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Abstract

For the vast majority of people in modern society, privacy and luxury go hand-in-hand. This has become truer than ever before, now that many companies treat customer data as an asset to be monetized. Tech giants like Apple, Facebook, Google and Twitter have all built their fortunes by making our private lives public – and many people have willingly given up their basic right to privacy, with hardly a second thought.

Meanwhile, national security concerns like terrorism and espionage have spurred the development of vast government information networks. While the idea of a first-world government spying on all its citizens would have seemed horrific just twenty years ago, this reality is now the accepted status quo – and our last hopes for a truly private life seem to have been all but eliminated along the way.

Still, there's one area of life in which even ordinary law-abiding citizens will go to great lengths to safeguard their personal privacy: the area of sexuality.

Most people take care to use private ("incognito") browsers, and avoid disclosing any personal information, when seeking out content that fulfills their sexual fantasies – especially if those fantasies are deemed especially "deviant" or "perverted" by ordinary society.

But this nervousness about disclosing personal details on sexual websites – understandable though it may be – creates major problems for the business owners who run these websites. If the majority of their visitors refuse to enter their credit card or PayPal info, how can they hope to make money?

Kencoin is the solution.

This fully anonymous cryptocurrency makes adult entertainment transactions safe, secure, and completely private. With just a click, Kencoin users can pay for access to the adult content they seek, without risk of exposure or disclosure of any personal details.

The days of lost business due to privacy concerns are over – now that Kencoin is here.

There's already Bitcoin ... so why do we need Kencoin?

Bitcoin is a generalist cryptocurrency. In other words, its use and adoption have spread across many verticals and industries. It has a wide range of global uses, and will continue to develop further.

Kencoin, on the other hand, is industry-specific. Its purpose is to be constantly marketed to all partner and merchants in the adult entertainment sector, as well as their consumers.

As a result, Kencoin will be recycled through the industry, creating wealth for industry service providers. By encouraging the ownership and use of Kencoin to customers worldwide, the adult industry will create a reservoir of Kencoin wealth that is bound to come flowing back to the industry itself.

The Kencoin marketing team, with their vast experience in the online gaming industry, have already started working to propagate Kencoin adoption among to a large network of online and offline merchants, including content and merchandise providers, by demonstrating the benefits of transacting with Kencoin for merchants and clients alike.

Feedback from early adopters and partners has been extremely positive, and we foresee broad and exponential adoption across the industry.

KCN Token creation



1.1

Kencoin is an industry-specific cryptocurrency, targeting the adult entertainment sector. Our mission is to serve as the standard currency for anonymous, safe transactions in all sex and dating-related purchases.

Users' desire to preserve absolute privacy creates major hurdles for businesses in the adult sector. Many prospective customers visit websites that fulfill their fantasies, only to drop out of the signup/payment process at the moment the website asks for personal or financial details. Thus, owners of adult websites lose a significant amount of business every day, simply because their users lack a safe, anonymous way to pay for the content they want.

Kencoin solves this problem in one stroke, with a completely anonymous cryptocurrency that leverages blockchain technology to provide users with anonymity and pleasure, privacy and secured transactions, while delivering previously unreachable alpha to adult industry merchants.

Throughout the past year and up to the present, the Kencoin team has established solid working partnerships with the industry's leading adult websites, as well as recognizable offline physical locations, all of which have responded with a very positive welcome, and are expecting a significant potential increase in volumes as a direct result of their adoption of this technology.

The Kencoin team is dedicated to continuing its business development efforts. Team members regularly attend industry events, stay up to date on new trends and popular vendors, and promote Kencoin to an even wider audience, which continues to grow every day.

1.2 The online case:

Mr X is browsing online and lands on a website that seems to provide services he is interested in. He looks through a catalog of live video feeds to meet other users. This service has a cost, and when Mr X decides to purchase the service, he is asked to identify himself – not only with his personal details, but with his financial details as well. And as recent events have demonstrated, privacy and security are the cornerstones of internet commerce. With Kencoin, Mr X is able to simply pay for the service from his multi-cryptocurrency wallet. The Kencoin, a smart contract transaction on a blockchain, requires no form of identification from the user, and provides instant transfer and confirmation.

In fact, the Kencoin trade mechanism implies a much wider stability in the price of the currency. Because clients purchase Kencoins with the intent of using them in traditional commerce environments, Kencoin merchants in turn will convert their Kencoins to traditional currencies as necessary to cover their needs. This ensures a steady level of volume in the Kencoin exchange market, reducing the likelihood of crashes in Kencoin's price due to large sellers. This aspect of the Kencoin answers one of the most pertinent issues seen in the launch of recent ICOs.

