

DECLUB CREDIT (DEC)

<https://t.me/dec> token sale



**DECLUB ASSOCIATION
A BLOCKCHAIN PAYMENT ALLIANCE**

**Serve Real-World Application for
Casinos, Hotels, Travel/Junket Agents,
Remittance Services, Tourists and Investors**

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DeClub Credit (DEC) Investment Token

**a Facebook's Libra Investment Token
but for the casino and casino related industries**

UniMile (USM) Stablecoin

**a Facebook's Libra Coin
but for the casino and casino related industries**

Transformation: Break Barriers of Entry

**DEC holding entitles junket promotion earnings
Join the house & host one's own real-world casino games**

Fuse Gaming & Non-Gaming Businesses

**DEC streamline fund flow for frequent players
VIP experience for MASS gaming area players
Increase cost ratio of junket agent fund efficiency**

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1. Abstract

DeClub is forming a payment alliance inclusive of Global Land-based Casinos, Hotels, travel/junket Agents, and Remittance services to better serve end-user customers and investors across the world.

This whitepaper introduce the DeClub ecosystem, which is built on a secure, scalable, and reliable blockchain. The system is backed by a reserve of assets designed to give it intrinsic value and is governed by an independent association, Declub Association, which was formed to manage and evolve the worldwide casino ecosystem.

Declub Association is an independent and not-for-profit organization. Declub ecosystem is designed to create a simple global currency and financial infrastructure in casino industry and is aim to become compatible with Facebook's and WhatsApp's Libra in its architecture and governance.

Who are involved? DeClub (<http://www.DeClub.cc>) is a global casino management company, headquartered in Macau. As a third-party management company, DeClub provides professional mass gaming area (MASS) membership management service for licensed casinos, such as L'Arc Macau¹. It is the first of its kind in Macau and it is well positioned to service thousands of other casinos worldwide.

¹ <http://www.larcmacau.com>

DeClub team consists of veterans from casino management and information technology (IT) industries with solid expertise.

The founder and CEO of DeClub, Kennis Wong, has more than 20 years of experience in the casino gaming industry. He had served as the CEO² of a Macau-based casino company listed on Hong Kong Exchange, whose management footprint covered Macau, Korea, Philippines, North America, Cambodia and Australia, overseeing well over 5000 staffs. He is extremely knowledgeable about the casino gaming industry and its data science. With his rich industry experience and vast network of contacts, he is capable of cherry-picking casinos with profitable mass gaming areas (MASS) among the sea of 4,000+ licensed land-based casinos around the world. The casinos applied with his management philosophy have witnessed a turnover increase up to 40% in 8 months.

CIO of DeClub, Patrick Lam, is an entrepreneur and blockchain specialist. He founded the Hong Kong based international multi-currency bitcoin trading platform in 2014 and was later acquired. It was funded by the Hong Kong government's initiated Cyberport Technology Fund and it was the first crypto exchange that was funded by a semi-government body in Asia.

CTO of DeClub, Terry Li, is a Canadian IT technologist and a blockchain educator who co-founded the first ever

² <http://www.jimeigp.com.hk/wp-content/uploads/2015/12/LTN20150203041.pdf>

bitcoin futures exchange, 796 Electronic Trading, in 2013. Its daily notional trading volume reached the highest in the world in Sept 2014. Groundbreaking features of 796, such as socializing loss and adjustable risk limit, were later adopted by Huobi, OKCoin (now also known as OKEx), and Bitmex.

Why doing this? Blockchain could drastically reduce the cost of trust.³ By building a casino gaming industry-specific blockchain ecosystem, the issues of lengthy and costly payment processing between fiat currencies⁴ and chips, in addition to the general lack of trust in the casino gaming industry are set to become a thing of the past. The technology ushers in a new era of efficiency, accountability, and traceability. DeClub project adopts blockchain technology to modernize traditional casinos to realize lucrative returns of investment by reducing the cost of trusted third parties (TTP)⁵, which manual labor is replaced by machine consensus.

Cost of acquiring trust between counterparties is also reduced, allowing more people to collaboratively join the supply side of the casino gaming industry; in effect, "economize the access"⁶ of the business side of the industry.

³ <https://www.technologyreview.com/s/610781/in-blockchain-we-trust/>

⁴ https://en.wikipedia.org/wiki/Fiat_money

⁵ "What's not in doubt is that, as the cost of trust plummets because of new technology, the third parties currently paid to facilitate our trust—be they agents, referees, watchdogs or custodians—will increasingly have to prove their value if they don't want to be supplanted by an 'immutable' ledger."--
<https://www.wired.com/story/how-the-blockchain-is-redefining-trust/>

⁶ https://en.wikipedia.org/wiki/Access_economy

What's the mission?

Empower a joint vision of financial inclusion of Casinos, Hotels, travel/junket Agents, Remittance services (CHAR) to better serve their end-user customers (EUC) and Private Placement Investors (PPI) by developing and promoting a simple global currency and financial infrastructure.

How to reach the goals? We upgrade land-based casinos via informatization and blockchain tokenization and eventually establish blockchain decentralized online casinos for everyone to have the opportunity to invest in casino's cash reserves⁷, to become a junket promotor, and to host one's own game. Furthermore, by developing decentralized casino gaming credit collateral IT systems, in addition to acquiring land-based casinos, we are going to bring casinos and their surrounding non-gaming commercial activities, both online and offline, into a self-enriching ecosystem.

What will happen? DeClub catalyzes a new generation for the casino gaming industry, opens a new era for fair, credible, flexible and stable casino gaming, allowing MASS players to enjoy high-stakes VIP kind of service; in effect, economize the access of the customer side of the industry.

Association. An independent, decentralized, not-for-

⁷ As required by licensed casino regulations worldwide, all casino gaming operations need enough cash reserves to cover every chip in play. The amount of money on the casino floor, and that in the vault, the cage (cashier) and the bank is called the gross cash or cash reserves.

profit self-govern association, DeClub Association, led by CHAR industry leaders, reputable social figures such as former judge(s) in different judiciary systems and representative from communities is established. It will initiate DeClub ecosystem, which is going to become a blockchain-based open community that aim to enable a unified currency for worldwide CHAR to better serve their EUC. DeClub Association introduces two coins: DeClub Credit (DEC) investment token and UniMile (USM) stablecoin.

Declub Credit (DEC), a crypto based investment token works like Facebook's Libra Investment Token, enables its holders to be entitled to participate in the Declub ecosystem. DEC reserve works as basket of different real world casino cash chips and fiat currencies reserve put in E-cash format. For the sake of easy understanding, we borrow Hong Kong's monetary system as an example. DEC act as a basket of international currencies reserve, the makeup of the reserve comprise US dollars, Chinese RMB and EURO etc. The purpose is to back up value behind Hong Kong dollars' issuance, circulations and as a mean for transaction.

UniMile (USM), a crypto based stable coin works like Facebook's Libra coin that will be fully backed by The Declub Credit (DEC) Reserve and supported by a network of cash counters offered by CHAR for the buy-and-sell of USM. Again to understand, USM act like Hong Kong Dollars, the value is backed up by the basket of reserve which allows international circulations of Hong Kong dollars.

2. Entities, Roles and Tokens

Declub Association, independent and decentralized in nature, is responsible for managing the Declub ecosystem.

Private Placement Investors (PPI) are comprised of CHAR partners and institutional investors who is invited to buy and hold DeClub Credit (DEC) investment tokens so that they are entitled to participate in the Declub ecosystem.

UniMile (USM) stablecoin token is sold to public end-user customers (EUC) through CHAR, crypto exchanges and other upcoming channels qualified by the association.

A DeClub member who holds DEC is given either the status of Founding Member (FM) or Non-Founding member (NFM).

Founding Members (FM) are entitled to rewards of sorts and right to vote in the association proportional to the DEC they hold and is required to host their nodes (validator-node with cash counter) to uphold DeClub ecosystem.

Although Founding Members (FM) voting powers in the association are proportional to stake of DEC they hold, voting rights are capped at 5% for any individual FM to avoid concentration of power. The association council retain authority to override delegated decisions by the management but key decisions are open for votes. It require a greater than two-thirds supermajority of votes for any bills to be passed. The aggregated voting powers

of all FM shall not exceed two-third (2/3) of all DeClub Association members.

2.1 Founding Members (FM)

Benefits of Founding Members (FM) include but are not limited to eligible to take an active role in association governance with voting rights; eligible for new user incentives and transaction rebates; derive rewards of sorts from DEC Investment tokens; extend customers database to formerly unreachable communities such various crypto-communities, Facebook and WhatsApp's Libra users; get connected to non-Industry investors and possible access to extensive capital required for business development; and connect to irreversible trend of global crypto adoption and enable compliant and regulated payment gateway to WeChat, Alipay, Facebook and WhatsApp Libra's 4 billion populations user.

2.2 Non-Founding Members (NFM)

Non-Founding Member (FM) is eligible for new user incentives and transaction rebates; derives rewards of sorts from DEC Investment tokens; extends exposure to formerly unreachable communities such as the crypto-community, Facebook and WhatsApp's Libra users; and gets connected to non-Industry Investors and possible access to capital required for business development subject to Association's consent and Founding Members' voting decision.

Members who purchase DEC investment tokens⁸ but initially choose not to operate a node (validator-node with cash counter) but later decide to start operating one will become a Founding Members (FM) immediately according to the same investment terms and subject to the same voting cap described.

2.3 Declub Association

Declub Association is an independent, decentralized, and not-for-profit self-govern association led by CHAR industry leaders, reputable social figures such as former judge(s) in different judiciary systems and representative from communities. It initiates Declub ecosystem, which is a blockchain-based open community that aim to enable a unified currency for worldwide CHAR to better serve their EUC.

To fund the growth and development of the Declub ecosystem, the association is responsible for the followings: offers grants to nonprofit and multilateral organizations; arranges listing of USM on multiple regulated electronic exchanges that offer both web portals and mobile apps for users to exchange USM and their local crypto and fiat currencies; develops and maintains ongoing relationships with principal cryptocurrency trading firms and top industry partners as authorized resellers to offer increasingly easy access of USM; engages with judicial regulators in the early

⁸ For new DEC to be created, there must be an equivalent amount value of DEC purchased in casino cash chips or fiat cash, and transfer of that asset(s) to the Declub Reserve.

development of the network; and maintains a council of members who are committed to working with authorities to shape a regulatory environment that encourages technological innovation while maintaining high standards of consumer protection.

The association does not set monetary policy. It mints and burns coins in response to demand from authorized resellers only.

2.4 DeClub Credit (DEC) Investment Token

The purpose of creating DeClub Credit (DEC) investment token is to provide millions of people with access to a highly liquid but low-volatility cryptocurrency. DEC is positioned to be a low-friction medium of exchange available internationally from day one. It supports new digital-native use cases, such as micropayments.

DEC is backed by DeClub Reserve which plays a vital role in supporting the value preservation of DEC. The reserve builds trust among users, merchants, and developers that actively participate the DeClub ecosystem.

The association will explore ways to further increase the geographic distribution and resilience of the reserve to economic shocks and to improve how it achieves stability and value preservation for its users.

2.5 UniMile (USM) Stablecoin

UniMile (USM) is an international standardized stablecoin available to all users to buy, to sell and to exchange with

different fiat currencies, casino cash chips as well as to trade in different crypto exchanges.

USM is designed to be a stable digital cryptocurrency that will be fully backed by a reserve of casino cash chips and Declub Credit (DEC). It is available in a network of cash counters in Casinos, Hotels, travel/junket Agents, Remittance services (CHAR) partners buying and selling USM.

Exchanging between USM and cash chips/fiat monies is smooth and convenient through partnering CHAR. Buy and sell of USM in crypto exchanges are also as simple as trading any other crypto currencies pair.

Reserve is contributed by CHAR who buy and hold Declub Credit (DEC) with their casino cash chips or fiat monies.

Casino cash chips is reliable because a casino must be holding an equivalent amount of fiat currency that issued the cash chips to stay fully compliant of the worldwide gaming regulations. Suffice to say that intrinsic value of cash chip is backed 1:1 by its local currency.

3. Membership Eligibility

3.1 Founding Members (FM)

Membership: Founding Member	Also Called: FM
<p>Eligibility:</p> <ul style="list-style-type: none"> ● Founding Member (FM) must fulfill at least two of the followings: <ul style="list-style-type: none"> ■ >\$100 mil. USD market value or >\$50 mil. USD account balances; ■ Reach greater than 2 million people a year, multinationally; ■ >\$100 mil. USD worth of crypto-currency assets under management; ■ Recognized as industry leaders by a third-party sector-specific association or media company. ● Blockchain Infrastructure Company must meet all of the followings: <ul style="list-style-type: none"> ■ In operation for over 12 months; ■ Employs enterprise-grade security, privacy, and infrastructure operations backed by modern policies and processes — publicly disclosed by security audits and/or penetration testing reports; ■ Staking greater than or equal to \$10 million in assets for customers or clients. 	
<p>Alternative Forms of Eligibility:</p> <ul style="list-style-type: none"> ● The association may also, upon approval of the council, reach out to academics and businesses that do not meet the above criteria and offer them the opportunity to join as Founding Members if their participation would make a meaningful contribution to the success of the network. ● The aggregate number of members admitted under the crypto-focused investors criteria, blockchain infrastructure companies criteria, and exception process above will not be greater than one-third of the total members in the association. 	

It is also important to note that the consensus protocol at the heart of the blockchain will be most reliable if the validator nodes all work independently. Therefore, we are open to partnering with businesses that compete with each other, as we have specifically designed the system to allow for this.

3.2 Non-Founding Member (NFM)

Membership: Non-Founding Member	Also Called: NFM
<p>Eligibility:</p> <ul style="list-style-type: none"> ● Non-Founding Member (NFM) must fulfill at least two of the followings: <ul style="list-style-type: none"> ■ Alignment: Be able to contribute to the vision set by the Mission Statement of DeClub Association; ■ Industry: Greater than five-year track record of working with/in CHAR Industries, including digital financial inclusion initiatives in the field or already planned; ■ Global Reach: Organization that have presence in multinational countries; ■ Geo-Specific: Organization that can reach the target market(s) addressing key populations of CHAR industries; ■ Reputation: With sound and proven track record connected to worldwide regulators, Charity organization (e.g., The Red Cross, The World Wide Funds ,UNICEF); ■ Academia: With historic focus and publicized research result in cryptography, quantum computing, cyber-securities, physics, computational related technologies and payment technologies; ■ Budget: Annual operating budget greater than \$50 million USD. 	

