

# Crescent White Paper 2019



The simplest way to  
invest in crypto.

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# Mission & Vision

Crescent's mission is to build a world-class crypto finance ecosystem be a leader in global adoption. Our vision is to offer a user-friendly, all-in-one experience for our crypto products and services.

## Challenges

### User Adoption

#### Phase 1: Onboarding

##### Learning Curve

Blockchain, cryptocurrency, and this disruptive new asset class are completely foreign concepts to the general public.

##### Bad User Experience

The current onboarding process and platform experiences for the cryptocurrency industry are unintuitive and confusing for beginners.

##### Unfriendly KYC/AML

The current process for verifying new user identities is unfriendly. It's being done at the user's expense of time, stress, and confusion.

##### Fraud

Bad actors falsifying their identities can compromise systems or lead to illegal money laundering. This puts companies and their users at risk.

##### Public/Private Keys

New users do not want to deal with the burden and complexity of storing their own seed phrase or private key. This is a very intimidating way for beginners to onboard.

##### Lacking Customer Support

The companies currently in the cryptocurrency industry offer notoriously poor customer support and communication. This leads to a severe lack of trust and an unpleasant experience between companies and customers.

#### Phase 2: Initial Usage

##### Fiat to Crypto

The current process for verifying payment methods and transacting between fiat and cryptocurrencies is timely and confusing. Bank transfers, clearing times, and legacy financial institutions are all major obstacles.

##### Exchanging Crypto

Current exchanges run through cluttered user interfaces and offer unfriendly user experience. This makes the process of swapping or exchanging coins between each other extremely challenging.

### **Wallets**

Having many different wallets and private keys for different cryptocurrencies makes storing your own coins a nightmare.

### **Transactions are Scary**

Transferring cryptocurrencies is a very unfriendly and frightening experience. New users are fearful of whether public key addresses are correct and if their transactions will be processed in a timely manner.

### **Portfolio Management**

Assets can be spread across multiple wallets and exchanges making the process of tracking your portfolio's net value and performance over time extremely tedious.

### **Trust**

There is often a lack of trust between users and third party services and exchanges because of the constant negative press surrounding hacks and crypto catastrophes.

## **Phase 3: Experienced Usage**

### **Portfolio Diversification**

There's no simple and quick way to diversify your cryptocurrency portfolio.

### **Investing Automation**

There's little or no way to automate your cryptocurrency investing to grow your portfolio on autopilot over time.

### **Execution Price**

With hundreds of cryptocurrency exchanges available today, finding the best price of your desired coin can be daunting. The volatility of the market makes this data change at subsecond speeds.

### **Platform Uptime**

Companies have struggled with server and platform uptime during times of increased trade volume or user demand.

### **Crypto-to-Fiat**

Exchanging cryptocurrencies back to fiat and withdrawing them to a traditional bank account is a timely and cumbersome process.

## **Challenges: Institutional Adoption**

Retail user adoption is necessary for digital asset awareness and crypto utility to grow. However, institutional adoption is ultimately how the market will gain validation and be taken to a new level credibility and scale. Institutions may also greatly influence the regulatory acceptance and general public's perception towards the industry. Institutions are coming to the table with legacy systems ripe for disruption and investment portfolios large enough to create market growth greater than ever seen before.

### **Cryptocurrency Custody**

Custody is arguably the number one challenge in institutional onboarding. Billions of dollars of cryptocurrency must be safely stored.

### **Liquidity Requirements**

Most institutions trade very large position sizes. A powerful Over-The-Counter (OTC) trading desk is required to properly service these clients and their trade volume.

### **Advanced Tools**

Institutions need advanced analytical trading tools and portfolio management dashboards to service the complexity of their trading.

## **Solution**

Our high level features and solutions for leading crypto adoption include the following:

- Cryptocurrency Index Funds
- Simple Portfolio Tracking
- Automated Robo-Investing
- Advanced KYC/AML
- Industry Leading UI/UX
- Automated Portfolio Rebalancing
- Fiat Gateway
- Biometric Data Security
- Two-Factor Authentication
- Air-Gapped Cold Storage Vaults
- Smart Order Routing
- Private Blockchain
- Custodial Services
- Interest-Generating Crypto Savings
- Peer-to-Peer Social Payment Network
- Tap To Pay And Commerce Payment Channels
- 24/7 Multi-Channel Support

The blockchain and crypto industry is filled with a lot of hype and speculation. Crescent wants to cut through all the noise and deliver real results with our company that has a legitimate business plan, revenue model, and team to execute our vision. By scaling our beginner-friendly products and services, we aim to successfully uplift the entire industry's credibility and adoption. Crescent's strategy for executing and becoming a market leader in the blockchain and crypto industry is detailed within this white paper below.

## **Crescent Invest**

Our innovative and experienced international team is currently building the simplest app for cryptocurrency investing. The Crescent Invest app is being developed for both iOS and Android mobile devices, and will be the on and off ramp solution for beginners to join the cryptocurrency industry.

## The Value

Crescent Invest is creating the simplest way for beginners to invest in cryptocurrency. By lowering the barrier of entry, we will bridge the traditional world of finance with cryptocurrency through our intuitive mobile interface and user experience. We're solving the largest problems for consumer adoption by offering a seamless user experience for user verification, crypto investing, tracking your portfolio, and more through our mobile app.

