

***Media. Decentralized.***

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V.4

The purpose of this Whitepaper is to provide a clear insight into the CLOUT business model, the team behind it and our long term vision for CLOUT.

This Whitepaper can be subject to updates. Last published update occurred September 7, 2017. We suggest that you review this information periodically for any changes.



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## CLOUT CONCEPT

CLOUT aims to become the standard in quality for everything crypto; news, media, and investment. It is an online based integrated software that gives cryptocurrency investors a **home**.

**clout**

**/Klout/**

**(noun)**

- 1. Influence or power, especially in politics or business.**

CLOUT is a blockchain database that promotes the cryptocurrency community's growth and commitment to providing users with quality information in this massively growing space. The platform combines a social media concept with roots in users generating their own content to share with the added functionality of monetizing the online content market, specifically related to cryptocurrency.

CLOUT is the first of its kind in the new and rapidly growing world of crypto. Currently, there is no other reputable tool to bring users quality information. For the first time, each and every member of a user generated content community will be financially incentivized to consistently monitor the platform for quality content. CLOUT will be the authority on monetizing online content and providing crypto investors with a home for all news and media crypto related.



## THE BLOCKCHAIN

The blockchain is a digital ledger in which transactions made in Bitcoin or another cryptocurrency are recorded chronologically and publicly.

The blockchain industry is only at its inception. The growth potential can only be compared to that of the expansion of the internet in the late nineties. Just as search engines, browsers, and social networks disrupted the Internet; Bitcoin, Ethereum and other ecosystems on the blockchain will force the hand of traditional institutions to change their respective roles in the industry. Each day new projects on the blockchain are being introduced. Established institutions and a largely growing number of users are adopting the disruptive blockchain technology every day.

Despite this undeniable trend, there is no platform dedicated **UNIQUELY** and **SOLEY** to cryptocurrency. Cryptocurrency is a one hundred billion dollar industry and yet it only has had a home as a sub-category on all of the platforms users currently use to get their information. CLOUT is the much needed “home” investors will go for **ALL** of their daily information, news and media cryptocurrency-related. We aim to be the “one stop shop” for everything crypto related.

The blockchain has made an immense impact on society as we know it and it is here to stay. Major businesses and corporations have not been able to deny the technological, as well as the financial advancements the blockchain brings to the world. The entire blockchain community is desperate for a place dedicated it and only it. A place where the community can truly thrive as its rapid adoption continues worldwide...

Welcome to **CLOUT**.



## INTRODUCTION

User-generated content has driven billions of dollars worth of revenue for the shareholders of some of the largest well known social media outlets. CLOUT provides a platform for content sharers and creators, publishing and motivation tools all of which utilize the Ethereum blockchain.

CLOUT monetizes online content for users, incentivizing quality content. Using CLOUT's daughter token CLC, we reward users who provide valuable content contributions. Through this model, the CLOUT network will eventually be the standard for media and information.

Following this model, similar blockchain based companies and ICOs alike will see dramatic increases in token sales when they are subscribed to be advertised on the CLOUT network. CLOUT users will receive a percentage of advertising revenue.

The CLOUT platform provides a needed "home" for the cryptocurrency investor and will be the new meeting place for the massively expanding community of content creators, noteworthy projects, and investors who now have a tool to maximize their influence or clout in the crypto space which thus maximizes their value.

CLOUT's network provides the following functions for users:

1. A "home base" for cryptocurrency news and media. It consolidates all information from various platforms and maintains the integrity of the content intrinsically by the users themselves through a reward system.
2. Provides a platform for content sharers and creators alike, publishing and motivation tools with its daughter token CLC, which utilizes the Ethereum blockchain.
3. A reinvestment tool for similar block-chain projects; space where the value of promising advancements in the blockchain technology space will be recognized and promoted to members of the community.



## MARKET SPACE

Online media and digital/ mobile content is the leader of the publishing industry today. Offline content generated in a centralized manner (i.e Newspapers) do not see a high rate of social publishing nor do they create a significant revenue stream for the creator or the sharer.

In the coming 2 years, the worldwide digital advertising market will grow to around \$250 billion<sup>1</sup>.

CLOUT expects to change the current media sharing market by rewarding content sharers and well as content creators, for the highest quality, “healthiest”, most relevant and most trusted content.

