



CRYPTODEX

White Paper V1

ACCELERATING CRYPTOCURRENCY ADOPTION THROUGH DIVERSIFIED POOLS,
COMPREHENSIVE USER EDUCATION AND HUMAN CONNECTION

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Abstract

As blockchain technology grows in influence and impact, many more people are entering this emerging sector of the economy. Current opportunities for cryptocurrency involvement do not adequately address the needs of the majority of potential mainstream adopters, who lack the technical savvy and expertise necessary to succeed in this new paradigm. The Cryptodex model achieves widespread growth in the cryptocurrency market by providing diversified and risk balanced cryptocurrency pools via a user friendly platform, combined with an extensive all levels education portal. Similar to Vanguard, our concept-driven pools circumvent much of the volatility of the current environment by aligning with broad market trends rather than individual ventures. They also allow both new adopters and seasoned users the opportunity to choose high-level positions with ease. By providing a platform that combines expertly curated pools with excellent user education, we can overcome the current limitations in cryptocurrency adoption and dramatically expand participation in decentralized markets.

Introduction

We are rapidly approaching a fundamental shift in the structure of our financial system. Blockchain platforms and the cryptocurrencies that power them offer the most exciting advances to financial technology in decades. As capital has poured into cryptocurrencies over the last few years, huge gains and dramatic losses have become the norm. But these market fluctuations belie a much more important development: the emergence of the tools and resources necessary to build the collaborative and cooperative economic models of the future. The power of decentralization and the freedom of trusted peer to peer transactions is enabling new financial ecosystems to facilitate resource and information sharing, community

interaction, and novel forms of wealth creation that we have only begun to imagine. Cryptodex proposes an accessible platform designed to provide visibility and enable widespread participation in these market trends.

The potential for cryptocurrencies to restructure outdated economic paradigms and support increasingly collaborative economies presents an unprecedented growth opportunity, perhaps only comparable to the emergence of the internet in 1992. From the 30,000 foot perspective, Cryptodex anticipates meaningful shifts in how human beings transact value in the coming decades, which may well touch every aspect of our economy. This will give many more people and communities access to the tools of wealth creation and economic cooperation, with fewer middlemen to siphon away the profits. It is therefore no surprise that as blockchain technology matures, overall interest in cryptocurrencies as financial opportunities is increasing rapidly. Achieving wider and more stable public participation in decentralized markets will not only benefit individual users, it will simultaneously accelerate growth and innovation in the blockchain sector as a whole. As it becomes clear that the rising tide of blockchain innovations has the potential to lift all boats, many more people are going to be asking how to catch the tide without getting pummeled by the waves.

Cryptodex offers a comprehensive solution. Looking forward, widespread financial growth and social benefits from blockchain technologies will not be dependent on any one venture, but will result from a foundational evolution in monetary systems as a whole. Cryptodex has realized that curated pools of multiple currencies are the optimal way represent that systemic value. By combining curated pool opportunities with an education portal, we offer a platform that is intuitive, user-friendly, and makes entering the cryptosphere accessible and understandable to practically everyone.

The Challenge with Existing Cryptocurrency Paradigms

In today's marketplace, new entrants to cryptocurrencies have only a handful of reasonable strategies, none of them optimal. Broadly speaking, a potential cryptocurrency user has the following options:

- They can simply acquire Bitcoin. This is poorly exposed and grossly simplistic.
- If they are more adventurous, they can manage a self-selected portfolio of multiple cryptocurrencies on a centralized exchange. A lot of research is required to build an effective portfolio and entrusting private keys to a third party poses serious security risks.
- They can download an array of different wallet clients to store all their coins and manage their passwords locally. This requires a high degree of effort and substantial technical ability.

- They may entrust their cryptocurrency acquisition strategy to a friend who seems to know what they are doing. This will do little to help them learn how to function autonomously.
- They may spend countless hours tracking news, price movements, and acquiring the expertise required to make sense of the information. This steep learning curve imposes an enormous burden on time and attention and will deter all but the most dedicated individuals.

Such approaches and their shortcomings will dissuade many people from entering the cryptosphere at the present time. This is because whatever approach a first time buyer chooses, it is likely to be hampered by inadequate exposure, a questionable security position, lack of user-friendly and securely managed involvement platforms, and a lack of cryptocurrency education. At this time, there is no obvious avenue for “mainstream” users not already savvy in cryptocurrencies, nor is there an easy way to balance assets to track overall market trends, even for more experienced users.

