



Cryptocurrency Token for the

OmniBazaar

Distributed E-commerce Marketplace

White Paper

Richard Crites

January 2020

CEO@OmniBazaar.com

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COMPANY

OMNICOIN FOUNDATION COMPANY (The Company) has been organized by its founders and principals to facilitate the mission and vision of the OMNICOIN cryptocurrency and protocol, conducting the proposed Token Sale Event, and promoting the operation, maintenance, and continued development of the underlying blockchain. Purchasers of the OMNICOIN TOKEN will not have any ownership nor equity stake in the Company.

COMPANY RELATIONSHIP WITH OMNIBAZAAR, INC.

The Company has been organized as a Cayman Islands Foundation Company and was incorporated in October 2018. The Company is separate and distinct from OmniBazaar, Inc. (the “Operations Company”, “We”, or “OmniBazaar”) and the operations of the OmniBazaar Marketplace (as such term is defined below). The issuance of OmniCoins and the launch of the proposed Token Sale Event shall be conducted by and through the Company independently of OmniBazaar. The operation, maintenance, and continued development of the underlying technology and the OmniBazaar Marketplace (as such term is defined below) shall be conducted by the Operations Company. Purchasers of the OMNICOIN TOKEN will not have any ownership nor equity stake in the Operations Company.

NO REPRESENTATIONS AND WARRANTIES

Company does not make or purport to make, and hereby disclaims, any representation, warranty or undertaking in any form whatsoever to any entity or person, including any representation, warranty or undertaking in relation to the truth, accuracy and completeness of any of the information set out in this White Paper.

RISKS AND UNCERTAINTIES

This White Paper contains statements that constitute “forward-looking statements”, including but not limited to the financial performance and statements relating to the anticipated financial performance of the entities that are or will be undertaking the business and financing strategies further described in this White Paper and/or any of such entities’ subsidiaries or affiliates (collectively, the “Company”), which such business and financing strategies being generally described as: a crypto currency, blockchain, and Marketplace and distributed training, education, and collaboration solution (the “OmniBazaar Marketplace”); and (ii) the offering of certain crypto currencies in order to finance the foregoing OmniBazaar Marketplace and provide a dedicated crypto currency “token” dubbed “OMNICOIN” to facilitate consumer payment of the services offered by and through such OmniBazaar Marketplace (the “ICO”). While these forward-looking statements represent the Company’s judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from the Company’s expectations. These factors include, but are not limited to: (i) the degree to which the Company is successful in executing its announced strategic plans, including the anticipated promotion of the OmniBazaar Marketplace across various channels, markets, demographics that may be detailed in this presentation (the “Channels”); (ii) developments in the regulatory landscape affecting the Token Sale Event financing and fundraising measures; (iii) changes in the availability of blockchain technologies to assure the OmniBazaar Marketplace is promoted by and through the Channels; (v) changes in the OmniBazaar Marketplace’s competitive position in the e-commerce, and peer to peer Internet marketplace space, including whether competing Internet Marketplace companies and players will adversely affect the Company’s ability to commercially exploit the OmniBazaar Marketplace; (vi) the liability to which the Company may be exposed to claims stemming from intellectual property violations and related issues regarding third party technologies that are incorporated into the OmniBazaar Marketplace, including but not limited to blockchain technologies; (vii) the

Company's ability to retain and attract the personnel and employees necessary to design, implement, develop, and operate the OmniBazaar Marketplace and revenues to manage, support and operate the OmniBazaar Marketplace; (viii) changes in finance, cryptocurrency regulation, securities, accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (ix) limitations on the effectiveness of the Company's internal processes for risk management, risk control, measurement and modeling, and of models generally, especially as it pertains to blockchain focused companies generally; (x) whether the Company will be successful in keeping pace with competitors in developing and using blockchain technologies; (xi) the occurrence of operational failures, such as systems failures; and (xii) the effect that these or other factors or unanticipated events may have on the OmniBazaar Marketplace's success and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this White Paper constitute forward-looking statements. When used in this White Paper, the words "may", "will", "should", "project", "anticipate", "believe", "estimate", "intend", "expect", "continue", and similar expressions or the negatives thereof are generally intended to identify forward-looking statements. Such forward-looking statements, including the intended actions and performance objectives of the Company, involve known and unknown risks, uncertainties, and other important factors that could cause the actual results, performance, or achievements of the Company in its development of the OMNIBAZAAR Platform to OMNICOIN differ materially from any future results, performance, or achievements expressed or implied by such forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements. All forward-looking statements in this White Paper speak only as of the date hereof. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectation with regard thereto or any change in events, conditions, or circumstances on which any such statement is based. Prospective purchasers of the OMNICOIN TOKEN are not to construe this White Paper as investment, legal, tax, regulatory, financial, accounting or other advice, and this White Paper is not intended to provide the sole basis for any evaluation of purchase of OmniCoin tokens. Prior to acquiring OmniCoin tokens, a prospective investor should consult with its own legal, investment, tax, accounting, and other advisors to determine the potential benefits, burdens, and other consequences of such purchase.

