SUTLER VENTURES

IOST Node Whitepaper

Abstract

Sutler Ventures (SV) is applying to run an IOST node on the ground-breaking IOST network in an effort to move the project, and the entire cryptocurrency industry forward, through investment into the IOST ecosystem. Sutler Ventures has a deep understanding of the cryptocurrency community and market and believes it is a prime candidate to run a node on the IOST network.

In this whitepaper, Sutler Ventures will showcase its goals, beliefs, strategy and initial roadmap and timeline for its operating node on the IOST network. This whitepaper will cover the following:

- **Why** Sutler Ventures believes it is a prime candidate to become a node on the IOST network
- **What** Sutler Ventures plans to do with and for the entire IOST community.
- **How** Sutler Ventures plans to help launch the IOST mainnet and help the entire project grow into a leading cryptocurrency network.
- **Who** Sutler Ventures is today, where we expect to go in the next 18 months, and why we'll be successful.

Throughout this paper, details surrounding governance, community growth, project investment and more will be discussed in an effort to cover all potential voter questions on the stance of SV and it's IOST node operation. The business paper is laid out in the following four sections:

       Section 1: Mission & History

       Section 2: Business Model and Investment Framework

       Section 3: Launch Planning

       Section 4: Team and Partner Information

Section 1

Mission

Sutler Ventures (SV) aims to accelerate the adoption of decentralized technologies and communities. SV looks to support projects with strong values and belief around the power of a decentralized framework in society, business, community and more, who also plan on building on IOST. SV believes that the vision from the IOST team has positioned IOST to become a leading participant in various new decentralized frameworks. The IOST team has developed technology that is fundamentally valuable and a community that is actively engaged in the success of the IOST network. This combination of purposeful technology and proactive community growth will allow the IOST network to continue to flourish.

Sutler Ventures will focus strictly on the growth of IOST network participants, primarily third-party businesses and decentralized applications / crypto-networks that show very strong potential to benefit the overall IOST network and community. SV will provide funding, insight, marketing and more to the IOST network participants who fit the SV vision and framework for investment.

The following sections describe SV's beliefs on key topics and questions presented to the cryptocurrency industry:

Sutler Ventures' Belief in Decentralization
Sutler Ventures believes that the largest value in blockchain technology exists when the technology is utilized within a decentralized framework. This gives the various participants of the network a choice in how, where and why they participate in various services, needs, communities and societies. With Bitcoin as the first iteration, we believe decentralized technologies and communities will continue to grow and flourish. SV believes that IOST will make a significant impact in the growth of a decentralized world and prefers to invest time and resources towards companies and projects who work towards the growth of decentralized technologies and communities.

Sutler Ventures' Belief in User-Focused Technologies
Sutler Ventures' team members have experience with a variety of other protocols utilizing a staking method (DPOS, POS). Projects including Ethereum, Lisk, and EOS all have issues

surrounding the usability of their technology by the average user. The SV team has seen each of these technologies do better than it's former, but all still fail to fix issues with usability. IOST has planned and focused on solving this problem, and SV supports their development progress thus far. In the future, we believe that development both by the IOST team and by the community should focus on the user and the general usability of the IOST ecosystem. SV is excited to invest time and resources towards technologies, businesses and projects who improve upon usability in some way.

Sutler Ventures' Belief in the Cryptocurrency Industry
The Sutler Ventures' team has seen multiple bear and bull markets within cryptocurrency. Narratives have come and go, and projects have grown or failed, while the industry as a whole continues to grow convincingly. In 2017 and 2018 we saw the emergence of crypto-networks and the various communities that can be created within these networks. Today, traditional financial market players are entering the space, projects and third parties are maturing and the necessary infrastructure is being built for global adoption of various cryptocurrencies and blockchain technologies. As we move forward, we may begin to see a divergence between crypto projects who have a belief in decentralization and crypto "businesses" who use the ability to tokenize something to benefit its business. It's important to know that the cryptocurrency industry and the blockchain industry are two very different things. SV and it's team members have always had a focus on cryptocurrency and the benefits of decentralization versus the centralized use of blockchain technology. We believe the cryptocurrency industry is at a point where the market is attractive for venture investment, and we're excited to invest in what will be a leading decentralized ecosystem: IOST.

