purchase lists of cold (old leads) that have not expressed a need in real time. This means that a

salesman needs to reach out those leads and check if they have an interest. In any case, both PPC and lists of cold leads end up with poor results.

## The Opportunity

Google and Facebook currently dominate PPC advertising. According to the Statistics Portal, Google generated over \$79 billion in advertising revenue and Facebook generated over \$26 billion in 2016. With an average of 17% yearly growth for Google and 54% yearly growth for Facebook the total ad revenues for both companies will surely top \$100 billion in 2017. While businesses invest large sums of money to acquire new customers, a large majority of them remain unsatisfied with their resulting leads. This dissatisfaction opens the door for businesses to work with a new method of buying real-time leads.

## The Problem

Leads are the fuel of every business; however, nearly every business suffers from the same problem which is a lack of affordable and qualified leads. According to Hubspot, the average conversion rate for Google Adwords across all industries is 2.7%. These low conversion rates yield very low satisfaction, as only 22% of businesses are currently satisfied with their conversion rates. Lead lists offer an even lower conversion rate, as leads from such lists are completely cold, having shown no interest.

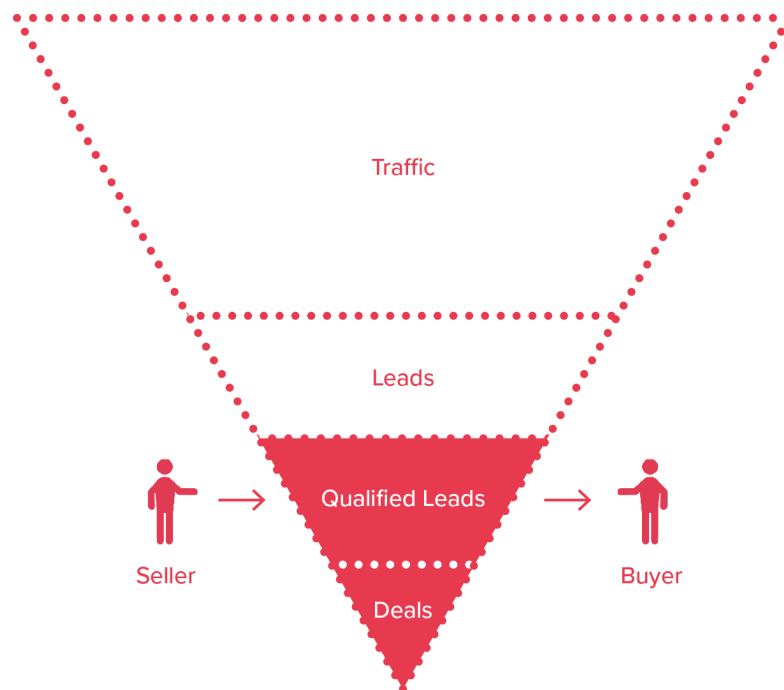
**This means that over 95% of the money that businesses spend on acquiring new leads is wasted.**

The process of converting website visitors to paying customers is inefficient and time consuming. Campaigns take a lot of time to build and test. Once traffic and leads start coming in businesses need to verify and qualify all of their leads. This results in a very long return on investment (ROI) for businesses using PPC campaigns. Businesses are then left

with a large bank of leads that are verified and qualified, yet they did not turn into paying customers.

## The Solution

Businesses will sell their unused leads to other businesses and will get value in the form of LeadCoin tokens (LDC). Businesses will also have a higher conversion rate as they will buy leads directly from other businesses in their industry as opposed to buying visitors with no qualification at all. These businesses will be selling high quality leads in real-time, meaning a seller will release a mismatched lead with an immediate need to the buyer. This process will be more efficient, as businesses will not have to deal with marketing campaigns or funnels, saving them time. All of this results in a shorter ROI for businesses who are looking for more qualified leads.



**Figure 2** - Shows the transaction between a buyer and seller in the LeadCoin network.

## Trust & Transparency

Businesses can buy qualified leads from others in their industry (even from their competitors) via the Blockchain and Smart Contracts which will provide trust and transparency. Businesses will sell leads in real time to each other since they own unused leads that represent true value. Businesses can sell leads and receive tokens with which they could buy new leads and bring new customers to their business.

All transactions will be recorded, showing all the required data such as:

- A seller's entire history of transactions
- A seller's ranking based on factors such as the buyer's satisfaction
- Details about a lead's history will also be available, giving each lead a score depending on a number of factors such as how long the lead has been in the network.

The trust is based on businesses knowing who they're buying leads from and on the fact the network will require businesses to only sell high quality leads, that have already been verified and qualified. These processes will insure that all leads are actual people with immediate needs.

High quality leads represent a valuable asset for businesses, and the LeadCoin network looks to facilitate an exchange of ownership of assets. The original business owns a high quality lead, yet they have nothing to do with it, so they can sell their leads in the network and transfer ownership of the lead.

The Blockchain Technology also provides advanced security, so leads will stay under the ownership of the original business until a transaction is completed. This security will be crucial as people will be importing their valuable assets into the network and will want to know that their leads are protected until the completion of a sale. Transactions will also be exclusive, as a leads will be removed from the network following a transaction. Exclusivity insures a true exchange of ownership, as lead's will only have one owner at a time.



Any lead will contain personally identifiable information (PII), and the platform will make sure to protect this information and respect the privacy of every lead. Any lead will have to provide their informed consent to a seller looking to list their information, preventing any chance of the lead receiving unwanted inquiries. LeadCoin will provide a matching mechanism using an algorithm that will pair the right buyer with the right lead depending on a buyer's search patterns and search history.

## **A Decentralized Lead Sharing Network**

### **Decentralization**

LeadCoin will be decentralized, and every node will have the option to get the full DB of leads, sellers and their history. No individual or entity will maintain control over the network and the leads ownership. A decentralized network provides the added benefits of security and reliability, as any attempts to tamper with or hack the lead network on one node can be offset by the records of another node. In addition, if one node falls or shuts down, the network will continue to run as many other nodes will continue to operate.

### **Business to Business**

LeadCoin will be a business to business network, with no middle man. Businesses will simply buy and sell leads, and LeadCoin provides the market to view opportunities and complete the transactions. The advantage of this type of network is that no individual seller or lead can receive special preference or special privileges. Even when new platform operators join the network and open their own nodes they will not be able to interfere with transactions, so there will be no way for a seller or their leads to receive priority over another seller's leads.