Here is a brief overview of how Crescent Invest is solving complex consumer adoption issues:

- Cryptocurrency Bundles
- Simple Portfolio Tracking
- Automated Robo-Investing
- Advanced KYC/AML
- Industry Leading UI/UX
- Portfolio Rebalancing
- Educational Support
- Fiat Gateway
- Best Price Execution
- Low Latency
- Air-Gapped Cold Storage Vaults
- 24/7 Support Protocol

## Cryptocurrency Index Funds

We are putting the power of diversification in the hands of everyone through the Crescent Invest mobile app. In one transaction anyone will be able to invest in many different cryptocurrencies through our proprietary bundles. For example, the *Big 20 Fund* will allow you to invest in the top 20 coins based on market capitalization in a single transaction through the app. This is only the beginning of the investments we plan to offer. For example, we can create index funds for many categories of crypto assets such as privacy coins, blockchain protocols, and more to allow customers to invest in what they believe in.

These diversified investment offerings will shift the mindsets of investors towards investing for the long term, not just investing based on hype or Fear Of Missing Out (FOMO). This is a progressive step towards the maturity of the entire market. With Crescent Invest, diversified cryptocurrency investing has never been so easy, and it's available for everyone.

## Simple Portfolio Tracking

Tracking your portfolio's value and performance over time should not be a daunting task. We have designed a unified portfolio dashboard to simplify the way you track your portfolio's growth over time. You can visualize your portfolio's breakdown of assets and analyze their performance.

## Automated Robo-Investing

Dollar cost averaging is one of the most proven investment strategies in existence. The strategy states you continually buy an asset over time at all varying price points, sometimes high or low, and over time, you will have steadily increased your portfolio and "averaged" your investments at a great price. With the volatile nature of the cryptocurrency markets, continuous investments throughout market cycles can be a great strategy for long term

portfolio growth. The most effective method of dollar cost averaging is when human decision making and emotion is removed. This calls for automation.

The goal for our robo-investing is to make automation a fun and incredibly simple process. We also recognize the fact that not everyone invests in the same way, so we have created a wide range of custom investing strategies to fit anyone's lifestyle. Below are the current rules for the Crescent Invest app.

#### **Recurring Deposit**

- Invest a fixed dollar amount over a recurring timeframe daily, weekly, or monthly.
- A generic, foolproof strategy to grow your portfolio over time.
- Ex: Automatically invest \$10 per day from your bank account.

#### **Round-Up**

- Round up each debit or credit card transaction to the nearest whole dollar and invest the spare change.
- A slow and steady (and likely daily) way to invest and grow your portfolio.
- Ex: If you buy a salad for \$6.55, the transaction will be rounded up to \$7.00. The \$0.45 difference will be automatically invested in your portfolio.

#### **Hay Day**

- Invest a dollar amount or percentage straight from every paycheck deposited in your bank account.
- This automatically invests money directly from your paycheck before it can be spent. You may hardly notice it's gone, but your portfolio will surely grow.
- Ex 1: Invest 3% from every paycheck that is deposited in my bank account.
- Ex 2: Invest \$250 from every paycheck that is deposited in my bank account.

#### **Bean Stacker**

- Match every dollar you spend on coffee and automatically invest it.
- This automatically invests every time you purchase a coffee. It's a fun way to grow your portfolio while you are energized on-the-go.
- Ex: You buy a Starbucks coffee for \$4.30. The dollar amount is exactly matched one-to-one and \$4.30 is invested into your portfolio.

#### **Savvy Saver**

- Invest a fixed dollar amount each time your bank account goes above a certain balance.
- This is a way to invest when your checking or savings account balance shows you can afford to.
- Ex: Everytime your checking account goes above \$5,000, auto-invest \$200. Reset the rule monthly.

#### **Guilty Pleasure**

- Charge yourself a fixed dollar amount for indulging in one of your guilty pleasures.
- This justifies your guilty pleasure indulgences by investing in your portfolio.

- Ex: Every time you eat at McDonalds, buy a pack of cigarettes, or surpass your monthly shopping budget, you will be charged an investment amount.

### **Advanced KYC/AML**

Crescent Invest is creating an advanced anti-fraud infrastructure with user and platform security in mind. We will use proprietary machine learning tools and artificially intelligent risk analysis for accounts to ensure only legitimate users can utilize our platform.

### **Industry Leading UI/UX**

Our team has deep industry expertise in user experience and user interface design. We are creating a semantic architecture designed for supporting millions of users. Crescent Invest is combining beautifully intuitive design with advanced, disruptive technologies.

### **Portfolio Rebalancing**

Users will be have their portfolios automatically rebalanced on a monthly basis by default. Automatic rebalancing makes portfolio management hands-free and ensures a proper investment allocation at all times for customers.

### **Educational Support**

No matter the experience level, whether a complete beginner or an established institution, being educated on what you are investing in is essential. We are providing detailed descriptions for each asset and will have additional resources available for investors to research each company or cryptocurrency. This convenient information is a step forward for investors to make educated investment decisions.

### **Fiat Gateway**

We're building a FINRA/MSB regulated and KYC/AML compliant fiat gateway to bridge the traditional finance industry with crypto. Advanced cashing-out will enable customers and businesses with very fast fiat withdrawals to their connected bank account via ACH transfer.

Unused fiat currency in a user's account will be stored in an FDIC-insured bank account provided by a banking partner. This money will be insured up to \$250,000 and owned entirely by the customer; Crescent will not have access to these funds. We will be an easy entry and exit point for customers to invest with a native fiat currency.

