THE FUTURE OF ECOMMERCE
THE END OF RETAIL

2018

whitepaper

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CARTELCHAIN ("CRTL" "The Company") is a forward-looking blockchain project that aims to streamline e-commerce and usher in an era of seamless, commercial applications. The company intends to deliver a platform that will facilitate the direct sales of goods from the manufacturer to individual consumers and businesses at wholesale prices. By leveraging the collective buying power of consumers and businesses on a global scale, the costs of intermediaries and steps in the supply can be significantly reduced.

At the time of this writing, the commercial application of blockchain technologies remains almost solely in the realm of speculation. It is the firm intention of the Company to exploit the existing capabilities of blockchain and smart contract technologies to deliver a working product in the near term, relative to other projects.

To achieve this end, CRTL will endeavor to power applicable "Smart Contracts" on a "trustless" chain and reduce the friction between manufacturer and buyers. Resultant to this, costly intermediaries as well as myriad hindrances that currently plague the existing retail supply chain shall be removed, delivering savings for the end user while offering direct client engagement for manufacturers. Consider the following:

1. A 2016 Economist Intelligence Unit survey found- the percentage of manufacturers selling directly to consumers is expected to grow 71%.

2. This would comprise some 40% of existing manufacturers.

3. A Brand Shop Digital Consumer Preference Survey reported- more than 33% of consumers have purchased direct from manufacturer in the last year.

The disintermediation process has been gaining steam but has yet to secure enough traction to disrupt the marketplace. The Direct-to-Customer (DTC) model takes advantage of all social, mobile, and digital channels in order to stay on top of shifting demands. A destination that offers an ease-of-use platform and a community presence of captive lives can represent a potent solution to this growing need. In essence the question that is being asked, "why optimize the supply chain when it largely does not need to be there?"

To that end, the implementation of blockchain technologies and attendant features are tailor made to solve the latency issues and outright blockage associated with traditional retail distribution. It is an outmoded system festooned with unneeded middlemen and intermediaries.

An Uneven Playing Field

Simply put, the Company will endeavor to match manufacturers of consumer goods with buyers, creating a proverbial "win win." For consumers, paying wholesale prices for desirable items is a given. For manufacturers, being able to meet the needs of their customers directly is a logistical boon, and the zenith of efficiency.

The community aspect of the Internet has spawned a far more knowledgeable consumer that has become far discerning yet, retailers are still preying on inconvenience and ignorance in pricing goods across the full spectrum of goods and services.

Sumocoupon, an online aggregator of coupon and promo codes for various online retailers, calculated production pricing data and below is a broad-based sampling of a few of their listed mark-ups:

1. Furniture- 400%
2. SAT Prep Classes- 3,082%
3. Printer Ink- 300%
4. Ethernet Cable- 1,000%
5. Airline Tickets- 388%
6. Technology 270%

This type of gouging simply will not last, as the "community rising" phenomenon is part and parcel with a shared economy and a digital world.

For example, the farm to table practice is an early adopter example of disintermediation wherein humane farming practices and organic food advocates wanted to gain direct access to their local farmer. This practice is hardly limited to agriculture and conscientious eaters. In 2014, Time Magazine chose "The Ebola Fighters" as their Person of the Year, presaging a movement by paying homage to a unified community.

Whether it's a grassroots community-driven movement or a digital community, both can wield great clout when committed to a purpose. As dissatisfaction amounts across all substrates of the consumer market, the purpose of disintermediation is to remove the role of authorizing broker.

Like the aforementioned farm-to-table, people desire to transact directly with their sellers. P2P or peer to peer communication is disintermediation and what is akin to disintermediation is none other than decentralization. Along with social media in the broadest context, niche sites like Audiogon, Rolex Forums, and the hundreds of highly populated "devotee forums" all see owners of companies and/or representatives actively participating as well as collecting data. Presumably they want to know their customer but more telling, the customer has insisted on hearing from them.

1. 71% of consumers who have had a good social media service experience with a brand are likely to recommend it to others (Source: Ambassador).

2. Brandwatch cited that 96% of people who discuss brands online don't follow the brands' profiles.

3. 11% of social media users account for most of the contributions.

Influencers and thought leaders are paving the way to a market place that has all but decoupled from traditional delivery systems and marketing. This is a place where consumers are savvy, clear on their needs and call shots. They not only expect to be heard, they are expecting to be hearing from sellers that vie for their support.

At its core, the rise of cryptocurrencies is the ultimate disintermediation that sends a message from the transactor of monies to the producer and regulators of funds that we are entirely nonplussed. In retail, the same message is being shouted from the rafters and what has been missing is a trust-less delivery system that can be...trusted.