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Abstract

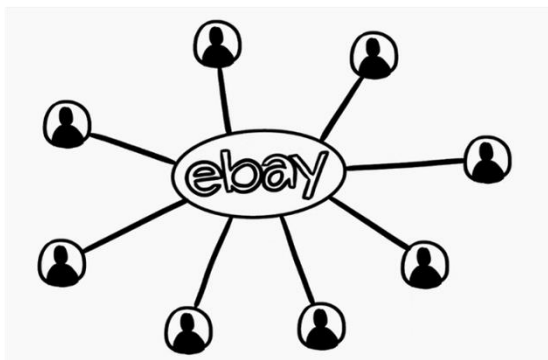
[NOTE: This “whitepaper” describes a marketplace system that is currently operational. We have already implemented and released most of the described features and functions. You can identify planned future improvements by “forward-looking” language. Words such as “may”, “will”, “plan to”, “anticipate”, “intend”, “expect”, etc. identify these future plans.]

OmniBazaar is a new type of e-commerce marketplace that removes the middlemen and bankers from e-commerce. OmniBazaar uses a patented “peer-to-peer-to-peer” architecture to remove the middlemen. It uses cryptocurrencies to eliminate the bankers. OmniBazaar fees are up to 100% lower than those of existing e-commerce sites like eBay and Amazon. OmniBazaar users deal directly with each other, rather than through a central site like Amazon or eBay.

Amazon, eBay, Alibaba, Rakutan, Etsy, etc.



OmniBazaar
Shop without middlemen. Pay without bankers...



High Seller Fees

(10–20% including payment processing)

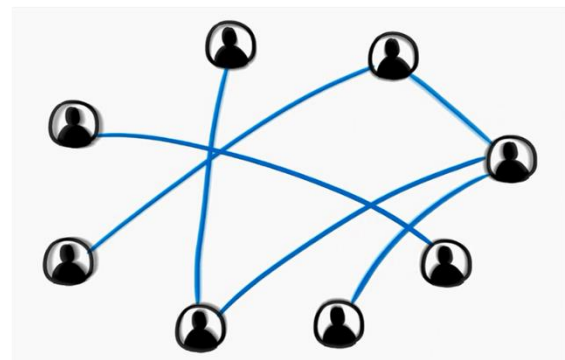
Authoritarian control

Tracks every click (“big data”)

Pushes content/advertising

Requires a bank account

Content censorship



90–100% Lower Fees

(0–1.5% including payment processing)

Community owned and operated

No tracking of user information

See only the listings you choose

Use Bitcoin and OmniCoin

Community policing

The OmniBazaar system includes a built-in cryptocurrency called OmniCoin. OmniCoin has the following features:

- block processing time less than 10 seconds,
- ability to process tens of thousands of transactions per second,

- users can address transfers to a name, not a number,
- Proof of Participation (PoP) consensus protocol,
- an influencer marketing system,
- distributed social messaging,
- reputation tracking,
- escrow agents, and
- bonuses to provide user incentives for participation and growth.

With OmniBazaar, online buyers benefit from lower prices, and escape from "big data" tracking and "push" marketing. Social influencers enjoy a simple referral system that allows them to monetize their social networks. Users can make money by publishing listings for other user or providing escrow services in the marketplace.

OmniBazaar uses Bitcoin, Ether and OmniCoins for payment (instead of credit cards or PayPal). So, OmniBazaar provides a “gateway” for new cryptocurrency users to acquire their first bitcoins or OmniCoins. These new users can get coins by selling goods and services in the OmniBazaar Marketplace. This reduces the “barriers to entry” when first acquiring cryptocurrencies.

Experienced online sellers are the target market for OmniBazaar. User of Amazon, eBay, Upwork, Guru, etc. respond well to OmniBazaar's low fees. This target market does not care about, and would not use, anonymity. They are not interested in features such as internet address cloaking, untraceable cryptocurrencies, and hidden services. Yet, most other distributed marketplaces focus on these features. And, doing so makes these marketplaces susceptible to illegal, “black market” activities. OmniBazaar focuses instead on providing a platform that will scale to meet the e-commerce needs of the global “[white market](#)”.

OmniBazaar can also serve the 2.5 billion "un-banked" people worldwide. These people cannot use most other e-commerce sites because those sites require them to have credit cards and bank accounts.

OmniBazaar Marketplace and the OmniCoin Token Sale Event

Many Token Sale Events launch well before they have a minimal viable product, functioning software, or even a token. As a result, many such Token Sale Events do not deliver satisfactory value to token purchasers or the cryptocurrency community.