### **Best Price Execution**

With hundreds of cryptocurrency exchanges and a hyper-volatile market, the price variations of cryptocurrencies across each exchange makes buying at the best market price nearly impossible for investors. Our integration with major exchanges and partnered liquidity providers will allow our Smart Order Routing system to consistently execute orders at the best available price across the entire market. More information on our Smart Order Routing can be found later in this document.

### **Low Latency**

Low latency describes a computer network that is optimized to process a very high volume of data messages with minimal delay (latency). These networks are designed to support



operations that require near real-time access to rapidly changing data.<sup>1</sup> Our infrastructure will be built to process the rapid fluctuations of traffic and transaction orders we project to experience in the future.

### **Air-Gapped Cold Storage Vaults**

Crescent is developing a simplistic and secure approach to consumer asset protections with a process for systematically moving crypto assets offline and storing in air-gapped cold storage vaults. The authentication layers and security protocols will be global, strict and surveillanced 24 hours a day. Extracting funds will require multiple independent signatures.

### **24/7 Support Protocol**

To combat the notoriously poor customer support in the cryptocurrency industry, Crescent is planning support via multiple channels including email, social media, live chat, and phone. Crescent has learned from our predecessor's mistakes and is driven to redefine the way customer support is performed for the finance industry.

## **Revenue Model**

Crescent is a rare company in the crypto industry that has a real business and revenue generating model for large scale adoption. Because we share our gross revenue with our Security Token holders (more on this later), it is a very attractive investment opportunity to participate in our revenue growth.

Our core product, the Crescent Invest app, will generate revenue in multiple different ways. We plan to launch additional products and services in the future that will grow our customers and top line revenue.

The Crescent Invest app revenue model is explained below:

- Monthly Account Fee
- Fiat Gateway
- Crypto Price Spreads
- Provide Liquidity

### **Monthly Account Fee**

This basic monthly recurring revenue model has been proven by multiple FinTech companies in the United States and in international markets at a large scale. Crescent charges \$1/month per active user or 0.25%/year for active users with an account balance over \$5,000 (charged monthly). This monthly service fee grants you full access our user-friendly app, robo-investing services, auto-rebalancing crypto index funds, and more. This small monthly fee allows our users to participate in the crypto ecosystem in the simplest way through our app, and it allows Crescent to generate revenue passively every month regardless if the market is going up or down.

### **Fiat Gateway**

By partnering with banks, payment processors, crypto exchanges, and data compliance firms, we incur costs to convert fiat into cryptocurrencies. Offering crypto investing through traditional methods is critical to increase the market's growth and adoption. This includes

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<sup>1</sup><https://www.informatica.com/services-and-training/glossary-of-terms/low-latency-definition.html#fbid=Xeu8BTjrj-1b>

payment methods for bank transfers, wire transfers, and debit and credit cards. With strong partnerships and a scalable infrastructure, we are able to offer these payment options at a highly competitive rate to undercut our competitor's pricing, including Coinbase's exorbitantly high fees. With that said, we will still be able to upcharge these fiat expenses to generate additional revenue, without hindering the customer experience. We can decrease our rates over time thanks to our advanced fraud detection features that reduce our exposure to fraudulent transactions.

### **Crypto Price Spreads**

The spread is the difference between the bid and the ask price of an asset. Thanks to our Smart Order Routing (SOR) technology, Crescent will be able to execute trades at a faster and cheaper rate than most competitors so we can save customer's money and generate additional revenue. An example spread we can aim for is 0.1% of the gross transaction value for investments made through the Crescent investing app.

### **Provide Liquidity**

Because our mobile app is the simplest way to invest in crypto and we offer features to grow your portfolio over the long-term, Crescent is expecting significant buy-side investor demand for many crypto assets through our index funds. By partnering directly with crypto exchanges, we can increase their daily trade volume and liquidity which will allow them to grow their exchange customers quickly. For providing our predictable daily trade volume, we can be offered a rebate or significantly discounted trading rate that will allow us to generate additional revenue for Crescent and our security token holders.

## **Legal Compliance**

### **Money Transmission**

The regulatory climate for cryptocurrencies is still very nascent. Maneuvering within a largely undefined legal sector can be a challenge, but Crescent is taking all necessary steps for full compliance.

Working alongside the necessary government representatives and partners, we will be able to operate as a money services business to ensure our transacting between fiat and cryptocurrencies is fully compliant. We will operate by using or acquiring a Money Transmitter License<sup>2</sup> (MTL) for each state we operate in, and also a BitLicense in the state of New York. To use or acquire these licenses and maintain complete compliance with US laws, we will continue to work with top law firms and legal experts.

International markets will play a critical role in Crescent's expansion strategy. Preparation for aggressive overseas expansion will include working alongside legal experts in all respective jurisdictions to ensure compliance. In the future, Crescent will look to further expand across distributed geographies that show growing consumer demand.

### **Security Tokens**

Security Tokens are a new model for tokenizing traditional assets and bringing them onto the blockchain. Previous methods for accounting of ownership and exchange of equity, and dividend payments, have been done through an arcane system of documentation. It is slow,

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<sup>2</sup> [https://en.wikipedia.org/wiki/Money\\_transmitter](https://en.wikipedia.org/wiki/Money_transmitter)

expensive and lacks transparency. By tokenizing securities and bringing their secondary exchange onto the blockchain, it's establishing an entirely new system for faster, more transparent, and more liquid issuances and exchange of these assets. Token issuances of equity or shares can be executed with mathematical precision, and profit sharing or dividend payouts becomes a systematically flawless process.