The CLOUT network will utilize the digital advertising market as well as the digital media content market. Using both revenue streams to feed the growth and success of CLOUT token.

CLOUT will reach its first milestone in 2018 when it builds a community of 20,000 monthly “top content creators and sharers.” This will drive the sustained growth of the CLOUT network and its users. We aggressively hope to drive a total of **1/100** of the entire crypto market space by our second year.

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<sup>1</sup> “CNBC, Global Advertising Spend...” <https://www.cnbc.com/2016/12/05/global-ad-spend-to-slow-in-2017-while-2016-sales-were-nearly-500bn.html>



## COMPETITION

Currently, investors are forced to choose from a variety of different social media platforms when looking to access quality information pertaining to cryptocurrency. Platforms like Reddit, Facebook, Steemit are the only option for users. These websites are social media networks first and foremost and when crypto-related content is featured on them it is always reduced to a sub-category of the platform. Reddit alone has over 50 different “sub-Reddits” dedicated to cryptocurrency and blockchain technology. Steemit’s reputation system largely compromises the integrity of information on it because it allows a small group of users with a high “reputation” level to dictate the majority of the content on the site.

Other massive problems for today’s cryptocurrency investor are the scams and phishing attempts that plague the current “user-driven” communities online. Every single day hackers come up with new ways to try to steal cryptocurrency that does not belong to them. We are familiar with the common scams and do the due diligence needed to avoid them (fake ICO sites). However, the often larger and more difficult scams to detect are the scams that sell themselves as an ICO. CLOUT is going to provide a much-needed vetting process of ICOs for users. The CLOUT platform will evaluate and provide analysis of all ICOs current and upcoming. As the blockchain continues to grow, CLOUT is going to help establish a much-needed standard of quality for today’s ICO space.

Cryptocurrency has grown into a \$100 billion dollar market that will continue to grow exponentially as it continues to spark the interest of the public, yet blockchain technology enthusiasts and investors alike are forced to navigate multiple platforms, multiple subcategories and a never ending sea of inaccurate or biased posts when looking for new information. Therefore, the market and its investors deserve a platform that is exclusively dedicated to it and only it, CLOUT.



## WHY TEAM CLOUT?

Team CLOUT is the personification of the level of quality the platform will bring to users. With members from across the United States, Europe, Australia and the UK, CLOUT has one of the most talented teams in the world. Each member is highly accomplished and has extensive experience with blockchain technology and high growth startups. CLOUT's developer team are some of the best in the industry and are responsible for developing many popular blockchain technologies. CLOUT's CEO has made significant impacts in the advancements of blockchain technology with the book he authored, The Blockchain Manifesto.

The growth and marketing leadership on team CLOUT are vastly experienced in building massive community market places and creating worldwide brand awareness. The team has largely been dedicated to providing large numbers of cryptocurrency enthusiasts with a place to temporarily congregate and share information through their massive groups on Facebook. Each member of team CLOUT genuinely wants to create an ecosystem that is going to give users a much-needed home which brings them the most quality information available.

CLOUT's vision is to reward the world for valuable content. CLOUT users will generate online content specifically relating to the cryptocurrency market. CLOUT's reward based content is the best solution to help maximize the exposure of the most valuable information in the cryptocurrency community.

CLOUT is a venture capital backed startup with offices in Panama. It was founded by Sean Kirtz, Dean Langas, Frank Lucido and Simon Josef.

Before we build a platform that will change the world, we built a team capable of changing it.





## CLOUT SECURITY

### **1. ERC-223 Token**

The CLOUT ecosystem is based on an open source cryptographic ERC-223 token named CLOUT (CLOUT Token). CLOUT is fractionally divisible, transferable and fungible.

The ERC-223 tokens ability to eliminate the problem of “lost tokens” was an important function for the CLOUT token to possess to ensure a safer transfer system. If an investor accidentally sends ETH from an exchange to CLOUT’s ICO deposit address, the ETH sent can be returned with the ERC-223 instead of being eliminated - as with the ERC-20 tokens.

The ERC-223 tokens use half the gas required by an ERC-20 token. The decision to improve this aspect of functionality ultimately to benefit and safeguard our future investors.

### **2. Homomorphic Encryption**

Homomorphic encryption is a form of encryption that allows computations to be carried out on cipher text, thus generating an encrypted result which, when decrypted, matches the results of operations performed on the plaintext. This is a desirable feature in modern communication system architectures.