History

The concept of Sutler Ventures was born in late 2017 as a way to further the growth of key network participants on a protocol that is fundamentally valuable and primed for the mainstream adoption of a decentralized framework. Other protocols did not show the fundamental value or significant chance for mainstream adoption, specifically Ethereum, Lisk and EOS, and so the concept for SV was sidelined. Over the next year, the SV team continued to build product and service companies, investment funds and businesses and brands that aim to move the cryptocurrency industry forward.

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In 2018, the IOST project was discovered as a solution to the problems present in the Ethereum and EOS technologies and governance models. Researching, investing and participating in the community allowed SV team members to learn more and more about the IOST project, team and community. When the details surrounding node application were presented, the SV team began working towards the opportunity to help grow a network with fundamental value and significant potential for mainstream adoption of a more decentralized future.

Today, Sutler Ventures is made up of a group of cryptocurrency industry veterans with experience in marketing, development, research, investment, branding, and finance. The team has a combined 20 years of experience in researching, investing, development and more inside the cryptocurrency industry.
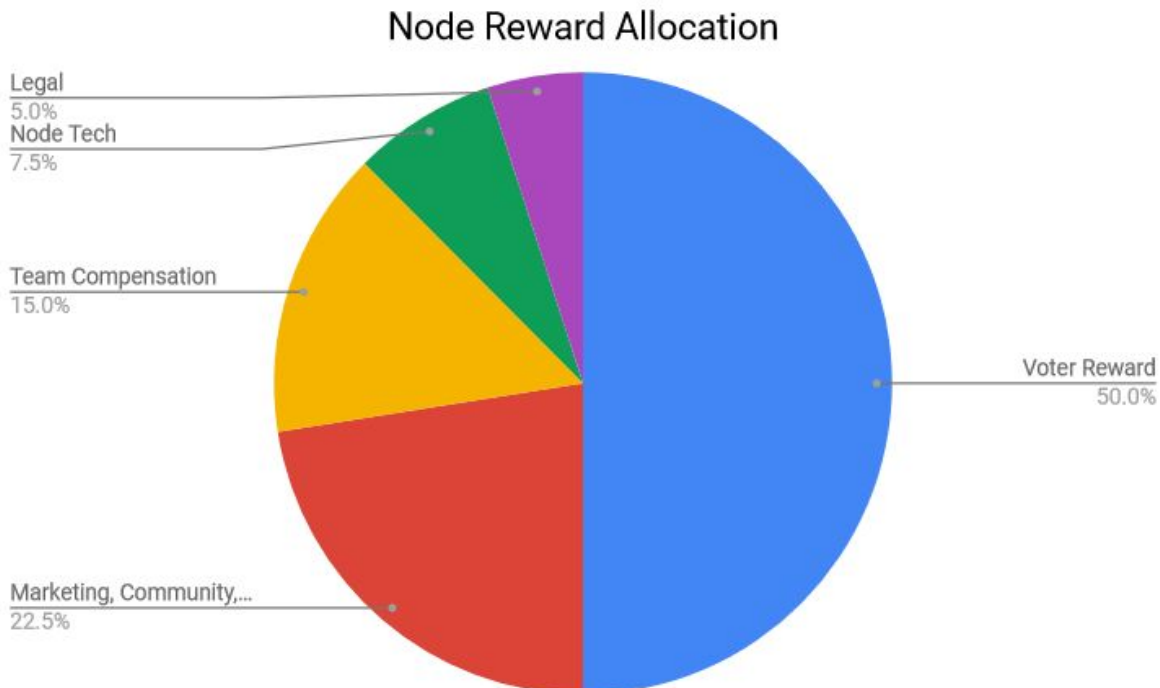
Section 2

Business Model

Sutler Ventures is primarily focused on the uptime and participation of its node on the IOST network and believes that the use of block rewards for investment into the IOST network is pivotal to the growth of the network itself.