Some popular types of securities that could potentially become tokenized include but are not limited to stocks, bonds, venture capital funds, private equity, and real estate. Crescent is issuing a Security Token that is backed by 9% of our company's gross revenue. This means for every \$100 we generate in revenue, we are sharing \$9 amongst our token holders in the form of dividends. Dividends are paid quarterly.

## **Institutional Support**

### **The Value**

Institutions will enhance the blockchain industry with capital, liquidity, and credibility. Their adoption will legitimize the industry and its investment opportunities more than ever before. However, platforms must emerge to service and support their needs if we want to see true institutional adoption at a large scale.

### **OTC**

Over-The-Counter (OTC) trading is done off-exchange directly between two parties that are matched together through an intermediary trade desk. Crescent is researching the launch of an OTC desk that would leverage our network of institutions, miners, and third-party liquidity providers. This service would allow institutions to purchase large orders quickly without drastically affecting the open market price of cryptocurrencies. Crescent could facilitate the transfer of institutional capital into digital assets at scale through our OTC desk in the future.

### **Institutional Crypto Index Funds**

Crescent Invest is our robo-investing app for crypto index funds. We believe investing in auto-rebalancing crypto index funds is the safest way to own a crypto portfolio for the long term. Our app is targeting users across the globe after first launching in the United States, but our target users for the app are retail investors. By offering a turnkey crypto investing service for institutions, family offices, investment advisors, and more, we can increase Crescent's Assets Under Management (AUM), generate additional revenue, and increase the long-term investment capital in the crypto markets.

## **Crescent Bnk**

Our team shares a vision to simplify the consumer utility for cryptocurrencies and alternative digital assets. This will be the next major phase of crypto adoption Crescent plans to solve in the future. Crescent Bnk is not a traditional bank, it is the reinvention of banking services tailored for blockchain-based crypto assets.

### **The Value**

Consumer-facing services that seamlessly enhance crypto's utility have revolutionary potential. Crescent Bnk will be uniquely positioned to leverage existing users from our

Crescent Invest app. Crescent Bnk can be thought of as a user-friendly frontend for the blockchain that makes its innovative use cases available for everyone.

## Introduction

Crescent Bnk is a suite of software services that will integrate in Crescent's app and ecosystem to enhance our mainstream adoption. Below we present our launch strategy to allow our product development to remain agile with the rapidly changing industry climate.

## Crescent Bnk Strategy

Crescent Bnk will integrate its core services into our consumer-facing mobile app, Crescent Invest. This will unite two complementary services and immediately increase the value of Crescent Invest for all its existing users. Bringing crypto banking services directly to Crescent Invest will create an experience unlike any product seen before.

This is an overview of how we plan to offer new utility use cases:

- Interest-Generating Crypto Savings
- Peer-to-Peer Social Payments
- Mobile Payments
- Commerce Payments
- Fiat Gateway
- Unified Dashboard
- AI Assistant

## Interest-Generating Crypto Savings

The most fundamental service offered by traditional banking institutions is savings accounts. Customers deposit fiat currency into their account and it is securely stored on their behalf. Traditional banks service tens of millions of customers, and consequently, they are left holding an astronomically large amount of fiat.

Banks use this large fiat capital reserve to generate risk-adjusted returns through lending and low-risk investing. Banks leverage their custodianship service to profit on the money they simply hold on behalf of their clients. As an incentive, customers are paid interest for their balance, however, the average yearly interest rate for savings accounts in the United States is only 0.08%<sup>3</sup>.

Imagine generating interest yield by doing something as simple as holding your cryptocurrency. Offering this service of generating interest through a crypto savings account could be the foundation for many new utility services to be introduced in the future.

## Economic Models

After extensive research, Crescent Bnk has identified two economic models to further explore. Below is a brief description of two different economic models for a protocol:

1. **Algorithmic Money Market:** An algorithm adjusts asset-specific interest rates based on supply and demand. It's a transparent money market experience that

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<sup>3</sup> <https://www.gobankingrates.com/banking/savings-account/average-savings-account-interest-rate/>

creates pools of deposited assets and creates a trustless system of borrowing, lending, and earning. All powered by the blockchain.

2. **Token Holding Incentive Model:** Users deposit their assets in a savings account smart contract through the app. A fee is paid upon withdrawal of your assets and the fee is distributed proportionally among all the network participants. This incentivizes long-term holding to earn passive yield from other network participants' withdrawal fees.

These economic incentive models are different both technologically and fundamentally, but would offer the same principle for generating interest by simply saving your crypto. Implementing this fundamental banking service could launch Crescent into a higher realm of global adoption fueled by new crypto utility features.

### **Peer-to-Peer Social Payments**

Sending digital assets today over the internet using blockchain technology is a scary, unfriendly process. Users do not want to send non-reversible payments to intimidating and long alphanumeric addresses. Did I enter the wallet address correctly? Will the recipient know the payment came from me? How long will it take to arrive in their wallet? All of these questions need answering to solve the anxiety-ridden user experience of sending crypto assets online.

Crescent envisions a better way to solve these problems. Below is a brief outline:

- Send Money To People, Not Complex Wallet Addresses
- Attach Messages
- Know The Transaction Speed And Fee
- Transaction Transparency
- Seamless Integration

### **Send Money To People, Not Complex Wallet Addresses**

Public wallet addresses are a handicap on the user experience. Our technology will allow users to send cryptocurrency to usernames, phone numbers, or email addresses instead of intimidating wallet addresses. The recipient will not need to be a Crescent Invest or Bnk user to receive it, but our user will receive instant transfers.