CLOUT is the only cryptocurrency along with Ethereum to utilize homomorphic encryption. This type of encryption is the only protection against the newest and most prevalent threat to cryptocurrency.

Should a hacker get ahold of a quantum computer all crypto currency that is not encrypted homomorphically will become obsolete.

CLOUT addresses this issue by having a self-sufficient internal ecosystem, which safeguards it making it only 1 of 2 tokens on the market that are safe in the event of a quantum computer hack.



## Clout Economic Model

The CLOUT network has two native tokens: #1. CLOUT token (symbol CLOUT) and #2. CLOUT Currency (abbreviation CLC). Only 100 million CLOUT tokens will ever be created. These tokens represent the owner's vested interest in the platform and allow them to make meaningful contributions via content, crowd-sourced decision making and through the use or sale of CLC.

CLC is generated by holding CLOUT. The initial amount of CLC is equal to the amount of CLOUT a user holds. A maximum of 100 billion CLC will be generated throughout the lifetime of the CLOUT network. CLOUT generates its first batch of CLC at a rate of **1 per year, per CLOUT token** - through auto genesis mining. Every subsequent batch will take one additional year to generate. For example, the first batch will be generated one year after the close of the ICO, the second batch will generate 2 years later, the third batch after the 3rd year, etc. CLOUT that is transferred to a different address will have the subsequent CLC credited to that new address.

CLC generation **by year**:

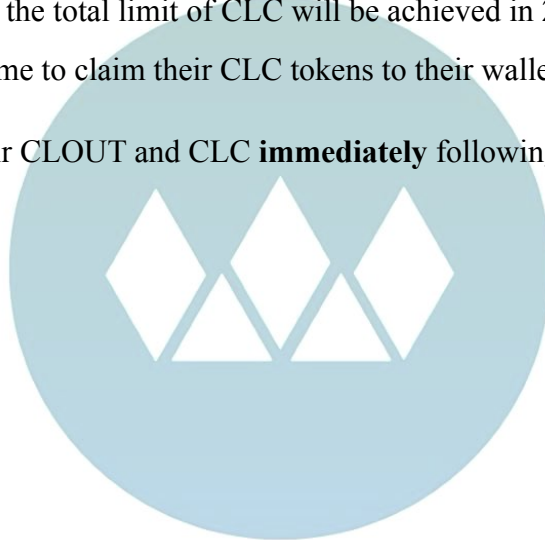
1. Post ICO (October 2017) - 100M
2. 2018 - 100M
3. 2020 - 100M
4. 2023 - 100M
5. 2027 - 100M
6. 2032 - 100M
7. 2038 - 100M



- 8. 2045 - 100M
- 9. 2053 - 100M
- 10. 2062 - 100M

CLOUT purchased during the ICO will receive the corresponding CLC immediately and at no cost. Any CLOUT purchased after the ICO closes will need to wait for it to generate or purchase it on its own. The CLC will be distributed proportionally in accordance with the CLOUT holding ratio, reported in the correlating addresses. CLC is generated with each new token. With the increasing rate of new block generation, the total limit of CLC will be achieved in **2062**. CLOUT holders can initiate a transaction at any time to claim their CLC tokens to their wallet addresses.

Users will have access to their CLOUT and CLC **immediately** following their purchase in the ICO.



## WHY INVEST IN CLOUT?

### *Multiple Revenue Streams For Token Holders*

#### **1. Crowd Wisdom**

CLC tokens represent the user's voice on the CLOUT platform in the form of a subscription. CLC allows the user to use the platform in its full capacity, with the ability to share and create content. Without CLC users can still access the CLOUT network in a “read only” mode and cannot contribute to the community.

Currently, the cryptocurrency space suffers from a gross “over saturation” of media and investment content generated every single day. Over 1.2 million+ posts and 250+ hours of video are uploaded each day, since the beginning of 2017, under the broad subject matter of “Cryptocurrency.”

Members use CLC tokens as their “voice” and as a form of currency on the CLOUT interface. Featured on the network will be such things as upcoming ICOs, short and long term cryptocurrency investment ideas/suggestions and cryptocurrency and blockchain technology related media and news articles. A “Who’s Who” section in the world of cryptocurrencies will be recognized on the CLOUT platform. In turn, those members will be rewarded for the quality of their content and their activity on CLOUT in the form of CLC tokens.

