A Deflationary Cryptocurrency That Rewards Attention & Usage

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Author: Current Media, Inc.
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Executive Summary

Capturing the value of your time, data and attention

Current is a cutting-edge rewards platform that enables a user to get compensated for their attention and data while streaming music. As an integral part of Current’s value proposition to users, Current has created an in-app point system that uniquely rewards users for their data, time and attention shared during the media consumption experience. In addition to streaming, users have the option to engage with additional micro-tasks related to market research, shopping, and more. These tasks enable users to earn points at a much faster rate. Once users accumulate enough points to redeem for rewards within Current, the deflationary token-economic model behind the $CRNC token activates, removing additional token supply directly from the market of already distributed tokens.

It is Current's belief, attention-based business models will begin trending over the next decade as users wake up to the fact their data and attention are their most precious resources. By providing users with a unique and useful rewards engine, Current has already built up a base of over 2 million registered users. As the number of users within Current grows, Current will be in a better position to further expand its services while also offering other media platforms the ability to use Current's superior monetization engine within their own ecosystem of ad-supported free users.

Current has aligned the interests of all stakeholders in the media consumption cycle to create network effects that drive adoption. With the creation of a new medium of exchange, consumers receive more choice in how they pay for or consume media while maintaining complete control of the data they choose to share and advertisers receive more transparent and accurate audience information.
Preface

Since the $CRNC Token sale in early 2018, Current has continued to evolve its business based on further guidance from regulators and learnings from the product development cycle.

Past App Strategies

In the original version of the product, Current’s vision was to create a content aggregation platform that would also serve as a rewards engine for the users who contributed their time, data, and attention. As Current developed the app further and pushed it to over 2 million registered users across the iOS and Android platforms, several discoveries were made regarding optimal product-market fit.

With rewards being the centerpiece of Current, a key focus is ensuring that all the features in the app revolve around the people who are most interested in using our reward mechanisms. In mid-2018, we analyzed the consumption patterns of hundreds of thousands of users, which gave us a considerable amount of data surrounding the type of people who were using Current and what they were using it for. One of the most significant discoveries that we made from this data was that the majority of people using our app regularly were most interested in listening to free music (our radio product) rather than streaming video or media from third party sources. With this central finding, we pivoted our business model from being a media aggregator to strictly a free music product that offers rewards for users. This move allowed us to focus more on the needs of our ideal consumers.

Regulatory Compliance

Since our token sale, the regulatory framework has evolved in terms of, among other things, whether tokens should be treated as securities under applicable US securities laws and, correspondingly, how to compliantly distribute tokens to investors. During the past year, we have worked with some of the top law firms in the world to understand compliant alternatives for token issuance that would not subject the Current project and the $CRNC Token to regulatory blow-back. We now feel that we are embarking on a compliant path that will enable the $CRNC Token to be traded freely on exchanges and, at the same time, protect the company and its project from regulatory fines and sanctions. As an overview, the following are the steps that we have taken to date to ensure that we are following applicable U.S. securities laws:

- When we conducted our coin offering, we opened it only to qualified international investors under Reg S alongside US-based “accredited investors” under Reg D so that our token would be subject to a registration exemption. As part of this process, we conducted a rigorous investor verification process.
● This was the only official method to acquire $CRNC Tokens. After the token sale had closed, we identified certain non-fatal infirmities to our offering that we felt should be addressed proactively. Thus, we offered a full rescission/repurchase to ALL SAFT (Simple Agreement for Future Tokens) investors who wished to take advantage of our offer. At the same time, we asked that any investors who did not want to exercise the rescission/repurchase offer, to execute an amended SAFT, which rectified these potential infirmities. As part of this process, less than 4% of our SAFT investors elected to accept the rescission/repurchase.

● Given that Current has taken the position that the $CRNC Token is a security under US Securities Laws, the $CRNC Token was considered "restricted" on account of our offering being conducted under Reg D (for US investors) and Reg S for international investors. Accordingly, under Rule 144 of the Securities Act, the $CRNC Token was subject to a one-year holding period before its "restricted" status going away and public resales being allowed in a compliant fashion. The first issuance of the $CRNC Token to SAFT investors was conducted on July 31, 2019. The issuance and eventual trading of the $CRNC Token has been and will continue to be conducted in compliance with these applicable SEC rules.

● As discussed above, when we commenced our token sale, we relied upon registration exemptions which, on account thereof, did not require us to register $CRNC with the SEC pursuant to applicable regulations. Given the number of holders of $CRNC as of the date of this White Paper, we are still not required to register $CRNC with the SEC. However, once our token is freely tradeable on the open market, we anticipate that the number of holders of $CRNC will far exceed 2,000 total holders and 500 holders who would not be considered “accredited investors” under applicable securities laws. Accordingly, we will be compelled to register with the SEC as a “public reporting company” at some point in our next fiscal year, which ends June 30, 2020. Once we are a public reporting company, we will be required to file publicly-available, periodic reports with the SEC, including annual 10K filings and quarterly 10Q filings.

