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The Activity-Backed Reward Unit of
the Coinverse Ecosystem



WhitePaper



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Core Value Proposition

How usdW differs from traditional token reward models

Feature	Traditional Rewards	usdW
Acquisition method	Buy tokens or commit capital upfront	Earn through platform activity and referrals
Economic backing	Often narrative-led or speculative	Backed by platform revenue and treasury design
Cost basis	Requires upfront capital	Earned through usage, not direct token purchase
Risk profile	High sensitivity to market swings	Structured upside with no upfront token buy-in
Trader protection	Usually none	Lossless rebate support on eligible losses

How Users Earn and Unlock usdW

A simple user journey from participation to redemption



Figure 1. Core value proposition and usdW user journey

Executive Summary

usdW is the activity-backed reward unit native to the Coinverse prediction market protocol. Unlike traditional loyalty points or inflationary reward tokens, usdW is designed as a **non-transferable, activity-earned digital unit** that is backed by real platform revenue and redeemable for stablecoins (USDT) or convertible to VRS governance tokens.

The usdW model solves three critical problems in the prediction market and DeFi ecosystems:

- 1. Mercenary Liquidity:** Traditional reward tokens attract extractive users who farm and dump. usdW can only be earned through genuine platform interaction—trading, referrals, and loss rebates—ensuring holders are active participants, not passive speculators.
- 2. Unsustainable Incentives:** Most protocols mint reward tokens with no backing, leading to hyperinflation and value collapse. usdW is backed by a Solvency Treasury funded by a portion of Coinverse's platform fees (2% on trading volume and 1% on profits), with 12.5% of total platform revenue allocated to the usdW treasury, supporting a more sustainable, revenue-linked rewards model.
- 3. User Retention Crisis:** Prediction markets suffer from high churn, particularly among new users who experience early losses. usdW is central to Coinverse's **"Lossless"** retention system, providing a 10% loss rebate (capped at 100 usdW lifetime) to keep users engaged and learning.

This whitepaper provides a comprehensive technical and economic specification of usdW, including:

- Token design and properties
- Earning mechanisms (Proof of Activity)
- Utility verticals (marketplace, staking, speculation, spotlight bidding)
- Redemption paths and game-theoretic incentives
- Solvency backing and treasury management
- Compliance framework and anti-abuse controls

usdW is not a stablecoin. It is a floating-value reward unit whose redemption price is determined by the health of the Solvency Pool. This design aligns user incentives with protocol growth: as Coinverse scales, the backing per usdW increases, rewarding long-term holders.

1. Design Philosophy: Proof of Activity

1.1 The Problem with Traditional Reward Tokens

Most DeFi protocols use one of two broken incentive models:

Model A: Inflationary Farm Tokens

- Tokens minted freely to incentivize liquidity provision
- No backing, no utility beyond governance
- Result: Mercenary farmers extract value and leave, causing death spirals

Model B: Equity-Like Governance Tokens

- Tokens sold to investors, used for voting
- Disconnect between governance power and protocol usage
- Result: Holders may not be users; voters may not understand product

1.2 The usdW Model: Earn Your Way In

usdW flips the traditional model:

- You cannot buy usdW. It is not listed on any exchange.
- You can only earn usdW through genuine platform interaction.
- usdW issuance is intended to be supported by platform revenue allocated to the Solvency Pool over time.

This creates a virtuous cycle:

- Users engage with Coinverse (trading, referrals)
- Engagement generates trading fee revenue
- 12.5% of platform revenue (from 2% trading fees and 1% profit fees) flows to usdW Solvency Treasury
- usdW is minted as rewards, backed by that revenue
- Users hold usdW with visibility into its evolving backing and redemption framework

Result: usdW holders are intended to be active Coinverse users, which helps reduce passive ownership and short-term farming behaviour.