4. Declub Credit (DEC) Value Preservation

Many cryptocurrencies today, such as Bitcoin and Ether, have no underlying assets to back them. Price discovery is through speculation of their short-term swing and long-term demand. On the other hand, DeClub Credit (DEC) investment token is backed by stable assets paid up in advanced by Private Placement Investors (PPI) such as Casinos, Hotels, travel/junket Agents, Remittance services (CHAR). The stable assets form a reserve. The reserve mechanism ensures DEC value preservation.

In addition, by making DEC available to be publicly traded in exchanges, holders of DEC are rest assured that DEC is liquid enough with underlying intrinsic value.

4.1 DeClub Credit (DEC) Reserve Mechanism

The stable assets in the reserve will come from two sources: Private Placement Investors (PPI) and end-user customers (EUC) using USM. Founding Members (PM) are incentivized with USM to help accelerate the adoption by CHAR, EUC and blockchain developers. For new DEC to be created, there must be an equivalent amount value of DEC purchased in casino cash chips/fiat cash and transfer of that asset to the DeClub Reserve. In other words, DEC is created only if more DEC is procured in stable assets, such as casino cash chips/fiat cash. The reserve will grow as users' demand for DEC increases.

Anti-Inflationary Measures. Users of DeClub Credit (DEC) investment tokens do not need to worry about the

association introducing inflation into the system or debasing the currency. For new coins to be minted, there must be a commensurate payment of stable assets by resellers into the reserve.

Through interaction with authorized resellers, the association automatically mints new coins when demand increases and destroys them when the demand contracts.⁹

4.2 DeClub Reserve Fund

Foremost, EUC of USM do not receive a return from the reserve. DeClub Reserve will be invested in liquid and low-risk assets that will yield interest over time. The revenue from the interest will first go to support the operating expenses of the association. Remaining interest will go to pay for the rewards of sorts to PPI.¹⁰ In order to preserve the value of Dec Reserve

Accountability. DeClub Reserve fund will be held by a geographically distributed network of custodians and bank-grade safety vaults to maximize security. Safeguarding the reserve's assets, providing high auditability and transparency, avoiding the risks of a centralized reserve, and achieving operational efficiency are the key parameters in custody selection and design.

Diversity. The actual assets will be a collection of low-

⁹ Because the reserve will not be actively managed, any appreciation or depreciation of the intrinsic value of DEC or USM will come solely as a result of FX market movements.

¹⁰ Because the assets in the reserve are low risk and low yield, returns for early investors will only materialize if the network is successful and the reserve grows substantially in size.

volatility assets, including fiat cash from stable and reputable central banks and casino cash chips backed by reputable industry partners.

Stability. As the value of DEC will be effectively linked to a basket of cash in different currencies, any of the currency value fluctuation affects that of the DEC. The makeup of the reserve is designed to mitigate the likelihood and severity of these fluctuations, particularly in the adverse direction (i.e., even in economic crises).

Selectivity. The fund only invest in industry partners with high investment ratings with low default probability and currencies that are unlikely to experience high inflation. In addition, the reserve has been diversified by selecting multiple reputable casinos and currencies, rather than just one, to further reduce the potential impact of such events.

Liquidity. The fiat cash component of the reserve fund is comprised of currencies issued by the governments and which daily trading volume are in the tens or even hundreds of billions. This allows the size of the reserve to be easily adjusted as the number of DEC in circulation expands or contracts.

Engagement Protocol. UniMile (USM) stablecoin holders will not be able to directly interface with the reserve. Resellers, such as Casinos, Hotels, travel/junket Agents, Remittance services (CHAR) partners, will be the only entities authorized by the association to transact large amounts of fiat and USM in and out of DeClub Reserve. These authorized resellers will integrate with

exchanges and institutions to facilitate the buy-and-sell of USM and fiat currencies under the supervision and coordination of DeClub Association.

Allocation. The reserve remains fully backed across time. To ensure price consistency, liquidity with narrow spread and low cost of transaction, the association may occasionally change the composition of the basket in response to changes in market conditions¹¹. Nevertheless, the goal is always value preservation for the DEC holders.

Organicity. The size of DeClub Reserve is determined by the balances that users are holding in DEC. Hence, unlike some other cryptocurrencies, supply of DEC is not restricted by any other factor except the organic demand of it. DEC ecosystem is to grow or shrink as demand changes.

Peace of Mind. DeClub Reserve mechanism inherently discourages “runs on the bank” since the typical rationale behind a run is that a coin is only fractionally backed so holders of the coin want to get theirs back before others do in times of crisis.

Compliance. Governing association of DeClub Reserve does not set monetary policy. DeClub Reserve inherits the policies of the central banks represented in the basket of assets.

In summary, with a fully backed coin and a competitive

¹¹ Changes such as this requires exceptional circumstances and a supermajority vote by the association's council.

ecosystem of exchanges, it is highly convenient to convert coins back to fiat at a narrow spread above or below their current value, no matter how many coins are in circulation or how many people have already sold their DEC. The market value of the reserve always supports the value of the fiat currency that users receive if they sell their DEC.

4.3 Speculation and Procurement

We expect that the initial volatility of DEC in the open market be high. In order to safeguard investors' initial contributions, the association would not arrange every CHAR member to enter the DEC marketplaces. Rather, the association will inject DEC liquidity in a few reputable crypto exchanges so that the market can gradually begin the price discovery process.

Procurement. All Founding Members (FM) and Non-Founding Members (NFM) will be directed and encouraged to buy DEC from those selected public crypto exchanges. In case an FM or NFM provably fails to buy DEC in the open market, the association will serve as an alternative DEC liquidity provider, offering OTC service to the members or injecting liquidity into the exchanges according to weighted-average price (WAP) across all the other exchanges. (Buyer should expect total cost of purchase be at least 1% higher than the WAP if procuring DEC through OTC or through the requests of injection. This is to ensure the members who is requesting the OTC supply or injection have exhausted their other means of procurement.)

The association mints DEC as demand arise. The total units in circulation would be published publicly on a designated website. As speculative purchases fade and organic demand arise, the price of DEC will become more and more stable.

It is expected that 250 casino gaming tables worldwide will be under DeClub direct management in the second quarter of 2020. While DeClub will announce its own progress in the official website, it is up to individual members themselves to decide the time and place to publicly announce their plans and implementation schedules of DeClub ecosystem. DeClub respect every partner's own corporate governance and public relations strategy.

5. UniMile (USM) Value Preservation

UniMile (USM) is designed to be a stable digital cryptocurrency that will be fully backed by a reserve of casino cash chips and Declub Credit (DEC).

Declub Association is responsible for facilitating UniMile (USM) worldwide liquidity. It will encourage the listing of USM on multiple regulated electronic exchanges throughout the world. These exchanges offer both web portals and mobile apps for users to buy and sell USM.

The association is always inviting more cryptocurrency trading firms and CHAR as authorized resellers to provide more cash counters around the world to allow people the opportunity to exchange their local currencies for USM as easily as possible, wherever they are.

5.1 UniMile (USM) Reserve Backing and Exchange

Reserve is contributed by CHAR who buy and hold Declub Credit (DEC) with their casino cash chips or fiat monies. Casino cash chips is reliable because casino must be holding an equivalent amount of fiat currency that issued the cash chips to stay fully compliant of worldwide gaming regulations. Suffice to say that intrinsic value of cash chip is backed 1:1 by its local currency.

Exchanging between USM and cash chips/fiat monies is easy through partnering CHAR. Buy and sell of USM in crypto exchanges are also as simple as trading with any other crypto currencies pair.

6. CHAR Businesses

6.1 Nature of CHAR

Traditionally, Casinos, Hotels, travel/junket Agents, Remittance services (CHAR) are recognized as an emblem of trust. End-user customers (EUC) entrust casino by putting their own money as stake on the gaming tables.

However, CHAR has limited access and sharing of resources even among well-established companies. It is a close-loop system, shun from outsiders.

6.2 Challenges Met by CHAR

Inefficiency. Some tables overcrowded but some are underutilized, lowering customer satisfaction and return rate.

Imbalance. There are less and less highrollers. Players are shifting from VIP tables to MASS gaming area tables, rendering traditional junket referral system in downward spiral due to the increased labor cost; and the lesser personalized service to uphold visitor satisfaction is taking a toll on the overall income.

Inconvenience. Growing requirements of Anti-Money Laundering (AML) and Know-Your-Customers (KYC) regulations from worldwide authorities on cash-based transactions are discouraging EUC from smoothly and conveniently enjoying the services.

Failed Attempts. E-money were introduced to no avail,

and ironically fiat cash is still a major vehicle for players to exchange for cash chips as stake.

6.3 Challenges Met by Investors of CHAR

Worldwide investors who are keen in the CHAR industry lack direct mean to invest due to geographical and currencies limitation. In addition, insufficient industry connections and know-how to operate CHAR businesses are also another stumbling block preventing keen investors from fulfilling their investment interest.

6.4 Opportunity

DeClub believes technological innovation and the advancement of blockchain industry could build trust and consensus between worldwide CHAR businesses.

- We believe a worldwide compliant, instant, open and low-cost money transfer ecosystem could foster CHAR industry which enable more commercial activities across the world.
- We believe DeClub as a neutral platform could bring about stakeholders consensus and foster technology growth from regional to global scale.
- We believe that the well-established industry connections and deep-rooted management experience of the initiative Founding Members are qualified to start the network effects.

Macau is the perfect starting point for Declub ecosystem to launch as Macau accounts for 55% of

worldwide casino turnover.

Macau, backed up by China's 1.3-billion AliPay and WeChat Pay users, possess unique geographical advantages to bridge DeClub and Facebook Libra ecosystem so that the a global payment network can be realized.

7. Macau Casino Gaming Prospects

7.1 GDP per Capita (PPP) Highest in the World

According to International Monetary Fund, the projected GDP per Capita (based on PPP) of Macau during 2019 to 2023 is going to surpass all countries in the world, reaching 133k-172k international dollars.¹²

7.2 Revenue per Visitor Highest in the World

According to Casino.org's report, Macau tops the top ten places for gambling revenue based on visitors from Australia, Singapore, Philippines, South Korea, Las Vegas, Atlantic City, Cambodia and Malaysia.

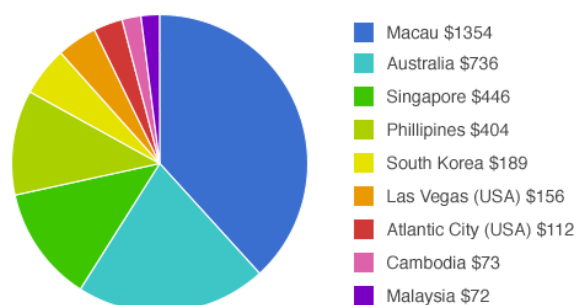


Figure 1 Top countries by gambling revenue based on visitors

7.3 Anti-Corruption & Social Evolution

In general, Macau's casino gaming revenue has been declining for several years¹³ in a row. China's restrictions on Macau's capital flow and anti-corruption campaigns¹⁴

¹² <https://goo.gl/FaYdZ9>; IMF estimates gross domestic product per capita, current prices based on purchasing power parity in international dollars

¹³ <https://www.casino.org/gambling-statistics/>

¹⁴ "Starting in 2003, the year before Mr. Adelson opened Sands Macao, the territory's first big casino backed by foreign money, gaming revenues there rose by 12 times in a decade. In 2013 they reached \$45 billion, which is equivalent to nearly eight Las Vegas Strips. Macau's ascent cushioned the blow of the 2007-08 financial crisis at home. In recent years China's president, Xi Jinping, has dealt the territory an extremely poor hand. His anti-corruption campaign, and tighter government supervision of the flow of money in and out of Macau, have decimated the territory's VIP baccarat business. Revenues fell by 34% in 2015 to \$29 billion and were down another 11% in the first half of this year. Yet Macau may still benefit from the emergence of the Chinese upper middle-class, despite Mr. Xi's crackdown, and it remains the closest thing there is to a growth story in casinos." – The Economist magazine Oct 8th 2016 print edition.

have forced many casinos to fall into operational difficulties, which also bring the casino business into the MASS market era.

The MASS business has outgrown VIP room¹⁵. Casino industry can no longer underestimate its potential. How to better maintain the vitality of the MASS business, boost the revenue of the VIP business, and explore the growing income of non-gaming business have become the biggest proposition in the casino industry.

"The development focus of the casino gaming industry in Macau should shift from VIP room to mass gaming area (MASS) business. There should be more diversified and non-gaming elements. The industry should try to reduce or eliminate illegal gambling activities and change people's bad impression of gambling. For casino operators, the development of non-gaming elements is an irreversible direction and trend of the future."¹⁶

-- Professor Xiangwei Gu, SOU

7.4 Growth of Mass Gaming Area Business

According to data from the Macau Gaming Inspection and Coordination Bureau, after the downturn in 2015-2016, Macau casino gaming revenues resumed growth in

¹⁵ <https://www.zhitongcaijing.com/content/detail/108819.html>

¹⁶ http://www.ipm.edu.mo/cntfiles/upload/docs/research/common/1country_2systems/2017_1/19.pdf--
Xiangwei Gu, Associate Professor, School of Public Administration, Shanghai Open University

2017, and the casino gaming economy began to recover.

Macau casino gaming industry had suffered a 26-month straight loss since June 2014, and it reversed in August 2016. Casino revenues managed to climb, and the growth rate indicated an upward trend. In January 2018, casino revenue in Macau increased by 36.4% year-on-year, the largest increase in recent years. By July 2018, Macau casinos have managed to maintain a sustainable revenue growth for 24 consecutive months¹⁷.

Casino gaming industry in Macau is enjoying a sound growth momentum. We are well-positioned to capture this transformational opportunity by focusing on the mass gaming area (MASS) business. We believe that making VIP-like service available to MASS players is the best strategy to weather regulatory and economic risks.

