



**DEN
DOMAINS**

***THE WORLD'S FIRST
DECENTRALIZED FREE DOMAIN
MARKETPLACE***

***“DOMAIN REGISTRATIONS AND
TRADING ARE EXPENSIVE, SLOW
AND OBSOLETE”***

**DEN DOMAINS
WILL CHANGE THAT**

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ABSTRACT

It is estimated that there are currently 4.6 billion internet users worldwide¹, with an estimated 1 billion wanting to register a domain name. The fourth quarter of 2017 closed with approximately 332.4 million domain name registrations across all top-level domains (TLDs), an increase of 0.5%² over Q3 2017 and 0.9% YOY. Den Domains aims to take full advantage of the size and growth of the domain registration and trading markets, offering a safer, cheaper faster way of registering, developing and selling domains.

Den Domains is a Blockchain-based online platform that enables users to register, transfer and host domains via an innovative Blockchain protocol. Our platform revolves around the ERC20 token and is also compatible with BSC Chain, Polkadot and Solana. Transactions will take place based on a smart-contract system, removing exorbitant commission fees and security issues that plague the traditional domain registration provider space. In addition, Den Domains plans to offer web hosting services utilizing the proprietary Den Domains token (DDN) to incentivize users to register domains and dynamically profit from the expansion of the platform.

¹ <https://www.statista.com/statistics/617136/digital-population-worldwide/>

² <https://blog.verisign.com/domain-names/verisign-q4-2017-domain-name-industry-brief-internet-grows-332-4-million-domain-name-registrations-fourth-quarter-2017/>

EXECUTIVE SUMMARY

In this paper we present Den Domains a plan to offer the first free domain registration platform in existence. The platform rewards Den Domains users with DDN tokens equivalent to the price of each domain registration, effectively making it free of charge. DDN tokens can then be used to register more domains, cashed in or set aside to profit from their price appreciation.

Den Domains plans to target the high-value domain market. The average sale price of the top 10 .com domain names in the aftermarket in Q1 2018 was \$533,000³, up from \$469,000 in Q4 2017. Commissions on high value domains are affected by extremely high brokerage and transaction fees, often up to 20% of domain name value. With Den Domains we plan to make transfers free for users, helping monetize high-value domains more easily and profitably.

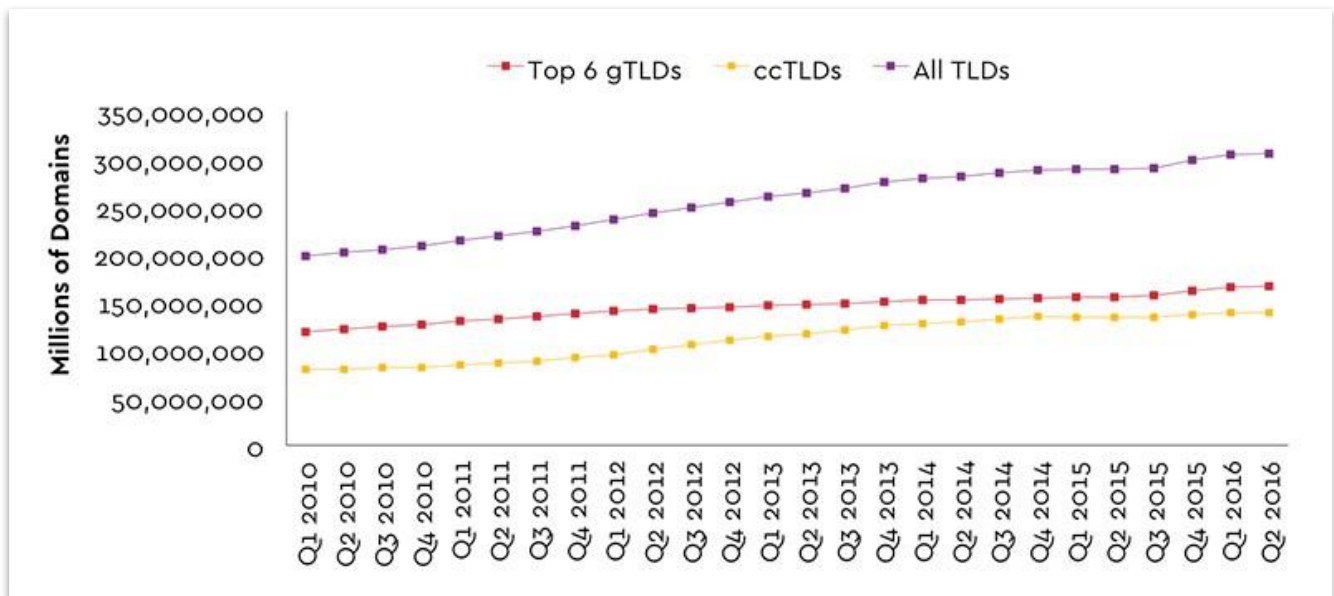
An analysis of virtually every website metric shows that the domain registration and trading sector is experiencing significant growth. Den Domains plans to position itself to be the future leader, thanks to our state-of-the-art platform, broad range of domain support services and the security advantages of Blockchain-based technology.

³ https://www.verisign.com/en_US/domain-names/dnib/index.xhtml?section=top-keywords

OPPORTUNITIES & CHALLENGES: A MARKET READY FOR DISRUPTION

The Domain Registration Market - A Growing Global Sector

The global data show a steady growth in the domain registration market:



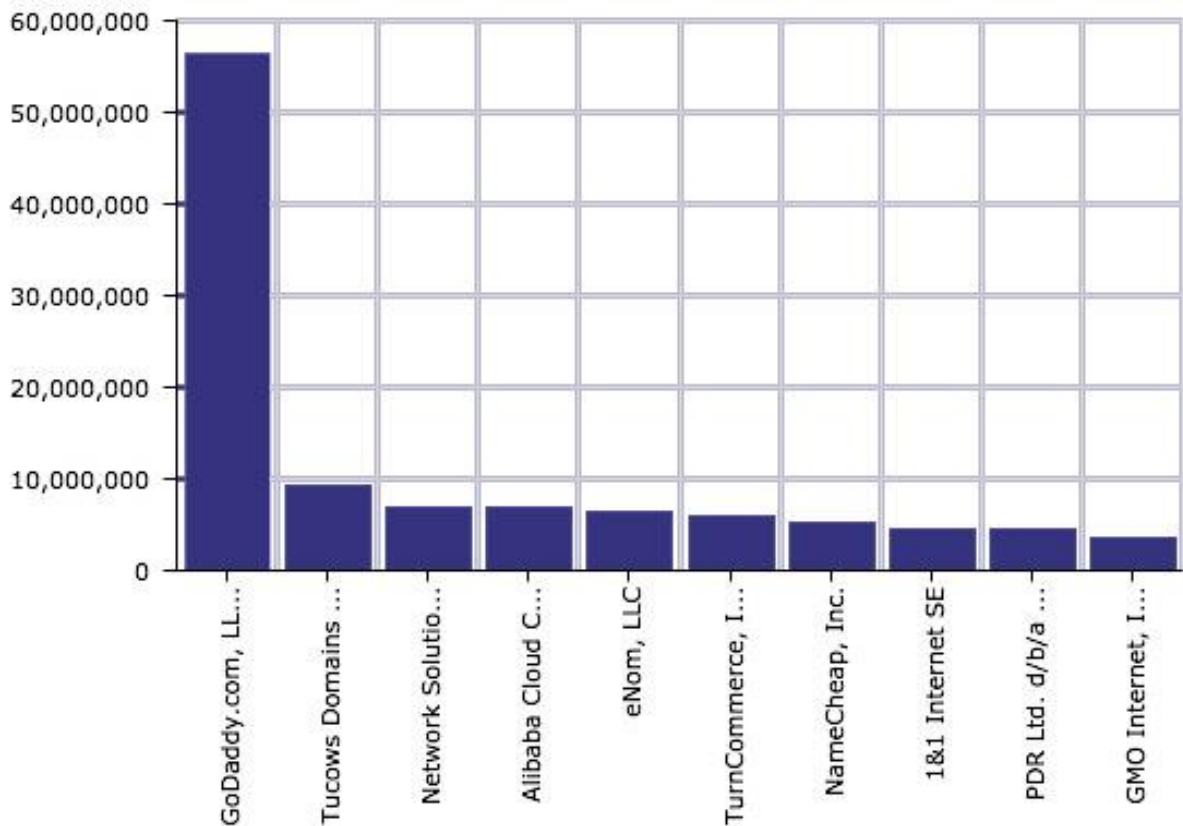
There are now **339.8 million registered as of Q2 2018**⁴. Growth in total domain registration in Q2 2018 was 1.8% over Q1 2018, an increase of 6 million domains. Despite the presence on the market of **more than 3,000 domain registrars**⁵, GoDaddy comfortably dominates with 56 million domains, a **market share of approximately 16%**⁶.

⁴ <http://www.domainpulse.com/2018/08/17/net-slide-new-gtlds-rebound-total-340-million-verisign/>

⁵ <https://webhosting.info/domain-registrar-statistics>

⁶ <https://www.forbes.com/sites/greatspeculations/2018/04/24/even-overstated-profits-cannot-justify-godaddys-valuation/#1d90568860df>

Top 10 Registrars Worldwide



GoDaddy's customer base has expanded from 11.6 million in 2013 to **17.3 million in 2017**⁷. In major emerging markets, GoDaddy also maintains a dominant position, with an estimated **33% market share in India**⁸.