Honey, Fire Up The Blockchain

The company's model is a near zero protocol - when order sizes are met, smart contracts dispense goods at previously agreed upon prices. In a trust-less system of non-cooperative players we believe that our network will reach a Nash equilibrium wherein the agreement is essentially the purchase. In laymen's terms, it is an ideal stalemate. There is simply no advantage to be gleaned by either party and thusly; it is favourable to both sides.

Cartel's initiative is a "pure play" in the application of cryptocurrency and blockchain technologies. The sales and distribution of consumer goods is fragmented, disjointed and in need of consolidation. Retailers and wholesalers have been playing "goalie" to the true purveyors of goods and transitively speaking, to the recipients.

The downturn of offline retail provides unimpeachable testimony to the aforementioned points. While the Internet has done much to empower buyers, there still exists a supply chain that comes replete with a retinue of largely parasitic parties: Buyers, wholesalers and to an extent, retailers add clutter and exact avoidable costs. Much like a game of "pass it on," the end user's voice is often muffled, if not muted. Cartel Chain derives utility within its eponymous ecosystem that will both fund and power the e-commerce platform and complementary d'applications.

Cartel Escrow & Smart Contracts

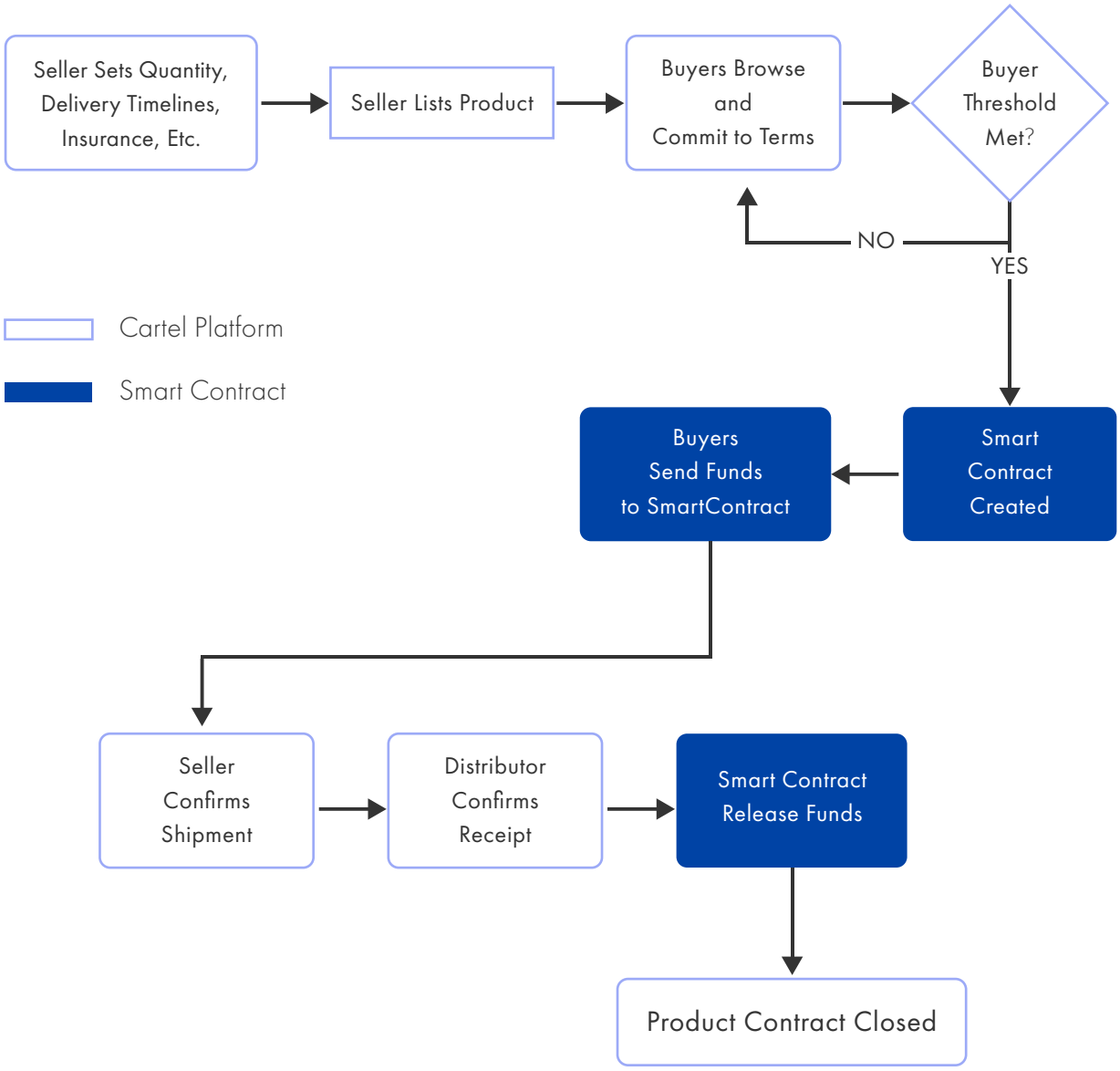
The Cartel Platform harnesses one of the most clear and compelling use cases for Ethereum smart contracts: trustless decentralized escrow. Simply put, the smart contract behaves as a third party, executing only when agreed-upon external conditions have been met. In order to illustrate how the Cartel Platform might work to interact with a smart contract through Web3 and ABI (Application Binary Interface), we can walk through a sample Cartel buyer/seller agreement.