CLC tokens are required to participate in the CLOUT network. This includes posting any form of content, “up-voting” shared content and commenting. Utilizing CLC tokens systematically deters “noise” and inaccurate information usually very prevalent on other content platforms, from ever reaching the CLOUT network.

A user who makes an accurate prediction or shares a quality media post is rewarded with additional CLC, which in turn adds value to the CLOUT network, CLOUT token holders are rewarded in both receiving CLC as well as the value of CLOUT increasing.



## ***2. Advertising Revenue***

CLOUT token holders will receive a portion of the advertising revenue of the CLOUT platform.

The CLOUT platform will partner with other blockchain projects who will be featured on the interface, through sponsored exclusive content.

“Exclusive content” is first available to the user on the CLOUT network and is posted to the platform when the ICO, entity, influential article or person pays a subscription fee to be featured on CLOUT.

All token holders regardless of the amount of CLC they hold or the level of activity on the network will receive a maximum of **2%** of the total revenue taken from advertisements on the site **quarterly**.

## ***3. Referral Program***

CLOUT token holders will receive a certain amount of CLC tokens based on how many new subscribers to the CLOUT network they refer.

CLC will be rewarded to users who refer new subscribers to the CLOUT network based on a tiered system. The earlier the referral on the CLOUT roadmap the larger amount of CLC awarded.

- Referrals made **post-ICO - December** will receive **1** CLC.
- Referrals made **Q1-2018- Q2-2018** will receive **.75** CLC.
- Referrals made **post-Q2-2018** will receive **.5** CLC.



## CLOUT TOKEN DISTRIBUTION METHOD

CLOUT's **100 million** tokens are allocated to three categories:

### ***1. 1st Allocation- 10 million tokens (crowdfunding)***

- 3 million tokens (3%) will be distributed during the Pre-ICO at \$1/ CLOUT
- 4 million tokens (4%) will be distributed during Phase 1 ICO at \$2.50/ CLOUT
- 2 million tokens (2%) will be distributed during Phase 2 ICO at \$5/ CLOUT
- 1 million tokens (1%) will be distributed during Phase 3 ICO at \$10/ CLOUT



## **2. 2nd Allocation- 70 million tokens**

- 10 million tokens (10%) will be used to motivate the CLOUT developers and executives over time.
- 10 million tokens (10%) will be vaulted in cold storage
- 50 million tokens (50%) will be distributed to the CLOUT network.
  - A. 10 million tokens will be used to motivate developers and pay bounties used to develop the CLOUT network.
  - B. 20 million tokens will be used to cross-invest in other block-chain projects, owned by CLOUT execs and only used for CLOUT projects.
  - C. 10 million tokens will be retained in order to reinvest into the ICOs promoted on the CLOUT network.
  - D. 10 million tokens will be held on “standby” which are ready to be released into the market immediately to protect the users and the network from hacks and phishing attempts.

## **3. Third Allocation- 20 million tokens**

- 10 million tokens (10%) locked in cold storage only to be released via smart contract
- 2 million tokens (10%) to be released every 1 year over the next 5 years, based on certain milestones in the CLOUT roadmap being achieved.



## CLOUT LONGEVITY

CLOUT has an emphasis on long term growth built into the business model. The goal is to be the cornerstone of where media meets cryptocurrency.

20% of the total number CLOUT tokens are set to be distributed over the course of the project roadmap over the next 5 years. Over 40% of the total number of CLOUT tokens are to be allocated to the advancement of the CLOUT project. Over HALF of the total number of CLOUT tokens purpose are to be reinvested into the CLOUT project in the long term.

By releasing 2 million tokens each year for the next 5 years CLOUT intends on showing investors that it is not a “pump” token. It is built right into the smart contracts created by the CLOUT developers. CLOUT team members are for the advancement of the project in its entirety. There are no greed or egos allowed on team CLOUT. This is reflected in the low amount of tokens offered during the crowdfunding phase. The same amount of tokens offered during the ICO as well as what are being locked in storage to be released annually. CLOUT is dedicated to becoming a cornerstone in the cryptocurrency community. We intend to grow with the entire market and become the flagship platform of cryptocurrency.

The success of CLOUT token will be measured in the long term, and longevity was kept a priority when creating the distribution model.