## **Personas and Their Incentives**

The platform will feature five different personas:

- **Seller** - Any individual or business who shares qualified leads in order to get tokens.
- **Buyer** - Any individual or business who buys qualified leads. Buyers require more qualified leads at an affordable price, so they can grow their business.
- **Platform Operator** - Any individual or business that chooses to set up their own node on the Blockchain, they will use LeadCoin open source platform and use the LDC. Platform operators will look to push their own brand and will make money from syndication fees and participation fees that they'll charge buyers and sellers. These operators will duplicate the network and will have the option to change the front end (look, colors, logo) and can add additional categories and sellers.
- **Arbitrator** - Arbitrators are individuals tasked with settling disputes between buyers and sellers. These individuals will be sellers or platform operators with high rankings and will receive a commission for presiding over disputes. Their incentive will be their commission plus they will have a position of authority and respect within the LeadCoin community.
- **Leads** - Qualified individuals with a real time need for a product or service. These leads have the incentive of joining the network, so they can quickly find a business that will meet their needs.

## Cryptocurrency Drives the Network

The Blockchain technology brings the advantages of trust, transparency, security and decentralization, and all of these benefits result from the emergence of cryptocurrency. Virtual currencies such as Bitcoin and Ether have gained significant momentum over the past decade, as they're not controlled by major banks or governments. This momentum has also brought a significant increase to the value of these currencies, as Bitcoin, which was once worth around one cent now hovers close to \$9000 USD per coin. Such growth potential combined with the market size for PPC campaigns makes cryptocurrency the ideal solution for the LeadCoin network.

# The LeadCoin Token (LDC)

LDC will be a utility token, used for the purpose of buying and selling leads in LeadCoin. A utility token does not constitute equity in LeadCoin and is not a form of currency. LDC will be based on Ethereum, which uses Smart Contracts to process transactions.

## The Large, Steadily Growing Digital Advertising Market

This paper previously mentioned the size and growth of the PPC market in the section labeled “The Opportunity” and mentioned that the digital advertising revenues for Google and Facebook should top \$100 billion this year. LDC will be based on the very strong Digital Advertising Market, and as this market will continue to grow in size so will the value of LDC. As a utility token LDC’s value will be based on the digital advertising market and on the activity within the network. This gives LDC the potential to become one of the strongest virtual tokens within the Ethereum ecosystem, as it will not be affected by any outside and local regulatory factors in the different global economies.

## Creating Value for Unused Leads

Unused leads are currently discarded once businesses realize that they do not have a good match with that lead. LDC gives value to those leads, as they represent a qualified potential customer looking to spend their money on a product or service. The network will change the mindset of businesses who will now view unconverted leads as a valuable asset that can generate revenue.

## Technical Aspects of LDC

### Technical Implementation

The LeadCoin Token is implemented as an ERC20-compatible token over the public Ethereum blockchain. Ethereum is the natural fit for LeadCoin as it is quickly becoming the industry-standard for issuing custom digital assets. Compatibility with the ERC20 standard leverages the rich existing infrastructure of the Ethereum ecosystem such as development tools, wallets and exchanges. The ability to

program trustless smart contracts over Ethereum with a Turing-complete language allows for robust and secure customization of the cryptocurrency to the domain-specific requirements of the LeadCoin network in a fully decentralized manner.

### Ownership Rights & Using Tokens

Each LDC represents the ability to purchase leads.

#### **LDC will be used in the LeadCoin Platform for the following:**

- Buying and selling leads
- Paying fees to arbitrators for solving disputes
- Paying fees to Ethereum
- Paying fees to platform operators
- Paying for future services and functions produced by LeadCoin

#### **LDC can be taken away for:**

- Any lost disputes would result in money going back to the original claimer
- Fees to Arbitrators for solving disputes

### Ownership Access Rights

An individual may purchase LDCs for the use of purchasing leads through the LeadCoin Platform. If an individual no longer wants to use LDC they may sell, transfer or trade their tokens via an independent cryptocurrency exchange. Purchasing LDC does not entitle users to own shares in LeadCoin.

### **Bancor as a Token Platform**

LDC will be implemented as a Smart Token which uses the Bancor protocol to maintain liquidity. Bancor is an ERC20-compatible token template, which offers continuous liquidity via an on-chain market maker. The Bancor Smart Contract holds a reserve of another currency (BNT) of the LDC market cap, and determines an appropriate exchange rate between BNT and LDC in such way that assures the BNT reserve. Individuals wishing to buy

or sell LDC buy from, or sell to the market maker at the current price. The market maker can always act as the counterparty to such trade, as it holds a BNT reserve with which it can buy LDC, and it has the sole permission to create LDC which it can sell. Among the special properties of such a token:

- Anyone can buy or sell LDC at any time, without risk of not having a counterparty, and at a predetermined cost (even “slippage” - exchange rate changes during the trade - can be calculated in advance).
- The total amount of LDC in circulation can vary dynamically, as the lead provider creates or removes LDC.
- The core value of a LDC unit is backed by its BNT reserve, assuring holders that the token has intrinsic value.
- BNT itself is a smart token backed by ETH, making conversion to and from ETH a simple two step function.

More information about Bancor can be found on [Bancor’s website](#) and the [Bancor white paper](#). Our data shows that the LeadCoin Token will enjoy sufficient liquidity and volatility from day one, eliminating the need for pegging or stabilization mechanism. LeadCoin’s first node, Webydo, will provide a pool of 300,000 registered users who will need to buy and sell leads from day one. .

## Tools for Growth

### **Platform Operators Will Create New Nodes in the Blockchain**

Any individual or business who becomes a platform operator will help the network grow, as these individuals will likely import their own qualified leads to the database. LeadCoin aims to target platform providers from a variety of different industries in an effort to diversify the network by bringing on as many new categories as possible. More operators should mean more categories and more categories means a larger network. This growth will be extremely beneficial for building the LeadCoin brand and in increasing the value of LDC.

## Potential Industries to Grow the Network

### Website Design

The Web design industry is more than \$30 billion per year in the US only. Web design agencies and freelancers receive numerous website requests from SMBs and enterprises. Some of the requests don't match the offering by the agency, and this is often due to a mismatch with the potential client's budget, timeline, lack of technological knowledge from the side of the designer. Instead of simply losing the client, those agencies could sell the lead to another agency using the network.

#### **Webydo - the first node of web design**

LeadCoin comes from the same team that created Webydo. Founded in 2010, Webydo aimed to liberate professional designers by providing them with a tool to design websites with full freedom and without having to write a single line of code. Until the birth of code-free platforms, designers relied on web developers to code their websites, often paying the majority of their profits to the developers. The web design service market in the US alone is over \$30 Billion per year, with 97% of the published websites completed by professionals. Webydo has raised \$18M and will be profitable in Q1 of 2018.