Three Major Impediments to Mass Cryptocurrency Adoption

Considering the strategies currently available, Cryptodex has observed that widespread growth of cryptocurrency adoption is currently impinged by three critical problems:

1. A lack of diversified and risk balanced pool based assets to promote exposure
2. Poor accessibility and unreasonable technical barriers to entry for mainstream participants
3. Lack of adequate education and extensive misinformation in mainstream media

The Need for Diversification and Risk Balancing

There exist very few risk-balanced and diversified entry points into cryptocurrencies. Tolerance for high volatility and specialized knowledge are required to participate effectively in this market, which puts sound acquisition strategies beyond the ken of the majority of potential entrants. Newcomers, casual users, and those uninterested in the adrenalized pace of day trading have little meaningful access to cryptocurrencies as means to balance their assets, nor do they have the expertise required to develop robust risk-balanced portfolios that capture large innovate trends. Until this need is addressed, most people will remain in more familiar fiat based paradigms.

The Need to Improve Accessibility to Cryptocurrency Platforms

In its current state, the cryptosphere is too technical to be accessible for most people. If a person is not extremely savvy regarding key management, finance, or the technical implications of various new platforms, they will have limited opportunities at being effective

with their acquired crypto assets. Many people have never managed their own funds and are accustomed to keeping their money in banks or having it managed by a financial advisor.

At present there are few (if any) truly accessible platforms for non tech-savvy individuals to enter the cryptocurrency space. Even if a user has a financial background, resources for applying their knowledge to cryptocurrencies and developing the skills to build sensible portfolios can be difficult to locate, understand, and utilize.

The Need for Better Education and Wider Reach

Most new adopters lack an adequate understanding of the conceptual and practical implications of various blockchain platforms. They do not have the necessary tools or vocabulary to evaluate cryptocurrencies effectively, nor are they able to easily understand the benefits of various emerging platforms and their corresponding technical innovations. Without appropriate education, new adopters do not know how or why to choose cryptocurrencies, and do not clearly understand the benefits and pitfalls of their decisions.

The current state of the cryptocurrency/blockchain space is quite fragmented. There is little collaboration in the space and much of the opportunity lies in being able to find a project that is in a user's specific niche. For example, a currency like GAMEcredits is mainly findable to gamers because they will actively utilize it immediately. This is good and bad for the space as a whole. On a good side it provides an entrance to blockchain systems that benefit specific use cases. On a negative side, it keeps those particular users in such a narrow band of focus that they may never broaden their perspective of the space.

Needless to say, right now there is a middle market opportunity to provide better education, combined with accessible and high level pool based opportunities to facilitate the process of mass adoption into this space.

Cryptodex: Pool Based Adoption Platform and Education Portal

Cryptodex solves all three of the aforementioned problems. Cryptodex is a pool platform and education portal designed to provide every individual the opportunity to back diversified pools of emerging cryptocurrencies, without requiring a comprehensive understanding of the markets, complex trading strategies, or blockchain technology. Simultaneously, an integrated education portal allows new adopters to develop knowledge at their own pace as they autonomously establish positions using our carefully curated pools.

Pool Platform Overview

The Cryptodex platform consists of three token types:

1. A base token **\$CDX** -- the base to enter into various pools
2. Pool specific tokens which uniquely denominate each Cryptodex pool
3. Platform Revenue Distribution tokens -- **CDX**

\$CDX base tokens power the majority of activity on the platform. They are tethered to \$USD at a ratio of 1:1. This is accomplished by using Tether -- <https://tether.to/>, which allows each base token to be backed by \$1. In a multicurrency environment in which all values are relative, a price stable base is necessary for measuring portfolio change.

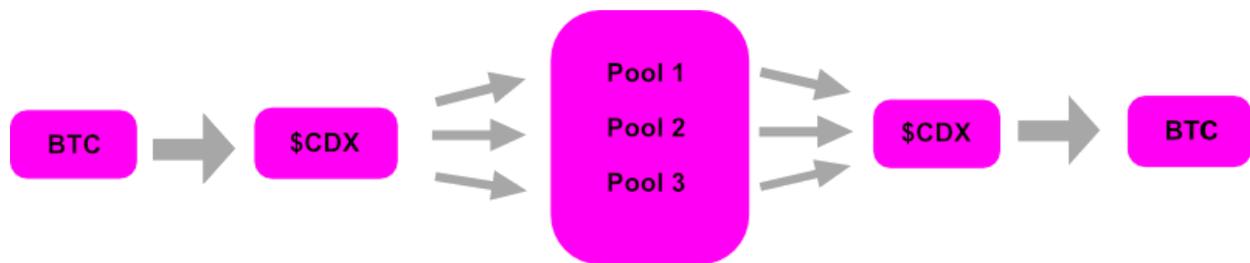
Users enter the platform by acquiring \$CDX with bitcoin at current exchange rates. Therefore, although they enter the platform using bitcoin, their total portfolio balance will always be denominated in a USD equivalent token. This familiar point of reference helps keep cryptocurrency relatable to new users (because most people think in USD), and establishes a sense of safety and security. Eventually it will be possible to move away from fiat base measurement altogether, but Cryptodex meets the market where it is and adapts as indicated.