● To further establish the $CRNC token as a fully-compliant security token, we have partnered with Securitize to act as the registered transfer agent of the token and provide other compliance and investor verification services. Over the past few years, Securitize has developed into a market leader on account of its compliance platform and protocol for issuing and managing digital securities on the blockchain. Securitize’s proprietary protocol enables seamless, fully compliant trading across multiple markets simultaneously. Securitize actively partners with exchanges, broker-dealers, custodians of crypto, escrow services, and other financial infrastructure for digital securities. From onboarding to issuance and investor management, Securitize’s services and technology help ensure companies issuing digital securities on the Securitize platform are able to do so within established regulatory guidelines. Because of its services and reputation, we are excited to have Securitize as our partner.
• At all times during this process, we have promptly responded to all regulator inquiries and view it as a significant win that our coin offering and project has held up against regulatory scrutiny.

When we started with the Current/$CRNC project, many blockchain projects had gone to market ahead of us. Similar to Current, many of these projects took the position that their token or coin should be considered a utility token and not a security, which would require a token-based company to satisfy all requirements of applicable US securities regulations relating to: (i) how to conduct a securities offering; (ii) what type of investors the offering would be available to; and (iii) the ability to trade such tokens/securities at some point after the initial offering. Accordingly, and given the minimal guidance supplied by the SEC in early 2018, we intended to conduct token issuance within months after our token sale. However, since then, the SEC has issued a myriad of guidance on coin offerings and has sanctioned several projects for various reasons, including outright fraud as well as conducting a coin offering that should have been registered per applicable sections of the US Securities Act. Concerning the latter, the most notable examples of these actions were against the CarrierEQ (Airfox) and Paragon Coin projects. Each of these projects conducted coin offerings that were either not registered or did not qualify for an exemption to registration under the Securities Act. In sanctioning these companies, the SEC noted that "we have made it clear that companies that issue securities through "ICOs" are required to comply with existing statutes and rules governing the registration of securities." Given that each of these projects distributed tokens that were tradeable on exchanges prior to any registration efforts, the SEC required each of Airfox and Paragon to pay hefty fines, offer each token investor a full repurchase offer plus interest and mandated that each must register as a public reporting company with the SEC by submitting a Form 10.

We are also aware of several private class-action lawsuits that have been commenced against companies with high-profile coin projects, including the Tezos Project and the UnikoinGold project. The primary request for relief in each of these actions generally follows the fact patterns in each of the Airfox and Paragon regulatory actions. Namely, that the underlying coin or token was offered to investors and/or the public pursuant to an unregistered securities offering or an exemption to registration and, as a result, token investors should be entitled to a full rescission and repurchase right.

Accordingly, by taking a conservative and compliant approach regarding the offering of the $CRNC Token as well as keeping the token locked up for a one-year period, we feel that we have avoided having to deploy significant resources to respond to or defend such actions, which collectively may have brought the overall viability of our project into jeopardy.
Introduction

Attention and personal data are now considered by many to be the essential commodities on the internet. Media serves as a practical place to create an attention/data economy. With the advertising industry worth over $1.2 trillion and growing (Endnote 1), there is no mistaking the enormous worth of these assets. Considering the value that can be derived from a consumer's attention and data, the digital media industry is an ideal consumer vertical to create a new economy revolving around these commodities. By taking a passive habit that creates value through data, and unlocking some of that value for the person creating it, Current is positioned to set a precedent in today’s digital landscape. Users should get more than just entertainment from the value they create.

Media for Web 3.0

The web we know today was built on the personal data and time of the unwitting consumer. Today, just four companies own the vast majority of the internet's data - Facebook, Google, Amazon, and Apple (Endnote 2). Hardware companies such as Vizio are even going so far as to sell their hardware products at near break-even prices with the assumption that their real profits will come from the wealth of personal data they collect from TV buyers (Endnote 3). We believe that the next evolution of the web will recognize the value of people and redefine the value exchange between consumers and corporations.

The Streaming Generation

An estimated 98% of the members of Generation Z (Gen Z) have a smartphone with which they spend more than 5 hours of their day using on average (Endnote 4). Considering these statistics, we designed the Current Network to cater to this digitally-native generation and have endeavored to differentiate ourselves from the infrastructural protocols developed to serve the “initial wave” (Endnote 5) of avid users and deliver a valuable new audience to the world of the blockchain. It is our goal that the Current Network’s incentivized streaming ecosystem will be Gen Z’s first contact with blockchain technology.