2. Token Properties and Technical Specification

2.1 Core Properties

Property	Description
Token Name	usdW
Token Type	Transferable BSC Token
Blockchain	Binance Smart Chain (BSC)
Total Supply	Uncapped (minted algorithmically based on activity)
Transferability	Transferable between user accounts
Backing	Coinverse Solvency Treasury (12.5% of platform revenue)
Redemption	Available after 3-month cliff; redeemable for USDT
Conversion	Target conversion to VRS tokens if programme milestones are met

Table 1: usdW Token Properties

2.2 How to Earn usdW (The Minting Guide)

usdW User Journey: Earn, Unlock, Redeem

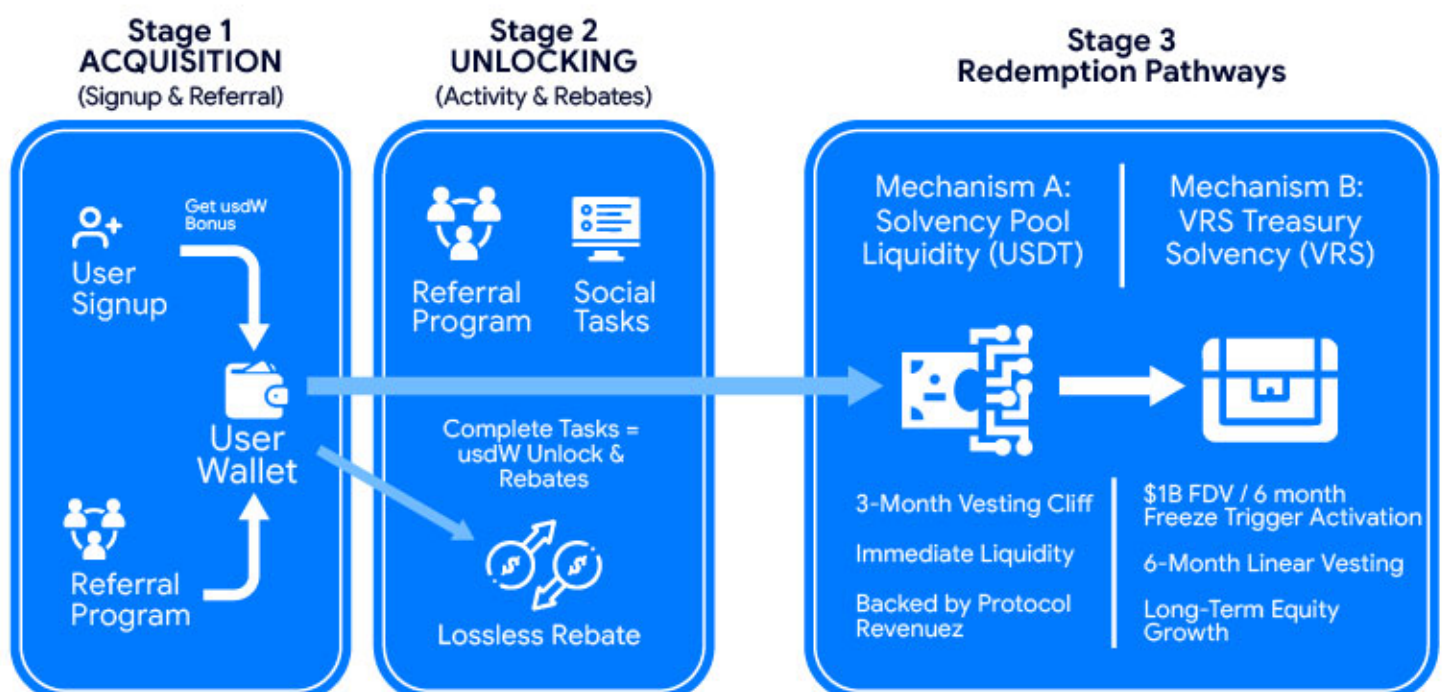


Figure 2: Retail User Journey

Earning usdW is designed to be gamified, accessible, and rewarding for users of all sizes. There are four distinct "Minting Channels" through which you can accumulate usdW.

Channel 1: The Account Creation Allocation

The journey begins the moment you sign up. Unlike other platforms that demand an initial deposit to access premium features, Coinverse rewards your presence immediately. Upon creating an account on the Coinverse Market Platform, a credit of 100 usdW is instantly allocated to your dashboard.

How to Claim: Simply use the platform as intended. As you sign up and complete the tasks and trade, you can claim usdW in your wallet. (Refer to Figure 1)

Channel 2: The LossLess Mechanism

Trading is inherently risky, and losses are a painful reality of the market. usdW mitigates this risk by serving as an algorithmic insurance policy. If you suffer a net loss on a trade, the platform intervenes.

