



W H I T E P A P E R

NEW GENERATION WEBCAM PLATFORM

WWW.LIVESTARS.IO

November 2017 | Version 2.0

Annotation

Live Stars is creating the new generation webcam platform that implements blockchain technology. The platform has a transparent structure and it offers a multitude of advantages against the projects currently existing on the market. The main goals of our project are to create a platform with an automated system, eliminate the existing webcam industry problems, and organize the work of the Live Stars' project.

We set ourselves a number of objectives: optimizing the internal business model, eliminating high commissions, eliminating the delays in payments, improving the security, providing the users with complete anonymity, releasing the models' relationship with the client from any intermediaries and human errors, and making the platform more convenient for all participants.

Our experience in the software development and blockchain technology, as well as our experience and internal knowledge of the webcam industry, allows us to create a modern platform, which will stand above all existing analogues.

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Introduction

As of today, the webcam industry has evolved from a small adult entertainment niche into a multi-million business with boundless prospects.

However, currently all existing webcam platforms present a number of fundamental problems that dampen progress in this industry, and this substantively diminishes the incomes of those individuals involved, as well as reduces the interest of any potential clients or investors. Because of the no-opacity process, this segment is often under negative criticism from the users and models.

Innovations in the webcam industry today have become a necessity. The overall level of the technological solutions is growing rapidly, which increases the requirement level of the online entertainment form.

What is Live Stars

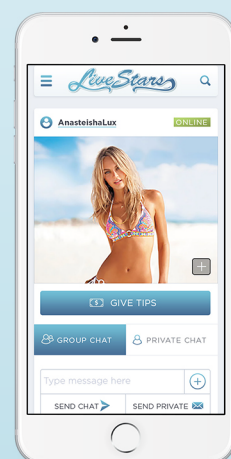
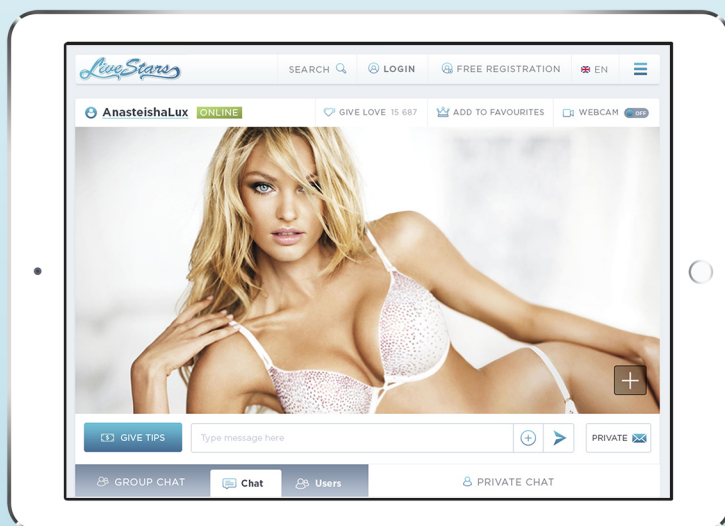
Live Stars is the world's first webcam platform in the online adult entertainment industry that is using blockchain technology to fundamentally upgrade the system and to solve its main problems.

Live Stars is a fundamentally new platform with a different business model based on the exclusion of intermediaries and automating all the processes. Implementation of the smart contracts in the business logic and financial platform segment provides for a more effective, safe, and convenient interaction between users, models, affiliates, and the platform itself. In the following chapters, we will take a closer look at the existing problems and solutions of Live Stars.

Live Stars' platform uses its own token "LIVE" as a form of the payment for services rendered. LIVE is the only form of payment.

Key features of the platform are:

- full anonymity and safety of its users
- the storage security and data encryption
- the absence of the intermediaries and financial segment's limitations
- absence of the minimum payments, limits and charge backs
- instant cash payouts without the third party involvement
- the highest revenue percentage for the models
- encryption of the personal correspondence, including from the administration
- the streaming connection technology without using the servers
- earnings possibility for the users
- easier and more convenient to work for the beginner models and affiliates
- transparency and the open source code



Structure of webcam industry, Problems and solutions

Webcam industry: The main features of the system

When speaking about problems in the system, its structure should first be discussed. Several famous projects such as: LiveJasmin, Chaturbate, Bongacams, MyFreeCams, and others, hold the leading positions in the market today. We have carefully checked the activities of these projects and can see a number of problems in this obsolete business-scheme.