Business Model

While the value of a consumer’s data and attention is undeniable, many of today’s most popular streaming services, which host billions of consumers across the globe struggle to leverage this value properly. In the United States alone, the number of free music listeners out number those with paid subscriptions by 3 to 1 (Endnote 6). Even the media streaming giants like Spotify post massive quarterly losses due to their inability to effectively monetize the hundreds of millions of free users they host on their platform. While Spotify does have ads that are pushed in front of its users, Spotify still operates deep in the red with over $450 million in operating losses at the beginning of 2018 (Endnote 7). Considering the massive price tag that each of these free users
burdens a streaming company with, there is a clear need for a protocol that can effectively monetize a free user and set a new precedent that better addresses the looming issues faced by the attention-economy. (Endnote 8)

The Current Protocol

To promote mass adoption, it is our goal to further refine and fully implement a universal protocol that addresses the above issues. By making it possible for the hundreds of media companies and their billions of consumers worldwide to more effectively monetize free users, while ensuring equitable compensation for the data collected and attention used, we believe that the Current Protocol will see widespread implementation across all areas of the media industry.

Rewards for the Media Industry

In modern practice, the monetization of free users generally revolves around pumping the user for as much personal data permitted under applicable data privacy laws, which can be sold to 3rd party advertisers. Modern practice, however, is not efficient and, considering the effectiveness of our monetization protocols, we believe that not only can a company profit from its free users, but those users can be rewarded for participating in the app’s ecosystem more transparently.

Proving Grounds

To prove that our suite of monetization strategies are capable, we have built the Current App - a rewards platform that hooks users via a daily habit (music) and rewards those users for their time, data and attention. With access to over 100,000 different internet music stations all across the world and minimal audio advertisements for uninterrupted listening, our app already offers a comprehensive and highly sought after listening experience to over 2 million users registered within Current. Already showing signs of traction, as of July 31, 2019, Current has organically been adding approximately 50,000 organic users per month and experiencing over 40% retention on week 4. As we continue to build out the Current Protocol by adding more ways to earn and monetize users, we are simultaneously proving the efficiency of our monetization protocol. In the future, we intend to replicate the success of the Current App by offering the Current monetization engine to other media platforms.
Distribution Reward Algorithm

Within the Current App, there are a host of different ways that a user earns rewards. Our app caters to a wide variety of audiences, from those whose primary purpose is to earn and want to maximize their rewards, to those who care most about the music but gladly accept the extra rewards.

Current In-App Points vs. $CRNC Tokens

Within the Current App, our users are rewarded with an in-app currency called Points. While the $CRNC Token has a variety of other immediate use cases, it was first decided to use an internal points system as a means of equitable value transfer for the following reasons:

1. **Stability**: An in-app points system with a predetermined conversion value of 1,000 Points to $1.00 (USD) is an easier way for a user and the company to account for the value of the Points earned and rewards redeemed. A standalone token model, where $CRNC Tokens are the sole medium of exchange, requires real-time variable pricing and is subject to greater volatility.

2. **Faster Onboarding**: Instead of subjecting a new user to the time and effort required during onboarding on wallet creation and setup, Current allows users to earn Points immediately while providing a Points-for-Tokens redemption option.

3. **Giving Users a Choice**: Some users may not want or care to receive $CRNC Tokens. Accordingly, by offering an option to earn and accrue Points, users are presented with an attractive, lower barrier-to-entry solution.

4. **Legal Complexities**: In many jurisdictions, there are regulatory barriers associated with the issuance of digital assets to users. Thus, having a Points option in these areas avoids potential uncertainties associated with the evolving regulatory framework around digital assets.

5. **Cost Effective**: Writing all of the transactions on the blockchain is very expensive at this time. An in-app Points system provides a standard method to track microtransactions.

6. **Ecosystem Growth**: Issuing Points within the app instead of the $CRNC Tokens allows us to incorporate a deflationary mechanism within the $CRNC token economics that we believe will enable the growth of the token ecosystem more than any other model. This deflationary model is discussed more below in the “Token Economics” section.
**Earn By Sharing, Watching, Shopping, and Listening**

The primary way to accumulate rewards is by playing media within the Current app. Each play claim is rewarded based on a series of consumer-influenced, as well as network-determined factors to derive the claims value distributed by the reward Points:

**Play Legitimacy**

The play legitimacy likelihood is a coefficient designed to prevent inauthentic plays from creating in-app reward Points. This coefficient is regularized so that it is consistent across the Current Network in the majority of cases and 0 (zero) for identified frauds on a by-user basis. Our proprietary algorithm is intended to solve an anomaly-detection problem based on features generated from Current Network usage, including app foreground consumption, advertisement interaction and session velocity and length.

This algorithm is computationally expensive, and presently the required data points are located off-chain. For these reasons, our anti-fraud checks are planned to be performed by the off-chain Current Network API. We may consider moving these checks on-chain once more of our data moves on-chain, and if on-chain transaction costs fall to an affordable rate.