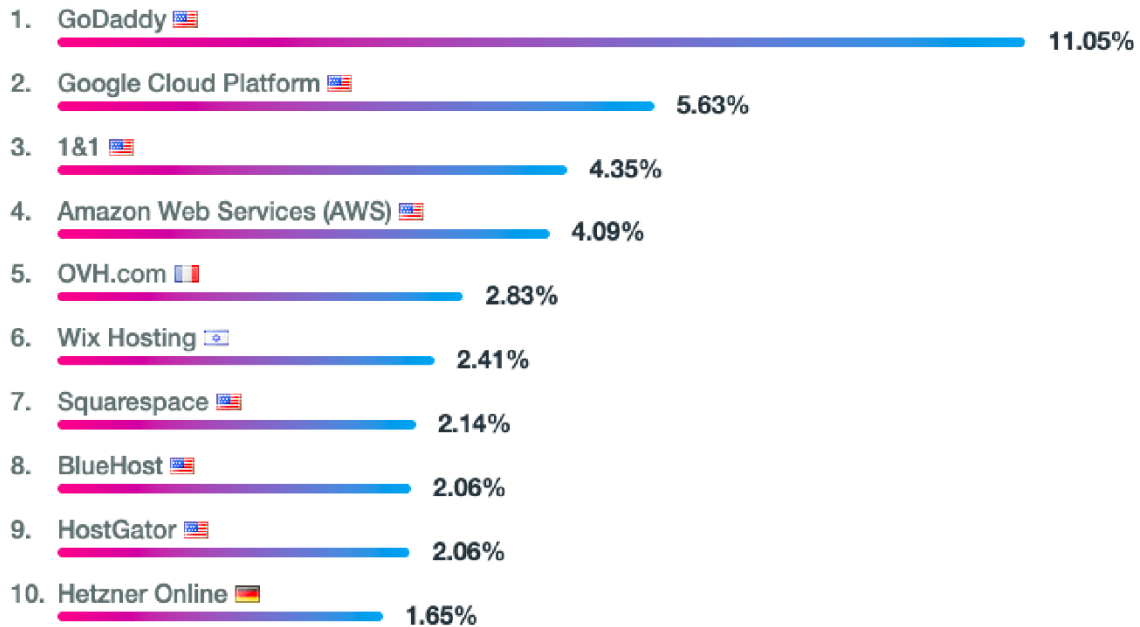
The markets for web hosting services and web development services remain instead more fragmented. In terms of hosting, Go Daddy still dominates, however only with a **6.5% market share**⁹ as of August 2018:

⁷ https://s21.q4cdn.com/444693267/files/doc_financials/2017/GoDaddy-2017-Annual-Report.PDF

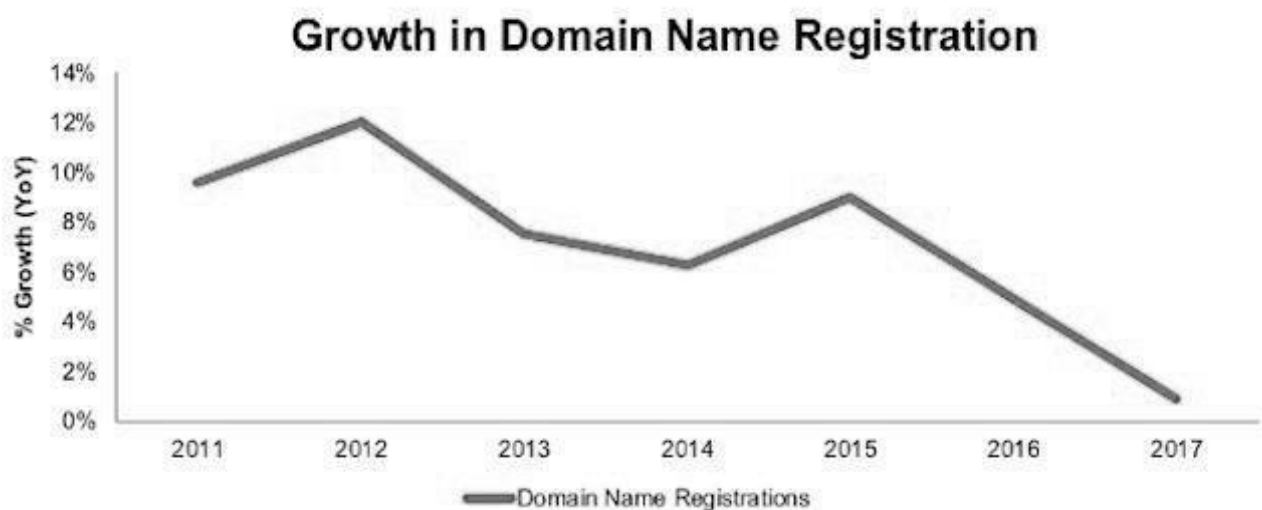
⁸ <https://www.businesstoday.in/opinion/interviews/india-is-one-of-our-fastest-growing-mkts-godaddy-rajiv-sodhi/story/234888.html>

⁹ https://w3techs.com/technologies/history_overview/web_hosting

Top 10 Global Webhosting Market Share



In terms of website development, according to [Forbes](#) Wix leads with a 23% market share. Squarespace comes in second with 17%, while Weebly has 15% and GoDaddy just 9% of the market¹⁰. Domain name registration growth overall is softening, as the North American and European markets have matured:

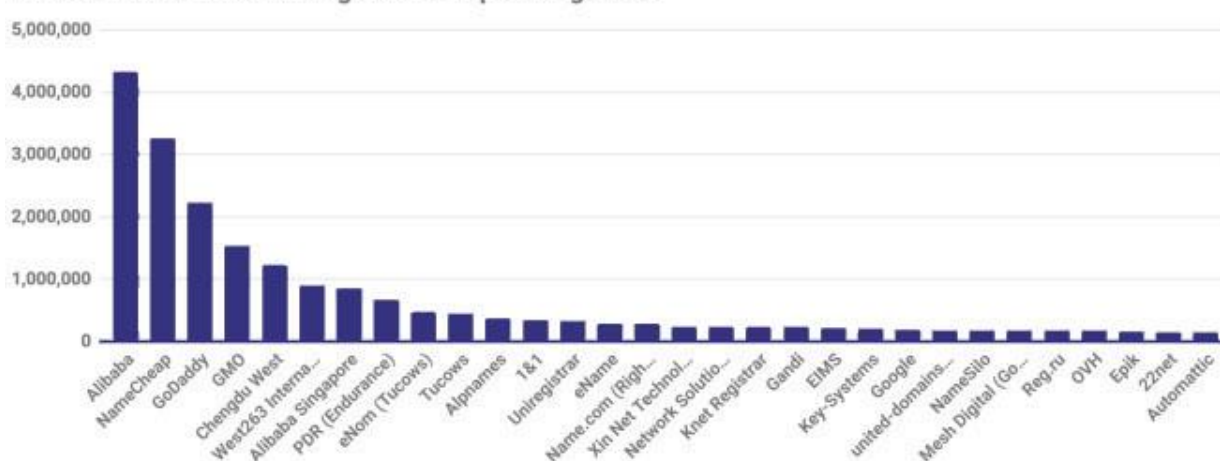


¹⁰ <https://www.forbes.com/sites/greatspeculations/2018/04/24/even-overstated-profits-cannot-justify-godaddys-valuation/#1d90568860df>

Other markets, notably Africa, continue however to experience strong growth trends. With a domain penetration of only **4.4 domains/1000 citizens**, compared to 100 – 300 domains/1000 citizens in Europe, growth rates are likely to remain strong in the viable future¹¹. Registrars operating in other emerging markets are also rapidly expanding. Infibeam, the first and only exchange-listed domain registrar in India, reported registering **over 40,000 domains in a single day** when it began operations in April 2018¹². Latin America is also **manifesting strong growth** in all domain registration segments¹³.

Registration growth has also been fostered by the increasing number of new domain extensions. Despite .com domains still representing **46.6% of all registered domains**, top level domain name registrations grew 1% year-over-year in 2017, down from 10% year-over-year in 2011¹⁴. Registration growth is now concentrating on new TLDs (nTLDs) and new generic TLDs (gTLDs). These are extensions that either related to business sectors (ex. loans, .insurance) or specific geographic locations (ex. .London, .Tokyo). Chinese companies have been particularly active in the nTLD segment. Eight of the top 20 nTLD registrars by volume are Chinese owned – among them, Alibaba, Chengdu West, West263, Alibaba (Singapore), eName, Xin Net, Knet, and EIMS:

nTLD Domains Under Management - Top 30 Registrars



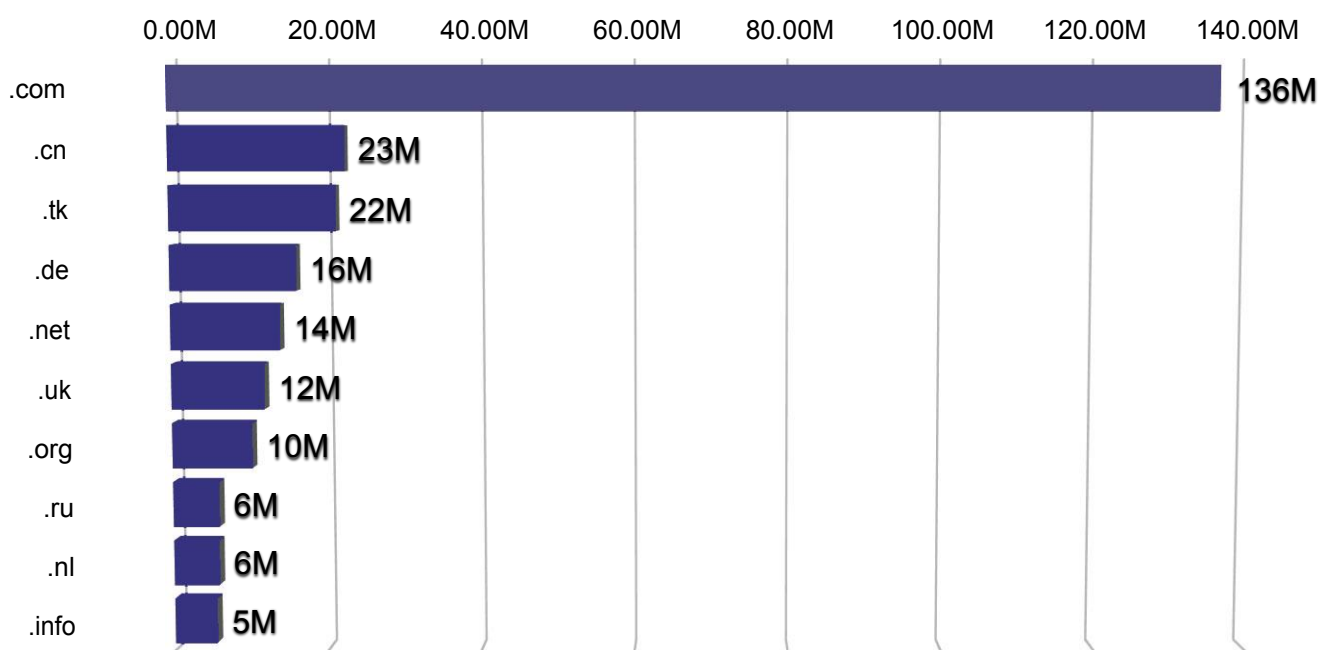
¹¹ <https://www.icann.org/en/system/files/files/africa-dns-market-study-final-06jun17-en.pdf>