For first time cryptocurrency users, a thorough tutorial for acquiring BTC using a third party online wallet and instructions on how to use BTC to purchase \$CDX are integrated within the account creation welcome screens. This is elaborated in the User Experience section of this white paper.

Once users have acquired \$CDX, they can buy into various cryptodex pools. Because each pool will be comprised of different cryptocurrencies, each pool will have its own pool-specific token, with a fluctuating valuation based on the combined performance of the included cryptocurrencies. Pool tokens themselves are fungible and can be traded amongst Cryptodex users, which can be seen as a more advanced feature of our platform. The majority of users will only need to understand their pool holdings in terms of their \$CDX values. Within the Cryptodex platform, pool values are represented relative to \$CDX.

\$CDX have no utility by themselves except as being a store of value. Unallocated \$CDX can be converted back into BTC at current exchange rates at any time. This approach ensures users will be able to easily understand and track the performance of a wide array of pool opportunities, and their total portfolio value in terms of USD. From the user perspective, buy-in to specific pools will involve a straightforward allocation of \$CDX during the pool's raising period .

The simplified platform process can be summarized through this visual:



1. Acquire \$CDX with BTC
2. Allocate \$CDX to Pools
3. Convert mature pools back to \$CDX
4. Exit the platform by converting \$CDX back to BTC

Again, it is noteworthy that some users will wish to exchange the actual pool tokens in secondary markets after funding periods have closed and before pools reach maturity, but this is a more advanced use case.

Pool Composition and Method of Curation

Initially, Cryptodex pools will be comprised of a blend of promising alternative cryptocurrencies, organized conceptually around market trends, sectors, or innovations.

All potential coins are extensively vetted and assigned a rating (1-100) based on a five fold method:

1. Developer (or Founder) Experience and Personal Relatability
2. Underlying community size/involvement at time of analysis
3. Inherent value of the technology
 - a. Uniqueness of the offering
 - b. Token/platform specifications
4. Location in growth cycle
5. Size of the legacy market which the platform is attempting to evolve

Once the coins have been assigned a rating, Cryptodex creates the structure of a pool. It can be designed to represent sector of the cryptosphere (example: gaming pool), a momentum play (big events happening in certain currencies at a certain time), or even a token launch based pool.

The concept of the pool thus determined, Cryptodex selects coins best aligned with the pool's intention. The included coin's ratings are then aggregated and averaged. This provides an average coin rating of the portfolio.

Based on the rating, length, and intention of the pool, algorithms are used to assess a certain risk tolerance level to the pool. Cryptodex then provides that risk level to the user in a friendly color-coded format.

Pool Specific Tokens

Each pool Cryptodex curates receives its own token, which has an aggregate value of all the coins selected for the pool. These tokens are housed on either the Ethereum or OpenLedger platform. Both platforms are utilized to avoid any single point of potential failure. When the portfolio and size of the pool are determined, the number of tokens for the pool are set, and a price is assigned so that total number of tokens = total pool size.

Pool specific tokens are distributed to accounts as users buy into each particular pool with \$CDX. Pool tokens are always transferable to another user. After the lockout period, through the remaining life of the pool, the tokens are redeemable through Cryptodex, and the equivalent value of \$CDX are sent to the user's account.

Risk Balancing

Cryptodex pools achieve risk balancing in a number of key ways.

1. Pools provide inherent risk balance as they spread the allocation across a spectrum of coins. This prevents critical loss if any one coin has a serious flaw or the associated project suffers a catastrophic setback.
2. Because many of the pools are structured around broad concepts designed to capture large innovative market trends, ALL of the coins approaching a certain challenge can be encompassed into a single pool. Most of the coins in the pool can fail. As long as one coin succeeds, the pool has a chance to be a success. This scenario is likely because blockchain technology has the ability to revolutionize a huge number of industries. In each industry, multiple projects may coalesce around a single problem or opportunity. A Cryptodex pool aligns users with the totality of effort and innovation in a given area, optimizing the chance of success.
3. Cryptodex extensively vets each coin before even considering placing it into a pool. Any coins included in a pool will have already been thoroughly researched and documented (in the education portal) by Cryptodex. Value propositions on each pool are also taken

into consideration which allow for a meta perspective on the user's entire portfolio risk level.