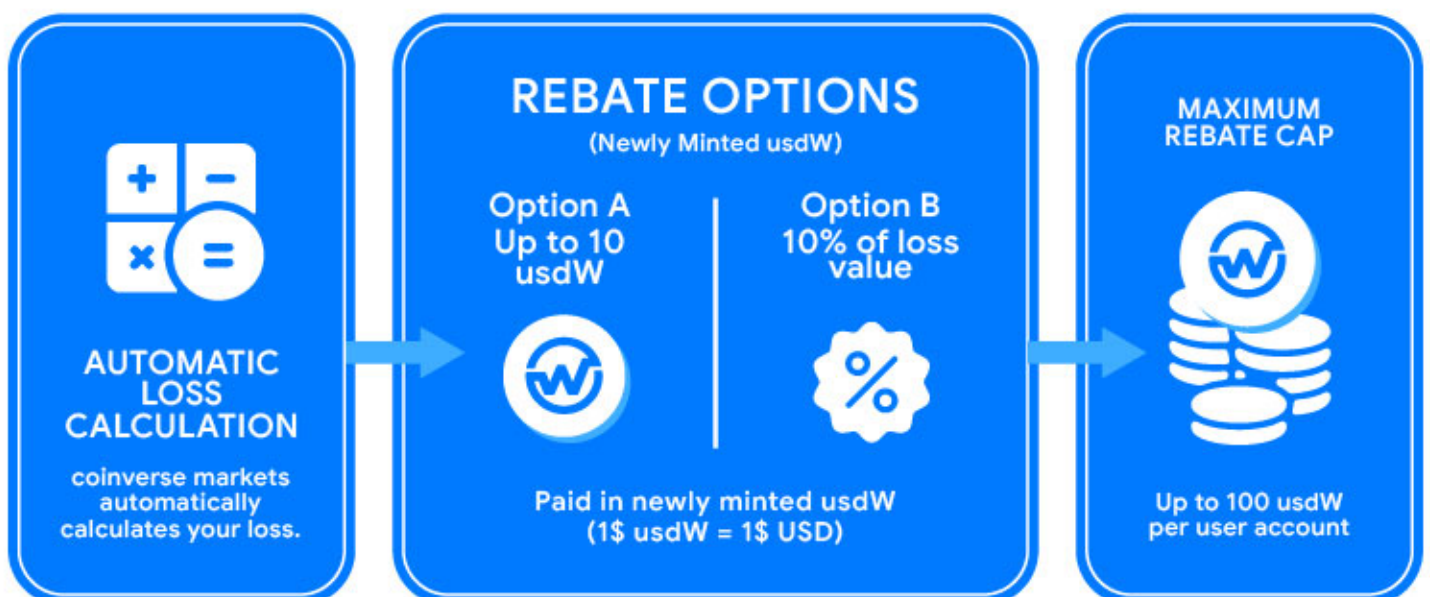


Figure 2: coinverse Lossless Mechanism

The Mechanism: Coinverse markets automatically calculates your loss and rebates it to you in up to 10 usdW or 10% of that value, in newly minted usdW (1 usdW for 1 USD).

(Refer to Image 4)

Cap: You can receive up to 100 usdW per user account.

Retail Benefit: This changes the psychology of trading. It gives you "free shots" to recover. You can take the usdW refunded from a bad trade and use it in the in-house system to win back your original capital- without risking any more of your own money.

2.3 Uncapped Supply with Algorithmic Minting

Unlike fixed-supply tokens, usdW has no hard cap. This is intentional:

Supply grows with usage: More trading = more rewards minted. This is sustainable because more trading also means more revenue backing each usdW.

Backing maintains value: The redemption value of usdW is determined by the ratio of Solvency Pool reserves to circulating usdW supply. As long as revenue inflows exceed reward outflows, the backing remains healthy.

Natural burn mechanisms: usdW is burned when used for Spotlight bidding, marketplace purchases, or converted to VRS, creating deflationary pressure over time.

Formula for Redemption Value:

$$\text{Redemption value per usdW} = \frac{\text{Total USDT in Solvency Pool}}{\text{Total Circulating usdW}}$$

This floating redemption value incentivizes users to hold usdW when the protocol is growing (backing per token increasing) and redeem when backing is stable or declining.