Participants of the webcam system:

- The website-webcam platform, which provides access to models' broadcasts.
- Users who are interested in models' services.
- Models who are working within certain platforms according to contracts.
- Affiliates-partners who attract new users to the website.

Webcam platforms, as a legal entity, can sign contracts with models as an employer, provide them with creditworthy web traffic and keep the license requirements' in their control.

Activity of the platform is supported by numerous staff, divided into different subdivisions: department of payment acceptance, responsible for checking of transactions, department of verification for models, where models are being checked for compliance with the internal rules of the site, as well as department of payment for models, technical support, moderation department, marketing department etc.

Currently, the work of the departments is not automated – the staff in the leading webcam sites have to process huge volumes of information and requests manually and around the clock. To cover the related costs, the platform has to require substantial commissions from payments – about 60%. Thus, if user has bought internal value tokens in the amount 100USD and has sent this amount to the model, she will only get 40USD. The commission level varies from 50% to 80% depending on the platform.

To get services of the site-platform, user buys tokens. The purchase passes through different payments processors, after that transaction is checked by the payment department. In case of credit card fraud or in the case of verified mistake, there is a possibility the department can require ID documentation in order to identify the person. Documents are stored in a database for the future identification. If the user has successfully passed the test, he gets tokens in his account and can transfer it to the models or spend it on extra services of the site.

To receive their earnings, the model has to earn an obligatorily minimal amount according to

contract with the platform. As a rule, websites stipulate a minimal amount of 50USD. Moreover, payments are transferred within a strict fixed period of time (mostly once a week, on a certain day). During this hold, the model's account is being checked for possible fraudulent activity. As a result, earnings of models can be blocked by the administration until all circumstances will be clear or payment can be completely denied.

For example, on Saturday, a model has earned 100USD for the first time and wants to withdraw money onto her card. However, the site is making payments only on Thursdays. From the date of the request, there are 7 days of a hold and on Thursday, the other instance called payout department is making the money withdrawal manually. In this real-life example, the model was waiting for money from the website for 12 days. The LiveJasmin project pays the models 20-25 days after the end of the two-week period. Money crediting can also take some time, depending on the chosen method of payout. Bank transfers, for instance, takes 3 - 5 business days.

The same scheme is working when payout is to be transferred to the studio where models have been hired. The studio or agency are mediators between the platform and the models. The mediator takes commission from the model's earnings. If the model works not individually, but for the studio, she gets on average 20-30% of the amount that the user spends on her.

The principle of minimal payments and expectation times are also valid for partners of webcam sites so-called affiliates or webmasters, who earn money by attracting creditworthy web traffic.

Problems of the modern webcam industry and their efficient solutions from Live Stars

Now, as we acknowledged the structure of the webcam industry, we can go into deeper detail about the actual problems in the system and their solutions, all offered by our team.

Problem 1: Lack of user anonymity

Each webcam site has its own database, where information about all registered users is stored.

This includes the following:

- Successful and declined purchases (transactions).
- Names and surnames, mentioned during transactions.
- IP-addresses, geo-location.
- Time of login/logout and other system parameters.
- Credit cards details or other methods of payments.
- ID numbers in case they were requested and user has submitted them.

All user activity is also recorded, for example, payments to certain models, times of private chats.

Note, that all chats on the sites are stored as logs, including all private chats with models, and they can be available for administrators at any time to check if there has been any violation of the stipulated rules.

In case the customer uses his own webcam on the platform (“cam-to-cam” option), broadcast from user to model is going from the server of the platform. It means that private broadcast can be watched by the system administrator or any other personnel.

The system can easily track the repeated registrations and it binds the real account owner in accordance with available information.

All this information is controlled by different employees of the platform and since the system is not open source, no one can completely guarantee that the gathered data is stored safely, encoded, and will be deleted within a certain time or upon the user’s request.