A wholesale distributor registers on the Cartel Platform and lists the product they wish to sell. Through the Cartel UI, the seller is able to set quantity, price, purchase thresholds, and delivery times. With this information, an escrow smart contract is created that will be used to ensure that buyers receive exactly what was advertised within an agreed upon timeframe.

On the buyer side, once enough people have decided to participate in the contract by sending payment into the smart contract, the smart contract will lock the funds until either:

1. the conditions of the smart contract are fully met and the funds are released to the seller or
2. at least one of the conditions of the smart contract are not met and
3. the funds are returned to the buyers.

The rough schematic below provides some basic illustration of contract's flow and function:



Oracles and Delivery Verification

The Cartel Platform plans on utilizing one of the promising oracle solutions currently being developed within the blockchain ecosystem to confirm receipt of goods and the eventual release of funds to the sellers. However, if these solutions aren't viable at the time of launch we have several options available to us such as, but not limited to, smart contract pre-images or manually releasing the funds through the Cartel Platform.

Generally speaking, the product will be received by verified warehouse and distribution centers and after a manual inspection, the warehouse will approve the release of funds on the Platform. A seller/buyer reputation system is also a part of the long-term roadmap and will aid in contract dispute/resolution.

To power this system, the native token Cartel shall be used.

Q—1/2

Rebrand
Token Integration and distribution
CCI MVP Completion
Private Alpha test CCI
Sales team staffing
Exchange listing

Q—3

OSX/Windows wallet release
Partnership announcements
Participating brand announcements
Marketing deployment
CCI Public Beta using platform to purchase
Additional exchange listing

Q—4

iOS/Android mobile wallets
Review platform testing
Beta test commercial BBI
Exchange listing
Integrate P2P Lending solution
Launch platform and all assets

The Money Shot

As a cryptocurrency, Cartel Coin or (CRTL) can function as follows:

1. Velocity- a currency is said to have velocity when readily used, changing hands frequently- value derived as a medium of exchange.

2. While velocity is desirable, quantifying inherent value can be difficult as Friedman's monetarism MV = PQ is not clearly applicable to cryptos.

3. In order to assign some rigor to the crypto, CRTL will commit 100% of all transaction fees less cost of operation to token holders.

Pursuant to this distribution, "hodlers" will be rewarded with fee pay-outs pari pasu with their holding. Manufacturers may choose to hold coins in order to create scarcity, use for promotional purposes as well as maximize the revenue from the business they drive.

The Aerial View

Big box retailers have long enjoyed scale advantages in the realms of procurement and distribution along with advertising budgets commensurate with said scale. Smaller companies simply cannot compete in an oligopolistic environment.

Large companies continually roll out new products that are all but disposable, filling the voids with quantity. The daisy chain of distribution and the conspicuous consumption of unwanted goods are sub-optimal not only on the environment but principally speaking.

While CRTL thrives on consumer transactions, research findings have suggested that consumers have begun to eye purchases offering greater utility. The phenomena of peddling waste, which has long favoured large-scale commercial infrastructure may well be on the decline.

A spokesperson for Intertek, Group, a multinational inspection, product testing and certification company headquartered in London, United Kingdom issued the following two comments:

> "The corporate focus on quality and safety has increased and continues to do so because consumers are very demanding,"

> "Opportunities of e-commerce we are seeing more brands coming into the market, and it's easier for smaller brands to have access to the market."