3. Earning usdW: The Proof of Activity Channels

3.1 Welcome Bonus (Onboarding Incentive)

Mechanism:

- New users receive 100 usdW upon account creation
- 25 usdW unlocked immediately (for initial exploration)
- 75 usdW "thaws" (unlocks) progressively as the user completes various tasks

Thawing Schedule:

Trading Volume Milestone	usdW Unlocked
\$0 (signup)	+25 usdW
Join Telegram Group	+5 usdW
Join Telegram Channel	+5 usdW
Follow on X	+5 usdW
Follow on Instagram	+5 usdW
Subscribe on YouTube	+5 usdW
Place a Prediction	+50 usdW
Total	100 usdW

Table 2: Welcome Bonus Thawing Schedule

Rationale:

- Provides new users with "sandbox money" to learn the platform risk-free
- Tiered unlocking ensures users engage with the product before receiving full rewards
- Prevents Sybil farming (bots creating accounts to harvest free usdW)

3.2 Trading Volume Rebates (Activity Rewards)

Mechanism:

- Users earn usdW proportional to their trading volume
- Accrual rate: **0.05% of trading volume** (e.g., \$1,000 volume = 0.5 usdW)

Example:

- Alice trades \$10,000 volume in BTC Above/Below markets
- Alice earns: $\$10,000 \times 0.05\% = 5 \text{ usdW}$

Anti-Abuse Controls:

- Volume is measured net-of-self-trades (wash trading detection)
- Velocity limits: Maximum 50 usdW earned per day, 300 usdW per week
- Accounts flagged for suspicious patterns (e.g., tight bid-ask cycling) forfeit future rewards

3.3 Referral Network (Viral Growth Incentive)

Coinverse implements a milestone-based affiliate system where referrers earn a percentage of trading fees generated by their direct referrals. As users grow their referral network, they unlock higher commission tiers and platform perks.

Base Commission: 5% of direct referrals' trading fees, credited as usdW.

Level	Reward	
Level 1 (Direct)	10 usdW	Referee signs up
Level 2 (Indirect)	6 usdW	Referee's referee signs up
Level 3 (Viral)	4 usdW	Third-degree referral signs up
Level 4	3 usdW	Fourth-degree referral signs up
Level 5	2 usdW	Fifth-degree referral signs up

Table 3: Multi-Tier Referral Rewards

How It Works:

1. Every user receives a unique referral link upon signup.
2. When a referred user trades on Coinverse, the referrer earns a percentage of their trading fees as usdW.
3. As a referrer's network grows, they automatically unlock higher bonus tiers and platform perks.

Anti-MLM Safeguards:

To prevent pyramid scheme dynamics, Coinverse enforces strict controls by having referral rewards unlock only after the referred user completes \$100 in verified trading volume. This ensures compensation is tied to product usage, not recruitment.

3.4 Loss Rebates (Retention Mechanic)

The "Lossless" System:

Coinverse addresses the prediction market churn problem by rebating a portion of user losses in usdW:

- **Rebate Rate:** Up to 10 usdW or 10% of net realized losses per loss event
- **Lifetime Cap:** 100 usdW per user (illustrative maximum value of up to \$100 if redemption value were at \$1.00)
- **Calculation:** Net-of-fees, net-of-winning-trades

Lossless Rebate Mechanism

Structured rebate support for qualifying net-loss outcomes

Designed to reduce downside friction while keeping reward issuance easy to understand.