SV will distribute 50% of node rewards to each of its voters, including SV itself who will be utilizing team member IOST to vote. Of the additional 50% of block rewards, SV plans to use a majority to re-invest in the IOST ecosystem. There will be an investment focus on promising decentralized applications and other third-party startups building on or surrounding IOST-related technologies. A minority of block production rewards will be used to grow the Sutler Ventures business and services for its portfolio of investments, compensate team members and utilize third party services within the cryptocurrency industry to forward the growth of portfolio projects. SV will have the following liabilities when the node is operational. These liabilities make up a minority of block reward usage, as discussed above:

- 22.5% - Project investment, Marketing of IOST and SV portfolio projects, and community events
- 15% - Team member compensation (operations, tech and marketing personnel)
- 7.5% - Node tech requirements
- 5% - Legal

Node Reward Allocation

Legal
5.0%
Node Tech
7.5%
Team Compensation
15.0%
Voter Reward
50.0%
Marketing, Community,...
22.5%

It's expected that as the IOST network grows, so will the size of investment from Sutler Ventures into the IOST ecosystem. Sutler Ventures will invest in promising projects and/or third parties in the IOST ecosystem. Team members have already committed significant investment and resources towards the IOST ecosystem. Partner company ICO Alert has proactively reached out to exchanges for the listing of IOST and has assisted in the Berminal private fundraiser. To date SV team members have invested over $300,000 into the IOST ERC-20 token and continue to make or assist in additional investments into the IOST ecosystem.

The current state of the dApp world is very fragmented with projects looking for users and funding from protocols who cannot support the long-term tech or usability requirements of the dApp itself. The Sutler Ventures team expects to utilize its network and experience to onboard existing dApps into the IOST ecosystem. As dApps build users, it's expected that each dApp will not only bring unique applications, but also a network of users, to the IOST community. To start, there will be a focus on dApps with existing users and products who are currently underserved by other protocols.

Investment Framework

Sutler Ventures plans to work within the current IOST venture ecosystem in an effort to bring new funding to a variety of projects utilizing IOST technologies. The SV team expects to qualify projects globally, without any focus on specific regions or groups of people. Projects with investment from other key IOST venture partners will receive sustained support from SV, regardless of whether or not SV is also an investor. Its expected that the SV team will facilitate further fundraising for projects outside of the IOST ecosystem, with key partners and third parties in the cryptocurrency industry.

SV will invest in both equity, token and token+equity opportunities within the IOST ecosystem. While there is no set or goal number of investments SV plans on making annually, SV will be an active investor in the IOST ecosystem. The SV team will complete its own internal and external due diligence on each project and may base investments off of the following characteristics (not in any particular order of importance):

- Team experience
- The degree of decentralization the team aims to create
- Current funding partners and stage of fundraising

- Status of product development and development resources
- Roadmap and business model expectations
- Technological depth and focus
- Tokenomics and viability of token
- Success of an existing business or community leading the project
- Values and goals of the project for the IOST ecosystem
- The degree of user-focus and product-market fit
- Global reach within and outside of the cryptocurrency industry

The Sutler Ventures team expects to work proactively with the entire IOST community to fund exciting new projects in the IOST ecosystem. User growth during and after funding is incredibly important. The SV team wants to ensure the community is engaged and responsive to the projects funded by SV and will place an emphasis on projects with a strong following from the IOST community.

At the early stages of any new cryptocurrency network, entrepreneurs tend to focus on projects that benefit the network as a whole. The SV Team will put an emphasis on projects focusing on the infrastructure of the IOST ecosystem, such as: wallet development, network usability, node operation/adoption, and other on/off-ramps to current and future cryptocurrency users.

Section 3

Launch Planning

Sutler Ventures is applying to participate in the launch of the IOST mainnet in February 2019. The following timeline exists to ensure Sutler Ventures is ready for mainnet launch with the rest of the selected node candidates:

- December 26, 2019: Submission of node application

- December 30, 2019: Marketing of Sutler Ventures as a node candidate begins to the IOST community

- January 15, 2019: Node is up and running on the testnet, ready to begin the testnet voting process as outlined by IOST

- January 31, 2019: Completion of website. Mainnet marketing to cryptocurrency community and existing dApp outreach begins.

- February 2019: IOST Mainnet Launch

After mainnet launch it is expected that Sutler Ventures will begin reviewing and executing investments within the IOST ecosystem. There is no set goal number of investments and no set size per investment. SV's marketing and investments services will continue after the mainnet is launched.