**Customer Attractiveness**

The customer attractiveness ratio is a coefficient within 0 (zero) and 1 which represents the degree to which the user is integrated into the Current Network, coupled with the likelihood that the consumer notices an ad.

1. The attractiveness of a user is based on attributes learned through data from advertisers and in-platform analytics:
   a. Country
   b. Occupation
   c. User preference data
   d. App foreground vs. background use
   e. Location access
   f. Third-party preference profiles
   g. Income
   h. Age
   i. Gender
   j. Health data
   k. Shopping habits
   l. Monthly purchase volume
2. Likelihood of user-interaction and click-through rates in respect to ads, learned from in-app data.

3. Incentives for in-network participation.

Similar to verifying play legitimacy, this calculation requires a significant amount of data located off-chain and would incur substantial transaction costs if performed on-chain. For these reasons, the majority of these calculations will be conducted in an off-chain API.

**Purchasing Power Parity**

To maintain an earning and redemption equilibrium across the geographically diverse population of the Current Network, a Purchasing Power Parity (PPP) exchange rate will be applied to claim value distributions based on a user’s country of origin. Rates for PPP are sourced from The Organisation for Economic Cooperation and Development (OECD) and are relative to USD (Endnote 9).

\[
PPP \text{ Coefficient} = \frac{1}{PPP}
\]

**Taper Coefficient**

To ensure the in-app Point’s economic value is based on the highest attentional contribution, as well as to discourage bad actors from devaluing the platform, a tapering coefficient is applied to each user’s play claims over an earning period (currently one day). After an initial 3600 seconds of claims, a user's taper coefficient will be equal to:

\[
Taper \text{ Coefficient} = \frac{3600}{\text{length played}}
\]

**Network Coefficient**

To effectively adjust for the inflationary nature of the in-app Points, it will be necessary to change the overall value to ensure liquidity within the Current Network. This network coefficient will be reviewed and adjusted as required to provide a balance between the in-app Points and the $CRNC Tokens. For now, the network coefficient will be \( R = 1 \).

**Play Claim Value Calculation**

\[
C_v = \text{Length Played (seconds)} \times \text{Network Coefficient} \times \text{Taper Coefficient} \times \text{Attractiveness Coefficient} \times \text{PPP Coefficient}
\]
Additional Earning Opportunities for Users

One of the unique features of the Current Protocol are the myriad ways, outside of consuming media, that a user can earn additional Points while tuned into the Current App. By opting into these other earning opportunities, the user is rewarded by these elections and Current benefits from the additional data provided by the user during these experiences. Some of the notable ways that Current users earn extra Points include their election to (i) download and be directed to a new app or service through the Current App; (ii) complete advertiser surveys or questionnaires presented through Current ad partners; (iii) watch longer-format video advertisements also presented through Current ad partners; and/or (iv) enrolling in a card-linked offer program through the Current App. Current users benefit from taking advantage of these additional earning opportunities and, correspondingly, Current derives significant revenues from these exercises. Not only are users consuming more meaningful ad content that advertisers are willing to pay at a higher rate for placement, but Current also derives significant data from these user interactions that can be delivered to advertisers willing to pay more for the delivery of targeted content.

Offer Wall

An offer wall is one way to provide an in-app reward to a user, generally for performing a task like downloading a new app or signing up for a service. Users are presented with a variety of offers & apps to download and are given Points in exchange for meeting the requirements of the offer. User interaction with offer walls provides revenue for the Current Network on account of the elections made by the user as well as the data delivered to these ad partners through the Current App.
Market Research Surveys

Another rewarded action involves the completion of surveys by users. Market researchers use apps to source highly-targeted survey participants. By completing surveys and questionnaires, Current users are rewarded with additional Points for their time and data while the Current Network is contractually compensated for delivering such market research through the Current App. Through demographic research conducted by Current over the course of 2018, Current learned that a broad swath of the Current user-base looks to the Current App primarily as a rewards-earning opportunity, is generally familiar with the opportunities associated with the completion of online surveys, and is intrigued by the extra rewards generated by surveys.
Video Advertisements

Current users also can elect to and be rewarded for viewing longer-format video advertisements similar to those that are placed in front of searched YouTube videos. However, unlike YouTube where the consumption of these video advertisements are a prerequisite to watching a searched video, the Current user must opt-in to view these ads and is rewarded for their time and attention by a grant of Points while the Current Network is contractually compensated for delivering a view to the advertiser.
Card Linked Offers (CLO) & Cash Back Services

By Q1 2020, Current will be integrating a “card linked offer” (“CLO”) feature into the Current App. Current has partnered with American Express, Visa, and Mastercard networks via Empyr, a leader in the “online-to-offline” commerce marketplace to implement the CLO program. Empyr works with e-commerce companies and app developers concerning the creation of card-linked rewards platforms that lets users earn cash back rewards for purchases made with offline merchants. Current App users will have the opportunity to link their credit cards and bank accounts to the Current App and correspondingly collect numerous cash-back rewards and rebates through qualified purchases at participating retailers. Furthermore, Current App users will be able to earn Points for each qualifying purchase in consideration for participation in the Current CLO program.