After a successful launch in 2012, Webydo rapidly created 14,000 websites in an initiative with Google. Since then, Webydo's been featured in over 10,000 industry-leading blogs and in top publications such as Forbes, Techcrunch, The Next Web, BBC and the Huffington Post. In 2014 Forbes named Webydo as one of the top five startups that are reshaping the web economy.

Webydo currently has over 300,000 users and 3500 paying web design agencies. The large majority of these agencies use digital marketing campaigns via Google and Facebook and have a large database of leads that they could share with the network. These agencies will be the backbone of LeadCoin in the beginning, as they will make up the first node in the LeadCoin Blockchain.

## Loans, Mortgages

According to Statista 7.3 million mortgages originated in the United States in 2016 totalling nearly \$1.9 trillion. That's over 7 million mortgages that started out as people interested in mortgages, or leads. With LeadCoin banks and lenders can come straight to the network and purchase leads for mortgages from other financial institutions who chose not to offer loans to those individuals.

## Real Estate

Potential buyers have an interest in a certain type of property, yet due to different factors they don't make a deal with a specific broker. Maybe the broker doesn't work with properties in the buyer's budget or geographic location, yet the broker invested significant hours in attempting to assist the buyer. Brokers will now be able to resell buyers as leads to receive some compensation for their efforts.

## Manual Laborers

Individuals who work in blue collar fields such as plumbers, carpenters and electricians rely on high quality leads for their business. Sometimes these professionals will be fully booked when their campaigns yield leads with an immediate need service. For example, a plumber could be committed to a three day job and would then receive a request for an immediate job. This lead could then be sold, recovering some of the marketing costs of acquiring that specific lead and enabling the seller to buy a lead for his needs.

Additional Growth Components

## Syndication Mechanism

LeadCoin will motivate more businesses to become platform operators using the syndication mechanism. Any new platform provider will be able to import all of the available leads in the network and resell them under their own node. Each sale will result in a commission for new platform providers, giving them motivation open their own version of LeadCoin. Commission will be 50/50 between the original and final platform operator.

## Promotional Tokens

LeadCoin will provide promotional tokens in the early days following its launch in an effort to spark activity within the platform. Promotional tokens can only be used to buy leads, as users will not be able to cash out these specific tokens. This means that new potential buyers will have nothing to lose by trying out LeadCoin for free. If they close a deal they're likely to come back for more leads, and if not they'll at least recycle the lead back into the network with more details than before.

## Competitive Landscape Analysis

LeadCoin stacks up well against other methods of acquiring new leads, as it addresses the majority of the pain points expressed by buyers, sellers and leads.

	LeadCoin	LeadPoint	Facebook	Google	Lead Lists
Option to buy Leads or Traffic	✓	✓	✓	✓	✓
Lead's Consent to be contacted	✓	✓	✓	✓	✗
Option to Sell Leads or Traffic	✓	✓	✓	✓	✗
Lead Qualification & Verification	✓	✓	✗	✗	✗
Option to dispute a lead	✓	✓	✗	✗	✗
Transparent Seller History	✓	✗	✗	✗	✗
Lead with a real time need	✓	✗	✗	✗	✗
Lead Exclusivity	✓	✗	✗	✗	✗
Decentralized Platform	✓	✗	✗	✗	✗

Figure 3- Compares LeadCoin to its direct competitors, showing the advantages of an open-source platform with required lead qualification.



## Competitive Advantage

LeadCoin holds a number of advantages over its competitors in both the lead and traffic industries, and all of these advantages answer the pain points of the personas involved in the network. For instance, lead buyers require trust and transparency when buying leads, to know that they're buying high quality leads in real time. These buyers will only have a transparent seller history with LeadCoin. Buyers can also rest assured knowing that they've purchased exclusive rights to contact a lead, and they know that the network won't show any bias for a particular buyer or seller due to the decentralization and transparency. Buyers will simply purchase leads from their peers who are looking to sell high quality, real time leads.

The decentralized platform also has advantages for sellers, as they know that no other seller will be given special privileges from the network. Sellers will also have a higher likelihood of selling their leads as they'll provide full details about the lead from their qualification and verification efforts. This gives sellers the best possible chance to sell their unused leads and make back some of their lost money.

The network will also benefit the leads themselves more than any other option, as leads can only be entered into the network after giving their consent. In addition, exclusivity protects leads from being bombarded with calls and emails from a number of different buyers, eliminating the unpleasant spam effect of too many contact attempts. The full qualification also increases the chances of a lead finding a good match for their needs. Overall Leadcoin provides the best possible solution for buyers, sellers and leads who are looking for the right match in their respective transactions.

## The LeadCoin Product

The LeadCoin network will run on the following platforms:

- Native application for Windows

- Native application for Mac & iOS
- Native application for Linux
- Native application for Android

Besides the source code, LeadCoin will place a pre-built version of the app binary for download in multiple public locations on the web. These public locations may include decentralized networks like BitTorrent (via easy to use web-based client interfaces like instant.io) to guarantee they are resilient and always available. PGP signature of the binary will be placed on the official website and will allow users to verify that the binary has not been tampered with.

The app will start out as a binary that any user can download onto their desktop. Anyone will be able to use the app to buy and sell leads using the LeadCoin Token. The app is designed to be completely decentralized, so it will not rely on any centralized points of failure. Later versions of the app will be available on Android and iOS devices and will run inside a web browser without requiring a local installation.

## The Dashboard

When sellers log into their dashboard they will see all of the leads that they've imported into the system. From there, sellers can mark which leads they would like to sell, and they can fill in any additional information for leads. Sellers can then go to the general area of the dashboard to search for and claim new leads.

Buyers will have a different view unless they decide to become sellers. Buyers will have the option to search for new leads via categories or specific keywords for leads. For example, there may be a category for "website design" and a potential buyer might search "website builder." The keyword search alleviates this as it would bring up any category and lead with the word website.

## Lead Import

Every seller will need to import their leads into the network before they can begin to sell them to other users. The first and most important part of this process will be for

the seller to receive informed consent from the lead to share his or her contact details with other potential businesses. Once this consent is given, sellers will need to fill in all relevant details collected through the qualification and verification process.