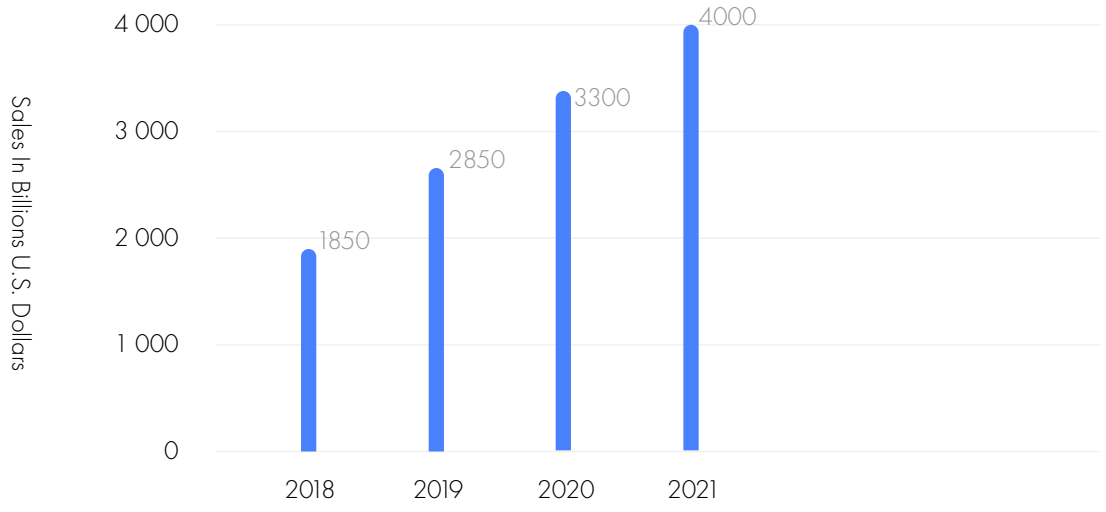
As the market yields more to the influence of key opinion leaders, informed consumer and digital communities, buying habits have begun to shift. According to the McKinsey & Company 2016 China Consumer Report, they had this to offer on the world's largest e-commerce market (620B USD):

1. Chinese consumers are increasingly switching from spending on mass products to premium alternatives.

2. 50% of respondents now seek the best and most expensive product available, a significant increase from previous years.

We believe that blockchain technologies could provide natural solutions to common problems in c2c e-commerce networks. And waste truly begins when one considers that manufacturer's spend 20% of their totals costs on trade advertising in an effort to woo wholesalers and retailers.

Retail e-commerce sales worldwide from 2018 to 2021 (in billion U.S. dollars)



Source: eMarkerter 2018

Additional information:
Worldwide, eMarketer: 2018 - 2021

Considerations

As the demand to reduce costs and deliver a frictionless transaction is elucidated, the blockchain surfaces as a potential savior. An established marketplace could also serve to catalyze more bespoke/niche manufacturers a la Amazon's Shopify, rendering scale immaterial to the proposition. Bolstered by an immutable ledger and an armamentarium of smart contracts, transactions approach full automation and communities seeking disintermediation have tacitly stated that they shall provide governance.

Given the prohibitive fee structure of online market places and occasionally suspicious peer review systems, a blockchain solution is rife with possibility. According to a 2016 Time magazine article, "Here's Everything Wrong With Online Reviews," the author describes the environment as "...a new version of Murphy's Law: Everything that can be rated will be," and goes on to describe the dizzying array of review systems, the inflating guilt factor and does not even broach the paid for or spammed review. A digital community of contributors governing their own fiefdom offers a far greater measure of objectivity.

For small businesses, gaining an initial presence on a robust platform and contributing to the health of "their" crypto is not only an incentive but also represents a fast track to access to peer reviewed buyers and influencers. An affordable entrée into a thriving marketplace is invaluable for a burgeoning concern.

A decentralized network can also serve as an identity and credit management tool, a clearinghouse as well as a peer-driven alternative dispute resolution forum.

There exists a world of possibilities although CC's management is surgical in focusing on their core competence- matching manufacturers with target buyers.

It Takes A Village

Incentivizing marketplace leaders can jumpstart and help run an online community. While economic rewards certainly augment participation, they also serve to engender a more creative, dynamic and scalable society.

Concomitantly, it is an imperative that CRTL provide a realistic framework for a community to thrive. Many of today's cryptocurrency projects are merely concepts, presupposing a future that may never exist. It is tantamount to the story about the economist- when asked about opening a can of food when stranded deserted on an island, he quickly answered, "assume you have a can opener." Blockchain projects are often full of derring-do and ambition while not addressing current viability of their proposals let alone the semblance of a revenue model. To date, most crypto and blockchain projects have "off the shelf," smart contracts and unattainable aspirations for their usage. CartelChain is driven to generate revenues in the near term and building a functional platform is the first order of business.

To that end, management believes there are some current limitations inherent to the fundamental application of blockchain technologies. With a focus on current usability, CRTL plans to compile, create and deploy a compendium of commerce specific smart contracts.

The Company also intends to utilize existing fluid currency protocols that can address the latency hindrances that have plagued "Blockchain 1.0" endeavors. At the time of this writing, the development team is still determining which "Proof" shall be delegated to an engine designed to generously support potential transaction volumes.