Instead, we have launched our OmniCoin token sale *after* launching the OmniBazaar marketplace. Prospective token buyers can use a tested, functional software product. We believe this presents a compelling value proposition.

Our proprietary OmniBazaar marketplace software provides an inexpensive, decentralized, social, efficient market environment. OmniCoin provides user incentives, escrow, reputation, and other core features. We are confident that OmniCoin and OmniBazaar will emerge as a powerful agent for change in the P2P arena. They introduce a compelling solution to a world comprised of billions of online buyers and sellers.

IMPORTANT: See the [OmniCoin Information Memorandum](#) for terms, conditions, risks, amounts, dates and prices of the Token Sale Event.

NOTE: The latest version of the OmniBazaar/OmniCoin software is available at <http://download.omnibazaar.com>. This whitepaper also provides descriptions of the current functionality of the software.

Our United States Utility Patent

OmniBazaar, Inc. has a United States patent for “Decentralized Internet Shopping Marketplaces” (US9519925). This patent describes a novel "peer-to-peer-to-peer" marketplace architecture. That architecture is different from peer-to-peer file sharing systems like BitTorrent or µTorrent. Our Token Sale Event is different from some others in that we have a patent on the method we use to create and operate our marketplace. Many investors believe that having a patent gives a company a competitive advantage. They feel that a patent improves the company's marketplace position and long-term viability. We expect this patent to help us protect our technology from imitators. We also expect it to attract token purchasers who are looking for “concrete” technology and value. But, we cannot guarantee that our patent will achieve these goals. (See the Risk Factors in the accompanying Offering Memorandum.) Detail about the patent are available in the section entitled "OmniBazaar Technical Information".

OmniBazaar Distributed Marketplace

OmniBazaar, Inc. has developed a free software program that performs the following functions:

- Create a peer-to-peer data-sharing network.

- Connect the user's computer to that network.
- Allow individuals and businesses to buy and sell goods and services from each other.
- Enable automated payment for purchases using OmniCoin and Bitcoin cryptocurrencies.
- Reward users who provide services that benefit other users and the marketplace.
- Distribute free OmniCoins to users who join and refer their friends.
- Provide an escrow service that allows users to do business with other users that they do not know or trust.
- Track and use reputation information about users of the marketplace.

The free software application is currently available for Windows, Mac and Linux. The software will be available soon for Android, iPhone and iPad.

Use Cases

We believe that our platform is a natural fit for several attractive and important use cases. Having multiple uses allows OmniBazaar to service several constituencies. We believe that the suite of use case below provides us a unique competitive edge and will spur adoption and use of the OmniCoin.

What You Can Buy/Sell on OmniBazaar:

- ✓ Products and Services (like Amazon or Alibaba)
- ✓ Personal Items (like eBay, Etsy or Craigslist)
- ✓ Professional Services (like UpWork, Freelancer or Guru)
- ✓ Gigs and Contract Services (like Fiverr, GigBucks or Zeerk)
- ✓ Local Cryptocurrencies (like LocalBitcoins or Wall of Coins)
- ✓ Over-stock or Unused Inventory (like barter networks)

Buying and Selling

Buying and selling of goods and services is the most obvious use case for the OmniBazaar Marketplace. This is the primary use case of the free OmniBazaar software. We aim to attract current users of Amazon, Upwork, eBay, Fiverr, Guru, and Craig's List, to name a few.

Local Cryptocurrency Gateway

OmniBazaar can act as a "gateway" for new cryptocurrency users. New users can get their first cryptocurrency by selling goods and services in the marketplace. This avoids the steps of getting an account on an exchange and wiring funds to that account. Making it easy to get and use cryptocurrencies could open the door to billions of new users. We call this use case "barter for cryptoSM" or "barter for bitcoinSM".

Users can also create listings in the marketplace to buy or sell cryptocurrency in their area, in exchange for fiat currency. This use case is like that of LocalBitcoins.com and WallofCoins.

Sharing Economy Hub

OmniBazaar can provide sharing economy services like AirBnB, dogVacay, RelayRides and TaskRabbit. This use case is available using the current version of OmniBazaar. But, our development roadmap includes creating specialized user interfaces for sharing services.

Distributed Cryptocurrency Marketplace

We intend to launch a distributed cryptocurrency marketplace using [“atomic swap”](#) technology. This will allow the OmniBazaar Marketplace to support a wide variety of cryptocurrencies.

Contracts for Differences

OmniCoin plans to support [Contracts for Differences](#).

Secure Remote Transactions

Our escrow function allows users to securely conduct remote transactions. By using a trusted escrow agent, users can safely deal with unknown and untrusted buyers and sellers.

Relevant Market Size

Most of the adult population of the world are potential users of OmniBazaar marketplace.

OmniBazaar can serve many of the 2.5 billion "bankless" people world-wide. Such people cannot use existing e-commerce sites because those sites require users to have credit cards and bank accounts.

