

CoinJanitor

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Abstract

With more than 4,500 cryptocurrencies in circulation, there are bound to be many that are functionally dead. This presents many challenges for cryptocurrency markets, as well as for the users of those currencies. Those users have their money locked in a network that doesn't allow them to transact, or a currency that is not tradeable. Cryptocurrency markets on the other hand, suffer from dilution of resources and reputational issues due to the sheer number of unusable coins. CoinJanitor aims to solve these problems by unlocking trapped value in these projects and at the same time create the much-needed public discussion of how best to recycle value from failed projects in the future.

CoinJanitor will achieve this by taking over failed projects. To do this we will exchange CoinJanitor tokens (JAN) for the delisted coins that users hold. We will then proceed to burn those tokens and coins that we acquire. Through this mechanism, value will be restored to individual users who can sell or trade their CoinJanitor tokens, and to the community at large by the recycling of codebases and project assets back into the community. By reducing resource dilution in the market CoinJanitor will contribute to the network effect of functional coins, more effectively leverage fragmented communities and implement a mechanism for the recycling of spent resources back into future projects. As a result, CoinJanitor will also benefit from network effect and create a highly engaged, loyal community of coin holders working towards the improvement of utility and value in the crypto economy.

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The problem/challenge to solve

Creating new cryptocurrencies is becoming progressively easier. Simultaneously, the rapid rise of Bitcoin prices and those of other coins, have attracted more funds into cryptocurrency markets. This has accelerated the process of cryptocurrency creation that started years ago. While a lower barrier to creation is in itself a good thing, without the counterbalance of a threshold of utility this can lead to a dilution of resources and a weakened market over time.

Many of these new cryptocurrencies have legitimate goals to fulfill, and their creators along with their supporters, believe their coins can deliver. Nevertheless, most fail. Of the 4,500 or more cryptocurrencies that exist today, just a fraction are delivering true value to their users. Network effect is the main pillar of the value they deliver. Failed or dead coins either have negligible network effect or no network effect at all, despite the best intentions of their creators and their supporting community. Their users have invested funds, development, time, marketing or other resources into these projects, which is now spent or trapped. On the other hand, markets lose resources that can be otherwise invested into leading cryptocurrencies that can achieve their stated goals and deliver increased value to their users. Keeping this problem in mind, the challenge is to restore value to the users of those failed or dead coins and recycle as much trapped value from other assets back into the community at large strengthening the leading cryptocurrencies.

Proposed solution

The solution to this problem is to unlock the value that users of failed or dead coins invested into those networks and enable its transfer to more successful cryptocurrency networks, while at the same time eliminating those coins that trapped value in the first place. The challenge is to set up a system to restore and transfer this trapped value in a user-friendly manner. The main tool at our disposal to address this challenge is fundamental economics. Through the creation of a token, the CoinJanitor project aims to provide a convertible asset for the users of those failed or dead coins to unlock the value they left on the blockchains of those coins. By receiving CoinJanitor (JAN) tokens, users can trade their previously locked value into bitcoin and other leading cryptocurrencies. Amalgamating the users of various failed or dead coins under the CoinJanitor umbrella will allow the project to make its first step towards cleaning up crypto. The next step would be to effectively eliminate the coins that users just left and provide the market with a permanent proven mechanism to recycle future trapped value back into the economy.

Although creating the CoinJanitor token to decommission failed or dead coins might sound ironic, it is the fastest, most effective way to unlock trapped value, while multiplying it through the amalgamation of users under a single coin – network

effect. These users will then have an opportunity to add their newly created value to that of more successful cryptocurrency projects.

It is important to state that all token swaps and amalgamations will only be done with the cooperation and support of project owners and communities.

Why this is NOT a Regular ICO?

Despite the creation of the CoinJanitor token as the umbrella coin with which CoinJanitor aims to start cleaning up those failed or dead coins, this project is NOT a regular ICO. CoinJanitor is a community funded project that aims to do something that has never been tried before and contribute positively to the larger cryptocurrency community.

In parallel, CoinJanitor and its creators are interested in starting the debate about how to deal with failed projects and dead coins in the space and how best to recycle resources back into future projects. As we progress, this token will become only one of the many tools that we will be able to deploy to achieve this goal. In parallel, supporters of the CoinJanitor project will also have a say in how we continue cleaning cryptocurrency markets up in the future. They will also be able to suggest ways to develop new tools to carry this mission out in the future.

Unlike other projects, all contributions will go back directly into the market in the form of “buying” delisted tokens and introducing value-added services offered to the community. As the CoinJanitor community grows all its members will also benefit from the increased network effect and marketing reach of CoinJanitor. The cryptocurrency community at large will also benefit from reduced dilution of resources and the collection of the most comprehensive datasets on the market ever collected.

Ultimately this is an expensive exercise which already has thousands of hours and dollars invested into it and needs funding as well as widespread media coverage to achieve its goals. This will allow us to create a sustainable mechanism for doing this well into the future.

Market analysis

Before we can understand the extent of the problem or begin the process of restoring lost value to the crypto economy we need to understand the state of the market.

Today there are many more cryptocurrencies than people realise. There is no comprehensive list of all of them, no record of which have failed or are no longer being maintained and no monitoring of activity levels or development across the market. There are various sources for coin data that together list a minimum of 4500 different cryptocurrencies, but no single up to date source with project statuses. This was the first challenge and a result of a market that grew quickly, skipping certain

basic mechanisms required in any mature marketplace. To address this, we began by determining criteria to measure the status of coins and projects in the marketplace. The current set of data including marketcap and supply is very limited and focuses predominantly on price, whilst there is no dataset or source that gives insight into the state of a project or its activity level. Therefore, we created a set of criteria and began profiling coins. Here are some of the parameters that we focused on:

- Inception date
- Exchange listing status
- Trade volume
- Hashrate
- Distribution of wallet addresses
- Social activity
- Forum activity
- Development commits
- And others

Based on these criteria we sectioned the market into coin segments. Here is a macro view of the market focusing on marketcap and trading volume distribution across different cryptocurrencies.