7.5 Mainland Chinese Love Macau

According to data from the Macau Tourism Bureau¹⁸, the number of Mainland China tourists to Macau exceeded 20 million in 2017, an increase of 8.5% over the same period of last year. In 2018, the number of visitors to Macau in the first quarter has exceeded 8 million. Macau's casino gaming business and its tourist attractions will benefit from the growth the most.

Megaproject. For a long time, the number of visitors

¹⁷ <http://www.dicj.gov.mo/web/cn/information/dadosestat/2017/content.html>

¹⁸ <http://news.sina.com.cn/o/2018-01-17/doc-ifyquixe3244936.shtml>

from Guangdong Province to Macau ranks first among Mainland China provinces. Public transport inconveniences have been limiting the growth potential of Mainland China tourists visiting Macau. However, it is anticipated to change for the better as the Hong Kong-Zhuhai-Macau Bridge¹⁹ was opened on 24 October 2018. Compared with the Macau International Airport, Hong Kong International Airport's world-class passenger handling capacity and high connectivity level make it more convenient for visitors from Mainland China to fly there first before going to Macau via the Hong Kong-Zhuhai-Macau Bridge as the final leg.

Favorable Policies. In the "Planning of Guangdong-Hong Kong-Macau Greater Bay Area"²⁰, Macau's positioning as a top destination for leisure and convention travel has been highlighted. Visa policies are expected to be further eased.

With multiple mega infrastructure upgrades and encouraging policies, the number of Mainland China visitors to Macau is expected to continue to increase in the future, which effectively reaffirms the vitality of the mass gaming area (MASS) business and a strong revenue growth for the casino gaming industry



Figure 2 Guangdong – HK – Macau Bay Area

19 https://en.wikipedia.org/wiki/Hong_Kong%E2%80%93Zhuhai%E2%80%93Macau_Bridge

20 <https://www.pwccn.com/en/research-and-insights/new-opportunities-for-the-guangdong-hong-kong-macau-greater-bay-area.html>

in Macau.

7.6 Reform = Better Future

"Macau, a special administrative region like Hong Kong, is the only place in China where casinos are legal, and the casino business has grown at an astounding pace since the government ended the four-decade gambling monopoly of the Hong Kong billionaire Stanley Ho in 2001. Macau is the pre-eminent gambling capital of the world, grossing the highest amount of gambling/gaming revenue and greatly dwarfing all the other gambling centers/cities."

-- Gambling in Macau, Wikipedia

From the year 2020, the existing six gambling licenses in Macau will expire in turn. The Macau government is reported to re-examine its gambling system based on the development of its own gambling industry and the position of Macau in the "Planning of Guangdong-Hong Kong-Macau Greater Bay Area". This is the second major reform of the Macau casino gaming industry. Many predict enormous growth after that. For the Macau casino gaming industry, this will not only pose a challenge to the operators, but also presents a rare and exciting opportunity for future development.

Challenges and opportunities coexist in the global casino gaming industry and the survival of the fittest in the industry has become an irreversible trend. With

upcoming major changes, the real test lies in their operational and profit-making capabilities. Casino management teams with excellent operational and management capabilities like DeClub will stand out from the competition.

8. Vision, Mission & Values

DeClub Association is to empower a joint vision of financial inclusion of Casinos, Hotels, travel/junket Agents, Remittance services (CHAR) to better serve their end-user customers (EUC) and Private Placement Investors (PPI) by developing and promoting a simple global currency and financial infrastructure.

DeClub Association is aiming to build the world's first blockchain-based casino gaming ecosystem with fully integrated land-based casinos and their associated non-gaming businesses, such as travel agency, hotel and remittance services.

We will first provide a fair, transparent and borderless tokenized casino gaming platform for all gambling players where everyone can enjoy VIP service and get the ultimate casino gaming experience. Based on this, we will further provide opportunities for players and investors to host game and access considerably high return on investment products available only in the casino gaming industry by taking advantage of blockchain's trustless nature.

At the same time, with the tokenization of chips, casinos and their associated service providers will be able to build a pan-gambling business ecosystem together, so that people with varying needs from tourism, business meetings to shopping can all gain easy and cost-effective access to customized and prestigious services on their mobile devices.

As the world's first third-party casino management and blockchain service provider, DeClub plans to offer data and IT services to all casinos around the world at cost, thereby accelerating the adoption of our advanced technologies and experience to the global gambling industry. The goal is to gain the widest possible audience of DEC utility token, UniMile stablecoin and the DeClub ecosystem in the shortest time.

As veteran casino operators and market participants, we are the few who are both aware of the impact of blockchain to the casino gaming industry and have the lineup to drive the evolution. We are going to develop a trustless and frictionless casino gaming environment for the casino operators and players to enjoy through blockchain technologies.

9. Competitive Advantages

With first-hand experience in managing world-class land-based casinos, DeClub is in the best position to apply blockchain technology in real-world casino gaming applications. Its land-based casinos offer real-world application scenarios for casino gaming centric tokenization and blockchain infrastructure development.

9.1 Revamp of Centralized System

Informatization. We will first start from land-based casinos currently managed by DeClub, upgrading their IT systems thoroughly, so that a centralized data-driven system can take shape first. We leverage blockchain technology to manage all players' information to achieve casino information sharing with a guaranteed privacy and security of information. Even if the players are scattered in different casinos, they can enjoy the ultimate casino gaming experience thanks to the real-time synchronization of information.

Personalization. At the same time, we will be developing DeClub App, which is dedicated to creating a pan-gambling business ecosystem around gambling. New users of DeClub App can enjoy premium discount packages after registration. For land-based casino players, DeClub App provides location-based services, notifying users of exclusive value-for-money entertainment packages from nearby hotels, restaurants and local business partners based on their GPS coordinates and

personal preferences. Players can use our stablecoin²¹ to pay for hotel accommodations, restaurant bills and all sorts of entertainment activities to earn loyalty points. The more one spends, the more points one gets.

Incentivization. For casino players who access service online, DeClub App automatically matches their residential information and spending preferences to distribute incentivized online rewards, such as partner merchant coupons. At the same time, DeClub App will send out loyalty points to daily sign-in users and referrals. Users with 7-day consecutive sign-on activity will have their weekly loyalty points doubled. One can earn even more points by sharing DeClub App to social media! Loyalty points can be used to convert to chips or UniMile stablecoin at the trading module of DeClub App any time.

9.2 Tokenization of Casinos

Chips are deemed as the most important representation of assets in licensed and regulated casinos. We will issue UniMile as a collateralized stablecoin²².

Casino cash chips issued by any licensed and regulated casino is required by their respective gaming control board (GCB)²³ to be collateralized by cash reserves. In Macau, the respective GCB is the Gaming Inspection and Coordination Bureau (DICJ, Chinese: 博彩監察協調局).

²¹ <https://en.wikipedia.org/wiki/Stablecoin>

²² <https://media.consensys.net/the-state-of-stablecoins-2018-79ccb9988e63>

²³ https://en.wikipedia.org/wiki/Gaming_control_board.

UniMile stablecoin does not only solve the problem of fake casino chips, but also enables us to digitally fuse land-based casinos and its associated economic activities to the online world powered by our blockchain technology. As an extension of land-based casinos, online casinos can dramatically increase our market exposure. Both land-based casino players and those who want to access non-gaming goods and services online can enjoy seamless consumer experience.

Casino tokenization will further facilitate the following applications:

Legal Compliance. Due to regulatory measures, the process of exchanging between fiat currencies and casino chips is cumbersome. Especially in the case of AML and KYC, the supervision of personal identification and access to funds are more strictly controlled than ever, and each operation involves lengthy verification process.

Nowadays, we have blockchain technology so that all transactional information is recorded, preserved and immutable. DeClub App users simply go through a one-time authentication process, eliminating the hassle of additional authentication process elsewhere.

Online-to-Offline. DEC and UniMile circulate within the DeClub-managed casinos and collaborating businesses. All online and offline businesses are connected which means members can securely synchronize and transfer their DeClub-associated assets in real time and free of transactional charge. DeClub App users can also pay online and then pick up the product or use the service in

a physical location or vice-versa. Seamless O2O.

9.3 Break Barriers of Entry of Game Hosting

Technically, everyone can become a casino game dealer or host one's own game, but due to legal and regulatory barriers, it is never easy. Blockchain technology destines that casino game hosting will no longer be monopolized by conglomerates or big families. Under the premise of complying with laws and regulations, we will design a dedicated mechanism so that DEC and UniMile holders can crowdfund and earn money from these regulated and licensed table games²⁴ as hosts.

9.4 Casino Client Data Sharing

We are first going to acquire at least three land-based casinos around the world and integrate their tokenized data into the electronically connected online world, especially their associated economic activities, such as tourism and luxury retail. In doing so, we exemplify "blockchainized" casino gaming ecosystem to all associated parties. We will then evangelize and help industry participants to replicate our success by sharing our platform data. The goal is to form a global consensus and alliance to securely share client centric and lending related data through a decentralized network without sacrificing the privacy of the clients through encryption and blockchain technologies.

²⁴ https://en.wikipedia.org/wiki/Table_game

9.5 Unique Advantages over Other Projects

Compared to other successful blockchain casino projects such as Edgeless and FunFair, DeClub's unique competitive advantages are as follows:

- Land-based casino management veteran with global experience and exceptional track record.
- Existing and readily available land-based casinos real-world applications.
- Promotional effort needed to popularize a newly created smartphone-based system, the DeClub App, within the Macau CHAR industry is relatively concentrated in a small area hence marketing

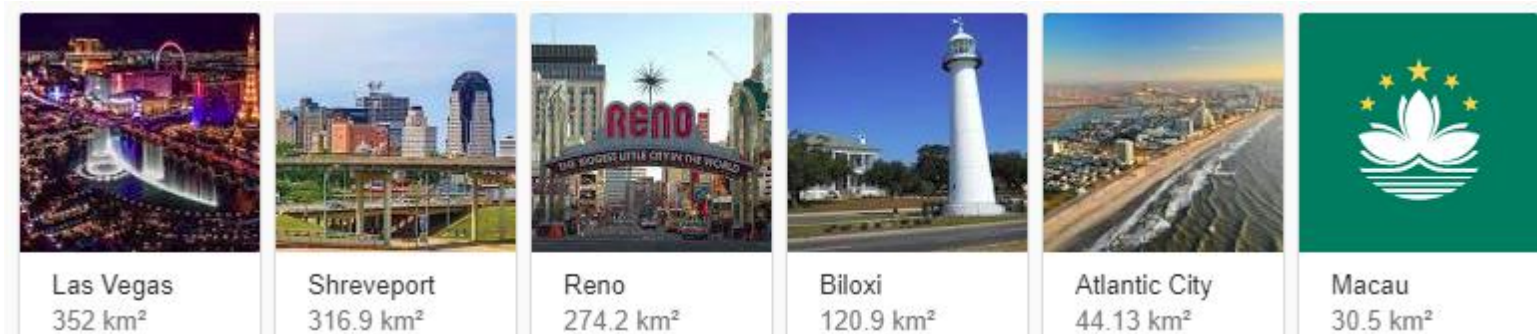


Figure 3 Land size of different casino towns

cost is smaller but yet be more effective. It ensure Declub easier to succeed than other casino towns.

- DeClub is going to funnel monthly tens of thousands of newly registered land-based casino members to offer real-world data driven application scenarios to our product managers and software developers to design applications that suit the current market environment.

- Roadmap to seamless O2O casinos, the ultimate casino gaming experience.

9.6 Advantage over Existing Junket Systems

There are many junket promotional systems (Chinese: 沓碼制) in Macau. All of them are based on non-negotiable chips (or dead chips; Chinese: 泥碼) instead of regular cashable chips. The junket groups compensate their promoters based on the Rolling Chip Turnover²⁵ (RCT) that the promoters (Chinese: 沓碼仔) manage to generate. Commission (Chinese: 轉碼回佣(碼佣/碼糧)) payout is usually calculated based on a percentage of RCT: range from 0.9%-1.15%²⁶.

To become eligible for the commission, a promotor must fulfill a minimum buy-in amount of Non-Negotiable chips (NN). It is unwarranted to say that existing junket groups dislike more business. Of course, everyone wants more business. A minimum buy-in is there because they have not implemented the necessary technology to automatically track players' affiliation to their promoters. Affiliate tracking is still done manually. It is the job of their on-site representatives (called PR) to accompany the players and to record the wagering of Negotiable chips(NN). Apparently, the labor cost prevents them from catering low buy-in amount because the potentially

²⁵ Rolling Chip Turnover is used by casinos to measure the volume of business transacted and represents the aggregate amount of bets players make. Bets are wagered with "non-negotiable chips" and winning bets are paid out by casinos in so-called "cash" chips. "Non-negotiable chips" are specifically designed for players to allow casinos to calculate the commission payable to gaming promoters.

²⁶ Based on the latest research on December 3, 2018 quoted from three of the largest junket operators in Macau (anonymously called Junket A, Junket B, and Junket C).

generable RCT from lesser buy-in amount of NN would not be able to justify the business operation.

Table 1 & 2 show data from three junket programs offered by the largest junket groups (A, B, and C) in Macau.

	Junket A	Junket B	Junket C	DeClub
Minimum Buy-in	1,000,000 HKD	50,000 HKD	10,000 HKD	1 USM (7.8 HKD)
Promotor Commission Per 100,000 HKD RCT (Same Day Settlement)	900 HKD	1050 HKD	990 HKD	147.36 USM (1150 HKD)
Promotor Commission Per 100,000 HKD RCT (Month End Settlement)	1050 HKD + 50 HKD Coupon	1150 HKD	1090 HKD	147.36 USM (1150 HKD) + Extension Coupon

Table 1 Competitive analysis of DeClub's offers and existing junket groups

DeClub economizes the access of junket promoters by catering to lesser buy-in amount of NN down to 1 US dollar. Everyone can become a junket promotor. Today's technology allows us to make this both feasible and economically viable. We are going to be the first to revolutionize the junket system by utilizing all the mature technology in physical chip tracking and affiliate management system to materialize the highly sought-after dream of economizing junket promotion system.