The addition of the card-linked offer feature will position the Current App to become a central clearinghouse for hundreds of cashback offers & rebates that consumers rarely take advantage of, which, in turn, will drive significant value to the users, and additional revenue to Current.
Redemption - Gift Cards, Physical Products, Fiat & $CRNC Tokens

Points are redeemable for a wide variety of products and services through an easy-to-use, in-app store on the Current App. For example, once a Current user has accrued a sufficient number of Points through regular app usage, the user has the ability to redeem Points for: (i) hard electronic goods such as headphones, speakers, earbuds and an assortment of other music accessories; and (ii) gift-cards for both online and off-line services and retailers such as Amazon, iTunes, Google Play, Starbucks, Fandango, Best Buy, Netflix, and more.

Further, in order to directly connect the value of the $CRNC Token to the popularity and usage of the Current App, we are introducing Bonus Bucks. Bonus Bucks will help facilitate value transfer from our product users and their redemptions to $CRNC token holders and early participants of the Current ecosystem. A more fulsome description of the Bonus Bucks program is set forth below.

With an ever-growing list of redemption options, Current’s reward earners have a wide variety of options to choose from regardless of their geographical location. Current expects that the average active listeners will easily be able to accumulate the minimum amount of Points required for these options within a month or sooner. Not only do these options provide users with substantial value, but as a platform, it also provides a recurring revenue stream.

Current has an ongoing list of earning/savings features that will continue to bring users a large list of reward opportunities.

$CRNC Token Economics

Ethereum Based

Current’s $CRNC Tokens have been implemented on the public Ethereum blockchain as an ERC20 token. With incremental advancements, one of the largest developer communities, and top-tier backing, the Ethereum blockchain has become the industry standard for issuing custom digital assets and smart contracts. The ERC20 token interface allows for the deployment of a standard token that is compatible with the existing infrastructure of the Ethereum network (i.e., wallets, dev-tools, etc.) Although limitations in transaction speeds exist, there are many off-chain solutions to this that we can quickly implement (Endnote 10).
**DS Protocol Layer via Securitize**

Compliance is one of our chief concerns as we are working on the cutting edge of the financial sector and setting and example for those who may come after. As such, in order to ensure that we are compliant with all U.S. regulations regarding the exchange of securities, we have formed a partnership with Securitize.

Securitize’s DS (Digital Security) protocol is a smart contract layer on top of our existing ERC20 token that ensures that the $CRNC token is compliant with all regulatory restrictions surrounding the governance and trading of securities. The services that the DS smart contract includes are:

- **The Trust Service**: enabling the authorization of different players (like exchanges) and DS apps to be used for an existing issuance.
- **The Registry Service**: an on-chain register of investor information, allowing the KYC information about investors to be considered in the different interactions during the digital-security lifecycle.
- **The Compliance Service**: which implements specific compliance rules applicable to a DS token, enabling compliance in token ownership and trades.
- **The Comms Service**: to provide communication of relevant events to investors.

(Endnote 11)

**Accessibility Barrier**

While the revolutionary nature of blockchain based digital assets is undeniable, we understand that for the mainstream public, the acquisition and use of digital assets may seem incredibly complicated. Especially in the case of digital securities, there are a large number of regulations that must be complied with causing these digital securities to be difficult to transact and often suffer from low liquidity. To mitigate the adverse effect that the difficulties of handling digital assets may have on adoption, we have built a unique token economic model that encourages the healthy growth of the $CRNC ecosystem without requiring our millions of users to interact directly with the token. At the outset, this is necessary because the $CRNC token is viewed as a security in the eyes of U.S. regulators and therefore cannot legally be distributed without specific licenses (e.g., U.S.-based ATS or exchange licenses) that could take time to be approved by the applicable regulatory bodies.
Stability and Value Creation

Economics teaches us that value is subjective. Economic value for an item is created because people desire that item for one reason or another. As Bitcoin came into existence in 2009 and adoption spread, the value of the virtual currency skyrocketed. In 2016, Dutch economists Von Oordt and Bolt published a model to analyze virtual currency exchange rates and what factors led to value creation. They found that three components are essential:

1. The existing use of virtual currency to make payments.
2. Forward-looking investors buy the virtual currency or digital asset, effectively regulating its supply.
3. The factors that together will drive future consumer adoption and merchant acceptance of virtual currency (Endnote 12).