In that vein, development is also in the final stages in choosing the ideal solution for identity verification and transaction management protocols. Certainly, private and safety are paramount as is the ability to settle transactions between parties.

CRTL believes it is poised to lead a migration of e-commerce business onto the blockchain as well as establish direct relations between manufacturers and their end users. For such an undertaking, a robust scalable platform shall be created as well as an ongoing initiative to foster and nurture a community of participants that will ultimately comprise a self-contained economy.

This vision is based on the metrics of current applications in contemporary business. CRTL shall aim to bridge established gaps that hinder the spirit and reality of a fluid consumer market.

The blockchain-based protocols will be supported by modules that will operate off chain to provide governance and "if this, then that" smart contracts as the tenets for engagement. These defined off-chain processes may consist of "stacks," and these functional constituents shall ultimately govern the decentralized network.

The native cryptocurrency, CartelChain shall be integrated with and used on the network, as well as on the decentralized applications that interact with the network.

CRTL shall be implemented on the public Ethereum blockchain as an ERC-20 compliant token. Furthermore, it shall integrate a "wallet" function thus allowing owners of CRTLs to have them "at the ready" once activated.

The CartelChain is to be developed for full-scale implementation and shall reside on its own open source blockchain. In this scenario, it still shall be based on ERC-20 and would be exchanged on a 1:1 basis with native CRTL issued on the blockchain, with any stored value and rights transferred to the native token.

CRTL's Functionality (including but not limited to the following):

1. Host Rewards- Running network nodes (potential for masternode status), participation in the maintenance of the network both by providing computing power and upkeep of "integrity."

2. Sellers, buyers and all utilizers of the network (e.g.- a market makers, blog contributors et alla) may assist in smart contract execution, transaction validation, dispute resolution and other redeemable works.

3. CRTL may choose to charge users of the aforementioned services in CRTL or may provide services inclusive of transaction fees.

4. Transactions from purchase to delivery, as well as other relevant interactions can be recorded on the blockchain. Owners of CRTL will have the right to voting power proportionate to the amount of coins they hold.

5. Peer support in the resolution of conflict shall be by way of consensus.

Naturally, such communal involvement will help to foster an environment of inclusion that will facilitate transactions while reducing cost. CRTL creates efficiencies by removing middlemen while also significantly reducing the need for customer service agents. The actual usage of workable smart contracts will serve to codify transactions and maintenance shall be provided a self-governing community. Owners of Cartel Coins could exercise voting rights. Contingent upon defined standards of data protection, the transparent ledger shall offer access to transactional data for the purpose of dispute resolution.

It would be only natural that communities, forums and sub-forums would form, engendering a dynamic of evolution that would aid in defining the roadmap for CRTL. Dependent upon interest and affiliations, members can aggregate their authority as CRTL holders and community participants. Management believes that the creation of these communities would serve to make the platform a more "sticky" destination for users. Consider the success of tokens like District0x and other social media concerns such as Steem, Yoyow and the like- these are essentially empty platforms wherein users fill the void. The denizens of such sites hope to establish themselves by presence

Considering that CRTL provides the raison d'etre, it is not unreasonable to think that vibrant communities could flourish in such an environment. Conversely, businesses will have access to a target demographic to solicit feedback from, issue digital coupons, develop smart contract solutions in accordance with promotions and none of this would incur excess cost nor adjustment to their existing infrastructure. It would be in their best interests to establish their own community presence and contribute.

As the communal aspect develops around CRTL, the company intends to use this data to find manufacturers that can be best fill the demands of consumers. When purveyors of goods are asked to reach consumers in a traditional marketplace, the options require the consumer to leave notifications on or be alerted in some way. For many, this method of contact is invasive and level of urgency unwarranted. On site however, messages can be received as notifications and consumers can also begin to put together "wish lists," which manufacturers can respond to. Depending on receptivity, this form of inbound marketing may be anything but a nuisance.

Given the success of the community, advertising revenue could be shared with influencers and manufacturers may be rewarded for early adoption. There are a whole host of potential incentives for early adoption into the community, e.g.- limited Dutch auction style selloffs for advertising space, payable in CRTL. The ease in which this could be executed makes the case for both crypto and blockchain. Smart contracts can govern this space in near "set it and forget it," fashion.

Decentralized applications can execute upon smart contract instructions, prioritizing and labeling items i.e. priority/advertised items, and be displayed to browsers searching for items. When buyers click on advertised or featured items, CRTL may determine that a percentage of advertising revenue be disbursed back into the community. Partial distribution of the ad revenue may be apportioned to discounting the item or lowering the minimum order size for a manufacturer.