¹² <https://economictimes.indiatimes.com/small-biz/startups/newsbuzz/infibeams-domain-registry-gets-over-40000-domain-name-in-a-single-day/articleshow/64679014.cms>

¹³ <https://www.icann.org/en/system/files/files/lac-dns-marketplace-study-22sep16-en.pdf>

¹⁴ https://w3techs.com/technologies/overview/top_level_domain/all

GoDaddy's share of the new generic TLD market remains at 9.2% in 2018, as Asian competition limits its dominant position. While nTLDs and new gTLDs are carving out a growing niche, ccTLDs (country code TLDs) still represent 6 of the top 10 extensions:



Industry forecasts project **536.2 million domain names** to be registered globally by 2024, an increase of 57.7% over the current figure¹⁵. While the dominance of the top gTLDs .com, .net and .org is expected to persist, new gTLDs are expected to **gradually gain market share**¹⁶.

¹⁵ <https://www.strategyr.com/blog/blog-post.asp?bcode=MCP-7751>

¹⁶ <https://markets.businessinsider.com/news/stocks/global-domain-names-markets-to-2024-com-still-market-leader-but-new-gtlds-fast-catching-up-1027456570>

HIGH QUALITY DOMAIN TRADING

An Opportunity Worth Millions Of \$

Particularly valuable and unique domains can be worth tens of millions of dollars. QuinStreet Inc., a leading internet marketing company, paid a record-breaking \$49.7 million for the CarInsurance.com domain in 2010¹⁷. LasVegas.com was sold for \$90 million in 2005¹⁸. Many other domains have fetched seven-figure sums, among some of which are included below:

Domain	Price
Insurance.com	\$35.6 million
VacationRentals.com	\$35 million
PrivateJet.com	\$30.18 million
Internet.com	\$18 million
360.com	\$17 million
Insure.com	\$16 million
Fund.com	£9.99 million
Sex.com	\$13 million
Hotels.com	\$11 million
Porn.com	\$9.5 million
Porno.com	\$8,888,888
Fb.com	\$8.5 million
Business.com	\$7.5 million
Diamond.com	\$7.5 million
Beer.com	\$7 million
iCloud.com	\$6 million
Israel.com	\$5.88 million
Casino.com	\$5.5 million
Slots.com	\$5.5 million
Toys.com	\$5.1 million

Weekly sales figures, as reported by SEDO, regularly report sales of names in the six-figure price range. In 2018 these included ice.com (\$3.5 million), super.com (\$1.2 million) and great.com (\$0.9 million), the top 3 most valuable domains so far in 2018. Astute investors have been repeatedly able to increase their initial investment, sometimes just the domain registration fee, by more than 1,000-fold. Notable examples are Mike Mann, who multiplied his \$70 purchase of the domain name Menus.com into \$50,000 in less than 12 months.¹⁹

Other full-time domain traders are known to earn up to \$2 million a year, turning over

¹⁷ <http://mostexpensivedomain.name/CarInsurance.com.html>

¹⁸ <https://hostingfacts.com/internet-facts-stats/>

¹⁹ <https://www.cnet.com/news/meet-the-mann-who-registered-14962-domains-in-24-hours/>

portfolios of valuable domain names²⁰. These can fetch at times hundreds of millions of dollars - one purchased by Marchex in 2005 was **paid \$164 million**²¹.

The growth in the presence of nTLD extensions is likely to develop and broaden further the size of the domaining market. Recent transactions have included the sale of **Vacation. Rentals for \$500,300. and Home. Loans for \$500,000**²². As the opportunities to make money developing and trading domains expands further, investors continue to suffer from the many obstacles and disadvantages that today's domain sectors presents.

Today's Domain Sector Challenges

The domain industry faces a variety of hurdles, among them:

- ◉ **Domain Illiquidity** - The market for domains remains highly illiquid. Even after having a high appraisal for a domain, it can be difficult to find a willing and able buyer. This hampers the development of premium domain names as an asset class and as a viable vehicle for investment.
- ◉ **Identity Security** - Domain name registrants have to provide their personal information to the domain registrar. The information can be viewed by anyone through the WHOIS platform (www.whois.com). Domain owner identities can be safeguarded and withheld, however, that only happens by paying extra fees to registrars. Domain owners are also frequently subject to "Domain Slamming", where unscrupulous domain registrars attempt to trick owners into switching hosting provider. Often, cyber criminals pose as domain brokers and submit fraudulent offers to purchase domains, in an attempt to steal them outright from the owner.
- ◉ **Domain & Website Security** - Over **50,000 websites are hacked every day**. WordPress is the most hacked CMS – with 83% of hacked websites in 2018 using the WordPress platform, an **increase from 74% in 2017**²³. Hacks of entire domain registrars, like the case of DomainMonster in 2017, have led to hundreds

²⁰ https://money.cnn.com/magazines/business2/business2_archive/2005/12/01/8364591/

²¹ <https://www.cnet.com/news/meet-the-mann-who-registered-14962-domains-in-24-hours/>

²² https://static1.squarespace.com/static/5757377440261ddcdeb84d58/t/5b3cffc7352f53933a6f392a/1530724347689/NCEurope_TrendsReport_v08.pdf

²³ <https://hostingfacts.com/internet-facts-stats/>

of websites being **hijacked and going offline contemporaneously**²⁴.

- ◉ **Limited Hosting Options** - When you register a domain name, the registrar often has additional web hosting and web development options on offer. These may include web templates and email hosting services. Often domain owners are not satisfied with the web development services offered by the registrar, and opt to use another service to develop their domain. When this happens, there are often extensive delays in interfacing the external web development software and email hosting with the current registrar's hosting service. The result is a loss of time and delays in developing the domain's website.
- ◉ **Limited Domain Extension Options** - The number of domain extensions continues to rise. In addition to generic Top-Level Domains (TLDs) such as .com, .net and .org, there is a surge of activity-related or geography-related domains, such as .app (mobile apps), .loan (loans and financial services) and .barcelona (for the city of Barcelona). Overall, the total number of TLDs has grown **from 273 at the end of 2013** to more than **1,500 currently**²⁵. Nevertheless, most domain name registrars, including market leader GoDaddy, do not offer all domain name extensions. This precludes many prospective registrants from creating domains that both address global markets (.com, .net etc.) alongside their local markets (with country domains like .de, .kr, .jp etc.). This creates delays and inefficiencies, preventing registrants from managing all their domain names on a single platform.
- ◉ **Registration Fees** - The fees to register domains range from single digit dollar figures to close to \$100 per year. These charges only guarantee a one-year registration, and must be renewed subsequently for more fees. The cost of domain registration makes it harder for startups and other money-sensitive entities to register domains for their business.
- ◉ **Expensive Domain Transfers** - Individuals who partake in "Domaining", namely the buying and selling of domain names for profit, must contend with extremely high commissions, levied as a percentage of the sale price. On **SEDO**²⁶, the leading premium domain trading platform, the commission is 15%, the same is for

²⁴ https://www.theregister.co.uk/2017/02/22/have_a_site_with_domainmonster_not_anymore/

²⁵ <https://www.key-systems.net/en/blog/list-of-domain-extensions>

²⁶ <http://www.sedo.com/>

Flippa²⁷, while GoDaddy's²⁸ domain brokerage service levies a 20% fee. These fees not only curtail the long-term profitability of domaining, they furthermore discourage investment and the development of a liquid, effective and reliable market for high-quality domains.

With all these challenges persisting and plaguing the industry for years, the market is ready to embrace a unified all in one solution: **DEN DOMAINS**.



²⁷ <http://www.flippa.com/>

²⁸ <http://www.godaddy.com/>

DEN DOMAINS

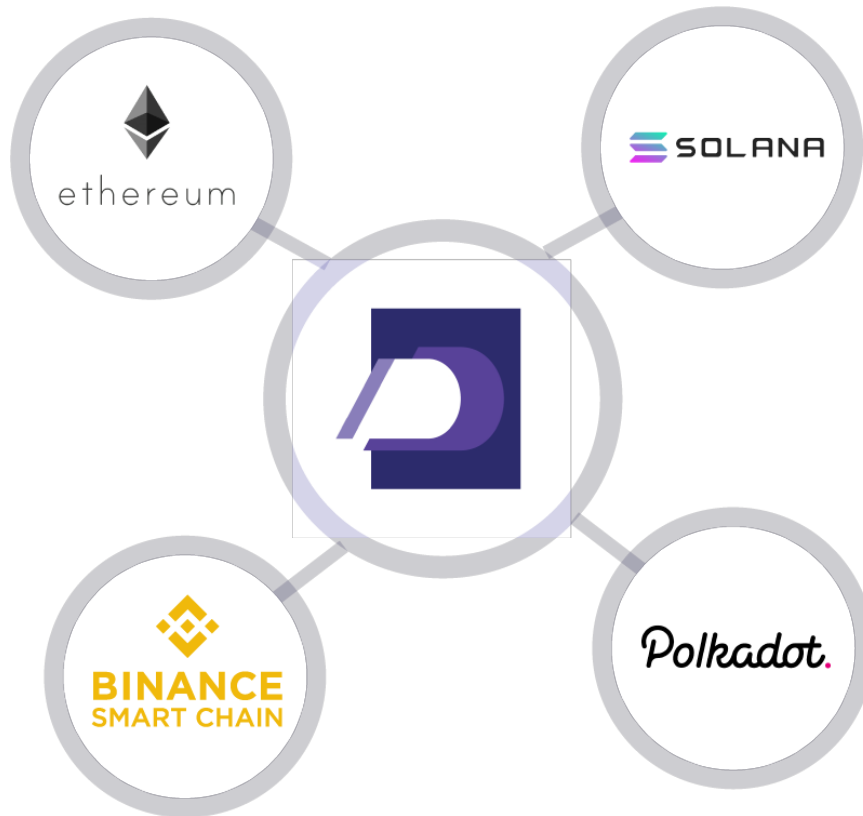
THE BLOCKCHAIN-POWERED DISRUPTOR OF THE DOMAIN SECTOR