Even though these charts focus mainly on price and trading volume, they show how unequal the price distribution is and how much potential trapped value exists within the thousands of micro-cap coins. It is also important to notice how this data does not

say anything about the number of users per project. During our profiling this was a key parameter for us to ascertain as we understand that much of these projects' trapped value exists within their userbases.

What is a Deadcoin?

Central to the CoinJanitor project and our aim of unlocking trapped value is the issue of failed projects or "deadcoins". So, what is the definition of a deadcoin?

Today there is no agreed upon definition for this or any point at which a coin can be acknowledged as dead according to its position in the market; there are no clear parameters to ascertain that a project has failed. This topic has been raised many times before in a variety of fora with no emerging consensus as to what constitutes this definition. There are threads on BitcoinTalk dating back to almost the inception of bitcoin discussing this as well as numerous sites and lists that have tried to catalogue inactive or abandoned projects.

It is important at this point to distinguish between scams that have been shut down and well-intentioned projects that simply did not succeed.

We set out to answer this question through three approaches:

- **Researching existing material and discussions on the topic.** We searched for everything we could find that has been written or discussed about this including forum threads, websites, mailing lists, GitHub repositories and more.
- **Speaking to people to create an emerging consensus.** Other than countless internal discussions we contacted people across the spectrum of the cryptocurrency world to see if a common definition or consensus would emerge. Our discussions included well-known cryptocurrency personalities, developers, coin creators, early adopters, traders, average users and experts from other fields where we saw a parallel.
- **Defining criteria based on activity.** We created a set of activity parameters for coins including everything from hashrate through to website status and social activity. The idea was to create an activity score for coins across all parameters through which it would become clear which projects could be considered dead.

Through our research we arrived at two conclusions:

- The market is not ready to accept a common definition for a deadcoin. This definition needs to emerge from a widespread public discussion. CoinJanitor will initiate and sustain this discussion.
- Despite the lack of a definition, there is significant value trapped in projects that could be more effectively utilized by the market as a whole. We do not need to wait for there to be a definition to begin unlocking this value. In fact, we firmly believe that we cannot afford to wait. CoinJanitor will begin this process and recycle lost or trapped value and transfer it upwards into the market.

Example:

Imagine a coin that is no longer being maintained by the developer, the website and explorer are down, it has zero hashrate and has not produced a block in two years. Is that coin dead? What if someone intended to start mining? What if there was one percent block target being achieved or ten percent? What if it had only been one month since the last block?

We realised that despite there being few coins that have zero across all parameters there are thousands that have activity scores well below their stated targets. And there are hundreds of projects where websites have lapsed, or no blockchain explorers are functioning.

Based on our research it became clear that the key is not the definition but the unlocking of the value that has been trapped in these projects. Therefore, with the cooperation of coin creators and their communities, we will begin the process of restoring value and simultaneously initiate the public discussion to define what a deadcoin is.

Target coins for CoinJanitor

Before we start working, we need to define which coins we will target using the CoinJanitor token. This is a difficult task, given the fact that there is no clear-cut definition of what a dead or failed coin is. A definition will be more subjective than we wish for, even if we strive to achieve the highest level of objectivity possible. Nevertheless, we must include a clear set of parameters to classify a coin as a potential opportunity for CoinJanitor cooperation. This needs to be done without framing those parameters in such a way that might lead critics to label us as attackers.

Therefore, we have decided to invest time and effort in analysing the market to come up with a set of coins that could be good candidates for CoinJanitor. It is important to note that this has been a time and resource intensive exercise and will continue well after the CoinJanitor token sale is complete. As of now, to our knowledge, we possess the most complete dataset on the state of non-listed coins and within a few months of completing the public sale we will be able to profile and determine activity scores for all publicly identifiable coins.

From this analysis we have derived a few parameters that will serve as a guide to identify suitable target coins now and in the future. Coins that fulfil the following conditions will be considered for buy-out frameworks first:

1. The market cap of the coin should be under \$50,000 USD
2. The coin should be a PoW coin.
3. It must NOT be listed on any exchange.
4. It should be at least 2 years old. There is a chance we will target coins that are newer than that, but we will start with those that are 2 years old or older.

5. The owners should be contactable.
6. Most importantly, the owner and community must be willing to cooperate with CoinJanitor.

The conditions that we set to target coins are largely based on our research and the current state of the market. These parameters may change as our research advances, our data becomes richer and the state of market changes. As a community-driven project, we will share all our data and research with the public. We will also consider enabling voting rights for CoinJanitor token holders in the future to aid us with our decision making regarding our data, our research and the definition of what a dead or failed coin is. The cryptocurrency space is dynamic, so we will approach it with the degree of flexibility required to keep on evolving in it, enlisting as many resources as possible to keep on sharpening our parameters and data.