The basis of their theory came from economist Irving Fisher’s observation from 1911 in *The Purchasing Power of Money: Its Determination and Relation to Credit, Interest, and Crises*, that suggests speculators may effectively limit the money supply by withdrawing money from circulation in anticipation of higher future utility (Endnote 13).

$CRNC Tokens are envisioned to be influenced by economic forces similar to limited issuance currencies such as Bitcoin. When initially creating the foundational layer behind the Current Network, these factors were taken into consideration.

Growth and Network Effects

- The entry point into digital assets for mass market adoption by rewarding a daily habit; media consumption.
- Reward all participants of the media consumption cycle.
- Incentivize growth and improvements of the platform via contributions of the community (consumption, time, attention, referrals, user data integrations).

Deflationary Token Mechanics

Most traditional FIAT currencies and many other popular cryptocurrencies operate under an inflationary economic model where there is no established finite supply. In order to establish a more optimal economic model, Current elected to take an alternative approach.

Current’s model is considered deflationary, in the sense that the total supply of tokens is limited to a finite number of $CRNC Tokens and is intended to decrease through a variety of
mechanisms which we will discuss below. Over time, we concluded that the Current Project may not need all 1 billion $CRNC Tokens in order to create an efficient ecosystem. Therefore, Current plans to burn a minimum of approximately 350M $CRNC Tokens; bringing down the total supply to a minimum of 650M $CRNC Tokens in order to create more optimal token economics for the Current Ecosystem.

In addition to the ecosystem-stabilizing token burns, Current has a variety of revenue generating mechanisms that go towards quarterly scheduled $CRNC Token buy-backs.

**Bonus Bucks**

In order to directly connect the value of the $CRNC token to the popularity and usage of the Current App, we are introducing Bonus Bucks. Bonus Bucks will help facilitate value transfer from our product users and their redemptions to $CRNC token holders and early participants of the Current ecosystem. The mechanism by which we envision Bonus Bucks to work is as follows:

1. A user earns Points in the Current App through whatever means they chose as they normally would.

2. When redeeming these points, a portion of the value of a users points will go towards buying Bonus Bucks. For example, if a user were to redeem for a $4 gift card they would receive 1 Bonus Buck in addition to the $4 gift card.

3. For every Bonus Buck purchased by a user, Current intends to spend at least $0.25 per redemption to buy $CRNC off the market of already distributed tokens through our market maker, exchange or OTC partners.

4. The user can then spend their Bonus Buck to earn while streaming at an accelerated rate for a preset period of time. At the end of that time period, their Bonus Buck lapses and the user will have to redeem more Points for another reward in order to obtain more Bonus Bucks and continue to earn at an accelerated rate.
In previous iterations of the Current Project, we had announced intentions of introducing a staking mechanism by which users and Token holders could lock up $CRNC Tokens for a period to a similar effect of accelerating the in-app earning rate. We believe that using Bonus Bucks is far more efficient than staking as it provides a direct deflationary effect on the market, avoids the need for the licenses or approvals we would need to distribute securities within our app, and generally creates a more frictionless experience for those who are less knowledgeable of the intricacies of dealing with digital assets or cryptocurrencies.

**Direct Ad Impressions & Data Exchange**

As the size of the Current Network increases with new users, we intend to allow advertisers to purchase ad impressions directly within the Current Network. Today, Current relies on programmatic ad networks to power the platform. Over time, our goal is to transition a significant portion of the system to direct-sold inventory. Ideally, direct-purchased advertisers would uniformly buy ad impressions with the $CRNC Token and a percentage of these ad sales would go directly towards additional token buy-backs and token burns. However, we recognize the difficulties or resistance this presents to those with long-developed biases associated with a fiat-only economy. As such, we plan on offering two ways to purchase these ad impressions:

1. First, ad impressions can be purchased directly with $CRNC Tokens. To encourage this particular option, we intend to offer companies a discounted rate or in the form of bonus impressions if they use $CRNC Tokens. As the use of $CRNC Tokens as a means to participate in the Current Network gains
widespread adoption, these discount incentives would be phased out over time.

2. Second, ad impressions can be purchased with fiat currency. To ensure that these fiat transactions are still providing overall value to the Current Ecosystem, we plan to use a set amount of this fiat to purchase $CRNC Tokens off the market to further stimulate the Current Ecosystem. Similarly, as the use of $CRNC Tokens as a means to participate in the Current Ecosystem gains widespread adoption, planned $CRNC Tokens purchases in connection with fiat ad purchases would be phased out over time.