### **Attach Messages**

This creates a social network experience for attaching a message or description to the transactions you send, such as the purpose of funds.

### **Know The Transaction Speed And Fee**

We can analyze public blockchain data to estimate network fees and transaction times. A potential setting could offer users the option to increase the speed of a transaction for a higher network fee, but also offer a low-cost option that may take longer to process.

### **Transaction Transparency**

This includes sharing the provable on-chain transaction data imported from the blockchain with our users for all transactions.

### **Seamless Integration**

Integrating Crescent Bnk into the Crescent Invest app will unlock cross-platform features and significantly enhance the user experience. This seamless experience will allow a large wave of new user adoption for Crescent.

### **Mobile Payments**

Crescent Bnk's payment services will launch with a standard QR code technology for any mobile device or merchant. In the future, we plan to develop advanced payment technology that supports Near Field Communication (NFC) with any mobile device via wireless Tap & Pay. Tap & Pay technology allows customers to simply place their mobile device on any card reader for a couple seconds instead of swiping their credit card or scanning a QR code. This is a similar service to Apple Pay, so you could spend your crypto right from your wallet in seconds. Transactions can be confirmed using a password or biometric data and are instantly sent. This creates a fast, mobile friendly, and intuitive crypto payments experience.

### **Commerce Payments**

Commerce payments is a service within our ecosystem that will expand our payment technology for things like e-commerce, subscription services, or any other transactions through an online payment gateway. We see an opportunity to create a more user-friendly payment experience from a desktop or mobile web browser, and allow crypto to be spent seamlessly online. We can also significantly reduce the merchant's fees while unlocking access to global customers.

### **Fiat Gateway**

Crescent Bnk will integrate with our fiat gateway solution offered through our consumer investing application, Crescent Invest. To expand the services offered with our seamless on and off ramp for fiat, we will utilize our strong banking, payment processing and identity verification partnerships.

### **Unified Dashboard**

By integrating Crescent Bnk within our Crescent Invest app, we are positioned to create the most consumer-friendly crypto product on the market. We see a future where all your Crescent services for investing, trading, spending, and saving are unified into a simple dashboard that easily allows you to view your personal finances and portfolio summary in real-time.

### **AI Assistant**

An AI-powered assistant will analyze your account behavior over time, including your spending and saving habits, and suggest insights to better manage your money or reach your financial goals. We can also categorize your expenses and provide visual charts and breakdowns to help you seamlessly track your personal budget.

## **Smart Order Routing**

Smart Order Routing (SOR) is an automated process of handling orders, aimed at taking the best available price throughout a range of different trading venues.<sup>4</sup>

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<sup>4</sup> [https://en.wikipedia.org/wiki/Smart\\_order\\_routing](https://en.wikipedia.org/wiki/Smart_order_routing)

### **The Value**

Smart Order Routing allows our backend to autonomously execute orders for customers across a network of the world's top crypto exchanges and third party liquidity providers.

### **How It Works**

We are developing a system to analyze price and liquidity data across our network and aggregate the order books at subsecond speeds. Automating this system provides speed and precision far exceeding human capabilities and our deep liquidity network can fill order prices below the market average to save our user's money.

### **Integration**

Our proprietary SOR will run in real-time on Crescent's backend. Its integration with Crescent Invest can create the most competitive crypto price spreads on the market even when bundling numerous assets together.

## **Proof Of Solvency**

Solvency is the possession of assets in excess of liabilities.<sup>5</sup> This means a company is able to meet their long-term financial obligations seamlessly. The solvency principle is largely applicable to the digital asset markets and could bring an unprecedented level of transparency, give customers peace of mind, and fulfill our company's fiduciary responsibilities.

Blockchain allows the provable ability to declare a fact or position, know exactly who said it and when it was said, and with certainty, know it cannot be modified. Syncing our private database and our Proof of Solvency protocol will allow for real-time and untamperable access to our solvency status as a company. Intelligently, their relationship will parse and categorize data to declare, with absolute certainty, that the assets of our company are in excess of our liabilities.

This implementation will embody the characteristics of blockchain technology. We aim to eliminate the uncertainty of trust between platforms and customers in the crypto markets. We believe a Proof of Solvency protocol implementation can achieve this vision while enhancing the user experience.

### **Proof of Assets**

This data is verifiable through the broadcasting and signing of the public cryptographic addresses operated by Crescent. Crescent will work alongside governments for regulatory compliance, custody partners to create transparency, and voluntarily undergo third party security testing and auditing on a regular basis.

### **Proof of Liabilities**

The liabilities of Crescent are validated by the immutable storage of the combined hash of a user's information and balance by an associated node in the system. The blockchain-enabled Proof of Solvency protocol allows individuals to confirm their membership and prove Crescent is holding a full balance on their behalf at all times.

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<sup>5</sup> <https://www.investopedia.com/terms/s/solvency.asp>

### **Detailed Reporting**

Some governments have publicly declared the selling or swapping of digital assets as a taxable event, therefore these transactions must be tracked and reported. The current accounting and reporting process is very complex for users. Crescent is introducing a faster and easier solution that can automatically generate detailed reports for our customers. These reports could include transaction data such as purchase history, net profit and loss, and performance summary all formatted in one concise document for accounting. This will make tax reporting and other legal responsibilities a seamless experience.

## **Security**

### **Security Features**

Out of all the features that are required to build a powerful financial ecosystem, security is ultimately what defines a platform's trustworthiness with its customers. We are holding ourselves to a higher standard for security by using blockchain technology, advanced KYC/AML compliance, and air-gapped cold storage vaults. These features will build systematic trust between Crescent and our customers.