1.3 The offline case

Mr X is in Paris for the weekend and is enjoying an evening with a few friends. He arrives at a famous striptease salon and decides to go in. As the night comes to an end and the bill is presented, Mr X realises he may not want the establishment's name to appear on his credit card receipt; a dilemma that makes him uncomfortable. With Kencoin, all partner merchants are equipped with Kencoin apps to receive payments directly from the Kencoin platform, keeping Mr X's offline transaction absolutely anonymous, private and secure.

As in the online case, Mr X's ability to use Kencoin to purchase services and goods in physical locations further enhances the trade mechanism of the Kencoin. This limited crypto-currency is bound to benefit from the increased use and need as market adoption increases.

2.1

Leveraging blockchain technology, Kencoin presents several main advantages in contrast to many other payment systems typically used in the adult and dating industry.

Kencoin is structured as a smart contract on the Ethereum blockchain. Kencoins can be stored in any Ethereum wallet or exchange, where they remain secured and easy to use and move from any storage system to another. Moreover, they never expire.

Kencoins can be acquired from other cryptocurrencies such as Bitcoin, or purchased with traditional currencies. They can be used completely anonymously at any Kencoin online or offline reseller. Furthermore, they fully address the need for anonymity, as they can be used interchangeably in every corner of the adult and dating industry regardless of type, region, financial payment restrictions or user identity.

In addition, Kencoins solve the common problem of chargebacks, which every online vendor in the industry faces on a regular basis. Thanks to the Ethereum blockchain's decentralized ledger verification methodology, every Kencoin merchant will be able to both track and verify that a payment has indeed been completed when a customer requests to pay in Kencoins.

Since every payment is both verifiable and irreversible, the online vendor can obtain assurance that they have already been paid for the service they have provided. As explained throughout this whitepaper, this solution offers major benefits for adult and dating websites, and will help them to reduce their operating costs and broaden the services they offer, while at the same time increasing their user database and conversion rates.

2.2.1 The Spending Wallet

Built on the Ethereum protocol, the Kencoin spending wallet is very much similar to an Ethereum wallet, offering the user both online and offline methods of keeping Kencoins, using blockchain technology. The wallet is constructed in such a way that it can very easily receive details of a merchant's Kencoin wallet, significantly simplifying transactions when customers purchase products or services from Kencoin merchants, particularly in an offline environment.

2.2.2 The Merchant Wallet

The Kencoin Merchant wallet, a wallet used primarily by vendors supporting Kencoin payments, provides two major functions.

First, the Kencoin Merchant wallet can serve as a spending wallet, giving the merchant the ability to store received or purchased Kencoins, either offline or online, and to create multisignature wallets and sub-allocations.

Second, as the market continues to evolve, the Kencoin Merchant wallet will constantly be adapted to fit merchants' and vendors' emerging needs. This adaptation is intrinsically linked to trading products and services using Kencoins, and offers several major options:

- The Merchant wallet will receive Kencoins live, and will notify the vendor of every incoming transaction. Thanks to the Ethereum protocol and the blockchain, every transaction takes place instantly – as opposed to Bitcoin, where a transaction can take up to 45 minutes before the recipient sees the funds in his wallet.
- Thanks to a partnership with a leading cryptocurrency exchange (to be announced very soon; currently in the final negotiation phase), merchants will have the choice to automatically convert all received Kencoins to the currency of their choice, crypto or traditional. This offers two major advantages: first, it provides increased liquidity for the Kencoin currency exchange; second, it assures the merchant assurance that the amount of Kencoin invoiced will match the merchant's expected equivalent in his currency of choice, protecting him from currency risk.
- Since each Kencoin transaction is unique and irreversible, the Merchant is protected against chargebacks, a very common type of scam in the internet commerce environment. Plus, with a printed transaction, the merchant can easily trace back the flow of any transaction flow, enabling them to provide better service to their clients.

2.2.3 The Payment Gateway

All Kencoin partners will utilize a customized and proprietary centralized payment gateway solution built by our developers. This payment gateway is currently being beta tested internally by our team. The gateway will offer Kencoin as a featured payment option for purchasing content and services. Users will be able to acquire Kencoin directly within the payment gateway, with Bitcoin, credit cards, and other local payment methods, without ever having to leave the website. Our payment gateway is designed for security, scalability and ease of use. Our platform is based on Hadoop and HBase. We are also using Omid as a transactional framework, and we have a SQL-over-NoSQL layer which permits easier analytical access to the data.