Live Stars’ solution:

Our team believes that users must be in complete anonymity and security. Only such conditions can allow for the enjoyment of the wide range of services of webcam for adults.

Services of the Live Stars platform can only be paid for using cryptocurrency tokens. Lack of payments from fiat currencies makes us free from gathering and requesting the personal details from users.

Cryptocurrencies will be bought by users from outside services so that way the Live Stars team won’t have the access to information about transactions.

To get services from models on the Live Stars platform, a user who tours the site has to buy “LIVE” tokens using another cryptocurrency. For our customers’ convenience, there will be a conversion option in accordance with current the exchange rates. In case the customer prefers to pay in other currency, there will be the possibility to pass to the independent outside service to purchase cryptocurrency, including fiat currencies.

Private video-chats, as well as private messages, will be encrypted one-to-one without any mediators.

Currently, it can be accomplished when using such open-source projects like WebRTC.

All the above mentioned solutions will be confirmed by an independent audit of the source code which will be in the public domain.

Problem 2: Payment errors of users

Within usual webcam platforms, all payments from users usually pass through many outside services of payment acceptance. Usage of such a huge system often leads to failures and errors. As a result, money crediting to the internal account of user can be postponed for an indefinite period or even cancelled.

Live Stars' solution:

As mentioned above, all money transfers within the Live Stars are made exclusively in cryptocurrencies. Such a format of payment for the service is a much faster and safer method for any user. The transactions do not require the involvement of third-party intermediaries or verification by the platform staff.

Problem 3: Low revenue share for models

At the present moment, webcam platforms can seldom offer their models more than 30% from the amount transferred by the customer. Moreover, payments do not always correspond to the promised rate – different hidden fees and conversion rates sometimes lead to partial deductions of the total amount and this causes distrust amongst models. It should also be noted that there is a commission fee charged by some e-wallets and internet banking solutions.

Live Stars' solution:

Lack of a payment department, due to its uselessness, as well as the automated work of some other departments, allow our platform to obtain economic efficiency. Thereby guaranteeing the payment to the models 70%, with the ability to raise revenues up to 80% from the total amount transferred by the customer. Thanks to the open source code and lack of mediators for payment acceptance, the financial area of the platform is absolutely clear for models.

Problem 4: Minimal amount, delays and errors of payouts for models.

The minimum amount for possible withdrawal of the model's finances today is often \$50, if not higher. Even when the minimum amount is reached, the model has to wait for a specific day of the week, and even the end of the payout's period, in order to receive their earnings. In practice, a lot of beginner models, who tried themselves in this role for the first time, are facing stiff competition from the top models and cannot collect the minimum amount. The prolonged payouts waiting time also undermines their trust and leads to models terminating their work.

Live Stars' solution:

Our platform ensures that the models have absolutely no minimum amount for withdrawal. All payments on the Live Stars platform are automated using the open smart contracts function, which completely eliminates the human factor, and significantly minimizes the risk of losing money. Thus, the model is able to withdraw any amount of money in the wallet at any time.

The beginner model, one that is online for the first time, will be able to immediately withdraw the resulting earnings. Live Stars provides the lowest learning curve within the webcam industry. The probability that the model, one that started working for the first time, will continue to earn through Live Stars is multiplying.

For convenience, the model's cabinet will offer the possibility to convert the LIVE token into any other popular cryptocurrency.

Problem 5: Lack of access to payout settings

At the present moment, payment settings are available for the administration of the webcam platform only.

To change the method of payment or other settings, the model has to contact the correspondent department, where it will be required to confirm the identity by documentation. It is obvious that such a system requires extra time and effort, both for the website staff, and the models.

Live Stars' solution:

On our platform, there are no limiting settings for payment transfer. This helps diminish the staff and some departments to make the company economy more efficient. Models will have full control over their finances.

Problem 6: Not transparent rating levels of models

It is obvious that popularity and earnings of the model directly depends on her position in the site's top lists. Currently, none of the webcam platforms shows the processing algorithm for the rating levels to the public. This inevitably causes conflicts and suspicions.