Below are security features planned for implementation:

- Two-Factor Authentication
- Data Storage
- Advanced KYC/AML
- Account Fraud Detection System
- Biometric Security
- Air-Gapped Cold Storage Vaults

### **Two-Factor Authentication**

The entire Crescent ecosystem will offer the option of two-factor authentication (2FA) as an additional layer of security. An example of a secure third-party 2FA service is Google Authenticator.

### **Data Storage**

All data will be sharded and fully encrypted across multiple storage instances. Strict legal compliance will be performed to reduce the exposure to risk for Crescent's ecosystem and our future customers. Multiple safeguards and required retrieval steps will be implemented into our anti-fraud procedures to ensure data security in every possible regard.

### **Advanced KYC/AML**

We are using machine learning and artificial intelligence for pattern recognition and faster threat detection. We are partnering with industry leading KYC/AML verification services to leverage their powerful infrastructure for a fast and simple authentication experience through the Crescent app.

### **Account Fraud Detection System**

We have partnered with data and security partners and built proprietary technology for detecting irregular account behavior, log in attempts, and transactions using artificial



intelligence. Our platform security and the safety of our customers is our number one priority.

### **Biometric Security**

Biometric security will be available for different devices such as fingerprint ID and facial recognition. This could be used for expedited login, verifying investments and payments, or withdrawing your crypto to an external wallet. Biometric data is stored locally on your device so it is never vulnerable to attackers.

### **Air-Gapped Cold Storage Vaults**

Crescent is working with our partners to develop a simple and secure way to protect crypto assets with a systematic process for moving crypto offline and storing it in air-gapped cold storage vaults. The authentication layers and security protocols that govern the vaults will be global, strict and surveillanced 24 hours a day. Large extractions of funds will require multiple independent, geographically distributed signatures.

## **Marketing Plan**

Much of Crescent's marketing journey as of 2019 has been around attracting investors and strategic partners. We have attracted significant resources and built a successful foundation, both of which are necessary for our long-term success. Our priorities will shift towards growing our community and acquiring new users as we approach Crescent's the public sale of our security token. Having these necessary resources will help us execute the next stage of our growth plan.

### **Priorities**

Crescent's marketing priorities will include aggressive user acquisition as we prepare the initial rollout of Crescent's app. By stripping back the perceived complexity of crypto and simplifying the underlying technology, we plan to bring our app to the mainstream.

Our marketing programs will continuously evolve with the market over time, but we will always focus on customer acquisition and growing engagement, which will be achieved with:

- User Adoption
- Brand Promotion
- Expanding Market Reach
- Digital And Social Engagement
- Brand Building
- Authenticity
- Advertising Campaigns

### **User Adoption**

Without user adoption, a product cannot generate revenue or provide value. Effective marketing strategies must be executed to grow and fulfill the scaling capabilities of our infrastructure we have developed. Detailed plans for onboarding, engaging and retaining users can be found below.

### **Brand Promotion**

Crescent is building an app that solves major problems in the industry. The fundamental services we offer in a user-friendly way are what set us apart from our competitors. In addition to direct marketing and promotion, Crescent will launch programs to organize and mobilize evangelists to interact in our ecosystem and lower the barrier for beginner adoption. This will inspire growth throughout our target regions and achieve significant brand adoption through word-of-mouth referrals.

### **Expanding Market Reach**

Our international expansion will strategically target geographies that present the greatest opportunity for growth and user adoption. Our goal is to accelerate our global brand awareness with effective marketing in all our new jurisdictions.

### **Digital And Social Engagement**

Social media channels present the biggest opportunity and will be leveraged to their full extent. Social media marketing will be prioritized for growing our community and app user base, and attending important conferences, summits, and events will allow us to interact directly with our community. Our team plans to participate in many industry events as speakers, sponsors, and exhibitors.

### **Brand Building**

Everything Crescent is doing both online and at events is strategically planned to increase our community and brand awareness. Our marketing team, network of influencers, and partners will expand Crescent's brand globally and inspire our customers to share our mission through evangelism.

### **Authenticity**

Authenticity is one of Crescent's core values and it is essential for building a trusted brand. With continual engagement in all our communities, we strive to successfully manage our operations with complete transparency. As previously mentioned, we will utilize the power of social media as both a marketing tool and source of transparency to share engaging and informative content.

### **Advertising Campaigns**

Fun and nontraditional marketing campaigns in the financial industry can create more user engagement and exponential growth while standing out from our competitors. By sharing visual, relatable, and emotion-evoking content on social media channels, we plan to have refreshingly authentic marketing campaigns that will allow Crescent to stand out.

## **Market Segments**

### **Audience**

Meticulous market research has identified a broad potential demographic of users that spans across Generation Z, Millennials, and Generation X. However, we will target our core demographic of Millennials first to rapidly grow our user base and brand at launch. Our data has revealed massive upside growth potential for our investing app and additional products we plan to launch soon after. Different demographics will be targeted for our various products and services leading to more efficient and higher converting marketing campaigns.

## **Geography**

The United States is the first market we will launch in. This will allow us to test and optimize our operations and marketing strategies before international expansion. After receiving licenses in all respective jurisdictions, international expansion will be strategic and quick. Our goal is to create a global presence so we are continuing to monitor potential markets for expansion. These major international geographies present unbounded growth opportunities for Crescent's future.