## FINANCIAL GROWTH

With most of the required technology for operating the CLOUT network at scale available the focus of the CLOUT team will shift from development to growth. Investment in network growth will not wait until development is finalized and will take place in parallel as soon as viable versions of these products are available for preliminary release.

The growth of the CLOUT network is two sided. The first side focuses on members. CLOUT will benefit from as many members as possible. Members are the main creators of content on the network and serve as engines for driving traffic to the network. Channels for attracting members include forming partnerships with established companies whose focused on driving more users through advertising, promoting the CLOUT model among individuals and organizations with access to relevant customer bases and providing guidance and support to new providers interested in joining the network in order to make the process as friction free as possible.

CLOUT aims to grow exponentially through its life cycle. The cryptocurrency market is here to stay and the advancements being made technologically and financially each day are staggering. CLOUT plans on cross investing into similar blockchain technology related ventures as well as exploring potential growth with bilateral partnerships including generation of additional tokens. CLOUT does not ever plan on discontinuing or halting its growth and to do this it must be extremely adaptable. As the average user and its needs change so does CLOUT. To do this CLOUT will not be reactive, it must be proactive in exploring new functionalities, advancements as well as security protocols. CLOUT is going to bring about revolutionary change for the entire cryptocurrency market.



## CLOUT PLATFORM DEVELOPMENT

The CLOUT Network is more than just an idea. We have already begun developing the CLOUT platform. We are focused on creating a revolutionary platform with maximum functionality for the user our top priority. CLOUT functions differently from other blockchain networks by its design. The coding reflects these difficult and intricate advancements within the system.

The CLOUT Network will run the following programming languages:

- Angular 2
- Python
- PostgreSQL
- Ethereum Smart Contracts

Our vision for utilizing the blockchain with CLOUT is revolutionary. In terms of storage, the CLOUT Network is going to use decentralized distributed storages such as IPFS and FileCoin. CLOUT developers will incorporate distributed application execution and are monitoring many major distributed computation platforms such as the Golem Network. CLOUT plans on hosting major parts of the system on such platforms once they are in the production-ready phase of development.

CLOUT smart contracts functionality will reset the standard. Being able to release tokens at a decaying rate over time is a new advancement in smart contracts that allows CLOUT to help protect users. Investors no longer will lose contributions immediately after an ICO following a massive sell-off of tokens at one time.

CLOUT smart contracts developed using:

- Solidity v.0.4.13
- JavaScript Truffle + Mocha (for automated tests)



## FUNDING BREAKDOWN

The CLOUT projects expected the use of proceeds from the crowd sale, assuming \$33M USD is raised.

- 40% Growing CLOUT brand
- 30% Research and Development
- 15% Employee Salaries
- 10% Misc.
- 5% Legal

Marketing: Our marketing efforts include enhancing cooperation with potential new members and operators to allow as many to join the platform as possible. Additionally, we plan to focus our efforts on marketing CLOUT to broad audiences with traditional social media platforms.

R&D: The CLOUT network will be on the cutting edge of today's technological advancements.

Funding to develop the platform as well as the CLOUT token and CLC daughter token and all of their many vast functionalities.

Employees: Developing the CLOUT platform involves considerable time and energy. This component includes all of the members of the CLOUT team salaries including the developers of the tokens, platform and open source app.

Miscellaneous: For unexpected financial situations, or if any other category's total cost was underestimated.

Legal: To retain legal counsel for the CLOUT network.

\*The expected breakdown above may be altered as the project progresses\*



## HOW TO INVEST IN CLOUT

- **Pre-ICO:**

1. Invest in the Pre-ICO via the CLOUT website
2. 3 million total CLOUT tokens
3. Currently Open until 3 million tokens sold or until ICO begins (October 27, 2017)
4. Fiat, BTC and ETH accepted
5. 1 BTC / 10ETH minimum

- **ICO:**

1. Invest in the ICO via the CLOUT website
2. 7 million total CLOUT tokens
3. 3 Tiers- sell out of Tier 1 activates Tier 2
4. Open until 7 million token sold or 30 days after ICO begins (November 27, 2017)
5. ONLY ETH accepted
6. Send ETH to CLOUT wallet address ONLY from a personal wallet (no exchanges)
7. CLOUT tokens will be accessible immediately following purchase
8. Free accompanying CLC (1:1) only during ICO
9. Hard Cap: \$33 million
10. Individual Cap: \$1 million
11. Minimum Investment: .5 ETH