The rationale behind these conditions is quite simple and provides a broad enough scope to define what a failed or dead coin looks like, while limiting the target coins to those that can be objectively considered to be value traps. Here are the reasons behind each of the conditions above:

1. This is probably the most arbitrary of all the parameters. Why set a market cap limit to target coins? There are a few reasons: Our resources are limited and our hypothesis is that the more failed or dead coins that we clean using the CoinJanitor token, the more users we will be able to amalgamate and the better the network effect we will achieve. On the other hand, the more dead or failed coins we clean, the less diluted the space will be and the more value we will be able to add to the users of those dead coins and to the holders of top ranked cryptocurrencies.
2. It is easier to understand when a PoW coin is effectively dead. A lack of mining activity, or at least a lack of robust mining activity, along with low or non-existent transaction volume is as objective an indicator of failure as anyone can get in this space. The ability to activate our own mining equipment on the blockchain to help users get rid of their coins in a final transaction, is also a tool we can deploy to get those users into the CoinJanitor economy while making sure we can effectively burn the coins we are given. It is important to clarify that CoinJanitor is blockchain agnostic and has no preference for any type of blockchain system.

We are NOT targeting PoW coins because we have a specific political agenda; we are doing it because it is easier to find out when a PoW coin is dead. There are exceptions to the PoW condition as well. We will target a few PoS coins that have trapped value and were created as a joke or to ridicule certain sectors of the community. A great example is the Useless Ethereum Token – UET – which was created to mock certain ICOs and/or ICO buyers. UET has fulfilled its educational purpose (if it ever had one) and it is trapping value, making it an excellent exceptional target for CoinJanitor.

3. Targeting coins that are not on exchanges allows us to unlock value that is otherwise trapped in a coin that is not tradeable. When a coin is not tradeable,

it has one foot in the grave precisely because its value cannot be transferred. Additionally, we want to keep our project away from accusations of market manipulation. We are not seeking to profit from pump and dumps on exchanges. Buying significant amounts of low volume coins on certain exchanges, can create market movements that we would like to avoid, and it can also give a life-line to underperforming coins that could eventually become targets.

4. If a coin has been around long enough and it has not achieved its goals, it can be deemed a failure. Given that the space is still young, and it can take years for coins to deliver on their objectives, a limit of 2 years in itself does not make sense. Nevertheless, when a coin fulfils the parameters above, and it has also been in the market for 2 years, it is highly unlikely to succeed.
5. To cooperate with project owners and gain access to their codebase right and resources in order to begin swaps, we have to be able to contact them.
6. This is our most important consideration when trying to restore value from failed projects. Firstly, we need the support of the community to be able to execute all the token swaps and burns required to achieve our aims. Secondly, CoinJanitor is not a hostile project but a community initiative for the improvement of the cryptocurrency market. We do not claim to be nor want to be the arbiters of success or value within the market but rather a mechanism to allow willing amalgamation of communities into the CoinJanitor community.

Why use a PoS ERC20 token?

Like we mentioned before, targeting PoW coins with a PoS tool such as the CoinJanitor token, can be taken as a political statement. Furthermore, it looks like an effort bound to create more animosity because it forces users who believed in a PoW coin to abandon their beliefs, so they can restore some of the value they have locked in those failed PoW projects. That is definitely NOT our intention. We have created a PoS, ERC20 token because we want to focus on the economic aspects of this project without investing in the creation of an independent blockchain that needs to compete for and secure the kind of mining resources that top ranked coins need for themselves. Diluting mining power does not serve our purpose. On the other hand, piggy backing on a well-established network such as the Ethereum network, will allow us to move quickly. We reserve the option of creating our own blockchain based on PoW with more advanced tools on it in the future. The CoinJanitor token is just the first of many tools we aim to develop as our project advances, but we are aware that Rome was not built in a single day, so we want to keep our focus on an Ethereum-powered, ERC20 token with the goals stated above, in the meantime.

Methodology

Before we detail the methodology for unlocking the trapped value in each of these projects it is important to understand that we have chosen a manual approach as opposed to the deployment of new technology. We spent development resources investigating various options to automate part of the token swap process and determined that this was not the most effective use of our resources. With most of our target coins based on extremely old or outdated codebases it would take significant resources to upgrade each project to a point where we could deploy new technology on each blockchain. Coupled with the current development resources being devoted by other people to atomic swaps, blockchain agnostic tools and universal smart contracts our resources are best spent unlocking as much value as fast as possible and allowing the technology to evolve with the market rather than competing for it and delaying our aims.

This takes us to the reasons we have to focus on the economics first before promising on the delivery of revolutionary technology to achieve the task at hand. Just like a mop and a bucket are the elemental tools that a janitor uses to do his/her job, economic forces are the fundamental pillars on which any blockchain or cryptocurrency project rests. Innovative technology in this space must comply first and foremost with the most basic economic conditions to survive and thrive, so that will be our starting point. CoinJanitor will aim to develop new technology in the future, but its token, which is the first tool at the project's disposal, is purely based on economics.

Process

Therefore, the process that CoinJanitor will employ to clean up dead or failed coins relies solely on economic and market principles. The execution will be community-centric, taking into consideration that people are at the centre of the whole project. We designed our methodology to deal with people in an amicable manner to achieve our goals and give supporters the utility they are looking for. Our aim is to reach as many people as we can and to decommission as many dead or failed coins as possible. Conceptually, these are the steps we will follow once we have identified a project as a candidate:

1. Contact the creators of the target currency to offer cooperation and open a channel of communication with them.
2. Agree on a plan to cooperate with project owners.
3. Take over access to GitHub, all code repositories and all marketing assets.
4. Communicate with the community members of the target currency using social media – Reddit, BitcoinTalk threads, Twitter, Facebook and others – to

inform them about our intentions and tell them how to cash their coins in for CoinJanitor tokens.

5. Set timeframes for the implementation of buy outs.
6. Update blockchain snapshots to the latest records.
7. Stop new coins being created on the blockchain.
8. Initiate token swaps with users.
9. Burn all acquired tokens.
10. Communicate status of swaps to the market.
11. Set up process for future ad hoc token swaps.