**Data Exchange**

In addition to the ability to sell ad impressions, the growth of the Current Network user base also allows for the bulk sale of user data to third parties - subject to any restrictions on the transfer of such data per relevant user data and privacy laws. Over the past decade, a growing market has emerged where financial market speculators, including large asset managers and hedge funds, are willing to pay for the “data exhaust” stemming from favorite consumer apps’ core business. For example, obtaining geolocation data from a consumer’s shopping preferences may provide real-time visibility around an off-line merchant’s financial health. The underlying purchase model would work similar to our structure for directly-sold ad impressions where data buyers would be entitled to discounted rates to the extent that they elect to transact with $CRNC Tokens. Moreover, similar to ad purchasers, discount incentives for data purchases would be phased-out as the Current Project gains widespread adoption. We recognize that many people prefer not to have their data shared, so we intend to make this an opt-in feature that would allow for users to extract a portion of the value of their anonymous user data.

**Market Landscape**

Most of the blockchain-enabled media companies are focused on areas such as copyright attribution and decentralized content distribution. Only a few of them are concentrated on incentivizing social media and advertising. Our analysis of the market landscape located several media-related tokens and revealed trends that have influenced our commitment and vision.

**Incentivized Social Media and Advertising Landscape**

This market segment encompasses a cross-section of incumbents pairing a daily habit with a simplified user experience that aims to remove the common barriers and technical complexities associated with the mainstream adoption of existing blockchain enabled products.
**Kin, By Kik Interactive**

Kik’s successful experiment using a non-blockchain digital currency within their messaging platform validated the premise that a decentralized currency could also take hold. After its implementation, the monthly transaction volume hit nearly three times the global transaction volume of Bitcoin (Endnote 14), and their users proved their ability to adapt and use the currency quickly.

The Kin Token is being used to reward users for their contributions to the ecosystem. As an established platform with millions of users, Kik has dramatically benefited from the fast and broad adoption of Kin.

The Kin Token, much like Current’s in-app Points, is being used to reward consumers, and pay for goods and services within the Kik Network. While in a different market segment from Current, Kik has proven that the 13-24 year old demographic has a strong willingness to adopt a digital currency with low barriers to entry.

Kik also provides a good example of how the evolving regulatory space can affect the development and use case of a token. Their ongoing legal battle with the SEC highlights the importance of properly following existing regulations and structuring token economics to account for these regulations. If Kik loses their legal battle and is forced to register their token as a security, it is possible that their entire token model could break down, rendering the project incapable of fulfilling its original vision.

**Basic Attention Token (BAT) and Brave Internet Browser**

Brendan Eich, the founder of Javascript and co-creator of Mozilla, created the Basic Attention Token (BAT) to facilitate value exchange in the Brave Internet Browser’s digital advertising marketplace. Brave is an open-sourced, privacy-focused internet browser that blocks malvertising and ad-trackers while accurately rewarding publishers and advertisers through smart contracts on the blockchain (Endnote 15). While capitalizing on the security and privacy-conscious desktop internet user, they’ve also grown a modest user base of blockchain early adopters from the momentum of their successful "ICO" which raised $35M. The Current Project concept is similar to the BAT Project in that each provides reward incentives in consideration for user attention. BAT uses what Current considers an inflationary token model vs. Current’s deflationary token model explained above.
Steem

Steem is an incentivized social media platform, which is similar to Reddit and uses its blockchain and proprietary credit system to reward and moderate discussion (Endnote 16). Their platform has seen considerable growth within their core demographic of cryptocurrency enthusiasts and early adopters from the proliferation of interest in digital currencies and blockchain technology. Steem’s community reward system is similar to Current’s planned system; however, Steem’s reward system requires input from users - reading content, voting, and commenting. Conversely, the Current Network’s users earn Points merely from their consumption patterns on the platform.

The Future of Current

Expanding the Network Through B2B Partnerships

Based on the unique aspects of Current’s hybrid media/rewards platform, including the key tenet that users should be rewarded for their time, attention and data, we feel that there is significant opportunity to work with third-party media and/or rewards-based app developers by selling and implementing a white-labeled version of the Current Protocol within their respective apps. Outside of the well-known, premium media streaming apps such as Spotify, Netflix, Pandora, and Twitch, which already have the scale and awareness to reach app users across the globe, our focus would be to work with smaller Top 1,000 global media apps that would be receptive to the unique value proposition that the Current Protocol would deliver.

Many ‘non-reward’ based apps struggle with ways to meaningfully interact with their users to generate and maintain excitement outside of the core functionality of the app. The multiple ways for a user to stay engaged using Current’s rewards platform would be compelling for app developers to implement and grow their user base, increase retention, and provide sustainable monetization. By offering a battle-tested rewards suite for other apps, third-party app providers will have a more optimal mechanism to reach a broader swath of both rewards-seeking users as well as content consumers looking for a differentiator - like being rewarded for consumption. This type of incentive model offers both high engagement and high retention.