## **Marketing Channel Strategies**

### **Digital Communities**

Being very engaged with our communities both digitally and in person will grow our reputation and brand awareness significantly. Crescent plans to sustainably grow our brand awareness over time, and build a worldwide community.

### **Social Media**

We are focused on using social media as a tool to execute targeted marketing campaigns. Social media is at the forefront of our digital lives and offers a global network for content to be published and shared directly to our target market. We are continuously building our team, partners, and network to empower our ecosystem's growth through social media.

### **Email Marketing**

Email marketing is a scarcely utilized resource to convert a community into platform users and voluntary evangelists. We have established many strategies to add value for email subscribers and eliminate the disconnect with typical marketing messages. We are creating personalized email sequences for Crescent to leverage this free traffic source in multiple regards.

### **Influencer Marketing**

Crescent's growth strategy includes marketing partnerships with social media influencers to create viral content consumed by the average person. This will target networks of individuals not associated with blockchain or crypto and present Crescent as their solution to join and participate in our industry. Influencer marketing offers immediate social proof and is more effective than native marketing campaigns from a company to strangers. It is a proven, yet underutilized strategy for exponential consumer adoption that we plan to use for Crescent's mainstream adoption.

### **Marketing Resources**

We strive to redefine the way the crypto industry is marketed to regular consumers. This will include the most effective software tools, consumer funnels, retargeting campaigns, and engaging viral advertising. Our plan includes growing our presence across all major social platforms to gather, analyze and optimize our data for all our campaigns. Our strategies are poised to substantially lower our customer acquisition costs (CAC) and outperform market competitors.

# **Security Token Offering**

## Security Token Offering

A security token offering is an innovative investment vehicle to align the incentives of a company and its investors. Companies issue a compliant digital token that they sell to investors. The process is similar to an Initial Public Offering (IPO) in the stock market.

## Crescent Security Token

Crescent is issuing its own fully-compliant Security Token (COOL) to align our investors with Crescent's growth. We share 9% of our company's gross revenue with our token holders.

## Token Value

The Crescent security token is a revenue-share asset paying quarterly dividends every 3 months to all token holders. Crescent is one of the first companies in the world to back a security token with a portion of our gross revenue and pay passive dividends to our investors.

## Token Potential

Crescent is a company building crypto products and services to simplify the experience for customers globally. With a proven business model and strong recurring revenue projections, the Crescent security token could be a great way to align your incentives with the growth of our company and revenue. There are multiple mobile FinTech companies in the US and Europe operating at \$100M+ Annual Recurring Revenue (ARR), most of which operate in the traditional banking, Stocks, or ETFs businesses. For example purposes, if Crescent scales to \$100M ARR we would share 9% with our token holders which is \$9,000,000. If you invested \$100,000 at our initial public token price of \$0.035, you would own about 2,860,000 security tokens which is approximately 0.29% of our total token supply. This means you would receive an annual dividend of almost \$26,000 for just holding the security tokens (paid quarterly).

Furthermore, there is a large company that operates solely in the crypto industry, Coinbase, that has done over \$1 Billion in annual revenue (2017)<sup>6</sup>, and in a devastating crypto bear market, still managed to generate over \$520 Million in annual revenue (2018)<sup>7</sup>. Assuming Crescent scales over time to just the size of Coinbase's lower annual revenue performance of \$520 Million in the 2018 bear market, your initial \$100,000 investment would generate over \$135,000 in yearly dividends for simply holding our security token in your secure dashboard or wallet (paid quarterly). Crescent's infrastructure and scalability is being designed to allow us to scale to these monumental levels of annual revenue and user adoption. Our security token offering is a way for our earliest supporters to achieve success alongside Crescent as we scale and make a significant positive impact on the industry.

## Token Details

**Symbol:** COOL

**Category:** Security

**Revenue Share:** 9% Gross Revenue

**Price Per Token:** \$0.035

<sup>6</sup> <https://www.investopedia.com/news/coinbase-made-over-1b-revenue-last-year-report/>

<sup>7</sup> <https://www.theblockcrypto.com/tiny/coinbase-brought-in-revenue-of-around-520-million-in-2018-60-less-than-the-projection/>

Total Supply: 1 Billion  
Hard Cap: \$13,800,000

## Token Allocation

STO & Pre-Sale: 50%  
Team & Advisors: 20%  
Crescent AG: 20%  
Partnerships & Expansion: 7%  
Bounty: 3%

## Fund Allocation

Development: 40%  
Marketing: 40%  
Operations & Legal: 10%  
Market Expansion: 10%

## Fund Allocation: Details

**Development:** This includes the development of the Crescent ecosystem as outlined in our whitepaper and roadmap.

**Marketing:** This is the fuel for Crescent's expansion and includes all marketing and user acquisition costs. The detailed outline of our marketing strategies can be found above in the Marketing Plan section.

**Operations & Legal:** This includes all operational and legal expenses required to scale Crescent throughout its jurisdictions.

**Market Expansion:** This is to expand Crescent into new markets internationally.

## Team

Crescent is an international team of innovators with leading technology and user design experiences from crypto, traditional finance, and beyond. Our expertise includes user experience and interface design, building scalable mobile infrastructures, and artificial intelligence to automate backend software.

Crescent was founded on core beliefs with our team that include transparent communication, agile development, and the ability to effectively problem solve tasks together in a timely, creative manner.

### **Grant Roscoe, Chief Executive Officer & Founder**

Grant has been the visionary behind our company, products, and strategy. He leads our team and partnerships for Crescent. Previous experience in forex and cryptocurrency trading. He is ambitious and driven to simplify crypto investing and more for beginners.