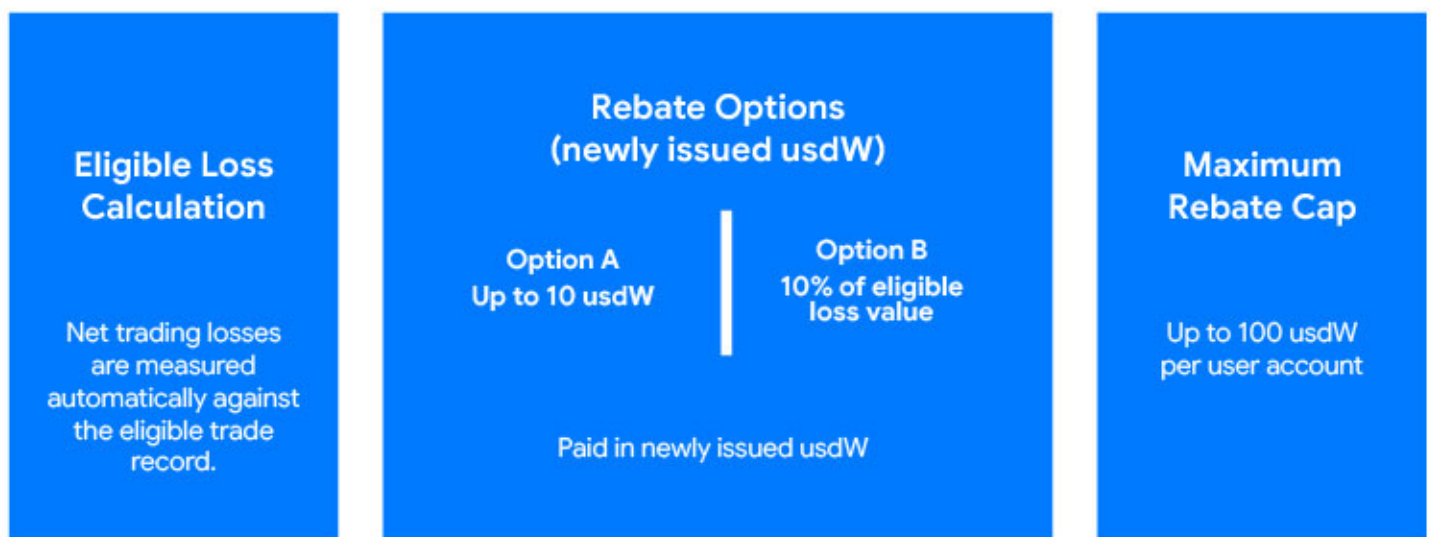


Figure 2. Lossless rebate framework

Example:

- Bob places three trades:
 - Trade 1: Loses \$50
 - Trade 2: Loses \$30
 - Trade 3: Wins \$20
- Net Loss: $\$50 + \$30 - \$20 = \60
- Rebate: $\$60 \times 10\% = 6 \text{ usdW}$

Anti-Abuse:

- Rebates are calculated per settlement cycle (market expiry), not per trade
- Self-trades and wash-traded losses are excluded
- Users flagged for intentional loss farming forfeit future rebates

Psychological Impact:

Behavioral economics research commonly finds that losses can weigh more heavily than equivalent gains. By rebating 10% of losses, Coinverse aims to soften the impact of early losses and encourage users to keep learning rather than churning after an initial setback.

3.5 Coinverse Ignite Grant Program

In addition to transactional and referral-based incentives, Coinverse is dedicated to cultivating a resilient ecosystem composed of developers, educators, and community leaders. The Coinverse Ignite Program facilitates the allocation of usdW grants to entities and individuals who demonstrably enhance the network's infrastructure and value proposition.

- **Allocation Methodology:** usdW is distributed directly to the recipient's wallet designated as a "Grant Allocation."
- **Vesting Protocols:** In contrast to standard trading rewards, Grant usdW is subject to Milestone-Based Vesting.

Example: A developer awarded a grant of 5,000 usdW for the construction of an automated trading algorithm would receive an initial 25% distribution upon proposal ratification. The remaining 75% would vest contingent upon the successful deployment and subsequent security audit of the code.

4. usdW Utility: What Can You Do With It?

4.1 Internal Speculation Markets (Risk-Free Trading)

Use Case: Users can place positions on Coinverse markets using their usdW balance instead of USDT/stablecoins.

Mechanics:

- usdW positions settle the same way as stablecoin positions
- Winning positions pay out in usdW/USDT
- Losing positions deduct from usdW/USDT balance

Strategic Value:

- New traders can test strategies using earned usdW without risking real capital
- Experienced traders can use usdW as "bonus bankroll" for high-risk/high-reward plays
- Psychological freedom: "house money effect" encourages experimentation

4.2 Marketplace Currency (Premium Tools & Services)

Coming Soon: Coinverse Native Marketplace

The marketplace will offer premium services purchasable exclusively with usdW:

- **AI Trading Signals:** Algorithmically generated probability estimates and entry/exit signals
- **Advanced Charting Tools:** Professional-grade technical analysis indicators
- **Historical Data Access:** Download past market data, settlement prices, order book snapshots
- **Custom Alerts:** Push notifications for price thresholds, market openings, settlement events

Pricing Model:

- Monthly subscriptions: \$50 – \$200 usdW / USDT depending on tier
- One-time purchases: \$10–\$50 usdW / USDT per tool/dataset

Deflationary Impact:

- usdW spent in the marketplace is burned, removing it from circulation
- Creates natural deflationary pressure as platform scales

4.3 Spotlight Feature (Market Promotion)

Mechanism:

Market creators and curators can bid usdW to feature their markets in Coinverse's "Spotlight" section- a high visibility placement on the platform's homepage and market discovery pages.