Competition

There are some existing players in the distributed marketplace space. These include Openbazaar, Syscoin, BitBay and Particl. Our reviews of these marketplaces show that they lack key features and functions of the OmniBazaar Marketplace. And, they focus on a different segment of the e-commerce public. OmniBazaar's competitive advantages include the following:

- We have designed and targeted OmniBazaar to only service the "white market". OmniBazaar does not support anonymous use, IP obfuscation or hidden services. Further, OmniBazaar has a system of "community policing". Community policing allows removal of listings for illegal goods and services through the use of a user voting system.
- OmniBazaar pays users who choose to provide marketplace services and infrastructure. Services include acting as a listing server, providing escrow services and referring new users. OmniBazaar rewards user behaviors that are beneficial to the marketplace. This fosters user participation, drives "word-of-mouth" referrals, and increases user retention.
- We designed the OmniBazaar "peer-to-peer-to-peer" architecture to serve hundreds of millions of users. This architecture makes it easy for mobile, "lite" and occasional users to list and sell in the marketplace. Their listings can persist in the marketplace even if they do not keep OmniBazaar software running on their device.

Disruption of Online Marketplaces

Twenty years ago, eBay and Amazon revolutionized the "consumer to consumer" (C2C) economy. They changed the ways buyers and sellers could find and interact with one another. Since then, traditional online marketplace models have changed little. But, peer-to-peer (P2P) technology now presents a unique opportunity for disruption. Peer-to-peer provides improvements in both functionality and in philosophy. Disruption is occurring in several different marketplace segments. Those segments include the following:

- E-commerce shopping marketplaces like Amazon and Alibaba,
- Online marketplaces for professional services (like Guru and Upwork),
- “Sharing economy” services (like Uber and AirBnB),
- Sales of personal items (like eBay and Etsy),
- Gig and contract services (like Fiverr and GigaBucks),
- Local cryptocurrency transactions (like LocalBitcoins and Wall of Coins).

For example, Forbes reported on trends in the "professional services" market.

According to that report, “while global consulting firm McKinsey has found that there are roughly 68 million freelancers in the U.S., the U.S. Labor Department has admitted that it has struggled to quantify the number. And...[b]efore we know it, freelance work could overtake the traditional 9-5 job...the rise in digital nomads - folks who use technology to complete their work, independent of a company office - has led many to question where online marketplaces can go from here.” In the same article, Forbes makes a case for why blockchain enabled platforms will disrupt the online marketplace arena. Demand for blockchain-enabled marketplace platforms promises to provide a fertile environment for OmniBazaar. And, the OmniBazaar team has the experience, technology and vision to deliver on that promise.

The Case Against Middlemen

OmniBazaar enhances user privacy, improves price transparency, and allows more efficient commercial transactions. By removing the middleman, we can do this at a price that is free or much less expensive than centralized marketplaces. Peer-to-peer interactions that remove the middleman can also foster a powerful social community.

Definitions

OmniBazaar, Inc. (the “Operations Company”)

OmniBazaar, Inc. is a software development company in the United States. It holds the patents and trademarks associated with OmniBazaar and OmniCoin. OmniBazaar, Inc. is a Delaware “C” Corporation.

OmniBazaar Protocol

The technical specifications and software designs programmed into the OmniBazaar software application. This protocol determines the operational parameters of the OmniBazaar Marketplace. Richard Crites, the CEO and Founder of OmniBazaar, Inc. created the OmniBazaar Protocol.

OmniBazaar Marketplace

The peer-to-peer network in which users list products, services, currencies, and other assets for sale. The marketplace also provides the payment systems for transactions between buyers and sellers. OmniBazaar, Inc. is never a party to any transactions in the marketplace. All transactions occur only between the buyer and the seller.

OmniCoin

OmniCoin is a utility token and cryptocurrency developed for use in the OmniBazaar Marketplace.

We built the OmniBazaar Marketplace to be cryptocurrency agnostic. The current version allows the use of OmniCoin, Ether and Bitcoin for payment in the marketplace. But, some of the advanced marketplace features are only available when using OmniCoin. We expect to support more cryptocurrencies in the future.

Distributed Escrow

We have implemented an escrow module to allow volunteer users to mediate between buyers and sellers who do not know or trust each other. Users pay a small fee to the chosen escrow agent when they choose to use the escrow feature.

Service Providers

“Service Providers” are users who provide services that help other users and the marketplace. Types of Service Providers include the following:

- transaction processors (“miners”),
- escrow agents, listing publishers, and
- referrers who introduce new users to the network.

From our perspective, OmniBazaar, Inc. is also a Service Provider. Its service is to develop, enhance, administer, and maintain the OmniBazaar Marketplace software. Service Providers receive various Market Incentives (see below).

OmniCoin Technical Information

The breakdown below is a list of functionalities currently provided by our software. Having a functioning, usable, distributed, marketplace platform sets us apart from the competition.