Live Stars' solution:

The processing algorithm of rating levels on our platform will be intuitive for everyone. Moreover, our open source system allows everyone to make sure that the models' positions are made automatically, correctly, and impartially.

Problem 7: Insecurity of personal data

In order to prove the age of the model, the model has to submit a copy of her ID when registering on any webcam sites. This information is stored in a database for further verification even in case of an account removal by the model. If, in the future, the model will register on the website again, her new account will be connected with the existing database record. Blocked models won't be able to pass registration again and it can be checked with the saved data. Currently, there is no possibility to check and make sure that files with the documents are encoded and safe enough. There is no guarantee that data cannot be caught by intruders. There is also no confidence in the fact that files could be deleted after a certain amount of time.

Live Stars' solution:

Our platform is organized in a way that allows the model to upload or delete all the necessary information themselves, which is guaranteed by the open source code. After any document is uploaded and verified to the administration, it will be encrypted. If the model deletes the document, she will not be able to start a stream and will only be allowed to continue after the document is uploaded and verified again.

Problem 8: Chargebacks (cancellation of model's earnings)

Nowadays, stolen credit cards are often used to pay for the model's services. In this case, it's fairly easy for the actual owner of the card to prove that they haven't made any payments to the platform. If that happens, the website is obligated to return the charged amount back to the owner's account. Sometimes, the funds are withdrawn from the model's account, which violates the values of fair labor compensation.

Live Stars' solution:

Since all financial activities on the Live Stars platform are made using cryptocurrency, credit card fraud becomes impossible. This gives the models full confidence in the security of their earnings.

Problem 9: Problems of affiliates similar to the problems of models

One of the most important aspects of any webcam system is its affiliates – the website's partners whose responsibilities include attracting financially reliable web traffic to the platform. They encounter some of the aforementioned problems: the minimum withdrawal amount, waiting for the payment period, possibility of payments being declined etc.

Live Stars' solution:

As mentioned before, there are no minimum withdrawal amounts on the Live Stars platform, which provides immediate payments, it guarantees no delays, and eliminates the human factor from the equation. The system functions automatically, which is a firm guarantee of both the integrity and transparency of payments for the models and any associated affiliates. This provides a simple learning curve and rapid earnings.

LIVE STARS' additional advantages

There will be no purchase limits on the platform.

We plan to cut server maintenance expenses significantly by utilizing peer-to-peer content distribution network for public streaming.

Additional work will be done in order to make our platform compatible with the modern Lovense and Ohmibod toys. These are simple adult toys which react to the amount of the tip given by the user and are very popular with the models.

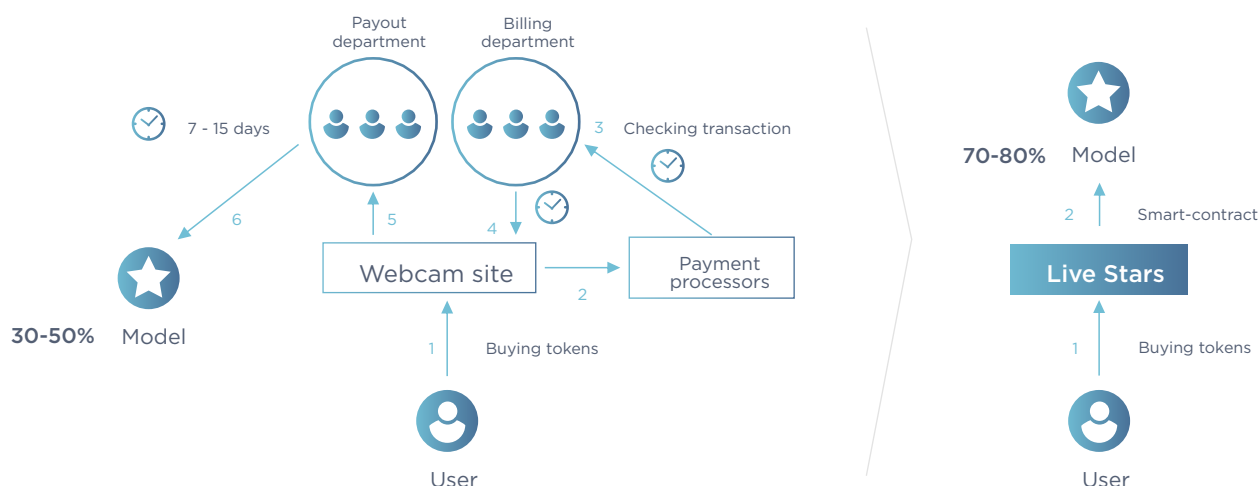
Private video chats and messages will be carried out through webRTC on 'one-to-one' principle without a server. No mediators (including administrators) will have access to private information.