Den Domains plans to create the world's largest, most effective and best-rated domain registration and trading ecosystem. The platform aims to offer numerous features that will solve all the existing problems within the sector, while creating new opportunities for profitable domaining, web hosting and web development. As illustrated below;



The Den Domains Token (DDN)

The Den Domains ecosystem will revolve around DDN, a token compatible with ERC-20 (Ethereum), BEP-20 (Binance Smart Chain), Polkadot and Solana. The DDN token is planned to have various strategic functions:



Reward - Every paid registration of a domain is rewarded with the equivalent value in DDN tokens. The tokens can then be used to buy domains listed on marketplace, converted into fiat currency, or be kept by the user to profit from the growth of the Den Domains platform.



Payment - Every transaction on the Den Domains platform can be completed either in fiat currency or with the use of DDN tokens. These will be stored in each user's crypto-wallet, opened upon registration.



Investment Asset - Den Domains plans to offer DDN token staking. Research is required before we begin this process however staking is in the pipeline.

The Den Domains Wallet

We plan to give every Den Domains user a free crypto wallet upon registration, which is used to store, transfer and receive DDN tokens. Although there are numerous ERC-20 token wallets in existence, the Den Domains wallet is planned to include additional security and exclusivity features. This is a very interesting feature we have added within the Den Domains ecosystem. The users can use the 'easy to remember' domain names instead of long character bytes and hashes as destination addresses for sending cryptos.

Example: If a user has registered domain name called jackprime.com, we can simply enter the domain name in the destination box and send the DDN tokens to him!

Dom Wallet Protocol

Den Domains introduces a new generation protocol which enables the ecosystem to securely transfer crypto funds from one account to another, without remembering the long cryptographic public key hashes.

The DW protocol binds the registered domains on the platform to the decentralized crypto wallet system. The authentication is established with the permission of the user registering the domains and also is verified to make sure the security of the system. However, the DW protocol does not attempt to enhance the private keys usage of the cryptographic accounts. The internal transaction signature and broadcast methods remain the same and decentralized. It means the private keys of the users remain secure and never leave the local device of the user like all the decentralized crypto wallets work.

The DW protocol implements a strong audit mechanism system in the Den Domains wallet so that it's not possible to forge the domain names attached to the public addresses of the cryptocurrencies while maintaining the anonymity of the users. It uses a zero-knowledge proof system to achieve it

What is Zero Knowledge Proof?

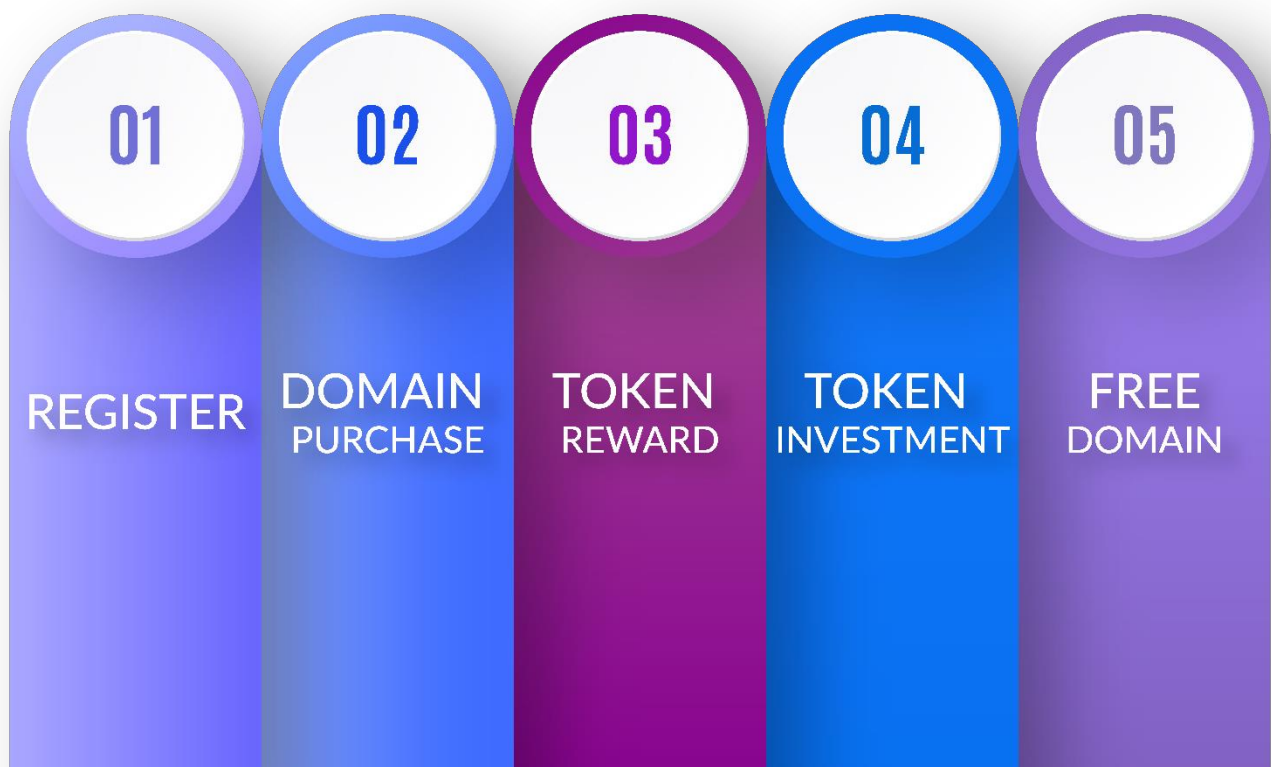
A Zero knowledge proof or Zero knowledge Protocol is a method where one party can prove (prover) to another party (verifier) without revealing knowledge of the secret itself. In other words, we can say a zero-knowledge proof protocol allows one party, usually called PROVER, to convince another party, called VERIFIER, that PROVER knows some facts (a secret, a proof of a theorem...) without revealing to the VERIFIER ANY information about his knowledge (secret, proof...).

Learn more about Zero Knowledge Proof

<https://medium.com/@kotsbtechcdac/introduction-to-zero-knowledge-proof-the-protocol-of-next-generation-blockchain-305b2fc7f8e5>

The Den Domains “Domain Registration” & Unique Loyalty Reward System

Unlike any other registrar worldwide, we plan to offer 100% cashback by offering DDN tokens of equivalent value. This is how it will work:



- A user registers on the Den Domains platform and is assigned a crypto wallet, which he/she can find on the user dashboard. The wallet is used to store and transfer DDN tokens.
- The user then finds and registers an available domain, by making the payment.
- The user now owns the domain and is rewarded with the equivalent value in DDN tokens (the Unique Loyalty Reward System).
- The user can keep the DDN tokens in the wallet, as an investment, or also buy premium domains listed on our marketplace using the tokens.
- As the user is rewarded with tokens equal in value to what he/she initially paid for the domain, the domain is free.

Den Domains aims to bring the advantages of Blockchain technology to the domain registration market. Free domain registrations represent an absolute cost advantage vis-a-vis that of other competitors:

	Go Daddy	Register.com	NameSilo	Network Solutions	Den Domains
Domain Registration Cost*	\$14.99	\$37.00	\$8.99	\$34.99	FREE

The Unique Loyalty Reward System is planned to effectively register domains for free. This will incentivize user to register domains and promote the Den Domains platform to friends and acquaintances.

The Den Domains Free Domain Transfer Protocol

Unlike any other registrar worldwide, Den Domains plans to allow completely free of charge domain transfers between users. This will include also purchases done through Den Domains Auctions (see below). There are no planned limits to the number of domain transfers that can be made by a platform user within a given amount of time. All domain transactions on the Den Domains platform are planned to be conducted via the DDN token.

Den Domains Auctions

To take advantage of the increasingly large premium domain market, Den Domains plans to have the Den Domains Auctions feature. This will allow high-level domaining enthusiasts to sell or bid for the most valuable and unique domains available on the market. Thanks to the Blockchain protocol underpinning all Den Domains domain transfers, all winning bids will result in immediate payment and domain transfer to the new owner. Den Domains plans to offer the unique feature of **ZERO COMMISSION** domain auctions. The price of the domain is price that the winning bidder pays, and the exact amount that the seller receives.

Den Domains Premium Brokerage Service

As especially valuable domains can be worth potentially millions of dollars, owners may prefer to use a knowledgeable broker to conduct the sale. Den Domains plans to offer a premium brokerage service for these transactions, helping owners find the best buyer for a specific domain. This brokerage service is planned to be completely free of charge to users. Den Domains aims to bear the cost of the seller's commission fee and pays brokers from its Token Reserve Fund. The domain owner will receive 100% of the domain's selling price, increasing the owners profit margin on the sale.