- **Blockchain Security: Proof of Participation (PoP)**

- Total Supply: 25,000,000,000
- Block time: 10 seconds or less
- Scalable to tens of thousands of transactions per second
- Easy Addresses: Send/Receive to an account name, not a number
- Distributed Escrow
- Distributed Chat
- User Reputation System
- User Acquisition Incentives
- Referral Rewards

Proof of Participation (PoP)

Proof of Participation (PoP) is a new cryptocurrency security protocol. One component of PoP is the Distributed Proof of Stake (DPoS) protocol of Bitshares. We have extended and expanded DPoS by including four other metrics. The software uses these metrics to determine which group of users may process transactions. PoP entrusts the processing of transaction only to the most active marketplace users. These users would have the most to lose by trying to hack or attack the blockchain.

Following are the Proof of Participation metrics used to select Transaction Processors:

- **Trust** (DPoS votes by other users)
- **Reputation** score in OmniBazaar marketplace
- Activity as a **Disseminator** (number of new user referrals)
- Activity as a **Publisher** (number of listings published for others).
- **Reliability**

Increased Functionality Enabled by Blockchain

There are already many successful C2C online marketplaces. Some have well-known names and histories, such as eBay. Blockchain promises significant improvements in functionality, usability, and economy. Blockchain provides a verifiable distributed ledger of financial transactions. But, it can also store other sensitive data.

OmniCoin blockchain stores financial transactions, of course. It also stores metrics for blockchain security and data to verify the authenticity of user listings in the marketplace. You can find more information about these uses of the OmniCoin blockchain below.

The OmniCoin blockchain is also central to the OmniBazaar Marketplace escrow function. This escrow feature enables a larger pool of transactions by enhancing trust. The OmniBazaar escrow system allows streamlined release conditions and will help reduce fraud. We have implemented the OmniCoin escrow feature using 2-of-3 multi-signature transactions. It is easy to use and has a distributed network of escrow agents.

Data stored on the OmniCoin blockchain also allows "community policing" in the marketplace. This provides a way for users to "down-vote" (and, with enough consensus, remove) marketplace listings. The system helps remove listings with content that is illegal or prohibited. This feature makes it harder for criminals and terrorists to use the OmniBazaar for "black-market" activities.

Marketplace Listing Storage

Storing marketplace listings on the OmniCoin blockchain would be inefficient. To do so is a huge impediment to scalability and performance. It would lead to an immense and bloated blockchain. Instead, we store listings and information about the seller in a distributed database. Each node of the distributed database can store many listings. We store information about which nodes contain which listings in a distributed hash table. This architecture allows "lite" and "occasional" sellers, who do not wish to operate a node, to put their listings on nodes operated by other users. These "lite" users pay a small fee to the "publisher" nodes that host their listings.

Information Stored on the Blockchain

Of course, financial transactions must be stored on the OmniCoin blockchain. We also store on the blockchain other types of information that malicious users might wish to tamper with. For example, we store on the blockchain metrics that determine which users qualify to process transactions. These metrics include reputation, referral and listing publication metrics. We also store a hash of each new listing, so that we can later verify the creator and integrity of that listing. In each of these cases, the stored data accompanies a financial transaction.

Promotional Token Distribution

OmniCoins play an integral part the OmniBazaar Marketplace. So, there is a powerful opportunity to use OmniCoin tokens to create an engaged user base. Giving coins to new users paves the way for immediate use of the marketplace, as well as long-term growth. We developed a simple, robust, transparent process for seeding our user base with OmniCoin tokens. This distribution of free tokens is an important part of our roll-

out strategy. OmniBazaar will distribute approximately 26% of all tokens as incentives for user acquisition.

Market Incentives

The best way to ensure that enough users provide enough services in the network is to reward those who are providing the services. A perfect example is the reward Bitcoin and other cryptocurrencies pay users for “mining”. OmniBazaar rewards actions that contribute to the health, growth, and stability of the marketplace. This includes all functions performed by Service Providers in the OmniBazaar Marketplace. The OmniBazaar software calculates and distributes these rewards to the appropriate Service Providers. OmniBazaar pays these incentives with OmniCoins created during transaction processing, and from transaction fees.

OmniCoin (XOM) Incentives and Bonuses	
<u>Early Adopters</u>	<u>Continuing</u>
Registration ("Air-drop")	Transaction Processing ("Mining")
Up to	Up to
10,000 XOM	50 XOM per block
Referrals (Each new user)	Referrals (Each transaction)
Up to	Up to
2,500 XOM	0.25% per sale
First Sale (Each new buyer)	Proxy Listing Publisher
Up to	Up to
500 XOM	0.50% per listing

Transaction Fees

OmniBazaar Marketplace users pay a small (optional) transaction fee on every marketplace transaction. The default is one percent (1.0%) transaction fee, paid by the seller in each transaction. This transaction fee is split among OmniBazaar, Inc. and the referrers of the buyer and the seller. (See Transaction Fees chart below.)