The LIVE token acquisition interface will be simple and intuitive, and easy to understand step-by-step video instructions will also be available. Users who are not familiar with cryptocurrencies will be given the option of exchanging to fiat money with just a few clicks.

Withdrawals for the models, affiliates, and users will be possible in several popular cryptocurrencies.

On the platform, the prices will be displayed in both LIVE and in USD, for the convenience of users.

The platform will have an improved system of referrals, providing an opportunity to earn not only for the models, but also for the users. Current websites include a single-tier referral program. Thanks to the blockchain's reliability and our automated system, we created a multi-tiered referral program for all the people involved without any glitches or time limitations.



Competitor Comparison

	Live Stars	Streamate	Chaturbate	BongaCams	LiveJasmin
Decentralization	✓	×	×	×	×
Open Source	✓	×	×	×	×
Blockchain usage	✓	×	×	×	×
User Anonymity	✓	×	×	×	×
Revenue Share	70%-80%	35%	50%	40-50%	30-40%
Payout delay	No	10 + 10 days	22 days (15 days period 7 days hold)	12 days (7 days period 5 days hold)	20-25 days
Min. payout amount	No	100\$	50\$	50\$	100\$

Industry facts

The following information has been collected based on the work of the technical support of one of the top webcam sites:

- The technical support department receives an average of 750 chats per day and receives an average of 100 emails with various problems.
- 20% of the applications are related to changing the payment method for the models/studios.
- Another 20% is a problem when the users purchase tokens - the user performed one of the payment methods available but did not receive the tokens.
- 10% requests are related to deletion of the accounts and personal information from the database. All the accounts are possible to recovery.
- 10% of the applications are related to the uncertainty of the model's display on the ranking page.
- 10% are related to the problem of not getting models paid out from the webcam payout department.
- The remaining 30% are technical problems associated with broadcasting and other issues.
- On average, there are 250 new model registrations on a top website per day.
- 80% of them are the new models who never before worked on this particular platform.
- 10% of these new models become successful models that work in the future as well.
- 60-70% of the new models stop working before they can collect the minimal amount for withdrawal.
- 99% of the newly registered male models never collect the minimal amount for withdrawal.

Conclusion

While working on the study, we performed an additional survey among models and users.

The models were asked to specify some of the aspects of the current webcam sites they were not content with. High commissions, long waits for payments, doubts about confidentiality and the security of their personal data was mentioned.

The users who were presented with similar questions stated their disappointment by the fact that the majority of their payments goes to the platform's owners, not the models. They are also concerned about their anonymity and security. They also experience delays when making purchases and bad service.

Our project team took the participants' wishes and growing demand into account, while also achieving cuts in expenses by automating business processes and getting rid of unnecessary departments.

The LIVE token will be the only possible form of payment on the Live Stars platform. Token emission is limited. 70% of the tokens will be in the hands of investors, while the remaining tokens that are unsold during the crowdsale will be burned.

We are sure that the integration of the latest technological solutions and Live Star's open-book policy will soon become a great advantage in marketing campaigns and will allow the project to take a leading position in webcam industry.

Live Stars team

By now, the project team consists of 5 main specialists. During the development phase, we plan to expand the team. Later there will be a Live Stars model management department and the marketing department, both headed by highly qualified specialists in their respective fields.

Alexander Kansky — Aleksander is the lead programmer of the Live Stars project who has broad skills and a considerable experience in IT field. He started his software developer career in 1987 and in 1999 he started to work as a senior software developer. He has worked in various international large-scale projects and also took part in creating the architecture of one of the leading webcam platforms. He has Master's degree in applied mathematics.