### **Automatic Import - Widget**

Sellers will be encouraged to automatically import all of their new leads into the dashboard via the contact us form on their website. LeadCoin will provide a widget that sellers can attach to their contact us form, and this widget will automatically import all of the potential leads. Following this installation sellers will be able to mark the leads that they would like to sell and will be prompted to fill in all of the relevant details about the lead.

### **Manual Import**

Some sellers will have leads that come to them through a channel other than the contact us form on their website, so those leads can be entered manually. Sellers will have the option to enter individual leads one at a time, or they can attach a CSV file from excel with a database of leads to save themselves time.

### **CRM Integration**

The platform also plans on developing integrations with CRM systems such as Salesforce and Hubspot, to create a fast and seamless import of leads into the dashboard. This should significantly speed up the process for sellers, as they will already have most of the necessary details entered into their CRM and will simply need to populate the fields in LeadCoin with pre-existing data.

### **Lead Creation Process & Encryption**

One of the most critical parts of the entire transaction process will be the encryption of the lead's sensitive data, their contact details. Once encrypted the only person who can unlock the lead's contact details will be the owner of the lead. This owner will be dictated by the smart contract (shown below in figure 5) once the transaction is complete.

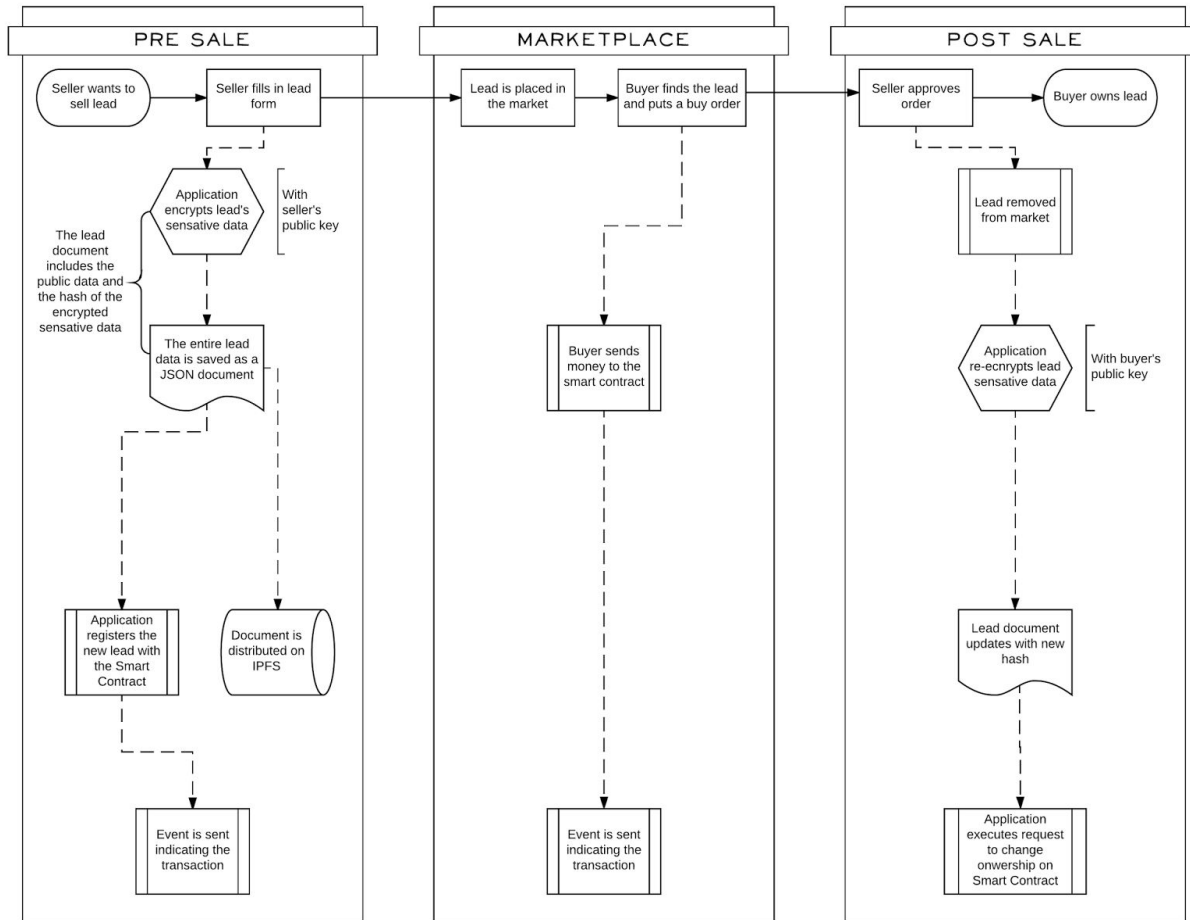


Figure 4- Shows the life cycle of a lead from the time time before the sale until the completion of the transaction.

## Ethereum Smart Contract

The Smart Contract will detail and manage the entire transaction for purchasing leads within the network. Details such as the buyer's wallet and seller's wallet will be specified, so the LDC will be sent to the correct location. The escrow and dispute mechanism will also be specified within the contract, and once uploaded these contracts cannot be altered or voided. Contracts will also be transparent, so anyone can view the details.

## Transaction

Once the buyer selects the buy option for a lead LDC will be sent from their virtual wallet to the smart contract. From there the smart contract will create an event, sending an alert to the seller that a transaction has been made. Once the seller approves the transaction the lead will be removed from the network, and its ownership will be transferred to the buyer.

## Buying Leads

LeadCoin will have two different modes, view mode for site visitors and contact mode for paying users.

- **View Mode** - Site visitors and users will have an opportunity to access the database and search for relevant leads prior to making a purchase. In view mode potential buyers will be able to see all of the details about a potential lead except for the contact details, which will be encrypted until the completion of a transaction.
- **Contact Mode** - Once a user purchases LDC they will unlock a lead's contact details and will then have the option to contact the lead (as shown in figure 5 above). The encryption ensures that only people who purchased leads will receive the lead's contact details.

## Lead Scoring

**Lead scoring = Days from lead creation + detailed description score + # of times sold within the network**

Every lead will receive a score based on a number of parameters. The most significant parameter will be the days since a lead's creation. The longer a serious lead stays in the system without being claimed, the less likely that lead will be relevant. Consider an individual in serious need of a product or service. If this person doesn't have their need met promptly they'll likely keep searching until they

find an available professional to help them. Although LeadCoin will have a policy of exclusivity within the platform it cannot control the events outside of the platform, and the longer a lead waits the more likely that lead will have found a solution outside of LeadCoin.