The transaction fees paid to OmniBazaar, Inc. by the seller are optional and user-selectable. The fee ranges from zero to two percent (0.0–2.0%). By choosing the fee percentage, the seller selects the amount of “priority” given to the seller’s listings. Seller can avoid the default one-half percent (0.5%) fee to OmniBazaar, Inc. But their listings will receive the lowest priority when displayed in search results. Sellers can also “promote” their listings by paying a higher transaction fee.

The seller can also opt out of the one-half percent (0.5%) user acquisition (Referral Bonus) transaction fee. Sellers who choose not to *pay* any referral fees also do not *receive* any referral bonuses. By default, sellers receive bonuses based on all new users they have referred.

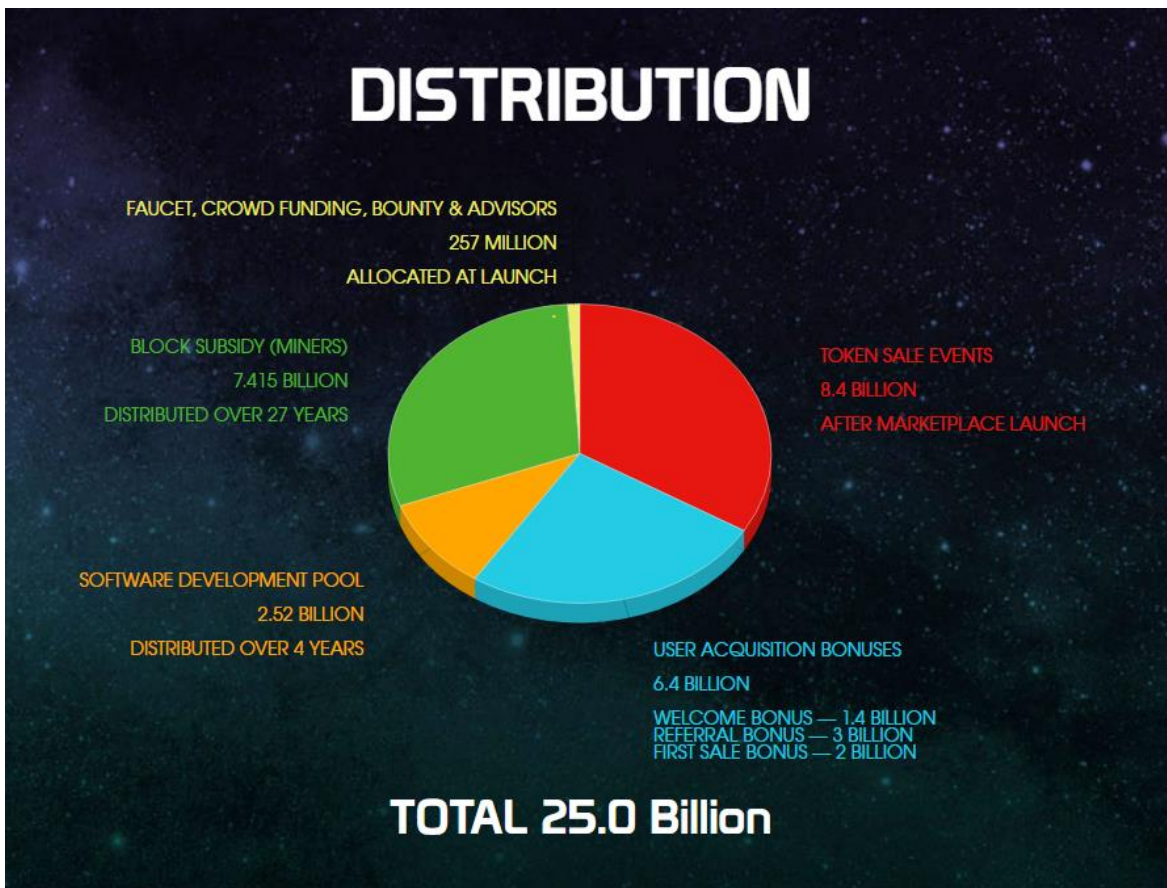
Mandatory Fees:		Optional Services:	
Monthly Fees:	Listing Fees:	Affiliate Program:	Escrow Agents:
\$0	\$0	0 - .5% (User Selectable)	0 - .5% (Market-Driven Price)
Transaction Fees:	Software Cost:	Proxy Listing Publishers:	Priority Listing Placement:
\$0	\$0	0 - .5% (Market-Driven Price)	0 - 2% (User Selectable)
When we say FREE, we mean it. OmniBazaar can be 100% free if you don't use any of the optional services.		You pay these fees only if you use the services. If you provide these services, you earn 100% of the fees.	