Martins Heidenbergs — Martins is an organizational lead of Live Stars project and he is also in charge of token sale marketing. He has degree in Information Technology - Project Management. He has participated in different projects on a global scale and has work experience in large international company. His main goal is to do everything possible to create an excellent product and ensure Live Stars success!

Oleg Kurov — Oleg is a programmer of Live Stars project. He has wide experience in programming high-load administration systems at an international company, and is always keeping up with the latest software design patterns and standards. His creative thinking is essential to solving non-trivial problems.

Linda Gabrane — Linda is the head of Live Stars finances and community management. She is in charge of budgeting and business analytics as well as community management. Her main task is to provide creative alternatives and recommendations to reduce costs and improve financial performance taking into account company's goals and financial standing. She has work experience in the banking sector.

Aleksander Rivkin — Aleksander is a designer of Live Stars platform and is responsible for the interactive aspects of Live Stars platform and ensuring the service is convenient for both models and members. Has over 6 years of experience in design of feature rich apps & websites with deep engagement and large user base.

Advisors

Anton Shayakhov — B2B and B2C marketing experience. Eight years of experience in start-ups and large corporations. Marketing agency founder.

Roadmap

September 2017

- LIVE token presale

October 2017 - January 2018

- Marketing and preparation of Live Stars token sale
- Team expansion
- Pre-alpha development

15 January 2018 - February 2018

- Live Stars token sale

February 2018 - March 2018

- Alpha version development
- Wallet development
- Partnership with other blockchain projects for the platform's functionality improvement.

April 2018

- Acquisition of the necessary licenses
- Beta-version development
- Security audit

Q3-Q4 2018

- Final release
- Start of marketing campaign
- Bringing in models, affiliates, users
- Conference and meeting participation (LalExpo, AWSummit, ThePhoenixForum etc.)

Marketing plan

To promote Live Stars, a 12 month marketing plan was created with the description of the tasks for each month. This includes:

- Unique selling offer
- Audience
- Research
- Brand
- Analytics and KPI
- PPC
- SEO
- Activation and retention
- Co-marketing
- Working with users
- Community management
- Gantt Chart
- Resource spending and more

This document goes beyond describing the Live Stars platform, for simplicity's sake it was compiled in a separate file. You may introduce yourself with the marketing plan by following this link:

https://livestars.io/marketing_en/

Crowdsale

The crowdsale launch date is set for 15.01.2018. Collection of the funds and emission of the Live Stars tokens are intended to finance the Live Stars marketing and advertising platform, as well as the software development for the Live Stars platform. The LIVE tokens will be used to pay for the services within the Live Stars platform.

Sending the funds during the token sale can be performed using the ETH and BTC currencies. The contract address will be available on the website <https://livestars.io> after the crowdsale begins. The tokens will be immediately transferred after receiving the funds on the contract address.

There will be 79 928 407 tokens-"LIVE" emitted.

The token sale (January 2017 - February 2017).