At some point Sutler Ventures expects the annual cost of running the node to increase. SV is comfortable with natural increases of operational costs as the network grows and is excited to see both grow in parallel. The SV team expects that at some point network needs may reach a point where hardware is appropriate based on transaction throughput and/or storage requirements. The SV team has access to top data centers globally and is comfortable growing alongside the IOST network. If at some point the block rewards are no longer able to sustain enough of the operating cost for SV, the SV team may make the decision to change the structure or model of SV.

At this time it's unlikely Sutler Ventures would participate in any forks, alternate chains or IOST competitors of any kind. Sutler Ventures is focused on support of the original mainnet IOST network alongside the current IOST team and other node candidates.

Section 4

Team

The entire Sutler Ventures team has formal and informal experience in the cryptocurrency industry. The Sutler Ventures business will be incorporated in the Cayman Islands and team members are located in Pittsburgh, PA, USA and Dallas, TX, USA

Mike Finch

Founding Partner

Mike is the Founder and COO of ICO Alert, Fund Manager at Pirata Capital Management and has been researching, investing and participating in the cryptocurrency industry since early 2014. Before IOST, Mike was a part of the Rise and EOS ecosystems before moving on from both due to concerns with the project ecosystem or node operations. Having worked with hundreds of different cryptocurrency projects and businesses, Mike brings with him unique insight and experience into the cryptocurrency industry.

Zach Le

Founding Partner

Zach Le is the Chief Strategy Officer for oWTI and holds a double BBA in Finance and Risk Management from Baylor's Hankamer School of Business. Zach began his career in finance on the sell-side as a member of FXCM's Private Client Group which caters to financial institutions, bona-fide hedgers, and ultra high net worth individuals. As a member of the Private Client Group, Zach managed the largest book of business totaling over 120 clients with an average annual notional trading volume of 32 billion USD. Following his departure, Zach has served as partner and advisors to numerous startups and has been involved in cryptocurrency since 2011.

Zach Quezada

dApp Lead

As the VP of Business Development at ICO Alert, Zach analyzed and worked with over a hundred blockchain projects to develop unique brand strategies and effective marketing campaigns. Zach was also an early investor in multiple blockchain protocols such as EOS, and TRON, and is now focused on the discovery and development of decentralized applications being built on these and other popular protocols. Outside of the blockchain industry, Zach is an avid e-gamer and co-hosts his own podcast.

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Andrea Finch

Head of Marketing

Andrea has several years of marketing, event management, and startup experience in various industries including higher education, renewable energy, and cryptocurrency. She has her master's degree in Journalism & Mass Communication and also acts as ICO Alert's head of marketing. She also serves on the Corporate Advisory Committee for Pennsylvania Women Work, an organization dedicated to empowering women in transition through job readiness, emotional growth, education, training and employment.

Dimitry Chesnokov

Venture Lead

Dimitry has been following cryptocurrencies since 2014. Most recently, at ICO Alert, Dimitry negotiated and created partnerships with cryptocurrencies, developers, exchanges and other liquidity providers globally. Prior to ICO Alert, Dimitry spent 5 years working on Wall Street, where he managed a book of HNW clients and provided custom solutions like algorithmic trading, market analysis, trade flow and execution risk.

Connor Alexander

Principal Architect

Connor has been involved in the cryptocurrency industry since late 2012 when he first started mining Bitcoin. He has built solutions, such as mining pools, for various cryptocurrencies over the years. Professionally, Connor analyzed hundreds of projects as a Data Analyst for ICO Alert. Outside of crypto, he is an active member in the local Pittsburgh startup community.

Partners

ICO Alert

ICO Alert is a leading provider of consulting and advisory services for blockchain startups. Started in 2017, ICO Alert began by offering a calendar list of ICOs to investors, as well as results-focused marketing to ICOs. As the business grew, it shifted, and now brings insight, fundraising and execution to the most promising startups in the cryptocurrency industry.

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CKR is a global firm of experienced lawyers with diverse international practices. We have locations throughout the world, including North America, South America, Asia Pacific, Europe, Latin America and the Caribbean and the Middle East. Our firm has particular and distinctive strengths, both domestically and globally, in the areas of corporate, finance, capital markets, cross-border mergers and acquisitions, government advocacy, litigation and international arbitration, bankruptcy and restructuring, and intellectual property.