Transaction fees and marketplace incentives are important to the success of the marketplace. They rewards users who provide services and “taxes” users who only consume services.

Transaction Fees	OmniBazaar Receives:	Providers Receive:	Total Fees Paid:
OmniBazaar (Software Maintenance)	0.0–2.00%	0.00%	0.0–2.00%
Referrers of Buyer and Seller	0.00%	0.0–0.25% each	0.0–0.50%
Total	0.0–0.50%	0.0–0.50%	0.0–2.50%
Optional Service Fees			
Listing Publisher Fees	0.00%	Variable	Variable
Escrow Agent Fees	0.00%	Variable	Variable
Total	0.00%	Variable	Variable

The fee structure above is subject to change. In the future, we intend for these fees to be set by our users based on marketplace dynamics.

Total OmniCoin Distribution



Total OmniCoin Distribution		
Bonus	Coins Created	Distribution Rate
Block Subsidy	4.415 billion	16 years
	3.0 billion	Years 17–55.05
Software Development	2.523 billion	4 years
Token Sale Event	8.4 billion	(Tokens intentionally destroyed 12/25/2019)
User Welcome Bonuses	1.4 billion	~1,000,000 users
User Referral Bonuses	3 billion	~8,360,000 users
First Sale Bonuses	2 billion	~19,600,000 sales
Faucet, Crowd Funding, Bounty and Advisors	257 million	At launch
TOTAL	25.0 billion 16.6 billion	

After 16 years, the emission rate of new coins created during transaction processing (mining) will be 78.841 million coins per year. (This produces approximately 0.3% per year inflation during years 17-55).

About BitShares and Graphene

We built OmniCoin on the open-source BitShares 2.0 (BTS) code base. But, OmniCoin developers have added many important features and functions to Bitshares. For example, we upgraded the blockchain security method from Delegated Proof of Stake (DPoS) to Proof of Participation (PoP).

One important reason we chose to build OmniCoin on top of BitShares is because BitShares uses Graphene. Graphene is an open source C++ blockchain implementation that can process *tens of thousands of transactions per second*. Several other projects, such as Steemit.com and PeerPlays.com, use Graphene. We chose Graphene to ensure that OmniCoin will be able to keep up with growth of the OmniBazaar marketplace.

Development Roadmap

The Company plans to conduct its Token Sale Event in 2018, with exact timing and structure to be announced later this year. Following is the development roadmap and timeline OmniBazaar and OmniCoin:



Marketplace proof of concept	Q4 2015 (Done)
Integrate OmniCoin into marketplace	Q1 2016 (Done)
Distributed escrow system	Q2 2016 (Done)
Distributed reputation tracking	Q3 2016 (Done)
Distributed user communications	Q4 2016 (Done)
User bonuses and incentives	Q1 2017 (Done)
Alpha testing	Q2 2017 (Done)
Private beta test	Q3 2017 (Done)
Public beta test	Q4 2017 (Done)
Improve ability to scale and new UI	Q2 2018 (Done)
Launch OmniBazaar and OmniCoin	Q3 2018 (Done)
User Acquisition/Air-drop (initial phases)	Q4 2018
Token sales (four phases)	Q1 2019
Exchange listings	Q3 2019
Web wallet	Q3 2019
Mobile application (Android and IOS)	Q3 2019
Distributed Cryptocurrency Exchange	Q4 2019
User-Issued Assets	Q4 2019

NOTE: These are our current ideas of the most important future development projects. Also provided are our estimates of the times required to accomplish them. The sequence and dates of the projects are subject to change.

Governance by the OmniCoin Foundation

The OmniCoin Foundation will serve as the governance body for OmniCoin cryptocurrency. The foundation's mandate will be to foster a strong, open ecosystem for OmniCoin. It will also provide governance, organization, legal and financial support for future development. Many cryptocurrencies and other open source projects have foundations that support them. Examples include IOTA Foundation, Ethereum Foundation, Mozilla Foundation and Linux Foundation. We intend to emulate these examples with the OmniCoin Foundation.

The governing Board of Directors of the Foundation is guided by, and responsive to, the OmniCoin governance Committee. This Committee is composed of top Participants in the OmniBazaar Marketplace Network, based on their Proof of Participation (PoP) scores.

Use of Proceeds

Approximately one third of the total supply of OmniCoins will be available for purchase in the Token Sale Event. Over half (56.2%) of all OmniCoins will be distributed to OmniBazaar users through bonuses and block rewards. Ten percent (10.1%) will be allocated for software development, disbursed evenly over the span of four years. The OmniCoin Foundation will use the proceeds of the Token Sale Event—the remaining third (33.6%) of the total supply—for promotion and development of OmniBazaar and OmniCoin.