Den Domains Hosting

Domain hosting is the next step in the development of the Den Domains platform. Traditional registrars require monthly payments for their hosting services, which Den Domains plans to offer at a particularly competitive price:

	Go Daddy	Register.com	HostGator	Network Solutions	Den Domains
Hosting Fee*	\$12.88	\$71.40	\$33.00	\$93.52	COMPETITIVE PRICE

Den Domains Free WHOIS Guard Feature

Den Domains plans also to offer a privacy WHOIS guard feature to all domain registrants. This will safeguard users from “domain slamming” and other potentially dangerous privacy violations. Unlike other domain registrars, Den Domains aims to offer this service completely free of charge:

	Go Daddy	Register.com	HostGator	Network Solutions	Den Domains
Annual Privacy Protection Fee	\$7.00	\$11.00	\$14.95	\$9.99	FREE

Den Domains Free Domain Trading Marketplace for Revenue-Generating Online Businesses

Ecommerce sales globally are expected to grow from **\$2.84 trillion in 2018 to \$4.88 trillion in 2021**²⁹. Den Domains plans to cater to this sector by offering a platform to buy and sell startup and established online businesses across the world. This market is dominated by companies like **Flippa**, which after being founded in 2009 has become the no.1 player in the sector with **more than \$5 million** worth of online businesses changing hands monthly³⁰.

Flippa, however, suffers from **poor buyer protection** and the presence of **many low-quality websites** for sale³¹. This problem is compounded by the fact that the verity of revenue claims by website sellers is often put in question. In addition, Flippa's commission business model both **charges listing fees for prospective buyers** and a **commission fee of 12%-15% on the sale price**³². The end result is that sellers make less money that they should by selling their successful online businesses.

Den Domains aims to remedy this problem by offering only the highest-quality online businesses and revenue-generating websites, vetted by our in-house experts. Due diligence on the entire history of the website and the verification of its revenues/profits is also conducted by Den Domains. In addition, we plan not to charge listing fees or sale fees other than featured listing, making sure sellers fully monetize their online businesses. Den Domains also plans to weed out all untrustworthy sellers by using Blockchain technology, ensuring that payments, identity confirmation and ownership confirmation are completed seamlessly.

Den Domains Free Domain Appraisals Feature

Knowing how much your domain is really worth can potentially save you hundreds of thousands of dollars. There are various appraisal tools in the market, however most either under-appraise or over-appraise a domain's worth, causing great confusion and

²⁹ <https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

³⁰ <https://wisemerchant.com/convert-sites-for-business-revenue>

³¹ <https://uk.trustpilot.com/review/www.flippa.com?page=5>

³² <https://www.trustpilot.com/review/www.flippa.com>

losses to both buyers and sellers. That is why Den Domains plans to offer a 100% free domain appraisal service, run by our experienced appraisal specialists.

Den Domains Domain Parking

Domain parking is the registration of a domain without the domain being associated with an e-mail or a website. Domain parking can be used to monetize especially rare or valuable domains by including advertising links. Although the website is not developed, visitors landing on the page are presented an array of ads. When these ads are clicked, a commission is paid to the domain owner ("Pay Per Click").

Den Domains plans to offer a domain parking service which enables domain owners to immediately monetize their domains and receive DDN tokens, in addition to other unique rewards. This means that anyone with an idle domain will be able to generate revenue, with a further view of reselling the domain at a profit or keeping it for capital appreciation, while earning a steady stream of income.

Den Domains Blockchain Explorer

We are using an enterprise blockchain called 'BigchainDB' with high TPS, to provide a secure and transparent ecosystem to the Den Domains platform. The two major activities which are logged and recorded on the blockchain are:

1. The **Domain registration** is done by traditional payment method i.e. in fiat. As soon as the fiat payment is made:

The activity is recorded on Den Domains blockchain and is visible under the explorer "Recent transactions" section. The transaction is tagged as "Domain Purchase". The new domain is listed under the "All assets" category in the blockchain explorer, and the user gets rewarded in DDN tokens.

These tokens will reflect immediately in the DDN balance of the users and this credit of tokens will also be recorded on the Den Domains blockchain. Then the users can use the DDN tokens for the purpose of buying domains from the marketplace, selling on any major exchange on which DDN is listed or simply holding for token value appreciation.

2. A **Domain Transfer** is done when a user sells or buys a domain in Den Domains marketplace. The trade is initiated by the seller, as the seller lists the domain in the marketplace on a 'Fixed' DDN price or for an 'Auction' category. The buyer can view the listing and buy the domain with one click, if he has the sufficient DDN balance. As soon as the DDN is released from the buyers account, the domain gets transferred to the buyer and activity gets logged on our blockchain. This activity is then visible in the "Recent Transactions" section under the tag "Domain Transfer".

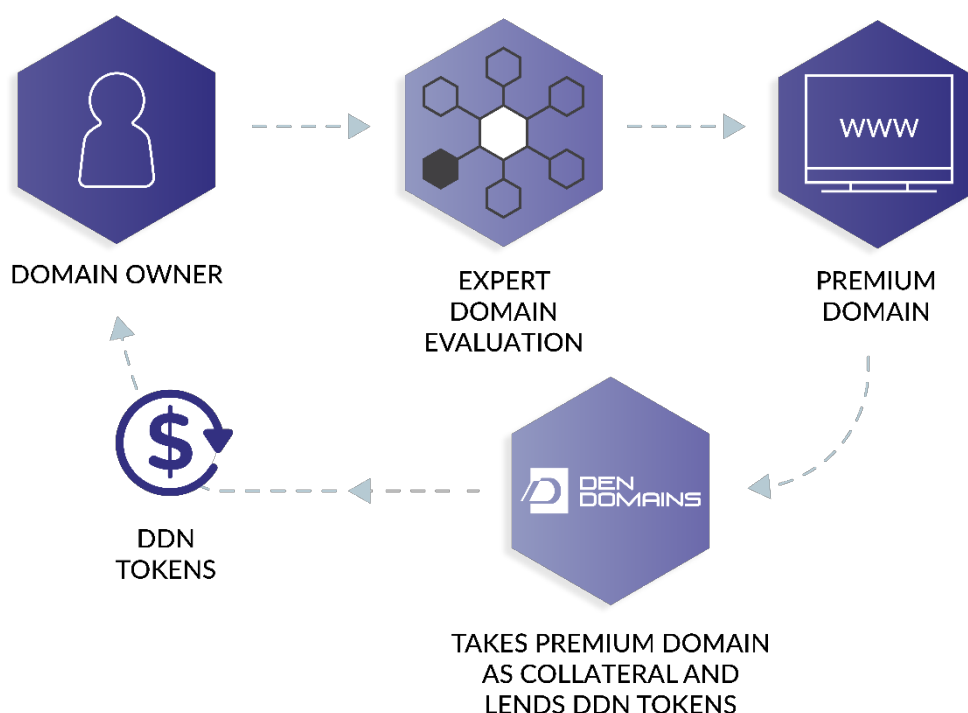
Note: In the terms of Den Domains blockchain and explorer, a domain name is considered as an "Asset", which a user can register and trade. DDN is not an asset, rather it's a native utility token in the platform.

Den Domains – DefiDomains

One of the most important aspects of Blockchain is the ability to decentralize financial systems and lately DeFi movement has successfully captivated the crypto market with various financial instruments like Borrow-Lend, Automated Token Exchanges, Synthetic assets and many more.

Den Domains Platform provides a unique Borrow-Lend concept with Premium Domains as collateral which is backed by a robust DeFi Protocol.

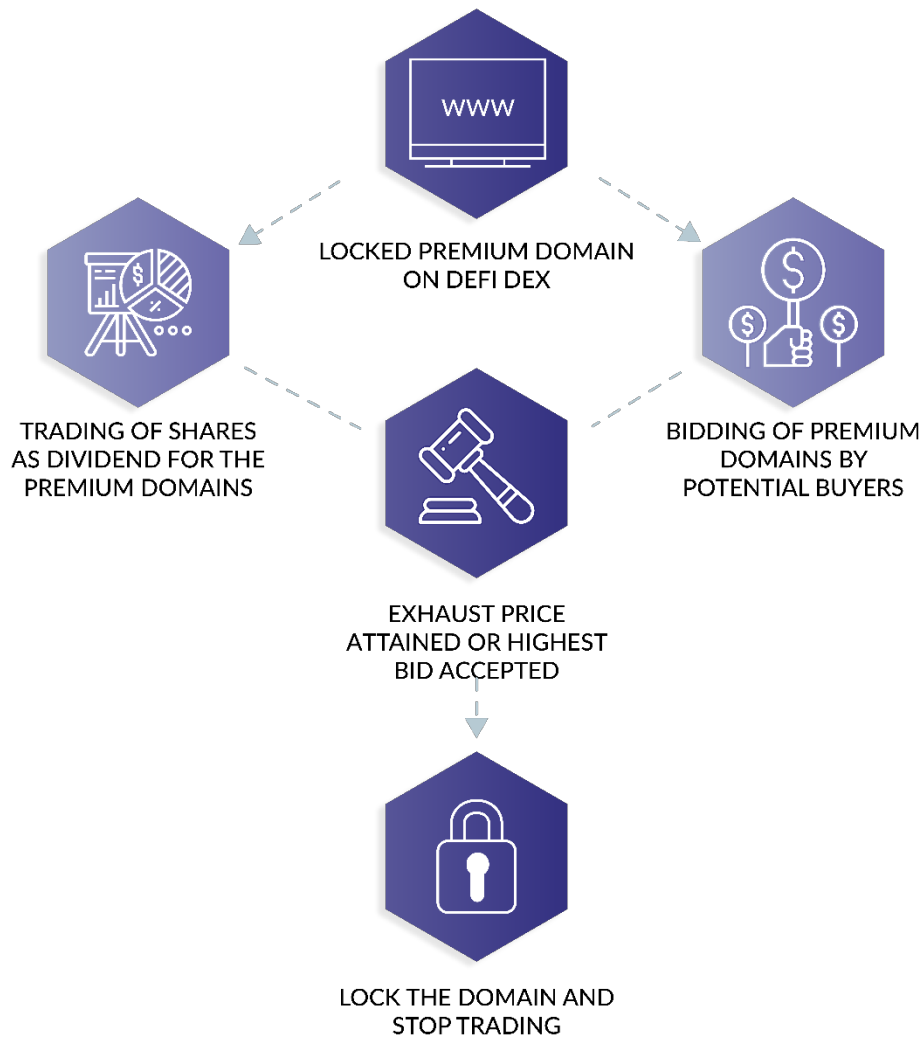
So how does DefiDomains work?