	Junket A	Junket B	Junket C	DeClub
CRLP Interest	Not Available	1%/Month	1%/Month	0.0328%/Day (≈1%/Month)
CRLP Prerequisite	Active 1X RCT	Active 3X RCT	Active 6X RCT	RCT Not Req.
JIP Dividend	Not Available	Not Available	Not Available	Up to 22% APR
JIP Prerequisite	Active RCT	Active RCT	Active RCT	Active RCT or Passive RCT

Table 2 Competitive analysis of DeClub's offers and existing junket groups

In Table 2, Active RCT means that a promotor must, through his own effort, bring in RCT with the buy-in NN. The 1X, 3X and 6X means that the RCT must be larger than a 1-time, 3-time or 6-time multiples of buy-in amount before a promotor can earn the commission. Passive RCT means that an investor has the option to not bringing in RCT by himself but delegating the work to others though the DeClub JIP marketplace.

The competitive analysis of Table 2 can be misleading because there is nothing like CRLP or JIP in the market. In particular, there is no marketplace for existing junkets to trade their funds and share counterparty risk. It is every man for himself.

JIP is revolutionary in a way that it turns some of the

junkets' excess credit risk ²⁷ into shared investment offerings which DEC and USM holders can enjoy up to 22% APR without necessarily having to actively bring in RCT but subdivide and subcontract the load to other junkets or even players on a real-time basis. The process only sound complicated but it is processed automatically through the JIP marketplace in a market.

DeClub's Junket Investment Program (JIP) is going to economize and democratize the access to junket promotion. Promoters can enjoy more competitive rate. Investors of different risk appetites can all find suitable offers in the marketplace.

DeClub's Cash Reserves Lending Pool (CRLP) offers passive return to investors who believe in the casino gaming industry. The interest is accumulated daily instead of monthly; and it is not required of the lender to generate RCT.

²⁷ It is difficult to establish how much credit these junkets extend because much of the business is done informally, but one Hong Kong-based analyst at an international bank estimated there was HK\$100 billion (\$12.90 billion) of outstanding debt.

10. Pain Points in Casino Gaming Industry

10.1 Lack of Trust and Fairness

Trust and fairness are common issues in casino gaming industry around the world, especially in online casinos. Players do not have access to historical result of games to verify the integrity and impartiality since such tools are not available to them.

All casino games have a mathematical expectation of less than 100%. This gives the house an edge. Cheating by casinos ²⁸ is completely unnecessary. Nevertheless, sporadic reports of dishonest establishments taint the casino gaming industry as whole. In addition, casino operators do not publish their game statistics in full, thereby depriving players of opportunities to analyze their games results.

Nowadays, we have blockchain technology to the rescue. Online casinos can perfectly solve these tough trust and fairness issues. Many players therefore, choose to use virtual currency casinos, but the reality is most of the so-called blockchain online casinos do not have anything to do with the underlying technology of blockchain except the name itself.

10.2 Isolated Island of Information

Centralized IT infrastructure is not conducive to the

²⁸ https://en.wikipedia.org/wiki/Cheating_in_casinos#Methods_of_cheating_by_casinos

mutual development of casinos. For land-based casinos or online virtual casinos, or even some so-called blockchain online casinos, their customer information is treated as their proprietary information and is not shared with outsiders. Casinos are unable to fully unleash the power of information interconnection in the era of big data. Isolated island of information leads to industry-wide problems.

Furthermore, global casinos do not record the collateral information of debtors in a timely manner, not to mention sharing with their peers. Predatory borrowing of multiple mortgages on the same property frequently happens. Casino gaming industry have been failing to find the right tool to mitigate this kind of credit risks.

10.3 Difficulties with Funds In and Out

Even though online casino business turnover has surpassed that of land-based, land-based casinos are still thriving because they carry the "entertainment value" by providing a timeless party atmosphere, which a simple internet connection cannot compete with. Luxury land-based casinos in Macau pride themselves in providing users with a high-end entertainment atmosphere and excellent services. Many casino players travel far to experience the various atmospheres offered by casinos in different countries.

Difficulties of bringing money to and from casino from different countries plagues these players. Given the restrictions of laws and regulations in different countries

and regions and the cumbersome exchange between chips and different fiat currencies, it is imperative to provide online and offline unified chips with capabilities of easy and convenient global circulation.

10.4 Burden of Neighboring Casinos Travelers

Land-based casino players like to travel. Some are active travelers who like to visit multiple neighboring casinos in the same region. Every time they switch to another casino to play, they must walk to the cage to get their fiat money back before going to another casino to exchange for new chips. This is unnecessary because it creates no value-add to the casinos.

10.5 Junket Credit Risk

Under current regulations, junkets are taxed on revenue rather than profit, meaning they are forced to pay tax on receivables whether those debts are collected or not. Junket groups hate bad debts, so it is financially sound to diversify their credit exposure by selling their excess credit risk. The existing risk management process is costly and inefficient because it is relying too much on trusted third parties (TTP) and manual labor.

11. DeClub Solutions

“Don’t Disrupt...
Technology Means Complementarity...
[W]e [inappropriately] exoticize technology...
[T]he most valuable companies in the future
won’t ask what problems can be solved with
computers alone. Instead, they’ll ask: how can
computers help humans solve hard problems?”²⁹

-- Peter Thiel, From Zero to One

Disruption is never the goal of technology revolution. By developing innovative solutions, we will organically coalesce the land-based casinos and their associated economic offline and online activities, such as tourism and luxury retail, into a coherent and seamless system. The goal is to enable players continue to enjoy its associated non-gaming products and services through an online network even after they leave a land-based casino.

To make all these happen, we are developing UniMile stablecoin that can be conveniently converted into different fiat currencies, and vice versa. Moreover, in the DeClub ecosystem, offline-and-online bonuses, coupons, and vouchers can be conveniently transferred to back and forth.

²⁹ When LinkedIn was founded in 2003 ... [they] set out to transform how recruiters did their jobs. ...If LinkedIn had tried to simply replace recruiters with technology, they wouldn’t have a business today.

The management systems of intermediary information and mortgage information will play a major role in promoting the integration of the old and new worlds of casino gaming. It contributes to the formation of a complete DeClub ecosystem effectively integrated into global casinos to solve the problems that have plagued the casino gaming industry for a long time. DeClub will become the first global casino gaming club with a perfect integration of land-based and its associated services that are available online.

In response to the pain points of the casino gaming industry mentioned above, we have a corresponding solution, which includes the development of the following projects.

11.1 Trustless Blockchainized Casino Industry

Blockchain technology is adopted to create seamless land-based and online casinos that players can really trust. By constructing an environment that casino operators cannot manipulate through random numbers transmitted in blockchain, the players' distrust of fairness is thoroughly eliminated, making it possible to conduct remote fair games without the need for trusted third parties (TTP). We can also let ordinary people realize the dream of becoming a casino owner to earn dividends and break the monopoly of traditional casinos ultimately. Players do not have to worry about being manipulated, and they can enjoy the level of professional service available only to highly regulated land-based casino anywhere in the world.

11.2 Big Data and Machine Learning System

With the integration of blockchain and machine learning (ML), we are going to establish a brand-new player information management system, never seen before in the industry, dedicated to breaking the casino "isolated information island", fully analyzing the player's game state in real time, sending SMS and App push customized reminders, and providing various rights to appease players. Each player can enjoy VIP-like service, which is a good way to acquire and retain players. Big data and machine learning professionals can use our secured and consensus-based player information to make sense of behavioral patterns so that casinos can organize targeted marketing campaigns.

11.3 Big Data Loan Data Warehouse

DeClub-managed casinos have in-house loan collateral data in place. We will encrypt them and share them with all the other licensed and regulated casino operators on our Blockchain. They do not need to know the specifics in the loan collateral data and they will not be able to access those data without the consent of the debtors. Nevertheless, they can fully automate the due diligence of assets mortgaged in their casino as follows:

- If multiple mortgages have already existed
- Valuation of the collaterals
- Completion status of mortgage loans

Global casinos can decide on their own whether to

approve a lending by referring to the big data system assessment. All they need to do is provide the collateral documents for the system to verify on the blockchain, thus lower the lowlihood of predatory borrowing.

11.4 Neighboring Casino Ledger System (NCLS)

Active Traveling Players (ATP) visiting neighboring casinos do not have to visit the cage first to get their fiat money back before going to another one to exchange for new chips.

Neighboring Casino Ledger System (NCLS) is an online distributed system allowing partnering casinos to help Active Traveling Players (ATP) to walk in and out of the neighboring casinos without having to carry any fiat money and its associated payment system such as debit and credit cards. ATP can save on electronic transfer and the burden of carrying cash around.

NCLS participating casinos can enjoy the "liquidity" of ATP flowing from the neighboring casino. NCLS-enabled casinos share the responsibility of keeping the track of fiat money balance and profit-and-loss of ATP. ATPs do not need to carry, pack or transport their fiat money or its associated credit and debit cards when visiting NCLS-enabled casinos.

An ATP simply walks in a new NCLS-enabled casino or any site, such as travel agency, let the cage or site keeper sweep against his DeClub App QR code for UniMile, walks away with chips or credits, and converts back to UniMile before leaving for his next stops using the same App.

Since every holder of UniMile has already gone through KYC requirements when he/she first acquires UniMile, ATP can choose what privacy information to disclose to NCLS-enabled site keeper. DeClub shares only the disclosable KYC information through blockchain to the site keeper. In short, NCLS enables ATP to enjoy a frictionless casino gaming centric traveling experience in just a few clicks.

11.5 Junket Investment Program (JIP)

It is customary for junket groups to sell their excess credit risk in bulk. The existing process is costly and inefficient. DeClub uses fintech methodologies to enhance the process. We establish credit default swap (CDS) over-the-counter market, a financial marketplace for exchanging credit risk, in Junket Investment Program (JIP) that is easily accessible on mobile devices. Junket groups can sell their excess credit risk on JIP in lower unit amount so that more investors can gain access to the investment. In turn, credit exposure can be more effectively diversified.

Despite easy to use and accessible, JIP is still relying on DeClub as the centralized trusted third party (TTP) between junket groups and credit investors. In due time, DeClub is going to port all JIP marketplace features, such as order book³⁰ and user system, onto a fully decentralized network so that the intermediary can eventually become efficient and trustless.

³⁰ [https://en.wikipedia.org/wiki/Order_book_\(trading\)](https://en.wikipedia.org/wiki/Order_book_(trading))

11.6 Centralized IT Management Modules

DeClub centralized casino management system is currently under development, which will pave the way to fully decentralized system. Table 3 shows the various modules. They lay the foundation of DeClub ecosystem.

<p>Player/Affiliate/ Junket Promotor</p>	<ul style="list-style-type: none"> ● Membership Application/Lifecycle ● Membership Card Issuing/Cancellation ● Account Management ● Player Performance Records ● Player Rating/Ranking ● Player Reward Tracking/Reporting ● Affiliate/Junket Promotor Tracking ● Promotional Campaign Activities ● Win/Loss and Tax
<p>Cage/Cashier Accounting</p>	<ul style="list-style-type: none"> ● Chips Tracking ● Payment Processing / Clearing ● Integrate to POS of Table, Slot, Hotel & Casinos
<p>Human Resources</p>	<ul style="list-style-type: none"> ● Role Definition ● Authorization ● Servicing Order ● Player Preference/Labeling ● Vouchers/Tickets ● Activity Monitoring/Tracking
<p>Business Intelligence</p>	<ul style="list-style-type: none"> ● Real-Time Reporting Dashboard ● Player Performance ● Casino Performance ● Data-Mining/AI Analysis/Predictive Analytics ● Visualization Profiler
<p>Host</p>	<ul style="list-style-type: none"> ● Junket Investment Program (JIP) ● Host Qualification ● Socializing Win/Loss with VIP Room ● Real-time Order Notification/Handling/Reporting
<p>Marketing</p>	<ul style="list-style-type: none"> ● Mobile/Web Frontends ● Social Network ● Traveling Info ● Betting Agency Integration ● Membership Point Rewards ● Gift Cards and Luxury Items Vouchers ● Exchange of Points to Chips ● NCL Neighboring Casino Ledger System (NCLS)

Table 3 IT Management Modules (Centralized)

12. Blockchain Adoption

Blockchain provides a shared ledger technology that casino gaming industry can use to record the history of game results and wagering transactions that cannot be altered. Blockchain provides a single point of truth: a shared, tamper-evident ledger. This approach changes transaction tracking from a siloed model, where multiple ledgers are maintained separately, to one that provides a common view across the entire network.

12.1 Road to Full Decentralization

DEC architecture will first adopt Ethereum as the choice of network to issue tokens. In other words, the initial decentralized blockchain architecture will confine to token ownership ledger only. Since DEC is initially only traded between the association, CHAR, industry investors and a few selected crypto exchanges, the speed and reliability should be able to cope with the requests generated.

Casino gaming algorithms and their transactional records will still be relying on centralized system until land-based casinos and online non-gaming businesses are unified through DeClub App into a coherent and seamless ecosystem. Blockchain decentralization of the unified ecosystem will be next. Erring on the side of caution, the decentralized network will run in parallel as a shadow of the centralized system for a certain period before succeeding.

12.2 Prevalent Context

“Sequencing markets correctly is underrated, and it takes discipline to expand gradually. The most successful companies make the core progression—to first dominate a specific niche and then scale to adjacent markets—a part of their founding narrative.”

-- Peter Thiel, From Zero to One

DeClub believes that the key to drive the emergence of blockchain technology is not general-purpose languages but more domain-specific languages that fit the prevalent context of the generation. Smart contract networks, such as Ethereum, have only helped us to inaugurate the new era of information technology. If the history of programming language development during the Internet revolution has taught us anything³¹, the best is yet to come in the blockchain revolution. The million-dollar question is what will become the prevalent context of the blockchain generation?

Satoshi Nakamoto, founder of Bitcoin believed it was building trustless consensus of the financial system. Vitalik Buterin from Ethereum believes it is building a general-purpose programmable distributed consensus

³¹ The whole idea of smart contracts was introduced by Nick Szabo (Computer Scientist and Cryptographer) first in 1993. It was domain-specific but it failed to gain popularity despite its innovativeness because the prevalent context of information technology at that time was the Internet revolution. The go-to tools that helped worldwide Internet application developers enhance their productivity are web-oriented programming languages, such as PHP and JavaScript. They are designed from ground up to enhance the productivity of web developers which contract-oriented programming language couldn't have offered. Curiously, the era of blockchain decentralization revived the concept of smart contracts, thanks to Ethereum and its contract-oriented programming language Solidity.

network starting with digital assets managed by smart contracts.