Each lead will also come with a description that involves a number of required and optional fields. Providers will have an incentive to fill in the optional fields, as a higher lead score should mean a higher likelihood of that lead being sold. While name, email and phone number will be required, details such as geographic location and business size will be optional fields.

Another important parameter in determining a lead's score will be the number of times a lead is sold within the network. These leads will be qualified and should represent a serious need. That being said, two individuals don't always see eye-to-eye and deals can fall through for an endless number of reasons. If lead continues to be entered into the network after a full qualification the lead is probably not very serious and will be removed from the network (leads will be removed after being sold for a fifth time).

### **Seller Ranking**

**Seller ranking = Buyer satisfaction + number of disputes + high activity+ relative volume**

Just as leads have a score, lead sellers will have a ranking that will be affected by their actions. This will allow buyers to choose between sellers and will likely give priority to the sellers with the best ranking. A seller's ranking will be based on a number of factors starting with buyer satisfaction. Each buyer will receive an automated message following the purchase of a lead asking them to rate their satisfaction.

Sellers will also be scored on their number of lost disputes. Any more than one dispute could indicate a pattern of fraudulent activity or a lack of verification on the part of the seller. Any seller that loses 10 disputes will be banned from LeadCoin to insure a secure and honest network for buying leads.

The option to both buy and sell leads in LeadCoin should create a very active network. Because of this, seller rankings will also consider the parameter of activity level. Any seller who doesn't log into the platform for over a month will have a lower ranking; however, logging back in and adding new leads or claiming a lead will mark a seller as active.

The final factor that will be used in evaluating a seller will be the relative volume of leads that they've contributed to the network. For example, if a seller only added 2 leads they have too small a sample size to judge their ability to provide quality leads. The idea here is to motivate people to contribute as many leads as possible to help grow the LeadCoin network.

### **Arbitrators & the Dispute Mechanism**

Arbitrators are individuals who will settle disputes between buyers and sellers. In order to become an Arbitrator one must be either a seller or platform operator with a seller ranking of 4.5/5.0 or higher. These Arbitrators will judge disputes in committees of five. Disputes can only happen within seven days of the transaction, encouraging buyers to contact leads immediately after purchasing them.

Disputes can result from a number of different instances such as:

- Buyer receives a lead with inaccurate contact details
- Buyer receives a lead with an inaccurate description of the lead's specific needs
- Buyer receives an irrelevant or cold lead (someone who does not need or never needed the advertised service)

## Lead Pricing

Sellers will set their own prices for leads. The platform will also assist sellers in setting an appropriate price, as it will provide a suggested price based on recent transactions from the same category and budget size. Due to the transparency of the platform buyers will also be able to see the suggested price, so sellers should give ample weight to the market's suggestions when deciding their price.

## Fee Calculation per Transaction

**RevenuePerLead = LeadCost - platform operator fees - Ethereum Fees(Gas)**

Each transaction will involve a few fees. Buyers will have to pay a fee to Ethereum, as the LDC will be based on Ethereum. In addition, buyers who dispute a lead will be prepared to pay a small fee to the five Arbitrators involved in their dispute committee. Syndication fees will be the fees most often collected, as they will be rewarded to platform operators who sell leads that were created in a different node. Platform operators will also have the freedom to collect transaction fees from users in their node, which provides another incentive for them to create a new node in the Blockchain.

## Escrow Mechanism

The LeadCoin tokens of every transaction will be put into escrow for seven days following a transaction. This will give buyers an opportunity to contact a lead and verify its validity. A buyer would have to dispute a lead within seven days of the purchase, otherwise the money would be transferred to the seller's digital wallet. The advantage of this system is that it creates urgency for the buyer to contact the lead while also defending them against potential fraud.

## A Branded Network for Platform Operators

Any entity, individual or organization is encouraged to alter the official reference implementation and release their own branded and customized client to the



LeadCoin network. This is true for platform operators in particular as they are encouraged to perform this process in order to provide their customers with their branded Network. By specifying their own provider address as a syndication address, operators will enjoy the syndication fee paid by other platform providers who conduct the lead transaction.

In the future LeadCoin will publish an open source customization SDK with tutorials and documentation to make the customization process as easy as possible. This is crucial for encouraging enterprise-sized businesses to adopt LeadCoin while retaining their own brand identity.

The following aspects of customization will be officially supported and documented:

- Changing the UI, graphics, colors and branding of the platform
- Setting the provider address for syndication fee settlements
- Modifying the UX
- Customization of the lead creation process

It is important to emphasize that derived and customized app implementations are not forks of the LeadCoin platform and are not forks of LDC. Derived implementations are simply a different client for the same network providing a different user experience while maintaining the core characteristics of the network such as reliance on LDC for claiming leads.

### **Matching Mechanism**

After initial development, the platform will evolve into a network with a smart, matching mechanism. This mechanism will track user behavior and will send alerts when appropriate matches present themselves within the network. For example, a buyer who constantly searches for leads in a certain category or featuring a certain keyword can choose to receive alerts when such leads are entered into the network. In addition, a seller who's looking for certain buyers can receive alerts when people are searching in their category, and they can reach out to those buyers directly. The

advantage of the matching mechanism will be less time for both buyers and sellers in searching for an appropriate match.

### **The LeadCoin Mobile Application**

LeadCoin will develop and publish a fully functioning mobile application to allow users to access the platform from any mobile device. The app will be developed for both iOS and Android, will be open source and will feature the entire LeadCoin network. This will include on-chain access over Ethereum to LeadCoin smart contracts and access to content, listings and event metadata from decentralized cloud storage. Mobile application will have push notifications to alert users of new leads (for buyers) and new purchases (for sellers).

## Roadmap

### **Milestone 1 - Development of the LeadCoin Network Backend**

Following the original token sale, LeadCoin's first milestone will be the execution of its decentralized platform. The platform will be released as open source software on GitHub. Once developed, the platform will include the lead's dashboard plus a registration and login form for new and existing users. These users will then have the ability to buy and sell high quality leads.