The economics behind the method

Following this conceptual description of the methodology, it is clear that the main component of this project is economic, although we are not oblivious to the technical requirements to fulfil our job. The CoinJanitor token will perform an economic task that no other asset or tool in cryptocurrency markets can carry out. Critics will say that such an asset or tool doesn't exist because the invisible hand of the market by itself takes care of dead or failed coins: the lack of demand for those coins effectively forced them into oblivion. But that is a skewed view of free market economics.

CoinJanitor tokens have the ability to restore some of the value that was lost due to the lack of demand, through salvaging the basic assets invested in these coins. Those assets are their codebases, marketing assets and communities. Amalgamation of communities will concentrate those isolated assets restoring some of their value, helping CoinJanitor grow. Our token integrates users that are otherwise disconnected from the markets because the coins they hold are not tradeable, bringing more value into these markets. That delivers a total net benefit to the market and to the CoinJanitor economy which will grow every time it integrates another community. Each failed project that we absorb also extends our marketing reach and ability to influence further projects. Additionally, the CoinJanitor token will be strictly deflationary, generating a compounding effect on its value every time it absorbs a dead or failed coin. As CoinJanitor tokens are used to buy out failed coins, the CoinJanitor reserve becomes scarcer while the demand for it increases as more failed or dead coin communities seek a buy-out.

Establishing exchange rates

This leads us to exchange rates and how to price the value of the CoinJanitor token. This is an extremely hard exercise especially because there are no precedents. The utility of the token may also vary significantly depending on who holds it. To the owners of dead or failed coins, CoinJanitor's token utility is initially high. Without the CoinJanitor token, the resources – be them money, time or computing power – they invested in a coin that is now dead, will generate no recoverable or transferable

value. To those who will acquire the CoinJanitor token when the sale opens, the utility will be initially lower; they will just see the value of their holdings rise as more dead or failed coins are decommissioned, and the utility increase as CoinJanitor enables more services to clean up the market. Value will also be unlocked as dead or failed coin community amalgamation takes place, and transferred into top cryptocurrencies, which supporters of the CoinJanitor project hold.

The success of CoinJanitor in cleaning dead or failed coins should therefore serve as a tool to bring the utility of all holders progressively closer to the point where the more objective value of the token is. It is possible that many of those dead or failed coin holders are also holders of top ranked cryptocurrencies. The utility of the CoinJanitor token for these users will be compounded: on one hand they will be able to move their trapped value out of a dead or failed coin, while the transfer of that value into exchanges will also have a positive effect on their other cryptocurrency holdings.

The corollary to this is that the CoinJanitor's token exchange rate vis-à-vis top ranked coins and dead coins should become more favourable as the CoinJanitor project acquires more dead or failed coins. The amalgamation of communities should push value upwards because it creates a network effect, bringing more users together under the same umbrella. The compounding effect on the CoinJanitor project from these economic forces will be a net positive because it will become progressively cheaper to buy more dead or failed coins in terms of the project's token reserves. Nevertheless, the CoinJanitor token might become the target of pump and dump schemes. To limit or prevent possible pump and dumps, CoinJanitor will keep a strategic Bitcoin and Ether reserve to buy tokens back with and prevent sudden price dips that might affect the degree to which we can achieve our goals.

The individual exchange rate for each target coin to be absorbed is based on a projection model we have built factoring in the amount of target coins, our reserve value and perceived value to users to encourage engagement. The initial exchange rates we have determined will allow us to absorb many projects well into the future while providing real value to project owners and coin holders.

Combination of economic leverage and mining

Nevertheless, the economic power of the CoinJanitor token by itself might not be enough to decommission certain dead or failed coins. The CoinJanitor project might need to use significant mining power and direct it towards the coins it is working with. This is a difficult step to take because it might be viewed by some as a 51% attack. We must therefore emphasize once again: the purpose of the CoinJanitor project is to clean up crypto by decommissioning dead or failed coins and restoring or unlocking the value these coins have in them through the amalgamation of their communities. We want to work with these communities and never against them. Attacking a community will only create animosity and our aim is to be an amicable force but we need to be responsible and recognize the potential for a hostile element

to try and hijack the community during the amalgamation process through brute mining force.

With that said, we understand that the CoinJanitor token might need some external help when targeting dead or failed coins without significant activity on their blockchains, because we must help their users to transact for them to trade their coins for CoinJanitor tokens and for us to burn the coins these users will be trading out of. We have access to significant mining power in the event that we need to reactivate blockchains to allow transfers or prevent speculators from piggybacking on our cleaning job to execute pump and dump schemes.

How do we know we will get listed on an exchange?

At this point, it should be clear to any reader that CoinJanitor's listing on an exchange is a critical element in the success of this phase of the CoinJanitor project. Without listing, we cannot offer a proper gateway for our amalgamated communities to transfer the value we helped them unlock through our buyouts, back into the market. Although there are no guarantees that any cryptocurrency or token will ever get listed on any exchange, the CoinJanitor team has been holding talks with various exchanges to list our token once it enters the market. We have a verbal commitment to list the CoinJanitor token from 2 exchanges already. We will refrain from mentioning these exchanges in the meantime.

Coins, communities and approach

Apart from being listed on exchanges, the CoinJanitor project can only succeed by decommissioning dead or failed coins. Decommissioning one such coin will not be an indicator of success. We must decommission at least 3 dead or failed coins within our first 2 months of operations to show our community that we are a viable project that can fulfil its goals. We will use that goal for the first 2 months of operations to prove our concept in the wider market and validate our ability to fulfil the use case. Based on our experience we will make the necessary adjustments and release our final criteria and methodology based on those adjustments. For the time being we must start working with all the dead or failed coin communities we have identified simultaneously. This will help us achieve our goal of amalgamating 3 communities within 2 months and decommissioning the failed coins that those communities hold.