From the experiences of Current and its founders, it is apparent that monetization is an industry-wide pain point that is not quickly addressed by cookie-cutter solutions. Namely, many apps have substantial user numbers, but fail to generate sufficient revenues to keep the lights on. By “platformizing” the Current Protocol, third-party app users would have greater ability to earn in a vast network of apps. Correspondingly, app developers would have greater options to monetize free users thereby providing advertisers an improved ROI for their ad spend.

By offering a solution to both increase engagement and revenues with open-source tools, the Current Protocol could provide a smaller app platform a competitive advantage as it seeks
participation and growth. Ultimately, if the Current Protocol has 100s of different app platforms contractually utilizing it, the overall effect would be the creation of a much larger ecosystem and would drive mass adoption of the Current Protocol by similarly-situated app companies - outside of the single platform that currently exists.

**Expanding the Network Through Hardware Offerings**

As noted previously, hardware companies such as Vizio now market and sell their "smart" products at near break-even prices with the understanding that more value can ultimately be derived from the personal data collected on account of the buyer's use of the product. This strategy is not lost on the Current team. Significant opportunities exist to deliver a low-cost smartphone to the public that can be partially/fully subsidized by the user's time and data. Given the commoditization of smartphones over the past several years, the prestige and brand appeal of top-of-the-line smartphones means less to the budget-conscious user when faced with high purchase costs and a pricey data plan. This is especially true in countries with lower median household income.

On account of this dynamic, a future goal of the Current Protocol is to develop and offer a low-cost smartphone targeted to its key user demographic - budget-conscious consumers looking for additional incentives to use a product or service. With a "Powered By Current" smartphone, users would have access to a <$75 smartphone and have the ability to earn even greater amounts on account of their use of the device. A Current-powered smartphone will: (i) position Current to expand its user base significantly, and (ii) with greater visibility into a user's data preferences through smartphone usage (both inside and outside the Current App), present
greater data monetization opportunities on account of more comprehensive, cross-phone user data.

Moving Forward

As things progress, the Current team will continue to inform the community with the most up to date news. Including but not limited to monthly community posts, AMA’s, and occasional white paper updates, all to be posted through the usual channels on social media and Telegram.
Current’s Team

For an up-to-date list of everyone on the Current team, please visit our website https://current.us/jobs/

Frequently Asked Questions

How does Current’s Protocol account for new service integrations into the platform?
When new service integrations are added, especially of a new media type (like film for instance), the available pool of relevant information is planned to grow and therefore increase the breadth of our recommendations. We intend to catalog and display more content and therefore keep users engaged longer.

What is the total supply of the $CRNC Tokens?
It has been determined that all 1 Billion $CRNC Tokens are not necessary to create an efficient market within the network. That said, Current plans to burn a minimum of 350M tokens over the course of the next four years, or by the end of 2024. This would bring the total supply down to approximately 650M $CRNC Tokens in total. Moving forward, Current may decide to remove further supply off the market if deemed unnecessary to the ecosystem.

Have all the tokens been sent to SAFT investors?
Yes, SAFT investors received their first distribution on July 31st, 2019.

Why did you decide to change the token to an security token instead of a utility token?
$CRNC still has utility functionality within the ecosystem. The classification of a security is ultimately a compliance decision and provides more options down the road. $CRNC Tokens are unique in that it’s a regulated token, but is unrestricted for trading so it functions much like a utility. In the U.S., things like token burns and buy-backs are considered functions of security. Being a regulated token also provides the ability to distribute dividends to token holders should we decide to in the future.

How is the Current App going to achieve mainstream adoption worldwide? There are many apps that compete with it, where is it's competitive edge?
Today there are two business models within media services. There are subscription-based, and there are ad-based. The Current App is a hybrid, which is an incentive-based model. There are a few hundred million people that are willing to pay any standalone media service, but there are 2.4 billion people that have smartphones. Clearly, the majority of people are not willing to pay or can’t afford premium subscriptions, and we’re focused on this subset of people. Because these people are not paying for any single media service, they’re not necessarily loyal to any one media service.
We believe that by having an incentive-based model that allows people to consume content and get rewarded for their attention, their data and their time, that it’s a much better business model. There’s value to the user, and there’s value to the platforms that integrate with the technology because those users can then in turn use what they earned to pay for the premium services.

Where can I learn more about Current?

Current Platform Website: https://www.current.us

$CRNC Token Website: https://CRNCtoken.org


Telegram (Announcements): https://www.t.me/CurrentCRNC

Twitter: https://www.twitter.com/CurrentRewards

Facebook: https://www.facebook.com/CurrentRewards

Instagram: https://instagram.com/current.us
Endnotes


5. The initial wave of token sales bred complex concepts that require a high level of technical comprehension with future communities in mind rather than focusing on adoption strategies.