The key aspect of LeadCoin' decentralized platform will be the integration of Ethereum Smart Contracts that will enforce the actions and guidelines highlighted in the LeadCoin Platform section of this white paper. The smart contracts will be made public on GitHub as an open source software and will include the following:

- ERC20-compatible implementation of LDC itself including basic functionality like trading tokens between addresses
- Creation of a lead including all of the required fields of the lead's details and the optional fields to be filled out by the lead's provider

- Market maker implementations, with both a standard LMSR and a Liquidity-Sensitive automated Market Maker variant controlling the value of the LeadCoin token until the completion of the transaction and escrow period
- Verification of transaction details, reading its various parameters, and current totals of LDC paid for a specific lead
- Arbitrator mechanism for dispute resolution
- Dispute mechanism for users
- Promotional credit mechanism
- Summary of all fees associated with the transaction including fees paid to Arbitrators, platform operators, sellers and syndicators
- LeadCoin will be open to feedback from its community during the development of the platform in an effort to produce the best possible product. This feedback could lead to small changes in things like fees to Arbitrators, syndication fees and fees paid to platform operator.

## **Milestone 2 - Development of the LeadCoin UI+UX and Mobile App**

The first milestone focuses largely on the back end of the platform, while the second milestone fine tunes the user experience and front end. LeadCoin will release a reference implementation of the app according to the guidelines specified in the relevant section of this document.

The app will be developed using cross-platform web technologies using the Electron Framework. The app will include a thin Ethereum client based on a standard open source implementation that will allow the app to communicate with the various smart contracts that make the LeadCoin platform.

Planned functionality of the app in the reference implementation includes:

- Ability to create an LDC wallet, see current balance and perform basic transactions

- Ability to buy and sell LDC using various fiat currencies and using dedicated specialized third party providers which will provide a streamlined process
- Ability to receive promotional credit
- Security and protection of the local wallet operated by the app
- Lead acquisition using lead categories published by various platform operators and a sorted list of events under each one
- Search and filter of leads within the dashboard
- Lead details screen providing all of the required and optional fields that will give an overall description of the lead
- Ability to purchase a lead using LDC
- List of recent transactions and final purchase amounts in the appropriate category

### **Milestone 3 - Launch with the First Node, Webydo.com**

Once the platform and mobile app are completed the next goal will be to populate the network with qualified leads. An integration with Webydo's existing users will be vital to the long-term success of the network. The network will give 300,000 Webydo users the ability to buy and sell leads to boost their website design businesses.

It's important that Webydo will aid in the establishment of the first node in the LeadCoin Blockchain, as Webydo brings a pool of qualified leads. Other providers will then join the Blockchain releasing their own versions of LeadCoin under their own brand names.

Launching with Webydo's existing user base will also give LeadCoin a node that can be studied to optimize the platform for future users. This analysis and improvement of the first node will be beneficial for the overall success of LeadCoin.

### **Milestone 4 - Development of SDK**

SDK should make the rebranding and reference implementation very straight forward for new platform operators. Using the SDK, platform operators will have the

ability to release their own derivative of the LeadCoin app and create a fully functioning B2B lead generation network under their own brand name in minutes.

The various customizations supported by the SDK are described in detail under “A Branded network for Platform Operators ” in the LeadCoin Product section of this document.

### **Milestone 5 - Growing the Network**

Once completing the majority of the technological requirements via the first four milestones, the focus will shift to growing the network. The network’s growth will be split into two phases:

1. **Integrations** with marketing tools such as Hubspot and client management software (CRM) such as Salesforce
2. **Business development** and marketing activities

Businesses use CRMs and marketing tools to hold and organize their lead database. Integrating with these tools will allow sellers and platform operators to quickly import existing, qualified leads without having to do a manual import.

The second phase of growing the network will involve business development and marketing efforts. Business development efforts will target potential platform operators and large-scale sellers from industries that could benefit from using the LeadCoin Platform. Marketing efforts will then focus on building a strong reputation and community for the brand. In addition, media buys and campaigns will target end users (both buyers and sellers).

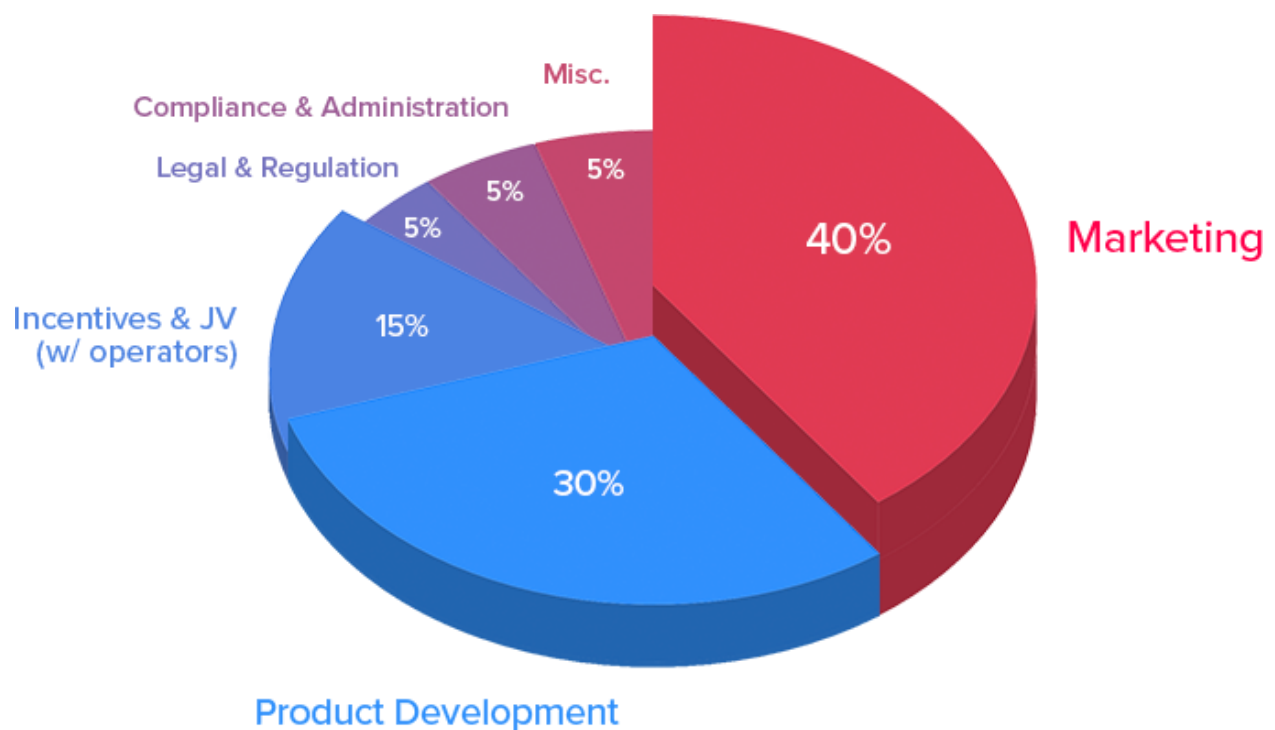
In addition to bringing on new users, the retention of existing users will also be emphasized. On a base level, LeadCoin will continue to listen to its users and make new developments and improvements to its platform. These improvements will then be published in monthly newsletters and on the website to provide a sense of confidence and security with the platform. Versions of newsletters will also be

available for download, so platform providers can adjust the content to fit their own brand.