Community consensus

Members of a community include creators, users, developers, marketers and followers. All these actors play a crucial role for the healthy growth of any cryptocurrency. CoinJanitor focuses on the creation of a new cryptocurrency community through the amalgamation of communities that belong to failed coins, as

well as the integration of CoinJanitor supporters, team members, contributors and enthusiasts. This is the main reason why our integration effort must follow a careful, clear process. We want to integrate failed coin community members in the most constructive manner possible.

There is nothing more important for the success of our project than community amalgamation, community member integration and community building efforts. The key pillars behind cryptocurrencies are their communities. Taking economic theory into account, the members of these communities are the central factor of production behind the economies that use these dead or failed coins as a medium of exchange. Without positive engagement it is practically impossible to amalgamate and integrate those communities, or those valuable factors of production into the CoinJanitor community.

There are different voices within any community and they must all be heard, but communities must ultimately make a choice even if some members disagree. Therefore, consensus must be counter-balanced with pragmatism to safeguard the interest of the whole community. This is especially important when it comes to amalgamating failed coin communities and integrating their members under a new umbrella.

Community Strength

CoinJanitor's community will be enhanced by the constructive amalgamation and integration of members of communities that have been in the space for a long time, since we will be looking for failed or dead coins that are 2 years old or older to integrate them into the CoinJanitor project. Therefore, many of the members of those communities have a wealth of experience to share with us and other members of the CoinJanitor community. We welcome them and will be eager to have their experience enrich our own community. These experienced cryptocurrency enthusiasts that will be joining CoinJanitor through the amalgamation of their coins, will be a source of strength for the CoinJanitor community and will allow our message to be more powerful.

Scenarios regarding the targeting of individual coins

Before we start amalgamating failed coin communities and integrating their members into our own, we must consider that there will be various scenarios we will have to face in the amalgamation process before we have buy-out agreements. We have developed a few scenarios that will help us identify where we stand vis-à-vis every dead or failed coin community we target, so we can decide how to pick the

communities we would like to amalgamate first and what we should expect in the process. Here are the most common scenarios we expect:

Cooperative communities that are united

Finding a community that we can communicate with and agrees to a quick buy-out is the ideal scenario. In it, we will be able to communicate clearly with the target coin's creators and the community and agree to amicable terms. The implementation of this kind of take-over will be reduced to the technical implementation of our methodology. We expect to start off with a few failed or dead coins that allow us to implement a quick buy-out, but since this is uncharted territory; we cannot rely on this scenario.

Coin communities that are split:

A more likely scenario is the split community, in which part of the coin holders agree to a buy-out and the other part holds out. We cannot give additional incentives to community members that hold out. We will allow these communities to discuss the terms we offer and engage in a discussion with us. In parallel we will keep on looking for other communities to engage with. We will not resort to hostile measures to buy out any type of coin because we know that CoinJanitor holds an economic advantage in the market: It is the only asset geared towards dead or failed coin buy-outs, while on the other side of the equation, there is an ample supply of dead or failed coins. Communities that take too long to decide because they are split, could eventually lose out on a favourable offer because a parallel buy-out of a different coin should strengthen CoinJanitor's exchange rate. We hope split communities see this and work to achieve unity within the time limit we will be giving them to take the buy-out offer. If not, they will potentially face less favourable exchange rates next time we offer a buy-out.

Coin owners that allow us to take over without community support:

A corollary to the scenario above would see us garner support from the creators of the coin, as well as access to the GitHub, without gaining significant support from the community. With access to the project's GitHub and the ability to deploy significant mining resources on the target coin's network, CoinJanitor will, technically speaking, be able to circumvent the community and shut the dead or failed coin down without community consensus. We would like to avoid using this option. Instead we will try to leverage the credibility that project creators still have, to organize the community and take the buy-out offer. We hope that these dead or failed coin users see the economic implication of failing to take the buy-out. But if they don't, we will move on to the next community and allow economic forces to act on their own.

Targeting of PoW vs PoS coins

From these scenarios, it is possible to understand why targeting PoW coins can potentially give CoinJanitor more leverage than targeting PoS coins. This is part of the reason why we want to adhere to our PoW condition when we select our first target coins. Nevertheless, there are some PoS coins or tokens out there that have already fulfilled their purpose, which we must make an exception for. Targeting these coins will entail contacting the creator mostly. Establishing a communication channel with the community can be helpful, but power on PoS coins lies more with project creators or with the individuals who hold the most coins – which in many cases are the creators. Therefore, it is crucial to gather their support first, although it is clear that a PoW target is preferable.

PoS coins can also be targeted through the markets if they are tradeable and their creators refuse to be bought out. CoinJanitor can, in theory, engage in an open market effort to buy out all the coins in circulation from exchanges, but this is not the kind of action we would like to pursue.

Economic incentives for communities to cooperate

How much would you pay for your first bottle of water when you spent 3 days surviving in the desert?

Following our exchange rate explanation above and the scenarios we developed, target coins must now understand that if they manage to become the first coins to be bought and decommissioned, they will enjoy the highest reward possible. In theory, the first few coins will be the most expensive, because as CoinJanitor starts enjoying the benefits of a more responsive market, demand for CoinJanitor tokens should increase. Think of CoinJanitor as a thirsty hiker surviving in the desert. After 3 days in that situation, hikers would pay a lot for the first bottle of water they can buy. After they drink the first bottle of water, hikers will not pay as much for the second one.

That combined with the fact that CoinJanitor tokens will be a deflationary asset and an increasing community and reach, should push price up and give us more comfortable terms to buy out subsequent projects. Therefore, users of the first projects that we buy out will enjoy a double benefit: They will receive relatively more CoinJanitor tokens for their locked value, and as CoinJanitor proceeds to buy out the next projects, the value – and the price – of the CoinJanitor tokens they hold, should increase accordingly.