There is a grain of truth in both opinions, but DeClub has a more specific vision on the prevalent context: unlock the access economy by reducing the cost of trusted third party (TTP) and statutory process.

Access Economy	<ul style="list-style-type: none"> ● Economize access for qualified suppliers to buyers ● Economize access for sincere buyers to suppliers
Via Cost Reduction of	
Trusted 3rd Party	<ul style="list-style-type: none"> ● Build and cultivate procedural trust ● Replace manual labor with machine consensus
Statutory Process	<ul style="list-style-type: none"> ● Build and cultivate domain-specific processes ● Adopt fintech methodologies to uplift efficiency

Table 4 Prevalent context of the coming blockchain generation envisioned by DeClub

12.3 Blockchain Infrastructure Requirements

DeClub stands to advocate and propagate blockchain network with the following features:

Transparency	<ul style="list-style-type: none"> ● Open source, and ● publicly accessible network
Stability	<ul style="list-style-type: none"> ● Full decentralization, and ● fraud-and-hack resistant
Usability	<ul style="list-style-type: none"> ● Domain-specific language, or ● Programmable on C++/Java/PHP/Python
Orthogonality	<ul style="list-style-type: none"> ● sufficiently high cohesion, and ● sufficiently low coupling
Speed	<ul style="list-style-type: none"> ● sufficiently high Transactions Per Second (TPS)

Table 5 Desirable features of a blockchain network

Currently, one of the most eligible networks for DeClub to develop and deploy a fully decentralized network of casino gaming ecosystem is DeClub Chain.

13. DeClub Chain

Satoshi Nakamoto kicked off the Bitcoin whitepaper by describing the problem: the issue of double-spending in financial transactions. Ethereum whitepaper describes the problem: Bitcoin Script lack of Turing-completeness.

DeClub continues the legacy of Bitcoin and Ethereum network design by expanding the problem description: Ethereum Solidity is Turing-complete but its Contracts being able to be "created from within Solidity contracts"³² caused unforeseeable vulnerabilities and reluctant hardforks.

13.1 Ethereum and EOS.IO Pain Points

Random Number Generator. Ethereum popularizes blockchain smart contract; EOS popularizes the concept of supernode (or masternode) network to address scalability. Unfortunately, both are not fraud-and-hack resistant enough. Most Ethereum smart contracts are vulnerable because of weakness in pseudo-random number generator (PRNG)³³. EOS is no different. They failed to address this architectural weakness. EOS mainnet was launched on June 2, 2018 and reports of EOS dApp PRNG weaknesses have already surfaced³⁴.

³² <https://solidity.readthedocs.io/en/develop/contracts.html>

³³ <https://blog.positive.com/predicting-random-numbers-in-ethereum-smart-contracts-e5358c6b8620>

³⁴ <https://www.coinness.com/news/152808>

Coupling. Founding developers of Ethereum are skilled programmers themselves with in depth knowledge of computer science. Infamous hacks due to novice coding errors blindsided them. Retrospectively, Ethereum architectural design is too tightly coupled³⁵.

Tour-de-Force Showcases. Game creation tool ³⁶ developers always produce working demos to showcase the best features and capabilities of their engines. For example, id Tech 1 ³⁷ produced DOOM³⁸ in 1993, and Unreal Engine ³⁹ produced first-person shooter game Unreal⁴⁰ in 1998. The games were all technologically revolutionizing and commercially successful at their times. Ethereum and EOS.IO blockchain infrastructures and their development environment tools have been helping developers to launch commercially successful initial coin offerings⁴¹ and exit scam games⁴². Some consider the most complex dApp on Ethereum is a prediction market called Augur⁴³. Unfortunately, these tour-de-force showcases have not yet demonstrated the power that is offered by popular general-purpose software development languages, such as Java, and their centralized platforms.

Domain-specific Coverage. In-game public resources of

35 [https://en.wikipedia.org/wiki/Coupling_\(computer_programming\)](https://en.wikipedia.org/wiki/Coupling_(computer_programming))

36 https://en.wikipedia.org/wiki/List_of_game_engines

37 https://en.wikipedia.org/wiki/Doom_engine

38 [https://en.wikipedia.org/wiki/Doom_\(1993_video_game\)](https://en.wikipedia.org/wiki/Doom_(1993_video_game))

39 https://en.wikipedia.org/wiki/Unreal_Engine

40 [https://en.wikipedia.org/wiki/Unreal_\(video_game_series\)](https://en.wikipedia.org/wiki/Unreal_(video_game_series))

41 https://en.wikipedia.org/wiki/Initial_coin_offering

42 <https://medium.com/@simonaaa379/the-most-popular-high-risk-game-dbb6f94df269>

43 According to one of its founders, Joey Krug, Augur is currently the largest dApps built on Ethereum - it has over 100 contracts and ten times more code than the next most complex contract (MakerDAO).

virtual economy⁴⁴, such as map (immovable assets), gold (currency assets) and food (depletable assets) in massively multiplayer online game (MMO) are the pillars of a complex system. They are contextually unspecified by existing smart contracts technologies.

Learning Curves. It is most efficient for developers to use their familiar programming languages, such as Java or C++, that have been around for years and supported by communities of developers. Contract-oriented programming languages, such as Solidity, are wanting in ease of adoption since it requires developers to learn a new programming language or even design paradigm.

13.2 DeClub Solutions

Although DeClub is a general-purpose fully decentralized network, the team is commercially aware enough to focus their energy on MMO as a domain-specific tool first. MMO is an ideal model because it covers all facets of virtual economy, casino gaming and beyond. Besides, MMO has a global and rapidly growing user base to host distributed nodes. It is the ideal user base for a general-purpose programmable network to first gain its foothold.

DeClub embraces low coupling design architecture in a fully decentralized blockchain environment,

⁴⁴ https://en.wikipedia.org/wiki/Virtual_economy

emphasizing that logic processing should not involve asset provenance, which entails sole proprietorship. Its featured innovative blockchain algorithms as follows:

- Specified Range Trusted Random Number Generator (SRTRNG) eliminates all weaknesses that exist in the prevailing PRNGs;
- Proof-of-Game (PoG), a newly designed algorithm, never been seen before in the public domain, is rigorously tested and benchmarked to be the most efficient and universally applicable solution to solve the renowned mental poker problem⁴⁵ without a trusted third party and it can greatly increase the speed of generating blocks;
- Polymerized Smart Contract (PSC) enables executable language to run on blockchain nodes as plugin. It allows transaction processing by custom scripting functions. Different from prevailing approaches, it does not describe asset provenance but returns the result only;
- Self-Certified Storage Chain (SCSC)⁴⁶, a time-

⁴⁵ https://en.wikipedia.org/wiki/Mental_poker

⁴⁶ Self-Certified Storage (SCS) is a sophisticated P2P encryption information transfer model based on time axis. It was found in the open source code base of ZeroNet project but it is not well-known except for those who examine the code base closely. DeClub team did and found it to be ingenious and decide to term it Self-Certified Storage (SCS). SCS utilizes an asymmetric encryption method. It can ensure that the parties involved in the message delivery do not have any ambiguity during the message delivery and that the data cannot be falsified by anyone other than themselves. For example, A is going to send a message to B. A encrypts the message with A's private key, serving as a proof that A encrypted it and it is not forged. When B receives the message, B decrypts the message into its original form with A's public key. To be absolutely sure that only B has access to the original message, this message is also encrypted with B's public key. DeClub put a timestamp and hash at the beginning and the end of the chain of SCS so as to ensure the data uniqueness and completeness of the data. Even if A broadcasts forged messages, A will have to send another message to conceal the double spending problem caused by the previous broadcasts. But what A will do is not allowed, for it has already left its digital fingerprint on the chain as a proof. This system of transferring and storing messages based on encryption is referred to as Self-Certified Storage Chain (SCSC) by DeClub.

tested open source algorithm used in ZeroNet⁴⁷, further protects PSC against fraud-and-hack.

- Programmable on Java, C++, PHP, and Python

DeClub is a fully decentralized ecosystem that supports serverless CPU power, unleashes unlimited possibilities in blockchain online casino gaming design.

13.3 Private Viewing of DeClub

DeClub proof-of-concept, LAN-based testnet is available for private viewing in Xiamen, China (or other location upon special request) with distributed environment of eight computers. A fully functional real-time strategy game (RTS) is deployed on it. High-performance RTS can run on DeClub. It demonstrates the power of DeClub is on par with the MMO domain-specific languages (DSL) and popular general-purpose software development languages and their environments.

For journalists and investors who want to closely examine DeClub, please contact one of our administrators in DEC Token Sale Telegram chat group to arrange.

13.4 Tutorial on Full dApp Development

To further showcase DeClub's power to the worldwide developer community, a two-week tutorial is conducted monthly to teach programmers to develop fully

⁴⁷ <https://en.wikipedia.org/wiki/ZeroNet>

decentralized yet high-performance MMO and RTS games on DeClub that can offer the games the same experience on centralized platforms at Xiamen, China.

For worldwide developers who want to closely examine DeClub and to learn everything about developing a high-performance MMO or RTS games on a fully decentralized network environment, such as DeClub, please contact one of our administrators in DeClub Credit (DEC) Investment Token Sale Telegram chat group to arrange.

Students will learn how to use the languages that they're most familiar with, such as Java, C++, PHP or Python, to develop fully decentralized serverless yet high-performance games.

Prerequisite is minimal. Two years of on-the-job server-side programming experience is good enough to fully appreciate the two-week tutorial.

14. DEC Token Sale and UniMile Stablecoin

14.1 Description

DeClub Credit (DEC) is an investment token. It is a blockchain digital asset based on Ethereum conforming to ERC-20 standard.

UniMile is a blockchain digital asset based on Ethereum conforming to ERC-20 standard. UniMile is a mintable token with a non-fixed total supply, enabling DeClub to "mint" more tokens as demand arises, which in turn depends on the amount of casino cash reserves as required by laws and regulations of different countries and jurisdictions.

14.2 DEC Token Features

Entitlement. DEC is an investment token that offers various rights to its holders.

Investment Token: DeClub Credit	Symbol: DEC	Issued on: TBA
Traditional Chi: 帝客通	Simplified Chi: 帝客通	
<p>Features:</p> <ul style="list-style-type: none"> ● Rights to: <ul style="list-style-type: none"> ■ Lend (R2L) in DeClub App Cash Reserves Lending Pool (CRLP) ■ Invest (R2I) in DeClub App Junket Investment Program (JIP) ■ Affiliate (R2A) referral promotion ■ Host (R2H) game(s) and game table(s) ● Tradable on cryptocurrency exchange(s) 		
Total Issued: As demand grow or shrink.		

Table 6 Features and specifications of DEC token

DEC holders are entitled to do a few things, such as lending to CRLP and investing in JIP. To illustrate DEC's features, we use CRLP as an example. For a potential creditor to become eligible to lend money to CRLP, he must be holding a sufficient amount of DEC.

A sufficient amount of DEC depends on three factors: 1) current market value of DEC; 2) how much money the creditor would like to lend to CRLP; and 3) value of Cash Reserves Earnest Multiplier (CREM) that is discretionarily and dynamically adjusted from 0 to 1 by DeClub's risk

management team based on the liquidity of DEC.

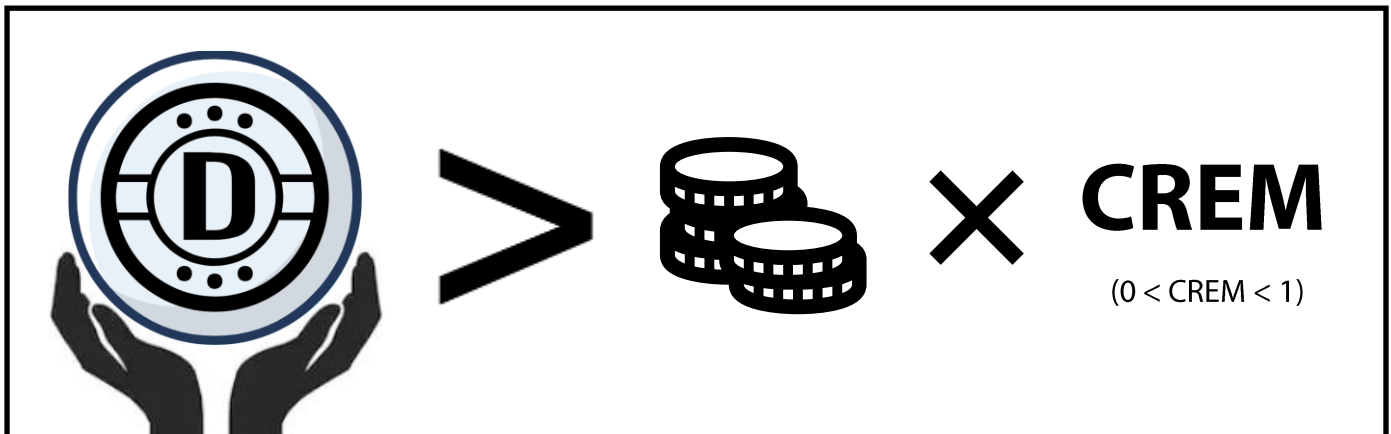


Figure 4 Creditor holds enough DEC which market value is higher than the lending amount times Cash Reserves Earnest Multiplier ($0 < CREM < 1$) at the time of lending.