Pool Lifecycle

Cryptodex assigns a “**pool life**” and “**lockout period**” to every pool. **Pool life** is the total period of the pool from inception to dissolution, when all assets in the pool will automatically be returned to users.

The **Lockout Period** is the time period when nothing can be withdrawn from the pool (pool tokens converted back to \$CDEX). This stabilizes the pool’s value and ensures its efficacy.

Users may exit the pool after the lockout period end date. This varies for each pool, but as a guide, halfway through the pool’s life is the standard. The user can withdraw through the second half of the pool’s life-cycle. If they would like to maintain their holdings until the end, users funds will automatically be transferred back into \$CDX and distributed to remaining pool backer when it closes.

Because pool tokens are themselves transferrable, a user may trade or sell their shares in a Cryptodex pool to another platform user at any time. However those tokens will not be redeemable for \$CDX until the lockout period has concluded.

To provide a general example: Pool X is one year in length before it dissolves, as it is timed to a specific market event, in this case a platform release. After the pool has been filled, Pool X is locked for six months. After the six months, the tokens are withdrawable until the pool dissolution date. Tokens not redeemed by the last day are automatically returned to backers.

Raising Period

After a pool’s structure is fully curated and all of the specifications are determined, the pool becomes available to back on the Cryptodex platform. There is a set length of time that the backing process will be open and a minimum amount the pool must collect. If the pool is not filled in the predetermined amount of time, Cryptodex either returns the funds to the backers, or moves forward with a limited pool dependant on the amount raised. The tokens for the pool that are not purchased (in the case of an unfilled pool), are permanently stored in the Cryptodex main account (where they will never be released, which can be verified at any time through a blockchain scanner), or a new token is created to represent the modified amount of shares.

Pools are limited in size and once a pool is filled, no further backing is accepted. After a pool is sufficiently filled (at least enough to move forward at end of raising period), tokens are issued

and the raised assets are allocated to the cryptocurrencies comprising that pool. Participating users hold tokens that represent their backing and the inherent value of the constituent coins.

From the user perspective, this will all occur seamlessly and effortlessly from the platform's front end UI.

Pool Management

The creative freedom Cryptodex has to structure pools makes our offering truly unique. By providing a dynamic and creative platform, Cryptodex ensures a wide range and diversity of opportunities are available to our users. . For this reason, pool management schemes will vary depending on the intention and structure of each specific offering.

A pool itself can be static or dynamically managed. These factors depend on the pool length and its purpose. There are also predetermined exits in certain pools. For example, if a pool has a lifespan of two years, and a currency that pool is comprised of grows significantly, an exit from that coin may occur because it achieved a predetermined level of growth.

These terms are outlined in the structure of each specific pool. The terms and structure of our offerings will be refined until they are fully attuned to what the market is looking for.

CDX: Revenue Distribution Tokens

CDX tokens are the decentralized component of the Cryptodex platform, and they represent 100% of the tokenized ecosystem. There will be **1B CDX tokens** created to represent this ecosystem. The revenues collected from each pool are distributed 1B ways. The token's value fluctuates with the size and amount of cryptocurrency in the Cryptodex platform, as well as the average growth rate of Cryptodex pools.

CDX token value is based on a forward looking multiplier of the platform. Our analysis places the **forward looking multiplier** -- a multiplier of the inherent value of the token to fairly include its anticipated future value -- of the average cryptocurrency in 2016 at 10X it's inherent value, due to the influx of interest in the cryptosphere.

However, to initially value CDX tokens, **Cryptodex uses a conservative 4X forward looking multiplier** in its models. This multiplier value is then multiplied by the inherent value of the CDX tokens **in anticipated distributions for just 5 years** (even though the pool revenues are distributed throughout the life of the platform), at what we believe to be "moderate" levels of inflow to the platform. We also consider **average growth rate** of the pools. **Cryptodex uses an average of 25% growth annually**, which is **highly conservative relative to any real metrics of broad market cryptocurrency growth over the past 3-5 years**.

The initial Cryptodex token sale will allow for up to 100M CDX tokens to be purchased at a rate of \$0.02 per token.