2.2 Initial coin offering

All funds raised in the crowdsale will be allocated for the development and marketing of the Kencoin tokens and project. The funds raised will be used to research, develop, create and spread the adoption of Kencoins across the adult and dating industry, as described in this white paper.

Purchasers in the initial sale will acquire Kencoins (KNC) in exchange for cryptocurrencies such as Bitcoin (BTC) and Ether (ETH), at the USD value of each investment at the time of purchase.

Each initial coin offering (ICO) investor who contributes will receive an amount of tokens proportional to the amount they deposit into the ICO.

Purchasers of KNC in the initial sale will receive their Kencoin allocation in their multicurrency wallets as soon as the ICO allocation is completed.

These wallets will enable the purchasers to immediately start using, spending, and exchanging their Kencoins on participating exchanges and vendors, as soon as the ICO is complete.

Token allocation

Tokens generated to Kencoin team will be held in a multi-signature wallet.



All KNC presold in this manner will be created on the Ethereum network at the end of the initial sale.

A total of 100 million KNC will be created in this manner, of which 65 million will go to ICO investors.

All proceeds of the ICO will go to an escrow account at the Kencoin Foundation in a multisignature wallet.

Reserve Kencoin

An additional 35 million KNC tokens will be created and held in reserve, to be given and sold to industry websites and platforms over time.

4. The market

The global adult industry is an estimated market of over \$20 billion USD, with \$10 billion USD in the US alone.

The industry is split into two major categories:

1. Online adult entertainment

- Porn videos

Porn alone accounts for more than \$3 billion in revenues each year. The arrival of Kencoin will ensure a major increase in purchases, as it is currently estimated that 80 to 90 percent of users choose free content not primarily because it is free, but because they do not want their identity to be revealed should they purchase a paying service.

- Live interactions

Very similarly to porn, live video feeds and other services have enjoyed lower-than-ideal revenue streams due to users' nervousness about revealing their identities.

Kencoin aims to free these websites from these barriers.

- Adult merchandise

The adult merchandise sector is less affected by these anonymity issues, as customers tend to be more willing to surrender their personal details in order to receive their ordered products. However, on this particular market, Kencoin will serve as a major support to vendors who have experienced a lot of issues with chargeback clients – many of which occur after shipping, and whose payments are very hard to recover due to the nature of services rendered, and the fact that vendors are often operating in a different jurisdiction than their customers.

- Online dating

Everyone surely remembers the incident in July 2015, when a group calling itself "The Impact Team" stole a large amount of user data from

Ashley Madison, a commercial website billed as an enabler of extramarital affairs. Between the 18th and 20th of August, the group leaked more than 25 gigabytes of company data, including private user details. With Kencoin, that will never happen again. Users will decide what info to supply, because their personal details are no longer needed to ensure the service provider that it will receive payment.

2. Offline adult entertainment

- Adult reserved venues (strip bars, adult clubs, shows)

In many countries (depending on legislation), Adult venues enjoy great volumes of clients, and profits very much linked to spending on liquor and other services offered on-site. Thanks to Kencoin, clients of these venues will never again have to disclose their IDs, or provide their personal credit cards to pay their bills. With Kencoin, clients will be able to complete their purchases and spend Kencoins on the spot to cover their needs.

- Merchandise stores
- Escorts and sex professionals

Integrated partners

The long-term survival of any cryptocurrency is ultimately dependent on its ability to integrate itself into mainstream society. The Kencoin project is driven by a multitude of websites that have already agreed to use the Kencoin as a currency. In order to accelerate the adoption of Kencoin, our team has already started onboarding these partners, and creating exclusive content with them.

Integrated adult streaming partners

1. [erotic-watch.com](#): Offers hand-picked erotic, tasteful and female-friendly porn videos on a freemium basis.

2. [xx-asians.com](#): Specializes in paid videos of Asian porn stars. Daily updates include streaming HD videos, all of which can be accessed for a small cost.

3. [bbwswallow.com](#): Offers niche specific content in an online video streaming format, including advertising.

4. [xclusivepornhub.com](#): The high-end membership section of the popular website Pornhub, including exclusive content with leading porn stars and top models.

5. [bdsmcable.com](#): Thousands of online streaming videos curated for the BDSM community. Currently known as a very appreciated source in the BDSM world.

6. [horny-black.com](#): A website dedicated to the African-American community, currently witnessing tremendous growth in traffic shares with microtransactions.