We hope that this economic incentive will create enough interest to speed up the achievement of our stated goal of buying out 3 dead or failed coins within the first 2 months of operations. From that point forward, the pace should accelerate since we will be able to prove the viability of our project, gather more users under the CoinJanitor umbrella, and generate more demand from dead or failed coin holders.

Why launch a coin at all?

At this point, many readers will be asking themselves why we would want to launch a coin if we are aiming to decommission dead or failed coins using economic forces. In theory, this can be done by using top ranked cryptocurrencies directly. Nevertheless, using a currency that is widely used to do this, is not practical for 2 reasons:

1. With CoinJanitor tokens as a go-between, it is possible to use top ranked coins to stabilize the exchange rate and achieve maximum leverage during buy-outs. Using top ranked cryptocurrencies directly puts the project at the mercy of the markets in such a way that the initial contributions to the project would have to be used to decommission coins at market value, burning through reserves at a higher rate. That would significantly limit the amount of coins that can be bought and decommissioned, and the amount of resources that can be invested in other aspects of the buy-out.
2. CoinJanitor will be using its tokens to buy out coins that are not listed on exchanges – an exception to this rule will be extremely rare. Operationally speaking, it is much simpler to exchange CoinJanitor tokens for dead or failed coins by setting up a burn address for target coin holders to send their coins to, or by setting up custom-made exchange mechanisms. Becoming a functional exchange for dead or failed coins would give these projects liquidity and would open an otherwise inexistent market to speculation or pump and dump schemes. Our goal is not to become an exchange for dead coins, but rather to unlock the value that users and creators of dead or failed coins have already invested in them and help them transfer that value back into top ranked cryptocurrencies.

Aside from practicality there is an additional benefit to launching a new coin specifically for this purpose; the ability to build functionality and extend the coin's capabilities. As we absorb failed projects and the CoinJanitor community grows, the ability to leverage the community by extending our capabilities becomes increasingly more valuable.

Technical explanation of the burning process

As much as every project is different technically, our approach will follow the same basic technical process for the coins that we cooperate with to absorb. Bear in mind that the first candidates will be PoW and this process is based on a PoW coin. There are many specific technical aspects to the steps in this process which we have spent time developing as well as consulting with leading blockchain developers around the

world. Each project will be assessed according to our criteria to determine the optimal implementation of this process and executed by our developers in conjunction with project owners. As we absorb more projects our library of code and our process will both evolve to be more effective in executing the absorption. The basic technical process is as follows:

1. Get GitHub access from the Coin owner
2. Remove other people's ability to commit (Remove all users except CoinJanitor developers from the GitHub committers)
3. Check and update the ledger CoinJanitor holds, or otherwise collect snapshots of the blockchain from peers
4. CoinJanitor gets control of the consensus mechanism to be the only one who is able to mine
5. Point mining power if needed to allow transfers (in case of PoW), and in some cases also decrease the complexity of mining.
6. Mint all remaining coins so no more coins can be mined, while updating the complexity and rewarding rules.
7. Appeal to public for tokens
8. Begin manual swaps
9. Close first swap window
10. Burn all tokens, i.e. transfer all tokens to 0x0 address
11. Continue taking coins ad hoc verifying against snapshots

Community funding structure

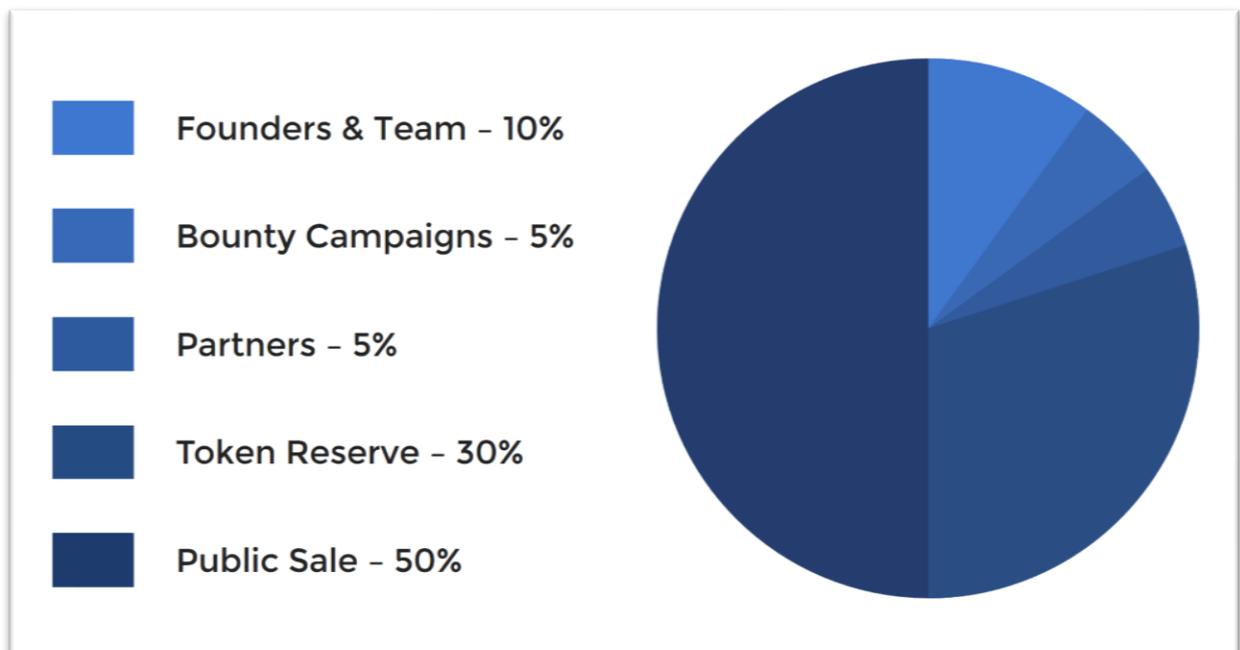
After stating our goals, definitions, concepts and methodology, we must now define the community funding structure we will be pursuing to launch the project and its first tool, the CoinJanitor token. We will be taking contributions from as wide an audience as we can, implementing the necessary KYC and AML requirements to operate legally.