Soft Cap - \$ 500,000

Hard Cap - \$ 5,000,000

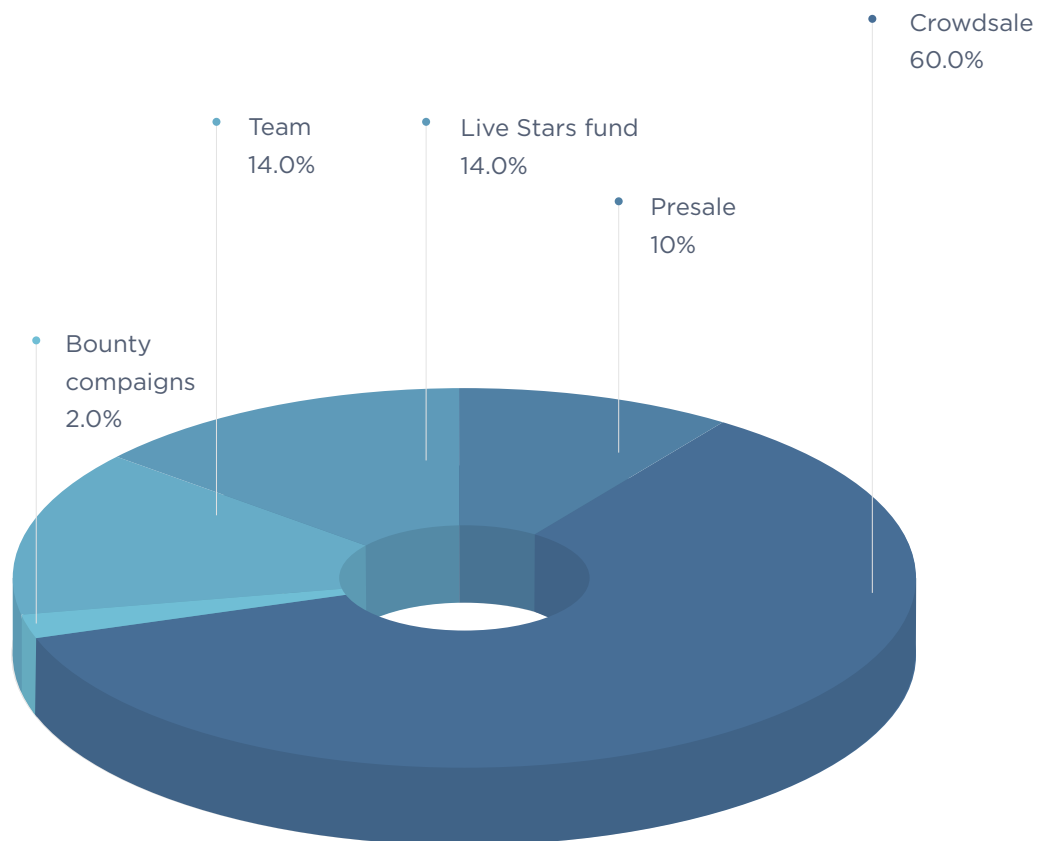
Cost of 1 LIVE = \$0.20

Unsold tokens will be burned.

If the soft cap is not reached, the funds will be automatically refunded to the participants by smart contract.

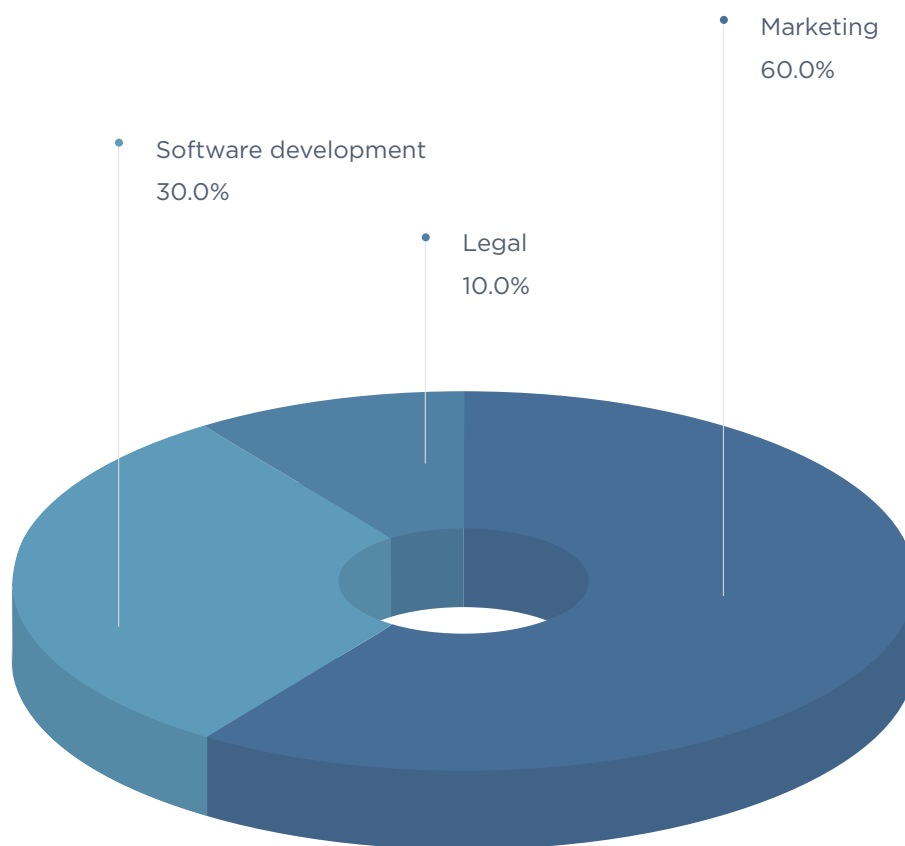
The tokens allocated as the team reward will be frozen for 1 year after the crowdsale.