Adult Dating integrated partners

1. **crush-daddy.com**: CrushDaddy isn't the largest sugar daddy dating site on the web. But considering that it only serves male daddies and female babies from developed countries, it does have an active user base in United States and Australia.
2. **themilfsclub.com**: The MILFs Club is a cougar dating Site for women looking to date younger men.
3. **gay-swipe.com**: Gay Swipe is a leading social networking app for LGTB community to connect.
4. **swing-room.com**: The Swing Room is a website dedicated to connecting local swingers in their area with a huge database of real couples. The website is made by swingers for swingers.

Sex shop integrated partners

1. **kinckytoys.com**: A prime seller on Amazon, as well as on its proprietary website. It specializes in superior products, and currently boasts more than 15,000 customer reviews.
2. **thesecretsshop.com**: Australia's leading online sex shop, offering an exciting range of sex toys and vibrators with fast and discreet delivery.
3. **eva-luna.com**: A store dedicated to sex toys, vibrators, dildos, cock rings and a variety of other adult products; a well-known name in the adult industry

Live cam partners

1. **live-bbw.com**: Uncensored adult chat featuring amateurs, exhibitionists and porn stars, allowing microtransactions for private chats.
2. **livecam-gay.com**: Live uncensored cams targeting the gay community, offering microtransactions for special features.
3. **thehousecam.com**: Dedicated to live couple cams; allowing microtransactions for private chats.



Kencoin marketing strategy

Kencoin's marketing efforts will be driven by an Israeli-based team with a strong track record in real money gaming and online marketing. Proprietary marketing tools and an existing network of partners, along with a strong knowledge of the digital advertising space, will be fully dedicated to promoting the adoption of Kencoin by adult operators and their consumers.

Social media

The Kencoin team will use its social media marketing expertise to target prospective partners and customers throughout the adult industry. Kencoin's strategy will articulate itself primarily around Facebook, Twitter and LinkedIn, where the Kencoin team will use its unique content to generate engagement within the industry. Kencoin's social media experts will closely monitor and optimize live campaigns, and manage return on investment (ROI) by following a strict set of key performance indicators (KPIs).

Search engine optimization

Kencoin's SEO strategy consists of implementing backlinks from all our partners throughout the online adult industry, while creating SEO-friendly content and using Google AdWords to promote Kencoin. For example, when a prospective merchant searches for a payment processor for the adult industry, they will land on a page beautifully designed to educate adult operators.

Public relations

Kencoin's PR team works with an extensive network of journalist at leading newspapers.

Additionally, the Kencoin Foundation will retain the services of several of the world's leading PR firms, in order to actively communicate with adult publications and industry news sources, as well as the crypto investors community, in order to increase public knowledge and adoption of the currency.

Blog

The Kencoin Blog is already updated on a weekly basis, providing the adult industry with unique insights regarding the market, marketing strategies, general knowledge and industry trends.

Email marketing

Kencoin already possesses multiple adult driven databases, which the marketing team will leverage in order to communicate about this new payment solution. The Kencoin team will actively communicate with millions of potential users through conversion-driven emails.

Analytics and reporting

Kencoin uses high end monitoring solutions across all its marketing channels in order to increase its ROI and monitor affiliates' performance.

Paid advertising

Kencoin's strategy will consist of buying paid ad space from leading adults industry websites, including video ads, banners and pop-up ads.

Conferences and tradeshows

Kencoin will sponsor and exhibit at leading adult industry events all over the world. Kencoin's business development team will actively promote the Kencoin payment solution to the adult industry at all these events.

The kencoin team

Kencoin's team is composed of highly qualified experienced professionals with background in a wide range of industries – all combining their strengths and areas of expertise to bring this new adult industry currency to life.



1. Laurent Chekroun

CEO of Kencoin, Laurent has gained significant experience in the monetary field, holding a long list of senior roles in the investments banking industry for more than 20 years, at establishments such as Goldman Sachs and Societe Generale. Laurent invented the concept of the Kencoin, as he observed many flaws and shortfalls in the adult industry, many of which were due to a lack of privacy and anonymity, particularly in the transaction sector.



2. Nicolay Livadkin

COO of Kencoin, Nicolay serves as a major attorney at the world's largest luxury conglomerate; a role that provides him with detailed insights both into how to structure a service dedicated to clients who require the utmost privacy, and into the most effective ways to ensure those clients feel safe performing a transaction.

Nicolay also has an extensive network in the adult industry, leveraged with the guarantee that the Kencoin token is not only an assurance of privacy and anonymity, but also a gauge of quality partners.