The following are the characteristics of the CoinJanitor token and the project that every contributor must be fully aware of before they contribute:

1. **Total supply:** CoinJanitor tokens will have a total supply of 100,000,000 (one hundred million) coins.
2. **Divisibility:** The CoinJanitor token will be divisible up to the eighth decimal point, just like Bitcoin.
3. **Ticker symbol:** The CoinJanitor ticker symbol will be JAN.
4. **Hard cap:** The total amount to be raised is \$7,500,000.
5. **Distribution:** As an ERC20 on Ethereum, the CoinJanitor token will not be mineable. The entire coin supply will be released on a given

distribution date, under the conditions set by the smart contract. These conditions are:

- 50% of the coins will be sold in the open market to fund the project and all operations.
- 30% of the coins will be held by the CoinJanitor project to buy out dead or failed coins. CoinJanitor will ONLY use the tokens it issued to buy dead coin holders out.
- 5% of CoinJanitor tokens will be reserved for our partners.
- 5% of CoinJanitor tokens will be used for our bounty program.
- 10% of the coins will be distributed to the founders, team and future employees. Team members will not be able to sell their CoinJanitor tokens until 2019.
- CoinJanitor tokens not sold during the public sale, will be air-dropped proportionally to contributors.
- This airdrop will EXCLUDE CoinJanitor team members and the CoinJanitor reserve.

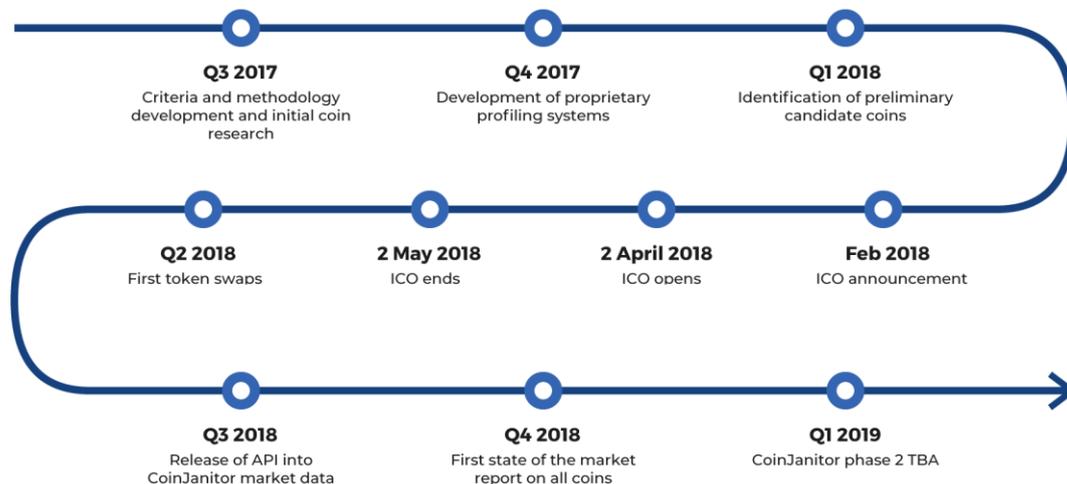


Why are we accepting currencies other than BTC?

To be as inclusive as possible, appeal to as wide an audience as we can, and have a diversified reserve portfolio, we are accepting contributions in a wide variety of cryptocurrencies. The project benefits the community at large, not only BTC holders. We are also blockchain agnostic and believe in the freedom of choice of our contributors. Therefore, we plan to take contributions in: BTC, BCH, BTG, XMR, ETH, LTC and USD.

Development roadmap and milestones

- **Q3 2017:** Criteria and methodology development. Initial coin research.
- **Q4 2017:** Development of proprietary profiling systems.
- **Q1 2018:** Identification of preliminary candidate coins.
- **February 2018:** ICO announcement.
- **April 2nd, 2018:** ICO opens.
- **May 2nd, 2018:** ICO ends.
- **Q2 2018:** First token swaps.
- **Q3 2018:** Release of API into CoinJanitor market data.
- **Q4 2018:** First state of the market report on all coins.
- **Q1 2019:** CoinJanitor phase 2 TBA.



Team

Marc Kenigsberg, CEO:

Marc has been involved in Bitcoin since 2013 and has 18 years' experience in online marketing. He was one of the world's largest cryptocurrency affiliates and the founder of BlockSmarter and Bitcoin Chaser. Marc is one of the world's leading ICO advisors and works with various ICO's and blockchain businesses. He is a regular speaker at conferences around the world and a contributor to leading industry publications.

Asaf Yosifov, CTO:

Head of Innovation at Titanium Technologies, a leading R&D and Innovation company. Asaf has 16 year of experience developing software and leading R&D teams in industries such as education, gaming, telecom, finance and travel.

Tzahi Kanza, Biz Dev:

CEO of Titanium Technologies, a leading R&D and Innovation company. Tzahi has 17 years of experience managing global companies. He is an expert in start-up management, Blockchain, strategic planning and international business activity.