By keeping the network decentralized, the utilitarian approach shall be best served. Decentralization removes the need for a controlling party or individual to make unilateral decisions. A self-governing community that removes liability from a controlling organization that could be deemed, fairly or unfairly, as discriminatory, censoring or engaging in mismanagement is an invaluable feature that would be easy to overlook.

JAN ROESSNER

CEO

Former German military officer, leading operations in a helicopter squadron, political relations and training programs. CEO of Sagency in Berlin, with offices in NYC. In 2015, Jan founded gaming firm, Arcade Distillery successfully launching four games on a range of platforms including PlayStation Vita, PlayStation 4, Nintendo Switch and PC.

FINN HANSEN

Product Manager And Agile Specialist

Product development, UX and agile specialist with eight years experience building web and mobile products. Co-founder of Biddy, the worlds first mobile video marketplace.

ALESSANDRO MAZZI

Legal Officer

Specialist Tech and international Law partner at AM Legal formerly international legal advisor at Minter Ellison

ALEXANDER HARUTUNIAN

Cryptoeconomy Advisor

Corporate finance and economics professional, specializing in Fintech. Previously, Alexander had a senior auditor role at KPMG, led retail and banking sector engagements. He has MBA from American University of Armenia.

SEAN RYAN

Sales Director

With over 10 years of sales and marketing experience in both tech and Saas based products, Sean has achieved great success and is highly experienced on both a local and international scale. He is highly enthusiastic about disruptive tech and is motivated to see Cartel build market share.

CROFT MALYAN

Scrum Master

Croft is a Windows Software Engineer skilled with Desktop UI development. Specialized in WPF, C#, .NET technologies he is now exploring decentralized applications. Croft brings in experience from companies such as Hewlett Packard and Cisco

ROB WEIR

Operations Manager

Former Marketing executive and Analytics Professional turned entrepreneur and Business manager in FMCG, B2C and B2B brands. Lives to build brands and network with like minded entrepreneurs.

IRON KIM

Asia Pacific Relationships Manager

Experienced Project Manager working within the supply chain across various industries including shipbuilding, consumer products and OEM manufacturing. Irons work behind the scenes has been instrumental in the development of our commercial network.

LEVON HAYRAPETYAN

Crowdfunding Contract Developer

Levon is an experienced software engineer specializing in cloud technologies and blockchain. Levon brings in experience from Microsoft. He has Masters of Computer Science and Applied Mathematics.

TOBI BALOGUN

Full Stack Designer And Branding Specialist

Designer and branding specialist with seven years experience designing web and mobile products. Co-founder of Lightweight Labs and Paperplain iOS app.

ARDA KARAÇIZMELI

Full Stack Designer & Frontend Developer

Designer & frontend developer with six years experience building web and mobile products. Co-founder of Lightweight Labs and Paperplain iOS app.

STACEY BOUTERAKOS

Executive Administrator

Graduated from Latrobe University with a degree in Marketing to become administration manager for multi-national brands. She has spent the last 24 months project managing a team of dedicated digital assets working on sales, communications, marketing and brand developing.

PAUL MAK

Business Development & Marketing Manager

Brand owner with 15 years fmcg and supply chain experience as CEO. Investor, Business Analyst and performance specialist with a passion for decentralised solutions, disruptive tech, surfing and his two sons.

VAHAN LULUKYAN

Web Developer

Vahan is a web developer with more than 10 years of experience. Vahan worked in diverse range of web projects including gaming, retail and infrastructure.

Consumers On Fire

As CartelChain evolves, the platform and a growing warchest of smart contract and streamlined solutions may be more than capable of fulfilling transactions beyond consumer markets. Management contends that back office transaction services, native to the network could be applicable to various businesses, particularly SMEs. Thus, CRTL may be poised to be a leader in the dissemination and application of various smart contracts geared towards commercial enterprises.

The potential applications for transactional contracts and fundamental business execution are considerable. Centralized servers that store sensitive data are always under threat of breach, as evidenced by the innumerable high profile hacks in recent years. A decentralized platform where data is not held in a static repository is a failsafe against identity theft, and this lessened exposure is critical to the businesses being held potentially liable and the consumers whose data can be compromised.

The blockchain allows users to store cryptocurrencies on a variety of "wallets," all of which are managed by private keys or "seeds" depending upon the chosen solution. Transactionally speaking, this makes life easy with smart contracts in tow. For a consumer transacting on the network, arbitrary personal information would need to be available for shipping, as an example. Access, timing and even duration can be solved via a smart contract and agreed upon by the user. Users may register their online wallet and the platform would be agnostic to their selection.