Suppose a user needs to borrow a loan of say \$3000 and he has a premium domain worth \$3000 or above then he is eligible for borrowing a loan from the platform. Our Domain Evaluation Team(DET) which consists of domain industry experts will evaluate the Premium Domain and provide a feedback with estimated value of the domain. In parallel the Lending team does a background verification of the borrower and after receiving the inputs from the Domain Evaluation Team (DET) they process the loan, transfer the domain name under Den Domains Platform and lend \$3000 equivalent worth of DDN tokens which the Borrower can exchange on any platform to other crypto currency or even FIAT currencies. The Borrower is provided with the Retrieval date before which he has to return the borrowed \$3000 worth of DDN tokens along with the 10% commission fee.

Now what's the unique point here other than using Premium Domain as collateral? Well the Den Domains platform with the consent of the Borrower fixes the initial sale price of the Premium Domain and lists it on Den Domains Marketplace along with other Premium listings. Any offer above the initial sale price will be discussed with the Borrower and if he agrees for sale then Premium Domain will be sold out of which 20% commission will be taken by Den Domains Platform. In the event of unavailability of domain buyer, the Premium Domain will be released from the platform as soon as the buyer returns the \$3000 equivalent worth of DDN tokens along with 10% commission fee. This is beneficial to both the Borrower and the Den Domains Platform as there is a good chance that a Premium Domain can get a potential buyer and the Borrower is relieved of the 10% additional commission fee which he is entitled to pay while returning the loan amount. The Premium Domain has a pre-defined lock-in period and it will be listed on the platform even if the loan amount is paid well in advance of the Retrieval date. All the above activities are performed by smart contracts on a blockchain, which will ensure security and transparency throughout the whole process.

There is always room for perfection and Den Domains Platform will evolve the process at regular intervals to enhance the customer experience on the platform. In future Den Domains can accept any Crypto currency or Digital asset as a collateral for Lending loans in order to help the community members who have to go through a tiresome process to receive minimal loans in Traditional Banking system and also risk losing highly valuable collaterals both of monetary and emotional value.



DeFi Domain Dex

Den Domains DeFi Domain Dex will be a blockchain based online trading platform where you will be able to trade domains in real time and also be the owner of the domain either partially or completely.

Based on our experts' years of experience observation and months long research we have noticed that a lot of people are willing to purchase premium domains, but they fail to be the owner because of high price for premium domains. Thus, to solve this problem Den Domains plans to introduce a platform where the users can be a part or full owner of the domain through our DeFi Domain Dex platform.

NFT's: The Non-Fungible Tokens are unique assets in the internet world which can be bought and sold just like any other piece of property, but they have no tangible form of their own.

Den Domains plans to introduce Domain NFT's and also tokens based on domain evaluation on our DeFi Domain Dex. The evaluation module configured to evaluate the domains which are claimed as premium Domains by their respective domain owners evaluates their domains based on a plurality of parameters. Subsequently, the respective domain owners are notified of their listed premium domains if it fulfills all the requirements of a Premium Domain.

In operation, each of the premium domains listed live on the DeFi Domain Dex acts as a stock and some percentage of the stock is utilized as an equity for trading exchange of premium domain and equity is decided by the domain owner based on certain parameters. Moreover, the pricing strategy for domain trading or domain exchange is set differently, for e.g., an **Initial price** of the domain decided as per the evaluation performed by validation module and an **Exhaust price** of the domain decided by the owner of the domain based on the certain parameters. **Exhaust price** is equivalent to the Make-an Offer price which means the Domain Owner is willing to sell the domain if he receives Exhaust Price bid during Domain Sale.

All the potential buyers or brokers of a domain bid for the domain until "exhausted price" for that domain is achieved.

Enthusiastic domain investors purchase shares of respective listed domains in the form of NFT's or the tokens issued. Exhaust price module of the system is configured to increase exhaust price of domain after receiving input from the domain owner based on a determination step. If it is determined that the exhaust price of domain is to be increased, the data for increased exhaust price has to be provided in a stipulated time period before the value of the domain reaches to the exhaust price. However, the exhaust price is extended only once by the domain owner. This provides Domain Owner an opportunity to gain more profit out of his Premium Domain.

If it is determined that the exhaust price of domain cannot be increased then the exhaust price remains the same. Finally, once the domain is sold to the potential domain buyer the received amount is deposited in DeFi DEX Platform system and the commission from the equity shares are distributed among the shareholders and the remaining balance amount along with maker fee, charged on each share transaction is transferred to the domain owner and the respective premium domain is unlocked and released from the live listing.

DeFi Domain DEX provides real time status of sold domains and the top domains sold,

along with sale date, domain name sold, sale price, and highest bid for the domain. Moreover, the details of the equity shares and respective tokens value of the sold domain is provided by DeFi Domain DEX Platform for better understanding of the market trend of the active users.

DeFi DEX platform will scrutinize the premium domains with the assistance of **Expert's Validation Team (EVT)** and features the premium domains, which provide assurance to both domainers as well as investors who purchase shares of that domain. Particularly, the present invention allows the domainer to list their premium domains and get reasonable value of their domain as well as earn commission charges on the share's transactions made by the domain investors. For e.g., often one premium domain may provide multifold profit to the actual domain owner and profit in terms of share trading to the domain investors.

Example: There is a premium domain named as **Diamond.com** which is evaluated for the price of \$7.5Million with the assistance of Expert Valuation Team, and the owner of the premium domain is willing to liquidate 20% of domain equity in the form of tokens, i.e., 20% = \$1.5million. Subsequently, a token module is configured to create tokens for Diamond premium domain say **DIA** by utilizing Ethereum based smart contracts. For e.g., the token module creates 10 million **DIA** tokens, and each is priced \$0.15 cents, bringing the valuation of \$1.5million. The created tokens are purchased by Domain enthusiasts, each priced at \$0.15 cents or at discount rate (if any).

The trading of these shares among the traders continues up to the achievement of exhaust price of domain which is a parallel activity where Domainers who want to purchase the premium domain Diamond.com are bidding for it. The resulting premium domains after exhaust price is attained, will be displayed for the user.

Once the domain is sold to the potential buyer who is the highest bidder, the resulting received amount is automatically deposited in the DeFi Domain DEX Platform, equity shares of commission earned by the shareholders are distributed among them.

The remaining balance amount along with maker fee charge is transferred to the domain owner, and the corresponding listed premium domain is unlocked and released from the listing.

DeFi Domain DEX Platform which provides an easy and convenient way for individuals to buy, sell or trade their domains or domain shares just like any stock exchange in an instant manner. Moreover, DeFi Domain DEX Platform discloses a real time online domain analysis based on evaluation performed by expert domain evaluation modules.

The generated resulting domains fall under the category of premium domains which in turn provides good returns on investments to the domainers. The advantage of DeFi DEX Platform is utilized not only by the domainers but also all other enthusiastic investors of domain industry. The individuals or organizations who wants to show them globalize online presence by purchasing domains for their businesses or social presence. Moreover, the present invention provides and empowers the domainer with greater control over owned domains and the pricing strategy of the domains owned. The domain which falls under premium domain category fetch huge returns on the investment made by the domainers. During times of uncertainty and lack of trust on crypto currency platforms, our **Defi Domain DEX** brings a trustier worthy and user-friendly platform to help traders of different kinds like Domainers, Stock Trading enthusiasts, Domain brokers to participate in trade of their choice!

Protecting Our Innovation

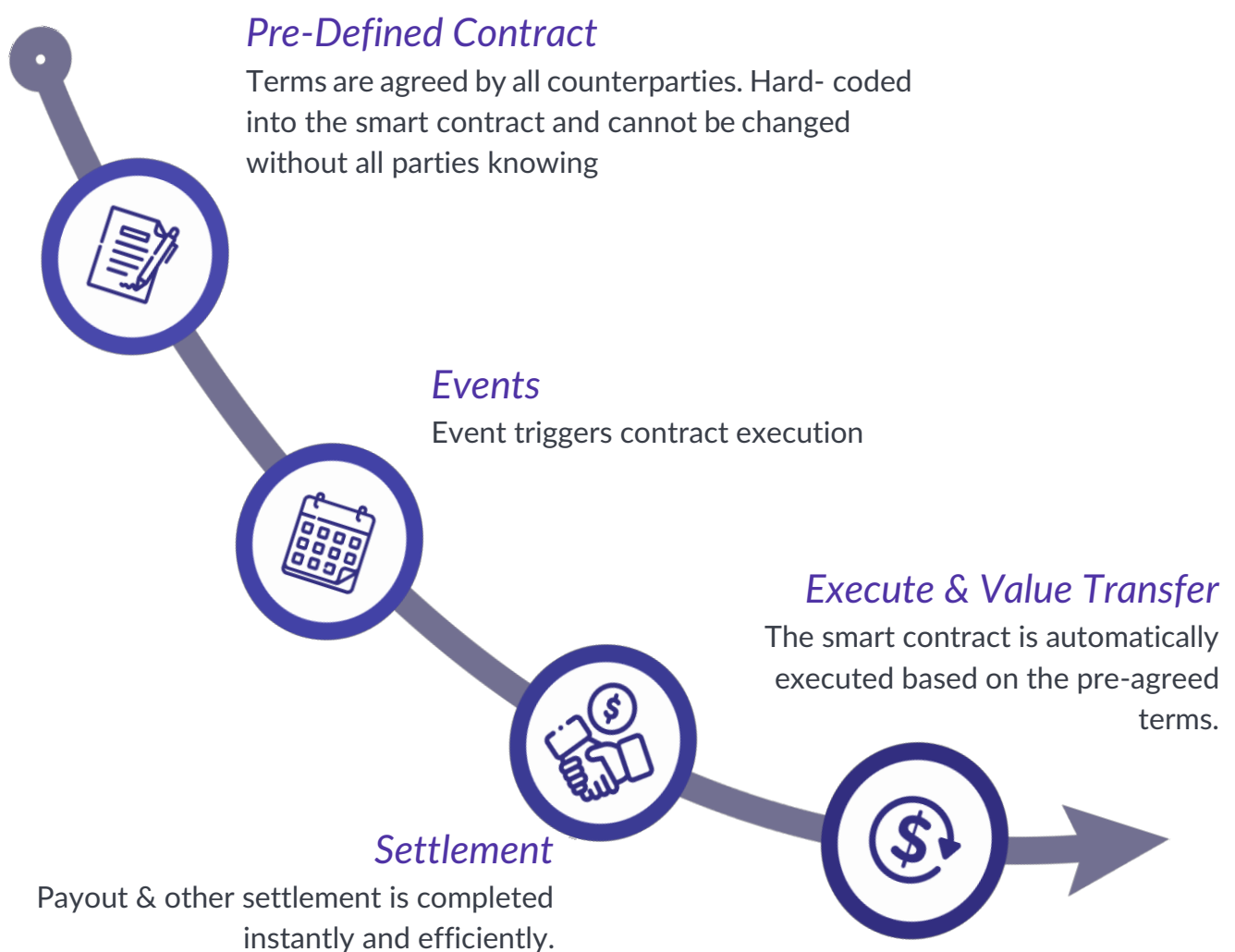
The Den Domains team have been working on blockchain based domain fields since 2018. Consequently, to make sure our hard work remains unique, safe and protected, we have taken the opportunity to file and await confirmation on not only one but two all-encompassing domain focused patents.³³