Tzvi Shishler, CMO:

CEO of 4KingMedia, a leading Crypto Media company. Tzvi has extensive marketing experience in the disruptive online space and has been involved in Bitcoin and Crypto marketing from the beginning.

Theo Morgan-Somers, CIO:

CEO of CryptoBuild, a financial technology company producing trading platforms for cryptocurrency. Theo has a marketing background but moved into investment and information analysis for DLT in 2015.

Steven Gleiser, Economic Architect:

Steven first came across Bitcoin in 2013, looking at hedging opportunities in forex. He has been studying Bitcoin and other cryptocurrencies ever since, moving into the field as an analyst on a full-time basis 2 and a half years ago.

Apart from the founding members, CoinJanitor will hire analysts, researchers, blockchain specialists and community managers as needed to implement its roadmap. The sections below provide a brief explanation of how CoinJanitor will do this.

Projections on cash flow

CoinJanitor is an economically autonomous project. As such, all the cashflow generated will be used to achieve the goals stated above. This will require the CoinJanitor team to manage its funds in a disciplined manner and with the utmost precision. Therefore, funds collected during the sale will be allocated with care, keeping in mind that it will take time to fulfill CoinJanitor's goals.

CoinJanitor has a multi-year operational plan that relies on disciplined planning and considers the use of all resources. We have projected the following plan based on the cost of funding our operations for 1 full year, and dividing the amount raised assuming we reach our hard cap, by year 1 costs to show our contributors how long we can operate for. Here are the costs that we have budgeted for our first year of operations:

\$400,000.00 USD for annual operational expenses. These include: hiring the staff needed to continue doing research about dead coins, reach out to failed coin communities, conduct coin exchanges to acquire failed or dead coins, burn the coins acquired, use mining power when required and intervene in the markets to prevent pump and dump schemes aimed at CoinJanitor tokens.

\$125,000.00 USD for marketing. These expenses include: paid media ads to convey our message to as wide an audience as possible, engagement with failed coin communities and a campaign to show cryptocurrency users the goals we achieve.

\$150,000.00 USD to develop new tools and technology for cryptocurrency users and the markets. These include data and code repositories, market analysis tools, behavioural analysis tools derived from the data we collect and more. CoinJanitor will also develop crawlers and custom-made explorers to perform its task of unlocking value trapped in dead coins in a more efficient manner.

\$50,000.00 USD for business development. This includes institutionalizing learning and operational processes to increase organizational efficiency.

\$25,000.00 USD in legal fees.

Based on this budget for year 1, and assuming that the price of our cryptocurrency reserves in terms of USD will grow beyond inflation, we will be able to operate for at least 10 years without any other source of revenue. To guarantee that our reserves are well managed and that we keep an optimal ratio of reserve funds to operational funds, we will be keeping our reserves mainly in 2 different denominations: BTC and ETH. We will also transfer the necessary amounts to operate, into fiat on a quarterly basis once the operation is running. To start, we will exchange 2 quarters' worth of operational costs for fiat (\$375,000.00 USD), and subsequently we will exchange 1 quarter's worth of operational expenses for fiat (\$187,500.00 USD), a quarter ahead of its projected time of use. This will allow us to operate and keep exchange rate volatility in check, while preserving the value of our reserves as much as possible.

Benefits to all actors

CoinJanitor is a project that will benefit cryptocurrency markets in general and individual communities in particular. We have identified 4 main groups of cryptocurrency users who will benefit from the project. Many users belong to 2 or more of these groups at the same time. Users who belong to more than one of these groups, will derive multiple benefits from all the groups they belong to. Here are the 4 main groups of users we identified and the benefits that each will derive from CoinJanitor:

- **Users:** The opportunity to get value back from coins that cannot be sold at exchanges and to join a community that will grow exponentially. They will also enjoy the benefit of the network effect that CoinJanitor will achieve through the amalgamation of communities that are otherwise cut-off from cryptocurrency markets altogether. This includes the transfer of the value they have that is trapped in failed coins, into cryptocurrency markets. Hence, they will be able to use value that was considered to be lost.
- **Project Creators:** Pioneering the creation of a project that is the first of its kind. Creators will also enjoy the benefit of opening the debate about what to do with failed coins henceforth, and they will lead a newly created community in the

development of more advanced tools that will be useful to cryptocurrency users and markets.

- **CoinJanitor:** The creation of an economy that wouldn't exist otherwise. This economy will grow with every failed coin that is disabled and with every community that is amalgamated under the CoinJanitor umbrella. CoinJanitor community members will have a say about how to achieve market concentration and the transfer of value trapped in failed coins in the future.
- **The Market:** Cryptocurrency markets will benefit from the reduction of dilution and the transfer of value that would be otherwise lost, into top ranked cryptocurrencies. This is the main positive externality that CoinJanitor will create for the benefit of other cryptocurrency communities.

Conclusion

After explaining in detail what CoinJanitor is all about, we hope we managed to convey our goals to the markets and to cryptocurrency users in such a way that will generate the kind of support needed to fulfill them. We call on any and every party interested in the project to contribute in whichever form they can. Apart from financial contributions, there are many other activities interested parties can engage in, like spreading the word about the CoinJanitor project, actively engaging in debates about it and participating in an active discussion with our team members about the project.

Anyone interested in the project can contribute in any way they want, and we would like to thank our supporters in advance for doing so. Help us spread the word about CoinJanitor as far and wide as possible; join our Telegram group; follow us on social media and share our ideas with your networks; become a CoinJanitor and join the vibrant, proactive community that will unlock trapped value and reduce dilution in cryptocurrency markets.

Resources:

- [Website](#)
- [Telegram group](#)
- [Twitter](#)
- [Facebook](#)
- [Bitcoin Talk thread](#)