User Experience

A primary aim of the Cryptodex Platform is accessibility and ease of use. The user experience is intuitive and understandable for anyone familiar with basic online financial applications. Because Cryptodex provides a bridge into the cryptosphere for potential adopters without cryptocurrency experience -- as well as a sophisticated tool for more seasoned enthusiasts-- it is imperative that our application provide high level market insights while maintaining a human feel and simplicity.

Onboarding into the Cryptodex platform is achieved via a painless registration process with question based information entry and a friendly UI. Acquiring \$CDX is fast and easy for anyone with an existing bitcoin wallet. For brand new adopters, an integrated tutorial is provided to allow the user to set up an online wallet and purchase bitcoin using a service such as Circle or Coinbase without the need to leave the Cryptodex application.

Once users have acquired \$CDX and are introduced to the dashboard, helpful tooltips explain any unfamiliar terms. Users will easily see the total balance of unallocated \$CDX, total portfolio performance, current pool allocations, and pools available to be funded.

The primary actions a user will take are:

1. Purchase \$CDX
2. Browse available pools to back
3. Allocate \$CDX to Pools
4. Withdraw \$CDX from matured pools
5. Withdraw \$CDX for the platform by converting to BTC and withdrawing to address

These options are intuitively presented on each appropriate screen.

Open pools can be filtered by risk tolerance, area of interest, maturity date, etc. Once backed, each pool's detailed view includes an integrated chat window, so that all backers can discuss the pool's performance and establish a pool community if they choose. There is also an application wide chat client, which allows users to discuss opportunities on the platform and in the cryptosphere as a whole.

***The platform prototype, to be released shortly before the CDX token launch, will demonstrate the user experience in a visual format.**

Security

Cryptodex gives highest priority to the security of our platform and security considerations are integral to its development. Until fully decentralized exchanges are in a state of more robust stability, Cryptodex will utilize a partially centralized storage method. As this is currently unavoidable with the current state of these technologies, Cryptodex only stores funds online when an allocation or withdrawal is being made into or out of the altcoins in the pool.

The rest of the time, all funds are stored in a multisignature wallet (unless impossible due to token limitations), which requires 2 of 3 approvals to access funds. The wallet files and password will be stored completely offline and computers are shut down whenever not being used. There is also a PGP encrypted backup of the files stored on a secure cloud server.

Education Portal

The key to enabling widespread adoption and long term growth in blockchain technologies is excellent education and support. Cryptodex users will become autonomous and confident operators in the cryptosphere, with an understanding of large market trends and a forward looking perspective into decentralized markets and the innovative potential of cryptocurrencies. It is imperative that users be able to learn at their own pace while simultaneously establishing positions in the marketplace.

Our education portal aims to provide the most comprehensive cryptocurrency education experience available today. When a client backs one of our pools, the education area of the Cryptodex site is unlocked. The user then has the ability to access a suite of materials to learn about the cryptocurrencies in the pool they backed.

Each alternative cryptocurrency has a dedicated section on the portal, which provides information for everyone ranging from the new entrant into cryptocurrencies to the most advanced technical users. These articles will break down each coin, starting from high level concepts, and moving into the technical innovations underpinning the functionality.

Cryptodex also provides comprehensive and easy to grasp overviews of blockchain technology and cryptocurrencies in general, assisting new entrants to the space develop an understanding of the philosophical, structural, and technical implications of the entire sector. This section of the resources is freely available to everyone, regardless of whether they are a Cryptodex user or not.

Cryptodex will devote substantial resources to our education portal, ensuring it is continuously updated and refined with the latest insights and information. In this way, Cryptodex is positioned to be not only a revolutionary pool platform for cryptocurrencies, but also one of the

preeminent thought leaders and translators of blockchain technologies for a wider “mass market” audience.

Conclusion

Cryptodex offers a new paradigm for successful cryptocurrency involvement at a pivotal moment in the evolution of blockchain technologies. With uncertainty pervading the legacy market and instability in the cryptosphere, it is time for a next wave of cryptocurrency platforms to facilitate wider adoption and mainstream user education. Cryptodex delivers an ideal combination of usability, accessibility, and creative freedom in order to cultivate a community of new cryptocurrency pioneers. We want all of our users, regardless of experience level, to have the opportunity to become the most effective operators in this space. Our platform addresses a tremendous opportunity to vastly expand participation in decentralized markets. It also represents a serious multifaceted commitment to the growth and innovation of the collaborative economies of the future.

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