### **Krzysztof Godlewski, Head of Web**

Krzysztof has over 6 years of experience in software architecture with a specialization in backend development. His advanced skill set for building scalable infrastructures will be critical in executing Crescent's vision for servicing millions of users around the globe.

#### **Dennis van der Vecht, Head of Product**

Dennis has international work and management experience over the last 4 years in countries including Ireland, Switzerland, and Poland. He recently spoke about Blockchain live at a conference in Vienna. He bridges our design and development teams within Crescent for highly efficient workflow and strategic product direction.

#### **Robert Fort, Marketing**

Robert is a social media marketing whiz. He has run marketing campaigns for many major companies including one of the largest sports retailers in the world. While running his own marketing agency and scaling brands, his agency received an acquisition offer from global fashion brand, Adidas. Robert is helping Crescent with our large-scale, mainstream marketing and referral campaigns for our US launch in 2019, and international launches in 2020 and beyond.

#### **Damian Dennis, Product Designer**

Damian joins us with over 5 years of product design experience having previously worked with companies including Adidas, Reebok, Diverse, Samsung, Plus, Ronson, and PKP Intercity. He's the interface design master behind all our products. He enjoys photography, music and books when he isn't creating some of the best designs in the technology space.

#### **Julia Mączka, UX Designer**

Julia has over 5 years of design experience growing her role as a UX designer. Her expertise lies in the simplification of complex mobile interactions to allow users to seamlessly engage with advanced technologies. She enjoys cooking, and for her inspiration and free time she reads and does yoga in the park.

#### **Marcin Majchrzak, Backend & Blockchain Developer**

Marcin brings over 8 years of development experience to the team. He loves building technology to disrupt traditional industries. He will help our blockchain development team in creating private blockchain solutions and backend protocols. He loves competing in challenging hackathons and weight lifting.

#### **Anna Gut, Backend Developer & Data Analyst**

Anna brings over 5 years of backend development and complex data analysis experience to the team. She is leading the core development of Crescent's REST API and the logic behind its engine. Her expertise will continue in her role of implementing artificial intelligence and machine learning into Crescent's backend infrastructure.

#### **Magdalena Karyś, Backend Developer**

Magdalena joins Crescent with over 5 years of backend development experience. She is largely responsible for Crescent's backend application logic and is deeply involved in the development of Crescent's autonomous smart order routing system.

#### **Tomasz Medryk, iOS Developer**

Tomasz has worked alone and in teams building large-scale iOS applications over the last 5 years. With extensive architectural knowledge for creating scalable apps, he will help lead our innovative iOS development. He enjoys simplifying apps for fast and trustworthy performance.

**Jakub Jodełka, Android Developer**

Jakub is helping lead our high-performance Android development for Crescent. He is passionate about clean code, agile development and is a visionary for Crescent's architectural strategy to scale to millions of Android users.

## STO Roadmap

### Q2 2019:

- Private sale

### Q3 2019:

- Finish Private Sale
- Crescent application development and testing
- Integrate and test app infrastructure partnerships
- Community growth and marketing campaign
- Launch Security Token IEO
- Security Token listed on exchanges

### Q4 2019:

- Crescent app goes live the US markets
- Launch mainstream US marketing and referral program for app
- Security Token listed on new exchanges

### Q1 2020:

- Launch new app features including robo-investing
- Launch new crypto index funds on app
- First dividend payment for Security Token holders
- Security Token listed on new exchanges

### Q2 2020:

- Second dividend payment to all Security Token holders
- Scale Crescent's marketing campaign
- 300,000 app users
- Security Token listed on new exchanges

### Q3 2020:

- Third dividend payment to all Security Token holders
- Expand to first international country in Europe
- Secure first institutional customer for crypto investing services
- Launch big social media marketing and referral program for app

- 580,000 app users

#### Q4 2020:

- Fourth dividend payment to all Security Token holders
- Expand to 6 international countries
- Secure 5 institutional customers for crypto investing services
- New app investing features
- Social and commerce payments
- Advanced feature Crescent Trade launches in app for individual crypto traders
- Strategic international marketing and referral program for app
- 935,000 app users

#### Q4 2021:

- Eighth dividend payment to all Security Token holders
- Provide crypto investing services to 25 institutions
- Innovate our app's user-friendly and all-in-one experience and add new features
- Generate interest on crypto savings account
- Support 3,200,000 app users across 26 countries

#### 2022

- Disrupt crypto finance and be the trusted leader in crypto adoption
- More milestones will be publicly released in the future

## Summary

**Crescent's mission is to build a world-class ecosystem to lead crypto adoption globally, beginning with our innovative mobile app.**

Crescent's strategy is to create the most seamless and user-friendly app and services for adoption. We will exponentially onboard new users and bridge the gap between traditional finance and the blockchain and crypto industry. Our goal is to offer the simplest user experience for investing, trading, earning interest, sending, and managing crypto, as we create and launch new financial services over time. We are tackling the necessary steps for mass adoption of crypto head on.

Crescent has formed an international team of innovators to create the simplest design and experience and we have the ambition and experience to execute our vision. We specialize in mobile design and performance, and are developing proprietary technology to seamlessly scale our products and services to millions of crypto users globally. As we grow, we strive to create one of the largest, most supportive, and forward-thinking communities that exists in the crypto industry.

Join us as we build the most innovative and trusted crypto company and lead adoption.