## Funding Breakdown

The LeadCoin Token Sale aims to raise funds for the development of the LeadCoin Network. This funding would then be reappropriated to building and maintaining the LeadCoin Blockchain network. Final budget allocation would be determined by the company's management.

### Funding Breakdown



# Crowdsale & Token Issuance

## Sale Event

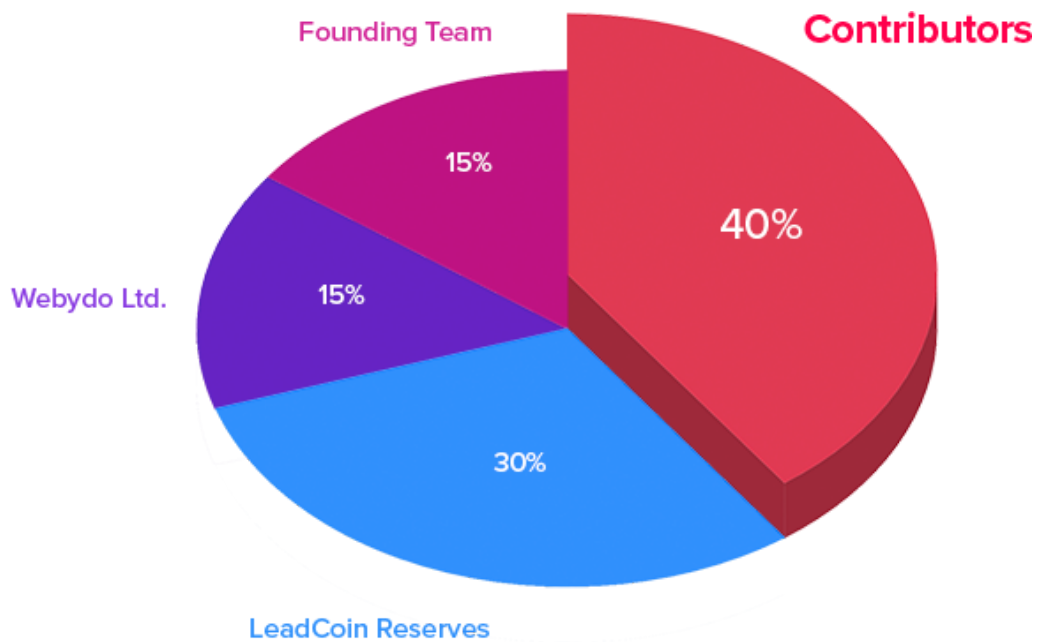
The date of the public sale will be announced on LeadCoin's website. The sale will be uncapped and instructions for participation will be published on the website.

The price of LDC will be fixed (in ETH) throughout the sale. The LDC price will be published on the [LeadCoin.network](http://LeadCoin.network) prior to the sale.

## After the Sale Event

LDC will be available for use as a utility token 24 hours after the token sale. In addition, LeadCoin will deposit LDC in BNT as the currency reserve of LDC, thereby activating its Bancor Smart Token features. From this point forward, the smart token's market maker will enable anyone wishing to buy or sell LDC to do so at a determined market price. At the moment of activation this price is equal to the token sale price, and later it may fluctuate according to market supply and demand. Further details about LDC as a Bancor Smart Tokens can be found under Bancor as a token platform above, and in Bancor's documentation.

## Token Allocation



% of Total Supply	Beneficiary	Special Terms
40%	Contributors	No vesting. <b>Pre Sale</b> - 30% bonus, cannot be transferred until the end of the private sale period.
30%	LeadCoin Reserves	
15%	Webydo Ltd.	
15%	Founders & Team	No vesting, cannot be transferred until end of the token sale period



## Team & Advisers



**Shmulik Grizim**  
**Founder**

Grizim enters the cryptocurrency world following three successful companies within the website design and digital marketing industries. He specializes in building new businesses from the ground up, strategy, management, and innovation



**Moshe Hogeg**  
**Chairman of the Board**

A serial entrepreneur that founded, headed and advised numerous tech companies. Founder & Chairman of the *Singulariteam Group*, a \$200M private investment fund investing in disruptive technologies with focus on artificial intelligence, augmented and virtual reality, robotics, and nanotechnology. Founder of *Alignment Ventures*, a blockchain hub serving networks such as Bancor (\$153M ICO), STOX (\$33M ICO), KIK (\$98M ICO). Founder & Co-CEO of *Sirin Labs*, the creators of *Finney*, a secure open source consumer electronics for the Blockchain Era.



**Samy Gohman**  
**COO**

With over ten years of experience in sales, support, operations and management in addition to a background in BI and data analysis, Gohman possesses a unique combination of skills. His

diversity and drive for perfection constantly push the team to reach its full potential.



**Alexey Murashkevich**  
**Web Development Expert**

Alexey brings eight years of experience as a full stack senior Web developer, and he consistently mentors and coaches others as a team leader. He excels in the design ,development and implementation of Frontend and Backend functionalities.



**Shai Ament**  
**Cloud Engineering Expert**

Ament brings leadership and professionalism to the development team. His out-of-the-box thinking and diverse experience with web development have resulted in countless contributions to the team.



**Lilach Arviv**  
**QA & Automation Team Leader**

Not only is Lilach an expert in solving bugs and automation, but she also acts as the resident office DJ. Lilach brings both technical and managerial experience to the team in charge of keeping the platform firing on all cylinders.



**Alana Vaxman**  
**Head of Support**

No problem is too big for Alana, as she knows all things technology inside and out. Michaels comes from a design background and can often be found surrounded by an army of minions.



**Yonni Myers**  
**Content & Communications**

Myers comes from a background in sales and content writing. When he's not working hard on putting the team's ideas down on paper you can find Yonni blogging and spending time with his dog.



**Damien Rozan**  
**Community Manager**

Damien comes from a background of account management, website design and digital marketing and loves anything tech-related. His versatility and attention to detail make him an integral part of the LeadCoin team.



**Dana Perry**  
**Senior Account Manager**

With more than half a lifetime's experience in sales and customer service, Dana is passionate about meeting and exceeding monthly quotas. This however comes second to always searching for the best pizza in town wherever she travels.