Users may opt to create a separate wallet for CRTL transactions for ease of use and record keeping. In accordance with KYC (know your customer) and AML (anti-money laundering), requisite registering of personal and even banking information with the wallet would be pro forma. Should they choose to use a credit card for example, an easy conversion to CartelChains can be made and transferred, however, adaption and use of ease shall likely reign in most cases. Private keys allows personal access and a public key can be broadcast on the blockchain to record any transaction. Again, this information may be cached but never stored. Simply authorizing the wallet is all that would be required.

An intuitive extension of this function is peer-to-peer ("P2P") lending. With credit histories submitted and a public key that identifies the user's profile (albeit not publicly), loan terms can be reached and settled in a truly trustless system. With continued refinements, the platform's smart engine could easily identify needed terms, assess qualifications and provide settlement directly between banks. All contracts are recorded and ultimately settled on the blockchain. Again, no third-party, no extended forms, clearing houses, protracted settlements or hindrances of any kind. Moreover, histories can be built upon this immutable ledger. Such a lending feature is particularly valuable when considering "big-ticket" items, such as automobiles.

CONSUMER GRIEVANCES WITH ECOMMERCE

Trimming The Daisies

At its core, Cartel Coin utilizes the blockchain to facilitate crowd purchases of desirable consumer goods directly from the manufacturer. As much as e-commerce has done to creating a competitive landscape for retail, there are still profit taking middle and meddling parties that add no tangible value. For a manufacturer, the ability to eliminate intermediary expenses and gain direct access to their customer is invaluable. A consumer direct platform that facilitates users to purchase goods at wholesale prices is now conspicuously absent.

One Small Step

Transport and packaging to anyone other than the recipient is superfluous as are the payments made to facilitators- buyers, reps, distributors and the litany. In keeping with the principle of decentralization as democratization, CartelChain seeks to democratize the access of goods by reducing the purchase price and streamlining as well as eliminating many of the logistical and adminstrative processes. The model is one not only of efficiency but one of inclusion, truly a program of attraction not promotion per se.

The CRTL platform aggregates buyers to fill purchase orders in order to take advantage of the de rigeur large scale fundament that all but prohibits small batch contract manufacturing. Much of the associated, if not padded expenses are the links between the price after manufacturing and its indirect path to retail. To date, these excess links in the supply chain remain.

The current e-commerce landscape requires sellers to procure products from suppliers and then ship to buyers. In a traditional system, the transactions along the supply chain change hands multiple times, are settled using fiat currencies and are filled with friction, snags and excess cost. A token-based system may be integrated into existing apps, portals and social media platforms, such as Alibaba, Shopify, WhatsApp, and Facebook. The potential outreach is enormous. Moreover, the market place for what is essentially, "saleable goods," is ever growing and largely incalculable.

In a true trustless ecosystem, terms of engagement are pre-defined and executed digitally via smart contracts. Recorded instantly and secured via the ledger; the proof of purchase, are the exchange of digital tokens. Tokens function as the medium of exchange and seal the block. In such a safe environment, fostering and sustaining a community is a matter of dedicated course.

A platform that can aid in guarding against theft, counterfeit items, and transport related mishaps-issues is becoming more desirable as these generic hassles to protracted nightmares are becoming prevalent in mainstream e-commerce marketplaces. Without blockchain based protocols, assuring buyers and sellers is a laborious process that is expensive and prone to error. As seen on marketplaces such as eBay, there are no reviewers who can verify authenticity. This is the bane of most centralized operators and even professional consignors like The Real Real, who staff people with needed expertise, often make understandable mistakes. This inelegant system creates a retroactive model, which is tantamount to buying a padlock for the stable after the horse is stolen.

Within an ecosystem such as cartel coin, the alternative dispute resolution that the community participates in will effectively provide a consensus judgment that leaves the company itself neutral. The blockchain will have recorded all the notable features of record, including certificates of authenticity and the like. While nothing is foolproof, there is greater transparency when working with a distributed ledger. This is one of the many reasons the developers choose the Ethereum platform to build upon and the advent of the ERC-20 protocol made it the best choice.

One of the primary features of Ethereum Request For Comment (hence ERC- the #20 refers to the issue number of the Github archive) was to create an application whereby buyers and sellers of an ERC-20 token could trustlessly exchange value with smart contracts standing in as a third party. What this means is escrow. A smart contract is a "if this, then that," set of instructions. Once all conditions are met, the tokens are sent and delivered. Should a dispute arise, the network could hold as escrow a pre-determined amount of coin. As escrow becomes more and more automated, to this level and beyond, it is going to be widely used as a very standardized practice.

A smart contract would for example, release the CartelChain to the seller once delivery confirmation has been made. Even on the highest level of brick and mortar retail, the absence of these protocols are nightmares.