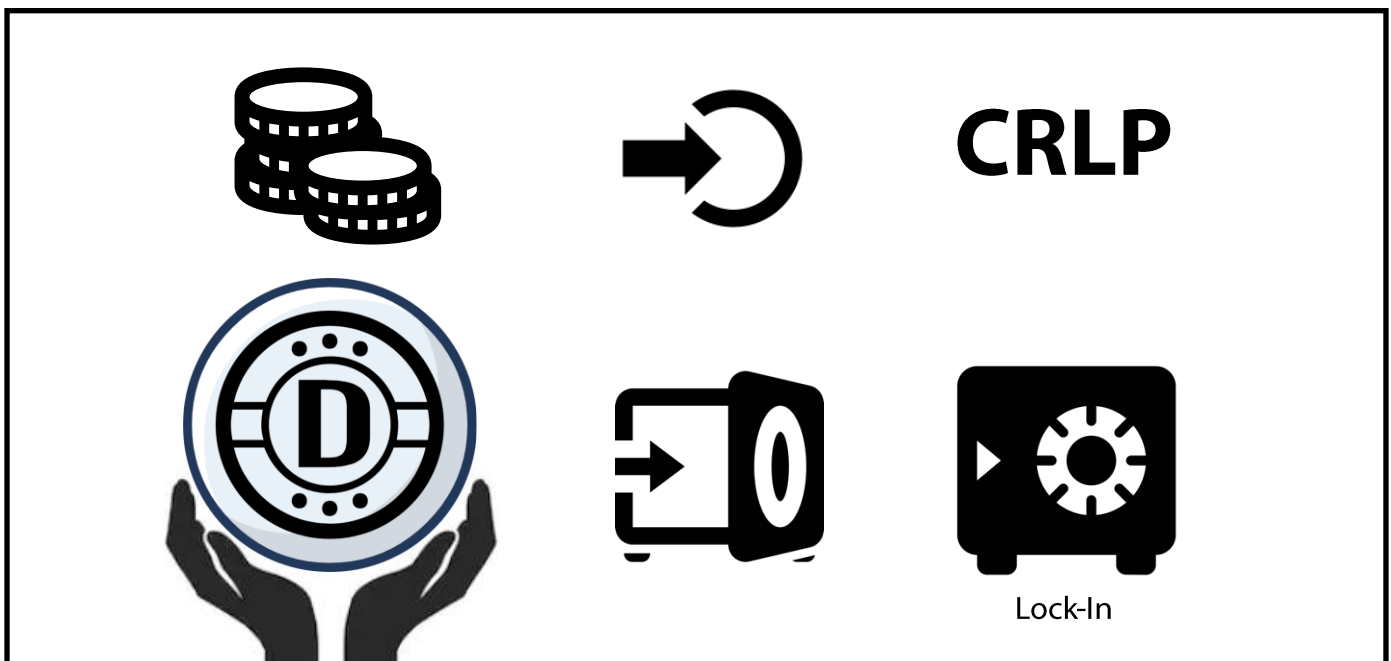


Figure 5 Creditor is then entitled to lend to CRLP alongside the DEC lock-in for the day. But the amount he can lend to CRLP is constrained unless he procures more DEC from the market.

DEC is procurable through DeClub's partnership cryptocurrency exchanges and some of the major exchanges in the near future. If one does not want to hold DEC but still wants to lend money to CRLP, he can borrow DEC from the DEC holders who are willing to lend for an

interest. DeClub will provide the online marketplace, facilitate the price discovery, and secure the collateral for the creditors.

14.3 UniMile Token Features

Collateralized stablecoin. UniMile is an asset-backed stablecoins. The first of the series is USD UniMile pegged to value of 1 USD. Since USM is collateralized by the DeClub Reserve in which assets are regulated by gaming control boards (GCB)⁴⁸ around the world, cryptocurrency traders can hold and trade UniMile as one of the most reliable stablecoins.

⁴⁸ https://en.wikipedia.org/wiki/Gaming_control_board

Stablecoin: USD UniMile	Symbol: USM	Issued on: To-be-announced
Traditional Chi: 美元一里通		Simplified Chi: 美元一里通
<p>Features:</p> <ul style="list-style-type: none"> ● Pegged to stable asset value equals to 1 USD, in which each casino cash chip is required by laws to be collateralized by cash reserves; in other words, USM is legally backed by equal value amount of stable assets. ● Audited by accredited auditor ● Earn a daily interest of 0.0328% ($\approx 12\%$ APR) by lending UniMile as principal to DeClub App Cash Reserves Lending Pool (CRLP), only if: <ul style="list-style-type: none"> ■ Creditor holds enough DEC which market value is larger than the lending amount times Cash Reserves Earnest Multiplier ($0 < CREM < 1$) at the time of lending; and ■ Lock the DEC in DeClub App for the day; and ■ Creditor is NOT required to bring in Rolling Chip Turnover (RCT) ● Earn annual interest of up to 22% APR by investing UniMile as principal in DeClub App Junket Investment Program (JIP), only if: <ul style="list-style-type: none"> ■ Investor holds enough DEC which market value is larger than the investment amount times Junket Investment Earnest Multiplier ($0 < JIEM < 1$) at the time of investing; and ■ Lock the DEC in DeClub App for the year; and ■ Investor brings in an RCT larger than that of the valuation of the investment amount times a Rolling Multiplier ($1 < RM < 6$) during the year ● Redeemable for physical cash via land-based casino cages/cashiers, travel agencies, shops, and kiosks; ● Tradable on cryptocurrency exchange(s) 		
Total Issued: Mintable token. Non-fixed total supply.		

Table 7 Features and specifications of USD UniMile token

14.4 UniMile Alliance

UniMile is redeemable for casino cash chip or fiat cash at the partnering CHAR in UniMile Alliance. UniMile Alliance works like Star Alliance⁴⁹ of the airline industry. UniMile Alliance participating casinos will announce their adoption of UniMile through their official channels once the technical integration is finished and service becomes available. DeClub only works with licensed casinos regulated by A-list gaming control boards (GCB) with profitable track record and reputable history to ensure it is fully compliant to the laws of governing jurisdictions to ensure the rights of UniMile holders.

- Junket Investment Earnest Multiplier ($0 < \text{CREM} < 1$) at the time of lending;
- Lock the DEC in DeClub App for the day.

14.5 Invest in Junket Investment Program (JIP)

DEC holders can earn even more UniMile by investing UniMile as principal in DeClub App Junket Investment Program (JIP) and earn annual return of up to 22% APR in UniMile.

Only DEC holders have the rights to invest in our Junket Investment Program (JIP). UniMile Alliance casinos make money and settle investment return to investors on a

⁴⁹ https://en.wikipedia.org/wiki/Star_Alliance

yearly basis. DEC holders have the rights to select offers from different casinos in JIP and use UniMile to invest in desirable ones to enjoy the high yield in UniMile.

JIP investors can earn annual interest of up to 22% APR by investing UniMile as principal in DeClub App Junket Investment Program (JIP) provided that the following criteria are fulfilled:

- Investor holds enough DEC which market value is larger than the investment amount times Junket Investment Earnest Multiplier ($0 < JIEM < 1$) at the time of investing;
- Lock the DEC in DeClub App for the year;
- Investor brings in an RCT larger than that of the valuation of the investment amount times a Rolling Multiplier ($1 < RM < 6$) during the year.

Casinos managed by DeClub, its future wholly owned land-based casinos, and the casinos of UniMile Alliance would bring substantial return to UniMile holders. JIP allows DEC holders to make the most out of their DEC and UniMile investment.

Each offer listed in JIP contains:

- Expected Rate of Return (ERR)
- Rolling Multiplier (RM)

The interface will have a similar look and feel of Bitfinex's lending market. DEC holders and DeClub-administered casino JIP is updated daily. DEC holders can maximize their UniMile utility and improve their return on

investment through monitoring the most up-to-date investment offers.

For online casinos, the offers are further subdivided into tables. DEC holders can enjoy the fun and investment returns of owning a part of an individual table.

14.6 Right to Host Games

Subject to one's local jurisdiction and gaming regulations around the world, the fully decentralized casino gaming-centric blockchain infrastructure of DEC enables the most refined model of game hosting ever. Hosting casino games online has never been more customizable than on DEC-powered casino gaming network. Game hosts can start their casino with a single click and invite friends to online casino gaming tables straight from their social network accounts.

Game rules, such as edge and rake⁵⁰, are customizable. The multiple customization options available in each game allow game hosts to configure freely. Even "no rake" games are possible! It is possible to set up rules according to preferred gameplay scenario. Smart contract options

⁵⁰ [https://en.wikipedia.org/wiki/Rake_\(poker\)](https://en.wikipedia.org/wiki/Rake_(poker))

are available but not encouraged ⁵¹ . We strongly encourage casino game developers to use blockchain technology to realize immutable data lineage and provenance instead of the rules. All changes to the mutable rules are automatically alerted, recorded and preserved on distributed nodes on the blockchain, permanently opened to the public scrutiny.

DEC network ensures that hosts can collect the rake from games without having to deal with any financial or operational barriers. It is only required from a host to maintain a bankroll of DEC. And those who do not want to keep too many DEC tokens, always have an option to operate as junket promoters who do not need to deposit as many DEC tokens as a host and still earn a risk-free but percentage-based commission with every player introduced to play DeClub-powered games.

⁵¹ 'Smart contracts were originally quite separate from cryptocurrencies and blockchains. They were first proposed by Nick Szabo in 1994. You set up a legal agreement in the form of a computer program that triggers when particular conditions are met, and which cannot be interfered with once deployed. The idea is to replace the messy uncertainty and hierarchy of conventional human-mediated legal agreements with the clear, deterministic rigour of computer code, immune to human interference, in order to make business and the law more predictable and effective.

This is a bad idea in every way. Computer code maps very badly to real-world legal agreements, where the hard part is not normal operations, but what to do when things go wrong; immutability means you can't fix problems, programmers need to write perfect bug-free programs first time every time, and the contract can't be updated if circumstances or laws change; if the contract acts on real-world data, that data will often need human interpretation. And imagine your money working as reliably as your PC. Dr. Strangelove is the best-known story of an unstoppable smart contract going wrong, immune to human intervention. The US has sent nuclear bombers to the Soviet Union that can only be recalled with a code that nobody has; if any bombs hit, these will trigger the Soviet Union's deterrent, an unstoppable doomsday device that cannot be dismantled or disarmed, and will explode on any attempt to. The real-life version's consequences are not as drastic, but the misguided thinking is the same.

Fortunately, most of the worst real-world smart contract proposals are infeasible; what they're actually used for is "honest Ponzis" and ICO tokens.', *Attack of the 50 Foot Blockchain: Bitcoin, Blockchain, Ethereum & Smart Contract*, by David Gerard, 2017

15. Prospects of DeClub Ecosystem

Investors want to know the prospects of DEC and UniMile. Here we take a conservative approach to estimate the market and present a balanced view of the prospects.

15.1 Macau NN-Based Junket Market

China's crackdown on corruption caused Macau's monthly gross revenue hit rock bottom on November 2015. Official record of Gaming Inspection and Coordination Bureau (DICJ, Chinese: 博彩監察協調局) showed that the gross revenue on that month was 2.05 billion USD.⁵² We use this as the basis to project the Macau casino gaming market. This is a conservative approach because all subsequent revenues, even that of September 2018, during which Typhoon Mangkhut hit⁵³ and all casino operations shutting down for 33 hours, were higher than that.

DICJ's report on revenue breakdown⁵⁴ shows that "VIP Baccarat" (baccarat game tables operated by the junket groups) has consistently been accounted for over half of the revenue while "Baccarat" (baccarat game tables in the mass gaming areas (MASS)) comes into second place, and together consistently accounted for over 88% of the Macau casino gaming revenue. Assuming NN-based wager accounted for 90% of the VIP Baccarat business, a

⁵² http://www.dicj.gov.mo/web/en/information/DadosEstat_mensal/2015/index.html

⁵³ <https://calvinayre.com/2018/10/01/casino/typhoon-mangkhut-spaes-macaus-september-gaming-revenue/>

⁵⁴ <http://www.dicj.gov.mo/web/en/information/DadosEstat/2018/content.html#n1>

conservative estimate of its gross revenue is at least 900 million USD.

In the financial reports of casinos, we often see a term called hold rate. It is the ratio between “win” (casino’s revenue) and “drop” (players’ buy-in amount of chips). The hold rate of baccarat rarely goes higher than 30%, so 900 million USD divided by 30% equals 3 billion USD in drop.

Macau junket groups incentivize their promotor to leave the drop in the cash reserves for at least a month. So, it is safe to assume that at least 3 billion USD of cash is set-aside for junket promotional purpose.

Word on the street is that more than 50 billion USD cash is set-aside in the Macau junket system because many promoters choose not to withdraw the buy-in money and grow their business with the junket groups. Note that MASS baccarat market has not been accounted for in the estimate. As a matter of fact, neither NN nor junket system been implemented in the MASS. It is essentially an uncontested market space.

We are going to reconstruct the junket market boundary and capture the market space. By integrating mature technology in chip tracking⁵⁵ and developing junket management system, DeClub can reduce the need for costly manual labor in affiliate tracking by freeing junket’s need to personally monitor the rolling amount

⁵⁵ <https://www.cnn.com/2018/01/19/macau-police-hunt-for-hk48-million-in-gambling-chips-after-wynn-casino-robbery.html>

made by players and empower them with ability to serve multiple, even hundreds or thousands of players at the same time. We will negotiate volume discount from mature technology providers. Junket groups who join UniMile Alliance and/or who adopt Neighboring Casino Ledger System (NCLS) take advantage of our group-buying discount to lower their cost of affiliate tracking by reducing manual labor so that they would never have to inadvertently discriminate against the MASS. As a result, we expect to get at least 1.3 billion USD revenues from MASS junket market.

15.2 Debt Market

The debt market in Hongkong provides a glimpse of the potential market size in Macau. If we simply take the “local corporates”⁵⁶ debt market size as reported by the Hong Kong Monetary Authority, we have an upward of 2 Billion USD market space. And if we take a few of the debt issuers in Macau as baseline, such as Wynn Macau⁵⁷ and Bank of China (Macau)⁵⁸, we have at least 1 Billion USD.

15.3 Junket Credit Market

It is difficult to establish how much credit junket groups extend to the players because much of the business is done informally, but one Hong Kong-based analyst at an international bank estimated there was 12.90 billion USD

⁵⁶ <https://www.hkma.gov.hk/media/eng/publication-and-research/quarterly-bulletin/qb201803/fa1.pdf>

⁵⁷ https://markets.businessinsider.com/bonds/wynn_macaul-notes_201717-27_regs-bond-2027-usg98149ad29

⁵⁸ <https://www.investopoli.com/en/2018/02/27/bank-of-china-macau-bond-xs1772507833/>

of outstanding debt.⁵⁹

15.4 Gambling Stock Investor

Gambling industry investors in the highly regulated market of stocks see dividend yield as an important parameter to make their picks. The higher the dividend yield, the more investors are willing to pay for the stocks. But of course, as a stock price goes up, the implied yield gets lowered. The current market sentiment is showing gambling related stocks from having 0.6% to 6%.