³³ (1) Automated Systems Methods and Apparatus for Real Time Domain Exchange and (2) Systems, Handheld Devices, Apparatus and Methods for Facilitating Blockchain Based Domain E-COMMERCE Platform & Marketplace.

DEN DOMAINS “SMART CONTRACTS”

Making Domains Flexible

Blockchain-based smart contracts are considered to be the future of **legal agreements**³⁴, financial transactions and information storage. On the Den Domains platform, Smart Contracts are planned to ensure that all payments and transactions are completed safely, quickly and free from any cybersecurity risks. When a domain buyer and a domain seller agree to a transaction, the defining characteristics of the contract between the two parties are compiled. Primarily price, conditions and timing of payments. The Smart Contract avoids the needs for any third-party intermediaries, as all interactions are recorded onto the immutable ledger.



³⁴ <https://biglawbusiness.com/how-blockchain-technology-is-transforming-the-legal-industry/>

Furthermore, by removing the middleman, Den Domains plans to automate all domain, brand & IP transfer transactions from one party to another. Today, even for standard transactions you need a party in between your transactions as a trust layer. This is inefficient, time-consuming and expensive. With Blockchain to automate all processes required to facilitate transactions (escrow), Den Domains will make almost instant transactions the new standard.

The Smart Contracts feature also allows for full flexibility in domain use. Ownership of domains can be fractional, where many users own one domain, or temporal, where a domain is “rented” by one user to another - be it for a quarter, a month or even a week. This feature opens up a new ecosystem where investors can buy valuable domains by buying a fraction of them in tandem with other co-investors, essentially a “stock exchange” for domains”. Correspondingly, it allows company to temporarily use a valuable domain for a limited price, instead of buying - a virtual version of the ubiquitous temporary shops known in the retail industry.

Smart Contracts finally ensure that the ownership of a domain is never in question. Any hacking or domain slamming attempt would be thwarted in its inception, as the records of ownership are on the Ethereum Blockchain’s distributed public ledger. The final result is that the risks relating to fraudulent transactions and record tampering, of traditional domain name registrars, are eliminated.

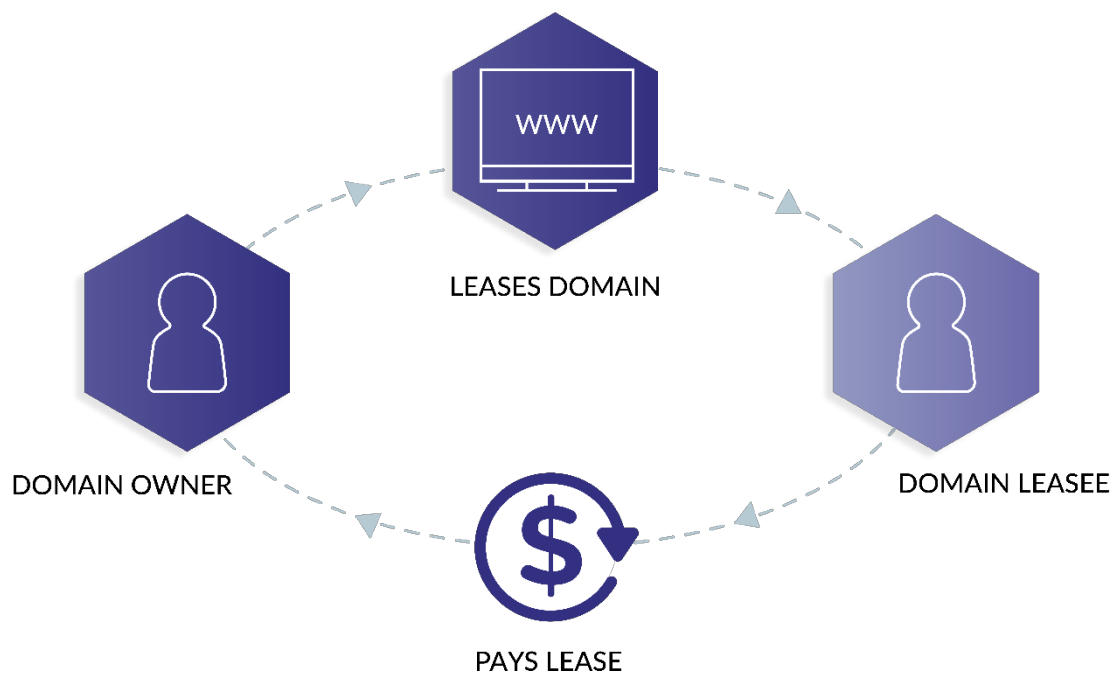


Domain Lending Platform:

Premium domains are expensive. Not everyone finds it simple to purchase them and it is also difficult to find the end user for sellers. To solve this problem, Den Domains plans to launch a Domain Lending platform where domainers can lend their domains to interested users.

Example: Jane wants to use an X domain, but the value of this X domain is \$10 million and Jane cannot afford it. The owner of X domain, Joe is also finding it difficult to find the end user of X domain so that he can sell his X domain for \$10 million. This is where our domain lending platform can be useful.

Joe can rent his X domain to Jane for an agreed price using Den Domains Domain Lending Platform. With the help of blockchain technology, this X domain can also not only be just rented but Joe can also get paid using DDN tokens. Thus, ensuring security of ownership while also getting paid for renting his premium domain.



DEN DOMAINS

The Single Domain Industry Solution

The final result is that Den Domains:

- Allows for the registration of domains completely free of charge through the innovative Unique Loyalty Reward System.
- Helps domainers fully monetize their valuable domains, without any commissions, fees or transfer charges.
- Allows companies and individuals to take advantage of domain privacy, domain appraisal and domain brokerage services - all completely free of charge.
- Gives domain registrants the additional advantage of earning DDN tokens via domain parking.
- Gives DDN token owners the double opportunity of 1) profiting by receiving dividends paid out quarterly from the profits earned by the Den Domains platform, and 2) from the token price appreciation as the Den Domains platform expands in size.
- Helps online business owners and potential business buyers transact rapidly and without intermediaries.
- Creates an efficient and highly liquid market where valuable domains find a buyer more quickly, transferred between traders instantly and more safely.
- Gives users the comprehensive range of TLD registration options, domain transferring services and hosting/development choice, ultimately becoming the global one-stop shop for all your domain needs.
- Pioneers a completely new P2P domain ecosystem, where domains of all TLDs can be registered, renewed, purchased, leased, sold, rented and fractioned in full flexibility, thanks to Blockchain technology. All free of charges, levies, lock-ins and the other limitations of the existing registrar market.
- Jumpstarts and speeds up cryptocurrency adoption and use of Blockchain technology worldwide, bringing it fully into the mainstream.

DEN DOMAINS BUSINESS MODEL

Den Domains' sources of revenues are:



DOMAIN REGISTRATIONS: We plan to charge a standard fee for each domain registration, payable by different debit/credit cards or other modes of payment. Registrants will receive DDN tokens of equivalent value for each registration. The tokens can then be used to complete further domain registrations. Den Domain's cost structure aims to ensure that we remain highly competitive vis-à-vis our major competitors

WEB HOSTING SERVICES: We plan to provide a full range of web hosting and development services on our servers. This will include:

- Virtual Private Server (VPS) Hosting
- Dedicated Server Hosting
- Shared Hosting
- Cloud Hosting

NFT SALES: Den Domains Domain NFT Marketplace through sale of premium Domain NFT's.

ADDITIONAL SUBSCRIPTION & SERVICES: Den Domains plans to provide users with an additional range of subscriptions and premium services.

THE DEN DOMAINS MARKETING

Prior to the platform launch, Den Domains plans to engage in a marketing strategy targeting the following customer groups:



This demographic is a primary target audience, as the concept of commission-free and instant domain trading appeals to it. Members of this group will also be attracted by our Unique Loyalty Reward System, where domain purchases are incentivized with the DDN token to accumulate more domains. Marketing on the top domaining and domain-enthusiast websites, including NamesCon and DN Forum, will include targeted ads. In addition, we plan to publish articles on high-profile Blockchain websites to ensure high visibility for Den Domains. Den Domains plans to recruit and partner with successful domainers to gain market share, visibility and credibility among the community.