Following are our current estimates of the uses of the funds held by the OmniCoin foundation:

- Marketing/Advertising/PR/Bounties — 50%
- Strategic Reserves — 20%
- OmniCoin Development — 20%
- Operations/Legal/Admin — 10%

(These estimates are subject to change.)

UPDATE: OmniBazaar, Inc. and OmniCoin Foundation Company jointly announced that 84% of all issued OmniCoins were intentionally destroyed ("burned") on 25 December 2019. This reduced the number of issued OmniCoins from 9.7 billion to approximately 1.3 billion.

This reduction in the number of issued coins produces a dramatic change in the "tokenomics" of OmniCoin and should increase the value of the remaining coins. The 8.36 billion burned tokens represented 33% of the total number of OmniCoins that will ever

exist. Instead of an eventual cap of 25 billion OmniCoins, there will now never be more than 16.63 billion OmniCoins in circulation. The remaining 15.3 billion unissued OmniCoins will be issued over the next 27 years to users who process ("mine") OmniCoin transactions, new users who join the OmniBazaar marketplace, and users who refer other users.

We believe it makes more sense to raise money for the development of OmniBazaar and Omnicoin through a traditional equity offering." The ICO and IEO markets have been weak for several months but angel investors and venture capitalists are still actively investing in blockchain and distributed financial businesses. So, OmniBazaar, Inc has prepared a standard private placement offer to raise its first round of outside funding.

If you are an "accredited investor", as defined under U.S. securities regulations, you may request a copy of the OmniBazaar, Inc. Private Placement Memorandum.

OmniBazaar Technical Information

For further technical details about the OmniBazaar Marketplace, refer to our patent: <https://www.google.com/patents/US9519925>. For convenience, our patent abstract follows:

A method, medium, and system are provided to facilitate local or global exchange of goods and services through a decentralized network of peer-to-peer (P2P) nodes. In one aspect of the disclosure, the nodes may be maintained or operated by the participants in the marketplace system. In one aspect, the system may operate on both desktop and mobile devices. In one aspect, the system operates with decentralized data storage. In one aspect, the system operates with a decentralized system of incentives for participation of nodes. In one aspect, the system operates with decentralized communication. In one aspect, the system operates with a decentralized system to escrow payments between participants. In one aspect, the system operates with a decentralized system of load balancing. In one aspect, the system operates with a decentralized system by which certain listings can be prioritized in the network. In one aspect, the system operates with decentralized transaction processing. In one aspect, the system operates with a decentralized digital currency as the medium of exchange between participants.

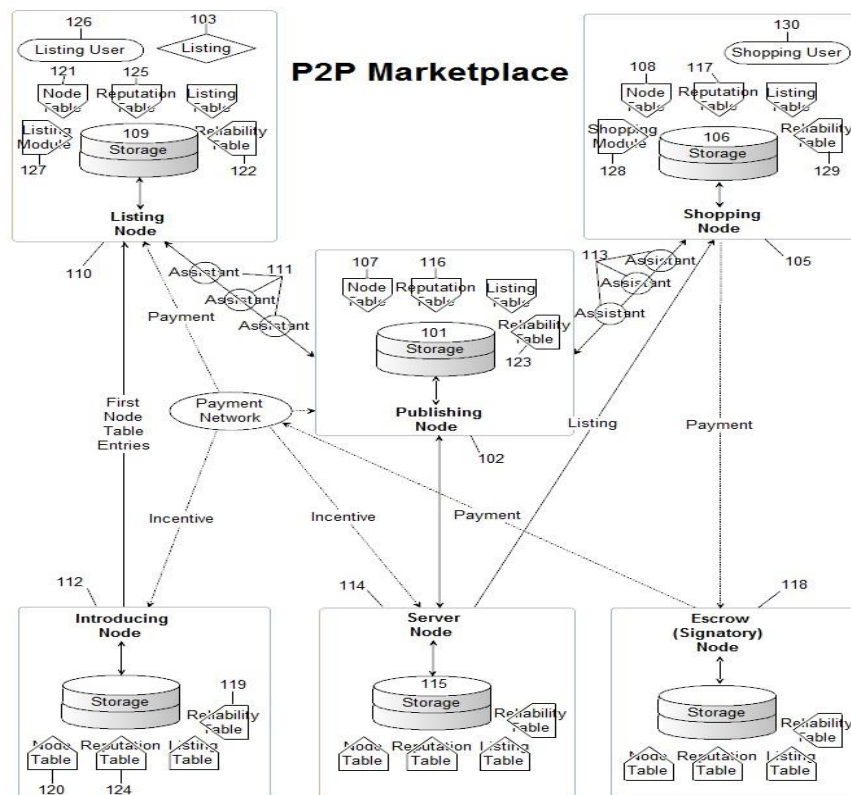


Fig. 1

A key differentiating factor for our Token Sale Event and our marketplace is the fact that OmniBazaar, Inc. has a patent for the method used to create the decentralized online marketplace.