Due to legal constrains of token sale, DeClub offers DEC holders the rights to invest in CRLP and JIP which offers up to 22% APR in UniMile.

15.5 Gambling Token Sales

Cryptocurrency portal CoinSchedule shows⁶⁰ that the money raised by token sales in the category of “Gambling and Betting” in the 2017 and 2018 are as follows:

Year	Money Raised
2017	0.138 Billion USD
2018	0.266 Billion USD

Table 7 Fund raised by “Gambling and Betting” category of token sales in 2017 and 2018

The combined total of money raised is around 0.404

⁵⁹ <https://www.reuters.com/article/macau-debt-idUSL3N0TE2IG20141130>

⁶⁰ <https://www.coinschedule.com/stats.html>

Billion USD, which is a sign of investors showing enthusiasm towards the blockchain tokenization effort.

15.6 Cryptocurrencies

A 2017 study⁶¹ by the Cambridge Centre for Alternative Finance suggests that “current number of unique active users of cryptocurrency wallets is estimated to be between 2.9 and 5.8 million.” PayPal boasts 235 million active users⁶², Mastercard has 35.7 million American users⁶³ and another 604 million active international users⁶⁴, and Visa⁶⁵ accounts for a whopping 336 million American users and another 736 million users globally.

Bitcoin active user base is only 2.5% of PayPal’s. The room for it to grow is huge. And if bitcoin is indicative of the percentage of investors among users of different purposes, such as speculation, investors who choose to “hodl”⁶⁶ has never been shy of 30%.⁶⁷ Therefore, it is safe to say that a leading cryptocurrency with limited supply will always have a solid foundation of fans who see it as a storage of value.

15.7 Stablecoins

Stablecoins market cap has reached close to 3 billion

61 <https://www.jbs.cam.ac.uk/faculty-research/centres/alternative-finance/publications/global-cryptocurrency/#.XA06rmg4ebh>

62 <https://www.pymnts.com/earnings/2018/paypal-earnings-mobile-volume-user-growth-barclays/>

63 <https://www.statista.com/statistics/350563/users-of-mastercard-credit-cards-usa/>

64 <https://www.statista.com/statistics/618137/number-of-mastercard-credit-cards-worldwide-by-region/>

65 <https://www.statista.com/statistics/618115/number-of-visa-credit-cards-worldwide-by-region/>

66 <https://en.wikipedia.org/wiki/Hodl>

67 <https://blog.chainalysis.com/reports/money-supply-q3>

USD⁶⁸ on October 2018, and trading volume surpassing to 6 billion USD⁶⁹ on 21st November 2018.

“Stablecoins have already accomplished a crucial goal for the crypto industry: highlighting the need to identify ways to better build trust into crypto. As stablecoin projects strive to generate trust, patience and support is required both from the crypto industry and from the centralized banking industry. This comes in the form of financial backing to ensure liquidity, regulatory backing with an understanding that stablecoins are the closest things to real-world assets that exist in the crypto world, and the backing of crypto exchanges in promoting stablecoins on their platforms.

If these conditions are met, it’s entirely possible that down the road, the currency solution of the future will be equal parts cash and crypto, centralization and decentralization, speed and security. All in the name of achieving the pinnacle of currency: true and lasting stability.”⁷⁰

-- Jonathan Moed, Forbes Contributor

USD UniMile will become the ultimate stablecoin that fulfills all of the above criteria because it has not only the trust of stable asset-based collateralization that is

⁶⁸ <https://stablecoinindex.com/marketcap>

⁶⁹ <https://stablecoinindex.com/volume>

⁷⁰ <https://www.forbes.com/sites/jonathanmoed/2018/10/31/with-the-rise-of-stablecoins-can-crypto-finally-realize-its-potential/>

monitored by GCB worldwide but also the DeClub-managed junket applications that is going to inject mammoth liquidity to it so that it is expected to become the single formidable force that geometrically accelerates the market cap and trading volume of stablecoin shortly after its launch.

DEC holders benefit immensely from the popularization of UniMile because DEC is the only entitlement token that enables everyone to the rights to lend to CRLP, to invest in JIP, to promote casino games as affiliate, and to host one's own game, which all require DEC holding.

15.8 DeClub App

Android and iOS compatible DeClub App is the main interface for our users before the fully decentralized casino gaming network launch.

DeClub App fully supports the exchange of mainstream cryptocurrencies. We will invite seasoned third-party market makers to ensure liquidity in our in-app exchange.

In the third quarter of 2019, all land-based casinos players can enjoy the most appreciable upgrades of tokenized casino: no more entrance barriers for ordinary people to become a junket promoter/affiliate to make money by referring new customers to casinos. Referral-fee mining model enables every registered DeClub App user to earn DEC tokens without the need to deposit a large amount of fund. Mass gaming area players can enjoy the rewards and experience that used to be for VIP players only.

15.9 Trends in Crypto

To leverage the fast-growing cryptocurrency world, our product and social media team will keep a close eye on the latest trends: 1) loyalty and incentivization elements, such as trans-fee mining⁷¹ and reverse-mining⁷² models; and 2) viral products, such as jackpot games. They are effective in drawing eyeballs from active cryptocurrency speculators and fans.

Due to the overwhelmingly large betting volumes and earnings in land-based casinos, any percentage of them funneled to the promotional activities will draw social and media attention, driving wider adoption and recognition of DeClub App, DEC and UniMile tokens.

15.10 Streamline Fund Flow

Before the end of 2020, the association intend to obtain a bank license to operate a more streamlined fiat currencies payment network within the DeClub ecosystem. At the same time, we will be embracing more diversified industry, such as real estates and conference centers, to participate in the Declub ecosystem.

Subject to the decision of the members, the development and promotion of tokenized and later decentralized online casinos are going to be the irreversible trend and future of a secure, transparent and

71 <https://www.linkedin.com/pulse/trans-fee-mining-existential-question-token-economics-rebecca-mqamelo/>
72 <https://www.newsbtc.com/press-releases/bitmax-ios-reverse-mining-token-economics-inflation-management-protocols-highly-favor-traders-investors/>

fair online casino gaming environment. Once regional authorities and gaming regulators initiate such effort, DEC and UniMile possess the potential to fuel the first ever online casino that has seamless integration to land-based casinos.

15.11 Profit-Driven Evolution

DeClub is well aware of the challenges ahead, which include but not limited to regulatory changes and the working capital required. However, unlike other blockchain projects whose bloodline and reputation rely solely on their moonshot decentralized software developmental success, as an existing operator of land-based casinos in Macau and forthcoming in other countries, we have a strong monthly balance sheet confirmed by the respective regulatory bodies, such as The Gaming Inspection and Coordination Bureau of Macau (DICJ) and Philippine Amusement and Gaming Corporation (PAGCOR) to show everyone that our casinos are performing well.

What sets us apart from other blockchain projects is that we have money-spinning land-based casinos to fuel the continual and demand driven development of the "blockchainized" and decentralized DeClub network. The healthy cash flow could and should ensure that the Declub ecosystem is sound and financially sustainable for the long haul.

15.12 Blockchain Technology Impact

Blockchain technology is an integral part of DeClub project because we are unleashing almost all of its prominent features in the DeClub ecosystem.

Token Minting	<ul style="list-style-type: none"> ● Limited supply of DEC incentivizes early holders ● Asset-backed UniMile as most trusted stablecoin
Tamper-Evident Ledger	<ul style="list-style-type: none"> ● Credit risk management in junket groups ● NCLS for Active Traveling Players (ATP)
Immutability	<ul style="list-style-type: none"> ● Fairness and transparency to casino games ● Accountability of all kinds of game hosts
Encryption	<ul style="list-style-type: none"> ● User privacy ensured ● Analytical data can be shared across-the-board
Decentralization	<ul style="list-style-type: none"> ● Low cost ● Hosts are free to customize rakes and edges
Dev. Platform	<ul style="list-style-type: none"> ● DeClub assists in lowering regulatory barrier ● Join the house and hosts one's own games

Table 8 Blockchain technology features and their implementation in DeClub ecosystem

15.13 Commitment

DeClub management is committed to the cause of building a WAN-network functioning, open to public and fully decentralized casino gaming centric blockchain infrastructure that is going to forever reshape the course of casino gaming landscape.

16. Management Team

Kennis Wong (黃國樑) – Founder & CEO

General Manager of DeClub. Former CEO of Jimei Group. With 20+ years casino gaming industry experience, he has managed casinos in Macau, Korea, Philippines, North America, Cambodia, and Australia of over 5,000 employees. He is familiar with casino gaming ecology and its data science. With his rich industry experience and vast network of contacts, he has the knack to acquire low-hanging fruit kind of casinos with profitable mass gaming areas (MASS) among the sea of 4,000+ licensed land-based casinos around the world. The casinos under his management has witnessed up to a turnover increase of more than 40% in 8 months.



Patrick Lam (林志達) – Chief Information Officer

Entrepreneur, blockchain financial expert and venture builder. He founded the international multi-currency bitcoin trading platform KBBEX in 2014. It was funded by the Hong Kong Government's Cyberport Technology Fund and became the first crypto exchange that has been acknowledged by government agency in Asia. The trading platform was subsequently acquired by Chinese Bitcoin counterparts in 2015. Patrick was invited to several well-known entrepreneurial incubators in Silicon Valley for entrepreneurship guidance and sharing, such as Y Combinator, 500 Startup, and Plug and Play Tech Centre. Lam was also invited to Stanford University and University of Waterloo as guest speaker to present how blockchain and decentralization technologies can disrupt traditional finance, payment and international remittance systems. As a pioneer in the blockchain industry, Patrick had traveled to more than ten countries in Europe, America and Asia to discuss the application of blockchain with local enterprises and various government departments. It is his mission to help create a favorable legal environment to support blockchain entrepreneurs to thrive. Up to now, Patrick had invested in several blockchain related companies, and among many companies, he is convinced that a decentralized, algorithm-proven fair, online and offline integrated casino gaming platform will bring the next wave of disruption of the casino gaming industry.

<https://www.linkedin.com/in/patricklamct>



Terry Li (李明) – Chief Technology Officer

A Canadian IT technologist and a blockchain educator who co-founded the first ever bitcoin futures exchange, 796 Electronic Trading, in 2013. Its notional trading volume reached the highest in the world in Sept 2014. Groundbreaking features of 796, such as socializing loss and adjustable risk limit, were later adopted by Huobi, OKCoin (now also known as OKEx), and Bitmex. Terry is also the founder and CEO of TDEX Derivatives Exchange (<http://www.TDEX.com>), Chief Technologist and Honorary Advisor of Asian Blockchain Society (<http://AsiaBCS.org>), Product Consultant of the Silicon Valley financial trading machine learning company, TSL (<http://TradingSystemLab.com>). He has more than 20 years of experience in online financial product design, management and marketing.

Terry worked in online IT solution, MMO and online gambling industry. He founded online solution companies, Peerwork Labs (now Fireswirl Technologies (TSXV: FSW)) and Amonic Solutions in 2000, working in partnership with IBM and Sun Microsystems to serve fortune 500 companies, such as Sony and Aetna, in Vancouver, Hongkong, Macau, Shanghai and Tokyo. He has helped online poker gaming companies, such as Paradise Poker, to setup their license and administered their gaming servers.

Beside blockchain and financial trading technology, Terry is passionate in evangelizing and democratizing life extension and virtual reality technologies.

<https://www.linkedin.com/in/amonica>



Leon Lai (黎利安) – Chief Marketing Officer

Founder and Chairman of New Fuhua International Co., Ltd. (Shenzhen Stock Exchange, Qianhai Equity Exchange Center, Listing No. 962863). Former Deputy Chief Executive Officer of China Yinsheng Financial Credit Holdings Co., Ltd. He has 25 years of experience in marketing and business development, especially in the areas of payment, electronic trading, financial financing, local/overseas property and hotel development investment.



Mr. Lai is also a pioneer in e-commerce. He has assisted several listed and local companies in the development and promotion of e-commerce, mobile portals, and advanced IoT applications. He is familiar with latest trends and applications of electronic payment, multimedia entertainment and smart city technology.

Mr. Lai is convinced that the future of any business must integrate traditional land-based business, virtual delivery, and big data to become a leader in its respective market segment.

Dr. Felix Lor (罗永强) – Chief Artificial Intelligence Officer

Dr. Felix Lor holds a Ph.D. degree in Intelligent & Interactive Systems and Neural Networks in Telecommunications from Imperial College of Science, Technology & Medicine in UK. He studied Theoretical Biology in Institut für Neuroinformatics of Ruhr Universität Bochum. He graduated his M.Phil. degree of Physics from Hong Kong University of Science & Technology. He got a double-major bachelor's degree in Mathematics and Physics from the University of Hong Kong.



Dr. Lor has also been working in advanced technology on many areas, including display technology, electronics, information technology, telecommunications, automobile, robotics, virtual reality, augmented reality, artificial intelligence, medicine, biometrics, environmental technology, RFID, location-based technology, supercomputing and financial analytical modeling.

He had invented an intelligent contract-based hedge fund model and had been CTOs of many companies. He has rich experiences in project development

collaborating with Microsoft, Intel, Apple Computers, Qualcomm, Nokia, Motorola, Sony Ericsson, Samsung, LG, Kodak, Sharp, TMD, Pioneer, Casio, Kopin, Leadis, AUO, CMO, TPO, HTC, OPEL, British Telecom, Siemens, Philips, etc. Moreover, he has developed large-scale management systems, such as ARMS for British Telecom, AM/FM for Wharf Telecom and flight scheduling and management system for European and Hong Kong Airports. He is expertise in Artificial Intelligent robotics and has investigated many advanced mining technologies, such as robotic mining and mining engineering management system. He also participated in projects of exploration of outer space in European Aerospace and NASA.

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Alice Costa (高麗斯) – Prospective Legal Counsel

DeClub's prospective Legal Counsel, Ms. Alice Leonor Das Neves Costa, is a renowned legal professional who served in Macau Judiciary in her entire career. Ms. Alice studied Law and obtained an LLB at Macau University in 1994. She then pursued her further study and received her LLM at Peking University in 1997. At the same year, she was appointed as the Judge of Court of First Instance (Lower Court) of Macau.