3. Michael Rabi

CTO of Kencoin, Michael Rabi is a software engineer who graduated with a Bachelor's Degree from Afeka. He has more than three years of experience in software and game development at leading Israeli companies. He began his journey into Ethereum universe two years ago, and now programs in Solidity, Python, C/C++ and C#. The pure definition of a "super geek," he is passionate about VR and blockchain, and a big fan of Games of Thrones, Star Wars and Warcraft.

Kencoin's initial coin offering (ICO)

KNC token creation

- Kencoin is a token on the Ethereum platform. Its design follows widely adopted token implementation standards, making it easy to manage using existing solutions, including Ethereum wallet.
- Purchasers in the initial sale will acquire KNC in exchange for Bitcoin (BTC) and Ether (ETH) at the USD value of each investment at the time of investment.

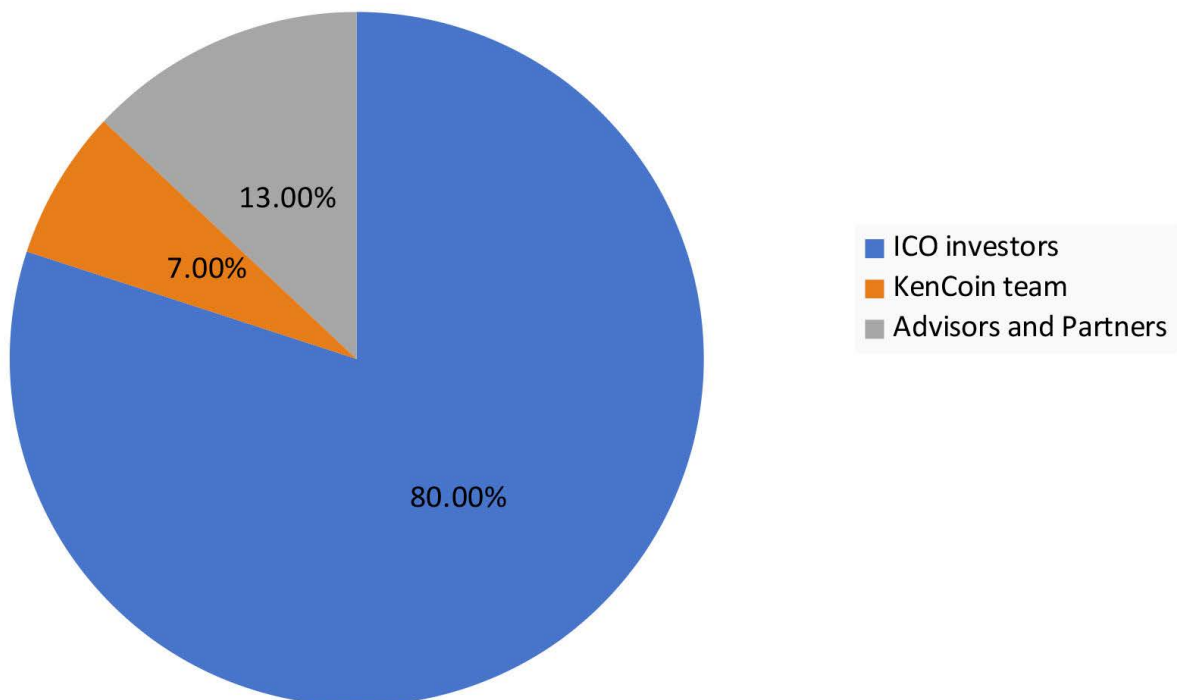
Each initial coin offering (ICO) investor who contributes will receive an amount of tokens proportional to the amount they deposit into the crowdsale. Purchasers of KNC in the initial sale will be granted user accounts on the Kencoin website. These accounts will enable them to claim their purchases at the end of the initial sale.

- All KNC presold in this manner will be created on the Ethereum network after the end of the initial sale.

Token allocation

Tokens generated to Kencoin team will be held in a multi-signature wallet.

Token allocation



Subsequent token creation and trading

No token creation, minting or mining will take place after the crowdfunding period. Tokens will be transferable and listed on exchanges once the crowdfunding is completed.

The supply of KNC will be limited to the pool of tokens created during crowdfunding period.

Duration and timing

The ICO will start on June 14, 2017, at 3:00 pm GMT, and will last for 21 days.

Use of proceeds

All funds raised in the crowdsale shall be allocated for the development and marketing of the Kencoin tokens and project. The funds raised will be used to research, develop, create and spread the adoption of Kencoins across the adult and dating industry, as described in this white paper.