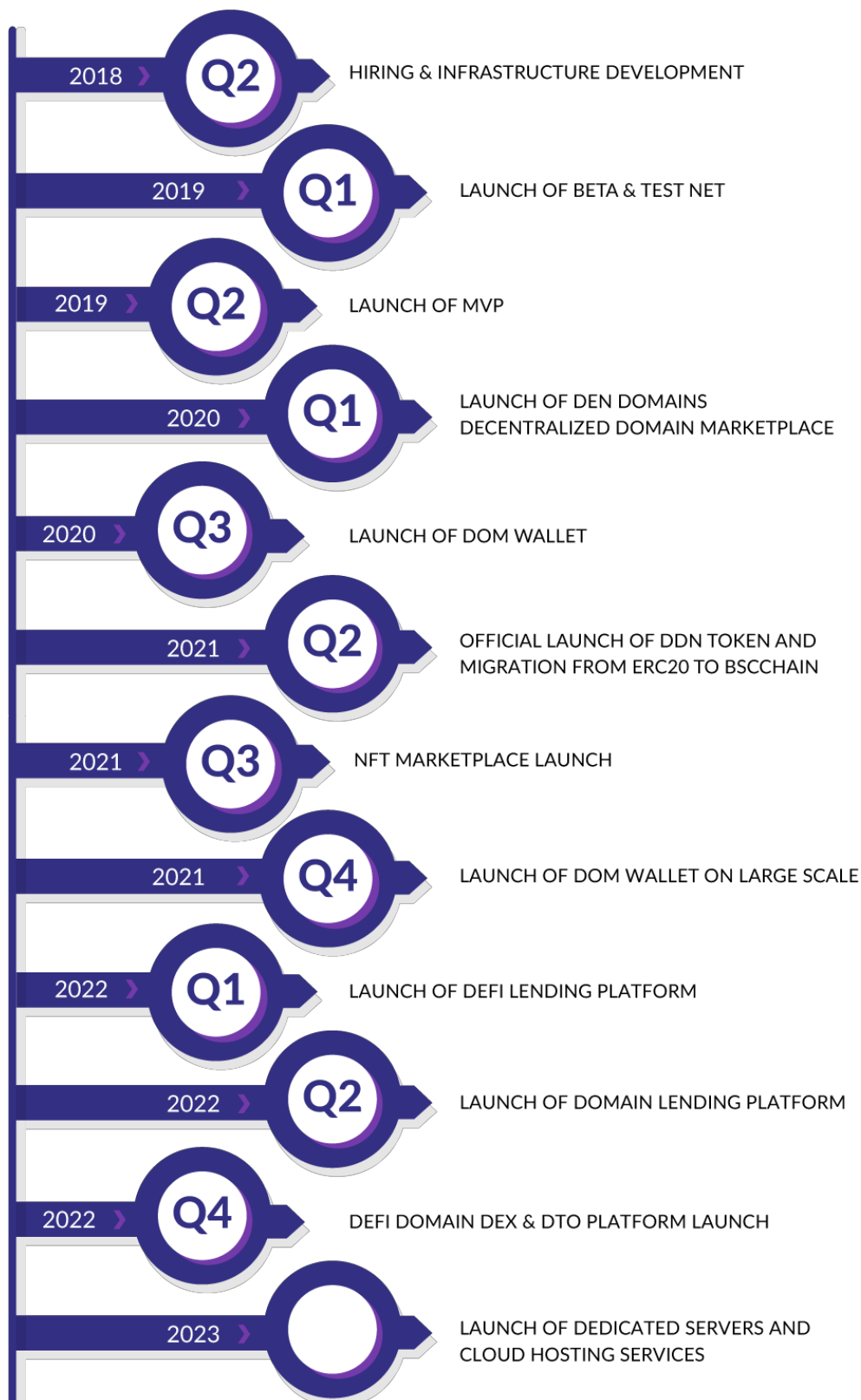


This demographic will drive most of the domain registration and hosting activities on Den Domains. It will include startups and established companies wanting to economize on domain and web hosting services. We plan to reach them with targeted social media campaigns, furthermore with Google Ads and professionally-executed SEO campaigns, to assure Den Domains obtains a dominant Google ranking.



This demographic remains extremely dynamic on the back of the strong price performance of Bitcoin, Ethereum and more than currently 1,200 other cryptocurrencies in existence as of the publishing of this white paper. Crypto traders will be interested in buying DDN tokens both to 1) trade on short-term price fluctuations and 2) invest to profit from the long-term growth of the platform. Online marketing activities will be conducted in the most popular online news sites and brokerages used by this target group (ex. Coinbase, CoinDesk etc.).

DDN ESTIMATED ROADMAP³⁵



³⁵ A more calculated roadmap will be launched after further evaluation.

DDN TOKEN SPECIFICATIONS

The DDN Token will be launched on BscChain and will be compatible with Ethereum, Polkadot and Solana chains. Earlier it was planned to keep Erc20 as our major chain, but the Ethereum transaction fees has made us make Bsc as our primary chain.

INITIAL CIRCULATING SUPPLY	25 MILLION
TOTAL SUPPLY	10 BILLION ³⁶
INITIAL TOKEN PRICE	\$0.01
INITIAL MARKETCAP	\$270,000
TOKEN SUPPLY ALLOCATION TO DDN ECOSYSTEM	75% ³⁷
TEAM TOKENS	10% (2 years lock)
PARTNERS AND TREASURY	7% ³⁸
Marketing	5% (3 months lock)

³⁶ (Majority of Total Supply Won't Be in Circulation)

³⁷ (Can Only be used within DDN Ecosystem. Meaning, these tokens will not enter into Circulation)

³⁸ (Unlocked as needed)

DISCLAIMER

THIS WHITE PAPER DOES NOT CONSTITUTE AND IS NOT INTENDED TO BE AN OFFER OF SECURITIES OR ANY OTHER FINANCIAL OR INVESTMENT INSTRUMENT IN ANY JURISDICTION. Den Domains DOES NOT REPRESENT THAT THIS WHITE PAPER DISCLOSES ALL RISKS AND OTHER SIGNIFICANT ASPECTS ASSOCIATED WITH DDN TOKENS, Den Domains AND/OR THE Den Domains PLATFORM. Den Domains EXPRESSLY DISCLAIMS ANY AND ALL RESPONSIBILITY AND LIABILITY TO ANY PERSON FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL OR ANY OTHER KIND OF LOSS OR DAMAGE WHATSOEVER ARISING DIRECTLY OR INDIRECTLY FROM: (I) RELIANCE ON ANY INFORMATION CONTAINED IN THIS WHITE PAPER, (II) ANY ERROR, OMISSION OR INACCURACY IN ANY SUCH INFORMATION, OR (III) ANY ACTION RESULTING THERE FROM.

This White Paper is for informational purposes only and does not constitute and is not intended to be an offer to sell, a solicitation of an offer to buy, or a recommendation of: (i) DDN tokens,

(ii) an investment in the Den Domains platform or any project or property of Den Domains, or (iii) shares or other securities in Den Domains or any affiliated or associated company in any jurisdiction. Den Domains does not represent that the DDN tokens discussed in this White Paper are suitable for any particular buyer. You are solely responsible for determining whether DDN tokens are appropriate for you based on your personal objectives, financial circumstances, and risk tolerance. You should consult your business advisor, attorney, or tax and accounting advisor regarding your specific business, legal, or tax situation.

By publishing this White Paper, Den Domains does not intend to solicit, and is not soliciting, any action with respect to DDN tokens or any contractual relationship with Den Domains or any affiliated or associated company. If Den Domains elects to conduct a sale of Den Domains (Token Sale), any offer to sell DDN tokens will be made solely under the terms and conditions of a binding legal agreement between the buyer and Den Domains, the details of which will be made available at DenDomains.com separately from this White Paper.

Nothing in this White Paper shall be construed as imposing on any person an obligation to participate in the Token Sale. No act relating in and of itself to this White Paper, including but not limited to, requesting a copy of this White Paper or sharing this White Paper, shall constitute participation in the Token Sale.

This White Paper includes forward-looking statements. Except for historical information, the matters discussed in this White Paper are forward-looking statements that involve certain risks and uncertainties, such as Den Domains' expectations regarding the availability, functionality, and performance of the DEN DOMAINS platform, use cases for the platform, future development of the platform, and the market conditions affecting the platform. Those risks and uncertainties also include, among other things, whether the proposed Token Sale is consummated at all or on the terms outlined in this White Paper. If any of those risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results or outcomes may vary materially from those expected.

Den Domains disclaims any intention or obligation to update publicly or reverse such statements, whether as a result of new information, future events, or otherwise. Den Domains has endeavored to make reasonable attempts to ensure the information in this document is factually true and is a correct representation of the platform at the material time of publishing. However, as a result of development there may be changes to the platform, including but not limited to: the platform mechanism, the platform tokens, the token mechanism, proposed allocation of tokens, proposed distribution of funds raised, that may not be included in this or any other version of this White Paper. Den Domains may, but is not obligated to, give notice of any changes to this or any other version of this White Paper by publishing updates on its website. All persons are responsible for ensuring that they have the latest version of this White Paper and reading and understanding its contents. DDN tokens are cryptographic tokens intended to be used within the Den Domains platform. DDN tokens are not intended to be any of the following:

- ◉ Currency of any kind
- ◉ Shares or interest in a collective investment scheme
- ◉ Stocks, debentures, notes, warrants, certificates or any other instrument, the purpose of which is to grant a right to interest, dividend, payment or any kind of return

from any person

- Any form of security
- Equity interest or evidence of ownership in any legal entity

At the time of this writing, (i) with the exception of being used to place advertisements on the platform, DDN tokens cannot be exchanged for goods or services, (ii) DDN tokens and (iii) DDN tokens cannot be traded on any known exchanges.

There is no guarantee that any DDN tokens subject of the Token Sale will increase in or retain its value. It may decrease in value. Den Domains makes no representation as to the value ascribed to the DDN tokens, and expressly disclaims any and all liability that may arise as a result of the change in any value ascribed to any or all of them.

Den Domains, as the organizer of the proposed Token Sale, may be required under laws/ regulations of the applicable jurisdictions to carry out, among others, anti-money laundering, counter-terrorism financing checks and/or any other background checks on Token Sale participants (KYC checks). By participating in the Token Sale, all participants agree to comply fully with such KYC checks, and represent that all information disclosed to Den Domains LLC. for the purpose of compliance with such KYC checks is complete and accurate to the best of their knowledge.