In 2006, Ms. Alice was appointed as the President of the Collegiate Bench of Court of First Instance (Lower Court) and held the office until her retirement in 2017.

<http://awardsmacau.com/team-member/alice-costa/>

Anna Cheung (張少娟) – Event Ambassador

An open-minded and passionate veteran in various government and media systems. Anna Cheung used to work as a business consultant in tackling intellectual property infringements. She is now working as a Senior Cultural Asset Development Manager closely with many Embassies and consulates overseas including Sweden, France, Spain, Italy, UAE and South Korea. Anna has been engaged in various global campaigns including Fête de Lumière Hong Kong and Expo Milano.



16.1 Advisors (Casino)

Dr. Fung, Kwok Hung (馮國雄)

Mr. Paddy Fung joined Louis XIII Holdings Limited as Senior Vice President of Marketing in Jan 2014, Mr. Fung had been working with the Chairman of Louis XIII Holdings since 2009, serving high net worth guests, international and regional institutional and private investors and facilitating Mass Gaming and junket operations in Macau. His major strengths is MASS marketing strategy. He flawlessly executes and creates a culture of exceptional service and hospitality include but not limited to entertainment, promotions, VIP Events and loyalty programs to different segments of guests. Added to that, he had over 30 years of experience in international finance, hotel investments, real estates and gaming industries. Mr. Fung joined Lai Sun Group from 1984 to 2004 served as Vice President and from 2004 to 2009, he joined Grand Emperor Group Macau served as Deputy General Manager of VIP operations at Grand Emperor Hotel Macau. During his tenure, Mr. Fung successfully developed and opened the Grand Emperor Hotel Casino as well as facilitation of VIP area at Hotel Lisboa Macau.



Patrick Lam (林承輝)

Mr. Patrick Lam is a veteran in casino and gaming Industry. He had been working in The Crown Resorts Limited as a Senior Vice President - VIP Business Development.



Crown wholly owns and operates two of Australia's leading gambling and entertainment complexes: Crown Melbourne and Crown Perth. The group's core businesses and investments are in the integrated resorts sector. In Australia, Crown wholly owns and operates two of Australia's leading integrated resorts, Crown Melbourne Entertainment Complex and Crown Perth Entertainment Complex. Overseas, Crown also fully owns and operates Crown Aspinall's in London.

With long years in Casino and gaming business, Mr. Lam is skilled at casino strategic planning and marketing strategy. He also has deep-rooted knowledge in business planning, M&A and event management.

16.2 Advisors (Finance)

Trevor Fung (馮永康)

Founder and Chairman of Tianfeng 21 Holdings Co., Ltd. (Shenzhen Stock Exchange, Qianhai Equity Exchange Center, Listing No. 962842).

Mr. Feng was the former vice president of China City Investment Group. He has over 10 years of experience in financial and loan recovery. Mr. Feng is currently managing a loan account of HK\$3 billion.

Mr. Feng is also a consultant for several low-density real estate development projects, handling concept, financing to sales planning, involving floor area of over one million square feet.



Ricky Yeung (楊東成)

Former Vice President of the Loan Department of China Yinsheng Financial Holding Co., Ltd., specializing in loan sales, business planning and expansion.

Mr. Yang has been in the credit industry for 30 years. Has extensive management, operations and marketing experience. The scope of employment includes personal retail, mortgage and credit card business.

He has served as a senior manager of several financial institutions. Including Bangmin Japan Finance, Wing Hang Bank and AEON Credit Finance (Listing No. 0900). Mr. Yang holds a Bachelor of Business Administration from the Int. University of Wisconsin and an MBA from the University of Southern Queensland, Australia.



16.3 Advisors (Corporate)

Robert Neivert

Mr. Robert Neivert is a Venture Partner at 500 Startups running the blockchain program. He was previously an executive for startups having founded or worked at eight companies with four exits and four companies still operating. He is an experienced Senior management or executive positions in six startups (Ventro/Chemdex, Datasweep, Blazent, Equilar, Fididel, HighlightCam), two as CEO and had maintained a broad domain of expertise, having held leadership positions in products, marketing, and operations. His Academic credentials include a BA, BS, MS, and MBA degree from Stanford, Wesleyan, and Santa Clara. He is currently a 500 startups Venture Partner, a mentor/advisor for Cardinal Ventures, Stanford iFarm, and Stanford's Treehacks program as well as an executive advisor for over 15 funded startups, and previously held the position of Executive in Residence at Quest Venture Partners and raised \$6+ million in funding as CEO (Fididel and HighlightCam) from Intel Capital, NTT DOCOMO, Quest Venture Partners, K9 Ventures, and others and is an Executive in Residence for Quest Venture Partners. His Leadership enabled him to join as founders and grew



companies and had successfully led team from 3 to 200+ members to achieve goals. In Marketing aspect, he built marketing plans and achieved 100%+ average revenue growth in four companies (HighlightCam, Fididel, Equilar, Blazent). He managed marketing programs including social, email, web, SEO, event, celebrity, YouTube, physical mailings, banner ads, Google ad word, and many others. Financially, he doubled margins and drove startup company to profitability in 11 months (Fididel) and had proven track record of hitting financial burn rate goals.

<https://www.linkedin.com/in/robertneivert>

Dr. Hans Lombardo

Chief Marketing Officer of Blockpass.org. Entrepreneur and preacher of blockchain. He is a co-founder of Chain of Things - a Hong Kong-based startup integrating blockchain & IoT devices. In 2012, he sold his previous company, a data collection and analytics research firm focused on Mainland China's



high-technology industries. During the Internet boom, Hans provided due diligence support for the internet.com Venture Capital Fund in Asia, investing in several Internet startups in Greater China. As a tech journalist in the late 1990's, he interviewed Jack Ma, Jerry Yang, Vinton Cerf and Richard Li Tzar Kai. Hans earned a Ph.D. degree from the University of Hong Kong in 1997 and a Sir Edward Youde Memorial Fellowship in 1995-1996.

<https://www.linkedin.com/in/hanslombardo>

16.4 Advisors (Tokenomics)

Alexandr Chevtaev

Mr. Alexandr Chevtaev is a tech entrepreneur, international speaker and startups advisor. Alexandr is a recognized expert in Internet business, blockchain, ICO/STO, introducing innovative products and business development. He is a Co-Founder mmviii Digital Assets Group - one of the leading companies in ICO management space. Alexandr holds an International MBA degree from one of the leading business schools in the world - IE Business School.

<https://www.linkedin.com/in/alexandr-chevtaev/>



Michael Kapilkov

Michael Kapilkov has been involved in the blockchain space since 2015 and has founded several blockchain startups. Prior to that he has worked in finance and consulting. Currently, he serves as the managing director at mmviii [2008] Digital Assets Group. Michael Kapilkov has served as an advisor to several ICO startups, including Pundi X (NPXS), CREDITS (CS), Cryptyk (CTK), Alchemy Coin (AFI) and Job.com (JOBTK). He is a regular contributor to CryptoInsider.com. He writes on the topics of cryptocurrency, blockchain and ICO. He is frequently invited to speak at cryptocurrency conferences and events. He has attended Columbia University and holds MBA from IE Business School.



17. Demystify Casino Gaming Industry

Casino gaming operations, especially those in the Asian-Pacific countries, are not well understood by the public. Here we are trying to demystify some of the concepts.

17.1 Dead Chip and Junket Programs

“Dead chips are non-negotiable gaming chips that can be used for gambling but cannot be exchanged for regular chips or cash. In a typical program the player purchases a certain amount of non-negotiable chips at a discounted rate, usually through a voucher called a chip warrant, and uses these chips for wagers just like normal chips. Once the player has used all the non-negotiables, the remaining regular chips from winning wagers may be redeemed for cash. Some casinos, particularly in Asia and Australia, use dead chip programs as a marketing strategy to attract higher-end players. The general idea is to give players a bonus or refund on non-negotiable gaming chips in return for a commitment to a certain level of play.

...

Dead chip programs are usually targeted toward ‘junkets’. A junket is a group of players who travel to a casino specifically for the purpose of gaming. The travel is prearranged through a junket representative and the players’ costs associated with travelling to and staying at the casino are absorbed by the casino (Kilby and Fox, 1998, p. 339). MacDonald (1996) describes the general

process of a typical dead chip program. A junket group arrives at a casino and players deposit front monies with the casino in exchange for chip purchase vouchers, also known as cheque credits or chip warrants. The vouchers are then used to purchase non-negotiable chips, which players use for wagers during the course of play. Losing wagers are taken by the dealer while winning wagers are paid in regular ('live') chips and the original wager remains as non-negotiable chips. Once a player has exhausted his (most junket players are men) non-negotiable chips, he takes his live chip winnings and exchanges these for more non-negotiable chip vouchers at the casino cage. The value of this exchange is recorded and added to the player's/group's non-negotiable chip purchase voucher schedule. When the junket group departs, the non-negotiable chip purchase voucher is totalled and all remaining non-negotiable chip purchase vouchers are deducted as well as any non-negotiable chips held. This provides a value for the turnover—the cumulative amount of money wagered—upon which a commission is paid to the junket group operators. All chip purchase vouchers and chips are converted to cash or deducted from personal cheques held with a new cheque value written out, which may or may not include a commission. The commission payment, then, is calculated essentially on the loss of non-negotiable chips over the period.”⁷³

73 International Gambling Studies, Vol. 4, No. 1, June 2004, “The Mathematics and Marketing of Dead Chip Programmes: Finding and Keeping the Edge” by ROBERT C. HANNUM¹ & SUDHIR H. KALE of University of Denver, Colorado, USA; ² Bond University, Queensland, Australia
<https://pdfs.semanticscholar.org/2edc/317592725241d8b19675ec603723f7a8e507.pdf>

17.2 Macau Online Gambling

“At the present time, Macau does not license online gambling operations.”

-- Gambling in Macau, Wikipedia

In short, all the online casinos who claims to be originated from Macau are fraudsters. They have been misleading some people into believing that Macau casinos have integrated online casinos with their land-based ones.

‘Online gaming – which Mr. [Luis] Pessanha[, a Macau gaming law scholar] described as a “forgotten issue” – requires more “planning” as to its regulatory terms and a general legal framework. “It [online gaming] is not an absolute taboo – it is happening,” he said, referring to the fact that the horse racing betting concessionaire Macau Horse Race Co Ltd and the sports betting concessionaire Macau Slot Co Ltd have already been accepting online bets through their websites.’⁷⁴

-- Newsdesk of GGRAsia, Oct 26, 2018

17.3 Macau Gambling Legal Framework

For high level overview of the legislative framework of gambling regulation; the regulatory authorities;

⁷⁴ <http://www.ggrasia.com/sub-concessions-hurdle-for-macau-gaming-future-scholar/>, Oct 26, 2018

gambling products; land-based gambling; regulation and licensing; online gambling; B2B and B2C operations; mobile gaming and interactive gambling; social gaming; gambling debts; tax; advertising and developments and reform., we recommend the “Q&A guide to gaming in Macau”⁷⁵ by Rui Pinto Proença and Carlos Eduardo Coelho, MdME (updated as at 01-Feb-2018).

⁷⁵ <https://uk.practicallaw.thomsonreuters.com/3-634-9931>

18. Project Progress Updates

This whitepaper is discretionarily made available to discerning individuals or institutions for private viewing. We will be making important updates on this whitepaper so that advisors, partners and investors are continually made aware of the latest development of the project.

18.1 DeClub's Privacy focused Communication dApp

We are happy to announce that DeClub team, based on DeClub blockchain technology, added one of the most needed and advanced communication application tool, SafeMail, to our project. Online user anonymity is important to all casino gaming industry participants.

Using multi-group asymmetric public and private keys, SafeMail makes online multimedia messaging communication (text, voice, image and video) more secure, lowers the service provider's network and storage consumption, and completely eliminates any spam.

PGP (Pretty Good Privacy) used to partially solve the encryption problem, but it only encrypts the content of the message. It failed to prevent spam message and it failed to reduce the consumption of service providers' traffic, which often caused unpleasant network delay in communication.

The development of SafeMail has reached version 2.0. The technical whitepaper and source code is available on

GitHub⁷⁶.

SafeMail will serve our DEC and USM users to enjoy anonymity with readily available user-friendly dApp available both in Android and iOS versions with tailored-made features that ease the use of DEC and USM.

18.2 Post Quantum Security Measures

We are keen in keeping an eye out for the steeper end of the technological singularity hockey stick. Therefore, we are considering all possible hacks that may potentially compromise our users privacy and system integrity. The most present and imminent threats that put the security community in the uncomfortable position is emerging quantum computing.

We are taking cautionary measures not to use public-key cryptography algorithms as much as we possibly can over network environment which quantum computing poses threat to. We carefully choose the most suitable symmetric cryptographic algorithms and hash functions, which are considered relatively more secure against attacks by quantum computers.

For those applications that we cannot avoid asymmetric algorithms, we try to keep them as cryptographically-agile⁷⁷ as possible so that future upgrades to quantum-resistant algorithms can be as painless as possible.

⁷⁶ <https://github.com/maikejonne/safeemail>

⁷⁷ https://en.wikipedia.org/wiki/Crypto_agility

18.3 Initial Exchange Offering

The public rollout of DEC and USM is currently being planned with initial exchange offering (IEO) that can potentially enable more active cryptocurrency investors and speculators to popularize our project.

19. Disclaimer

This whitepaper does not provide financial, legal, investment, insurance or tax advisory services, but only provides an overview of the project. This whitepaper describes the status and estimated future development of the project, but the specific implementation is subject to adjustment according to market conditions. The project owner tries its best to provide the details of the project, but investors are responsible for judging the relevance and authenticity of the data. The project owner complies with the laws and regulations of its jurisdiction, but investors are responsible for researching the laws and regulations of their jurisdiction.

19.1 Advisors

All personal descriptions of advisors in this whitepaper are written to the best of our knowledge without guaranteeing its factuality and accuracy. They are not full-time employed by DeClub or any of its associated entities. Their profiles are shown in this whitepaper as long as they consent. Past appearance of advisors but are no longer shown on the most updated one (downloadable from <http://ico.declub.io>) automatically entails that they are no longer advising. Advisors' role automatically expires upon the completion of the token sale described in this whitepaper. Their opinions during and after the project is of their own but should not be construed as that of DeClub.