Distribution of tokens



- 10% will be available for participants during the presale stage
- 60% will be available for participants during the second round of the crowdsale
- 14% will be allocated to the Live Stars fund
- 14% the team will receive as a bonus
- 2% will be allocated to bounty campaigns

Distribution of funds



- **Software development**
30% of the funds will be allocated to the main group of Live Stars developers for financing the creation of the initial prototype and after that creation of all the necessary improvements in order to obtain a fully working version. It includes the costs of independent safety audits.
- **Marketing**
60% of the funds will be allocated to marketing, attraction and engagements of the models and users to the existing Live Stars platform.
- **Legal**
10% of the funds will be allocated to the development of solid legal basis for the Live Stars platform.

Terms and conditions

The provided materials are strictly of an informational nature and are by no means an offer to sell stocks of other securities on the Live Stars platform nor is it an appeal for such activities.

Absence of the controlling right

The conditions of owning LIVE tokens exclude any proprietary rights or title of ownership at Live Stars for the user. Also, the purchase of the token does not give the owner the right to take part in the decision making process in matters of business development connected to the Live Star platform, however, personal opinions and reviews of the community might be taken into account during discussion of such matters. LIVE tokens are used only for purchasing services at Live Stars platform.

On absence of guarantees of income and profit provision

All the provided calculations of income and profit are of illustrative nature, they demonstrate the goals and the average results for the field. The given calculations do not guarantee the achievement of the given results according to the marketing plan.

Standard ambiguity

The technologies, which are related to the blockchain, are subject to monitoring and control of various regulatory authorities all over the world. LIVE tokens might be subject to one or more inquiries and actions from their side including but not limited to posting restrictions on use or ownership of digital tokens, such as LIVE tokens. These restrictions might slow down or limit the functionality or reacquisition of LIVE tokens in the future.

LIVE tokens are not an investment

Live Stars tokens are not regarded as official investments or investments effectual in law. In case of unforeseen circumstances, the goals provided in this document can be changed. The parties partaking in the purchase of Live Stars' tokens bear all the risks of the given transaction.

The danger of quantum computers

Contemporary informational technologies, such as the development of quantum computers, may create danger for the cryptocurrency, including LIVE tokens.

Insufficient implementation

Despite the fact that LIVE tokens should not be regarded as an investment, they may, in time, acquire value. Their value might also fall if the Live Stars platform experiences shortages in their purchase and usage.

Risk of money loss

The funds obtained during the ICO process are not ensured. In case of loss of value, there is no private or public insurance representative to whom the buyer may refer.

Risk of failure

It is not impossible that the Live Stars platform and all the following marketing actions connected to it, due to various reasons including inadequacy of business agreements or marketing strategies, will not be able to achieve success using the funds from current ICO.

Risk of new technologies

Cryptocurrencies, including LIVE tokens, are a new and not fully proven technology. There are additional risks, which might not be foreseeable at this point in time and which can be presented in different types of risks from the ones stated above.

Consent to the terms and conditions of warranty

You agree that the usage or inability to use Live tokens by you is carried out at your own risk, therefore you will not hold the Live Stars platform accountable.

LIVE tokens will be sent to you without warranty, explicit or implied. By agreeing to the aforementioned terms and conditions you renounce any guarantees of commercial value for accomplishment of a certain goal and accept the name with no intellectual rights infringement. Due to the fact that some jurisdictions do not allow for exclusion of implied guarantees, the mentioned above exclusions of the implied guarantees may not be applied to you.