Auction Mechanics:

- 24-hour rolling auction
- Bids placed in increments of 10 usdW
- Highest bidder at auction close wins the Spotlight slot
- Winning bid amount is burned

Example:

- Alice creates a market: "BTC Above \$100,000 by End of Week"
- Alice bids \$50 usdW / USDT to promote this market
- Bob bids \$70 usdW / USDT for his own market
- Bob wins; his \$70 usdW / USDT is burned
- Alice's \$50 usdW / USDT is refunded

Strategic Value:

- Market creators drive liquidity to their markets
- Liquidity attracts more traders, generating more fees
- Creates a positive feedback loop: successful markets → more earnings → more Spotlight bids

4.4 Fixed-Term Staking (VRS Yield)

Mechanism:

Users can opt to commit their usdW holdings to a fixed-term staking contract.

Staking Terms:

- **Term Structure:** 12 Months (Hard Lock)
- **Yield Rate:** 12% -48% Annual Percentage Yield (APY) depending on market condition, settled in VRS tokens
- **Activation Protocol:** To preserve early-stage treasury integrity, this staking module is programmatically activated only subsequent to the successful initialization of the Solvency Pool. This sequencing ensures that the protocol's base liquidity layer is mature before secondary yield obligations are incurred.

Example:

- Carol stakes 1,000 usdW for 12 months at 12% APY
- After 12 months, Carol earns: $1,000 \times 12\% = 120$ VRS tokens

Strategic Value:

- Long-term holders earn governance tokens (VRS) without diluting usdW backing
- Reduces circulating usdW supply (staked tokens are locked), improving redemption value for non-stakers
- Aligns usdW holders with VRS governance, creating ecosystem cohesion

5. Redemption Paths: Game-Theoretic Design



Path A
Liquidity Exit (USDT)

- Designed for users seeking earlier stablecoin liquidity
- Draws from the usdW liquidity / solvency pool
- Access follows the applicable vesting period
- Redemption value depends on pool coverage and participating claims

Path B
Strategic Exit (VRS)

- Designed for users aligned with longer-term ecosystem upside
- Routes value toward the VRS treasury path
- Subject to the applicable unlock schedule and treasury rules
- Supports deeper alignment with the broader Coinverse ecosystem



Figure 3. Dual redemption pathways for usdW holders

5.1 Path A: Liquid Exit (USDT Redemption)

Mechanism:

Users can redeem usdW for USDT from the Solvency Pool after a 3-month cliff.

$$USDT\ Received = usdW\ Redeemed \times \frac{Total\ USDT\ in\ Solvency\ Pool}{Total\ Circulating\ usdW}$$

Example:

- Solvency Pool: \$1,000,000 USDT
- Circulating usdW: 1,200,000 usdW
- Redemption Value: $\$1,000,000 / 1,200,000 = \0.833 per usdW
- Alice redeems 100 usdW → receives \$83.30 USDT

Cliff Rationale:

The 3-month cliff serves multiple purposes:

- **Prevents Immediate Extraction:** New users can't farm welcome bonuses and immediately cash out
- **Aligns Incentives:** Users holding usdW for 3+ months are more likely to be genuine participants, not extractive farmers
- **Pool Stability:** Prevents sudden redemption rushes that could drain the Solvency Pool

Illustrative Redemption Reference:

For modelling purposes, some examples reference a nominal \$1 benchmark. Actual redemption value is not fixed and depends on the Solvency Pool balance, circulating supply, and any applicable redemption limits at the time of redemption. Users who hold longer may benefit if backing per usdW improves over time, but outcomes are not guaranteed.