**Nitsan Harel**  
**Senior Support Manager**

Nitzan excels at providing top notch customer service due to her strong work ethic and technical knowledge. Her drive and efficiency set the bar high for the rest of the team.



**David Miretsky**  
**Account Manager**

David is a sales ninja who specializes in finding out exactly what a client needs and building a custom solution for that client. His ingenuity and attention to detail help him to consistently reach and exceed his sales targets.

## Appendix

### Risk Factors

Listed below are the risk factors related to the LeadCoin Platform and specifically the token sale event.

- LeadCoin may not reach its target amount for the sale and may be unable to fund its business plan.
- Outside trends in the cryptocurrency that have nothing to do with LDC could drive the value of LDC down.
- LeadCoin relies on the pilot group from webydo.com, so any negative occurrence at webydo.com could affect LeadCoin
- The development of the LeadCoin platform and app will be complex, and it's possible that the platform's launch could be delayed due to unanticipated barriers in the development process
- Additional companies may attempt to produce a lead generation platform using the Blockchain infrastructure, creating less demand for LeadCoin
- The cryptocurrency market is very volatile which could negatively impact LDC
- Future international laws and regulations may outlaw the use of digital currencies such as LDC
- State and federal governments may pass laws that will negatively affect LDC
- New tax laws may be passed that will nullify any benefits of owning LDC

- LeadCoin may not hit its projections for use which will lessen the value of LDC due to a lower number of events
- The plans listed in this white paper may change in the future due to unforeseen factors

## Regulatory Strategy

Digital currencies are still very new to the financial world, which make it difficult to pass rules and regulations. That being said, countries, governments and governing bodies will eventually attempt to regulate the digital currency world. These future regulations will have compliance requirements, and it will be important to meet said requirements as soon as they're released.

That being said, LeadCoin will still be a decentralized application. With these types of applications the infrastructure is separated, keeping the different functions of the system isolated from one another. Each function or module remains separate creating an advantage for the creator of a decentralized platform. The advantage of separation is that each function does not need to meet all compliance requirements as each function acts as its own entity.

## Technical Considerations

### The LeadCoin Protocol

Leadcoin will incorporate the following mechanisms in order to execute its protocol:

- **Smart Contracts** for managing events involving lead transactions
- **IFPS for content discovery.** The LeadCoin App runs on clients and does not require a central backend. To enable clients to discover all active markets with their taxonomy and metadata, each provider maintains a hierarchical structure of active markets descriptors, as JSON files stored on IPFS. This content includes each category and each event's metadata (name, description, images etc). IPFS is a decentralized file storage network, operating with no single points of failure, and no

dependence on geographic or political territory. Each file on IPFS can be located using a canonical URL. Each provider's client app is hardcoded with the the URL of its content root; the content root may contain sub-category descriptors linking to their URLs, which in turn may link to further subcategories.

## **LeadCoin App Architecture**

### **Ethereum Client**

In its initial stages the LeadCoin platform will be the primary Ethereum client and node within the blockchain. LeadCoin will build a gateway to Ethereum, and this gateway will come with an open-source dashboard for managing one's leads. Every individual will require a digital wallet to use the LeadCoin platform.

Platform operators will also have the option to customize the app to their own specifications as LeadCoin will be open source. In the future LeadCoin will also allow for an SDK and once users implement the SDK they will create a new node in very little time.

### **Cross Platform Desktop Framework**

The LeadCoin app is required to run as a standalone desktop app for Windows, Mac and Linux. For easy support of multiple platforms with a single codebase, a cross-platform app framework should be used. The app relies on the Electron framework provides high 53 development velocity by leveraging web technologies such as JavaScript, HTML and CSS. Another benefit of the electron framework is lowering the barrier for customization of the app. Just as electron will be used for the desktop application, it will also be implemented for the mobile application to reduce development time and resources for an application that will run both on iOS and Android.

## Platform Limitations

The events are operated on the public Ethereum blockchain, requiring all operations that change the market's state (lead creation, lead details, arbitrator reports, transactions) to be broadcast to the blockchain. Technical and throughput limits of the Ethereum network and its processing costs have several adverse effects on LeadCoin:

- The throughput of the Ethereum network puts an upper bound on the rate at which an onchain lead generation platform can process orders and modify positions, which in practice stands at hundreds of transactions per minute. In the near future, a high-traffic lead network, with participation of thousands of users, cannot be supported by the Ethereum network.
- When the Ethereum network is under low load, its block confirmation time of 17 seconds means a user would wait an average of 8.5 seconds for each operation. Under a normal workload, transactions may be processed only after a block or two, resulting in a longer wait of around one minute. Such latency is not reasonable for UX and requires designing the user experience in a way that provides immediate feedback for actions, then processes blockchain operations in the background.
- At higher network loads, the Ethereum network suffers from a very high variance in confirmation times. Transactions may queue for several blocks' time, resulting in a wait of minutes or hours. When this happens, users' transactions may fail to register on the blockchain, due to the transaction closing or significant change in the rate offered by the market maker.
- Ethereum currently supports fee payments only by the sender, and only in ETH. Transaction fees on Ethereum network are expected to amount between \$0.02-\$0.20 per operation when the network is under reasonable load, in addition to the fees collected by the platform operators. This also creates product complexity as it requires users to hold a small ETH balance in

order to make payments (we recommend that operators refund users their transaction fees, so that a small ETH deposit could be sufficient for a user).

- Despite these drawbacks, Ethereum is still the best public blockchain available today. New developments in the Ethereum network should mitigate all of the abovementioned issues:
- RAIDEN and CASPER are expected to increase the capacity of the Ethereum network enabling significant reduction of block times and variance in block waits. Similarly, the increase in capacity and offloading of large amounts of transactions to state channels are expected to result in significant reduction in network fees.
- CASPER proposes abstractions that could enable contract-pays schemes for fees, eliminating the need for users to hold ETH.
- Several bodies are promoting research on off-chain scalability of prediction markets. We are monitoring the advances in these fields in hopes for a viable solution; however, at the moment we will be taking a cautious approach in planning, as we consider currently known models to be impractical.

### **Personal Identifiable Information (PII)**

Contact details for leads constitute personal identifiable information. LeadCoin understands the sensitivity with this kind of information, and in response will have a strict privacy and consent policy. This policy states that no lead will be entered into the network without giving their informed consent to the original seller. A lead's details will also be kept private to anyone except for the buyer of the lead.

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