To share a story- a reputable jeweler and Rolex dealer had lost their authorized status. Not great news for them but it was still a thriving business. As expected, they sold off their remaining Rolex inventory and roughly one year later, the family-owned shop decided to shutter the business. Fine. Roughly two years after that some of the timepieces they had sold went into a Rolex service center for repair. Rolex confiscated the watches declaring them to have been stolen. Naturally, the owners were shocked and had no immediate recourse. They left without their watches and were told they could file a police report. Turns out, the reputable jeweler decided to fleece Rolex on their last order, setting off a horological imbroglio par excellence. I'm sure the aftermath wasn't pretty either. Something like this would not happen on the blockchain if one were dealing directly with the manufacturer, not a reseller. With smart contracts, there is no end to the customization, not just something as simple as receipt confirmation.

Platform Usage

Once needed efficacy has been demonstrated, the CartelChain may be applied to other partner platforms and marketplaces. Going forward, CartelChain's development as a market-leading blockchain protocol for commercial and marketplace applications can be replicated for alternative usage or companies may wish to participate in the CRTL ecosystem.

Given our métier in e-commerce on the blockchain, coupled with a proprietary set of methodologies and a potential library of smart contracts tailored to consumer transactions, a growing set of identity services, credit history and such, management believes this comprehensive package could be ideally suited for a number of complementary applications. Certainly, the potential for Dapps (decentralized apps) to be built on the CRTL platform could exist within the ecosystem and use CartelChain in executing contracts and transactions. Going forward, applications may be able to issue their own tokens and in the event of an ICO, still access CRTL's feature set in developing their own community-driven enterprise.

The CartelChain ecosystem is envisioned to be a community of partners, including blockchain node operators, validators, service providers, marketplace operators, businesses, and end users. They could all provide or utilize the network services, and exchange CRTL on the CartelChain platform.

In assessing the role of CartelChain as operator and quasi-presider over the ecosystem, the company will endeavor to independently facilitate governance, aid in the quest to decentralize consumer marketplaces as well as nurture and promote an environment that intends to be a self-governed, democratized solution.

The CartelChain mandate is to grow an open ecosystem of digital services that consumers can easily explore and find value in, while giving developers an open and sustainable platform to develop, deliver, and enhance those services and further attract users.

To fulfill its mission, the CartelChain will allocate capital and resources to growth, research and governance, delineated hereinbelow.

1. Growth- CartelChain shall fund the development of the CRTL platform, features and tools that give the ecosystem partners a robust and comprehensive solution. We aim to offer a suite of services that create value for participators. In this spirit, CartelChain may make its own codebase available as an open source project that can be leveraged for added capabilities or improve upon the existing. CartelChain would further this work by engaging development teams to continue building out the technology suite, and will maintain an open source codebase that ecosystem participants can use.

2. Qualitative Research- CartelChain aims to nurture growth and drive innovation by working with partners to test new ways to participate in the ecosystem and drive value creation and network effects. CartelChain shall fund these efforts to optimize an autonomous network.

3. Governance- CRTL will endeavor to establish a transparent governance system that best serves the greater good of active participants within the ecosystem. We believe this approach regarding decisions related to token distribution, membership guidelines, security, pricing, participation, dispute resolution, content and compliance procedures shall best serve the community.

CRTL Token Issuance

The CartelChain proposes to initially generate and issue 100mm CRTL and to release this maximum supply into circulation rather than distort value in the short term and dilute it in the long. Further information about when and to whom CRTL are proposed to be allocated can be found below.

Upon the completion of the proposed CartelChain token contribution ("Token Contribution") for 100 million CRTL, there will be a total of 100mm CRTL in circulation. Token Contribution is proposed to launch soon after incorporation of the CartelChain.

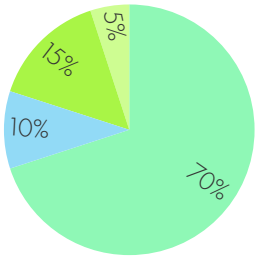
For updates regarding the ICO, prospective investors are encouraged to provide an email address at cartelcoin.io. Updates and announcements about the details of the contributory phase will be communicated via the website.

ICO STRUCTURE

Round 1: **40,000,000** CRTL at 0.10c until sold

Round 2: 20,000,000 CRTL at 0.12c until sold

Round 3: 10,000,000 CRTL at 0.15c until sold



TOKEN ALLOCATION

70% Token generation event

10% Private Investors

15% Team (Locked until build complete)

5% Advisory services

- Research and Development
- Technical Development
- Sales and Marketing
- Operations
- Administration
- Legal
- Capital Reserves