Redemption Velocity Limits:

To prevent bank-run dynamics, Coinverse enforces redemption caps:

- **Individual Cap:** Maximum 1,000 usdW redeemed per user per week
- **Protocol Cap:** Maximum 5% of Solvency Pool can be redeemed per week
- **Emergency Pause:** If redemptions exceed 10% of pool in 24 hours, automatic 48-hour cooldown activates

5.2 Path B: Investor Exit (VRS Conversion)

Mechanism:

Users may be able to convert usdW to VRS tokens at a target 1:1 ratio if the VRS token reaches a \$1 billion fully-diluted valuation (FDV), subject to programme terms such as a 6-month lock from the day of claiming.

Conversion Terms:

- **Exchange Rate:** Target conversion ratio: 1 usdW to 1 VRS token, subject to programme terms
- **Vesting:** Converted VRS tokens vest over 6 months (linear unlock)
- **Cap:** Redemptions capped at 30% of Total Treasury Reserves
- **Pause Mechanism:** If the 30% cap is reached, the conversion window may pause until reserves have been replenished in line with programme requirements

Strategic Redemption Route

A longer-dated pathway linked to VRS treasury participation

Activation depends on the applicable treasury and platform conditions

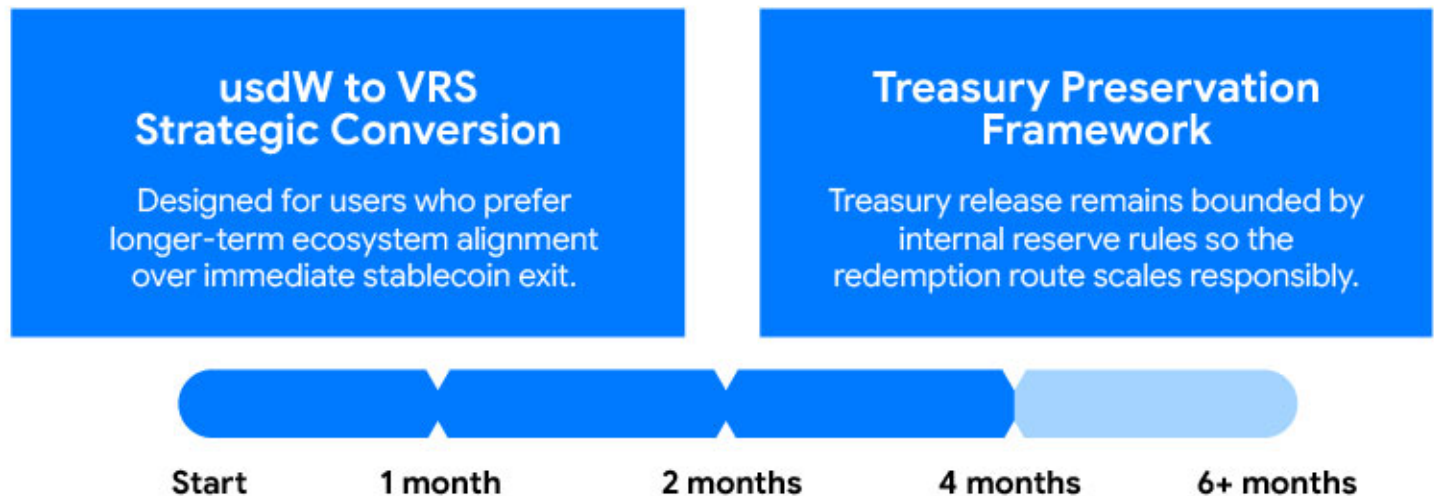


Figure 4. Strategic VRS route

Example:

- VRS reaches \$1B FDV
- Bob holds 500 usdW
- Bob converts 500 usdW → receives 500 VRS tokens (vesting over 6 months)
- Month 1: 83.3 VRS unlocked
- Month 2: Another 83.3 VRS unlocked
- ...and so on

Strategic Rationale:

Path B is designed for believers in long-term protocol growth:

- **Upside Exposure:** If VRS token appreciates beyond \$1B FDV, holders benefit from price appreciation
- **Governance Participation:** Converted VRS tokens grant voting rights, allowing long-term users to shape protocol direction
- **Alignment:** By choosing Path B, users signal confidence in Coinverse's future, strengthening community cohesion

5.3 Game-Theoretic Dynamics

The dual redemption path creates strategic decision-making:

Scenario 1: Protocol Growing Rapidly

- Solvency Pool increasing → redemption value per usdW rising
- VRS token approaching \$1B FDV → Path B becomes attractive
- Optimal Strategy: Hold usdW, wait for Path B conversion window

Scenario 2: Protocol Stagnant

- Solvency Pool stable → redemption value per usdW stable
- VRS token not reaching \$1B FDV → Path B unavailable
- Optimal Strategy: Redeem via Path A after 3-month cliff

Scenario 3: Protocol Declining

- Solvency Pool shrinking → redemption value per usdW declining
- VRS token unlikely to reach \$1B FDV
- **Optimal Strategy:** Redeem ASAP via Path A to lock in higher redemption value

This game-theoretic design naturally separates:

- **Short-term users** (Path A redeemers) who extract value and leave
- **Long-term believers** (Path B converters) who align with protocol success

6. Solvency Treasury: The Backing Mechanism

6.1 Revenue Allocation

Coinverse operates on a Real Yield model where platform revenue directly backs usdW:

Revenue Sources:

1. Trading fees (commission on all executed trades)
2. Premium subscriptions (Intelligence Suite access)
3. Potential treasury support from venture or debt financing, where available

Revenue Split:

Destination	Percentage	Condition
Solvency Treasury	12.5%	Backs usdW redemptions
Affiliate Network	50%	Viral growth incentives
Platform Operations	25%	Supports platform development and operations
VRS Treasury	12.5%	Backs VRS governance token value

Example:

- Coinverse generates \$100,000 in trading fees in Month 1
- \$12,500 deposited into Solvency Treasury (backs usdW)
- \$50,000 distributed to affiliate network (growth incentives)

6.2 Treasury Management

Asset Composition:

The Solvency Pool holds stablecoins (primarily USDT) to minimize volatility and ensure reliable redemption value.

Risk Management:

- **Diversification:** Pool may hold up to 20% in USDC, DAI, or other audited stablecoins to reduce counterparty risk
- **Custody:** Funds stored in multi-signature wallets under platform-controlled or governance-designated custody arrangements
- **Audits:** Independent attestations or audits may be commissioned periodically for Solvency Pool reserves and usdW supply
- **Transparency:** Coinverse aims to provide on-chain or dashboard-based visibility into pool balance and indicative redemption metrics

Reserve Ratio Monitoring:

Coinverse monitors the Reserve Ratio to assess solvency health:

$$\text{Reserve Ratio} = \frac{\text{Total USDT in Solvency Pool}}{\text{Total Circulating usdW}}$$

Health Indicators:

Reserve Ratio	Health Status
≥ 1.0	Healthy (indicative 1:1 backing)
0.8–1.0	Stable (redemption value ≥\$0.80)
0.5–0.8	Caution (monitor closely)
Below 0.5	Critical (emergency measures required)

Emergency Measures (if Reserve Ratio drops below 0.5):

- Halt new usdW minting temporarily
- Reduce loss rebate percentage (e.g., from 10% to 5%)
- Increase trading fees temporarily to replenish reserves
- Governance vote required for any structural changes

6.3 Long-Term Sustainability

Sustainable Growth Model:

usdW is designed to remain sustainable as long as:

$$\text{Revenue Inflows} = \text{usdW Minting Costs} + \text{Redemption Outflows}$$

Key Assumptions:

- Trading volume grows faster than usdW reward rate
- Redemption cliff (3 months) delays outflows, allowing pool to compound
- Natural burn mechanisms (Spotlight, marketplace) reduce circulating supply
- Path B conversions (to VRS) reduce redemption pressure on USDT pool

Stress Test Scenarios:

Coinverse has modeled various stress scenarios:

- **Bear Market (50% volume drop):** Reserve ratio drops from 0.9 to 0.7 → still stable, no emergency measures needed
- **Redemption Rush (20% of usdW redeemed in 1 week):** Velocity limits kick in, redemptions staggered over 4 weeks
- **Severe stress case (90% volume drop + 50% redemptions):** Reserve ratio drops to 0.4 → emergency governance vote, temporary halt on new minting

7. Compliance and Anti-Abuse Framework

7.1 Anti-Sybil Mechanisms

Detection Heuristics

Coinverse employs multiple layers of Sybil detection:

- **Device Fingerprinting:** Track browser/device IDs to detect multi-accounting
- **IP Address Clustering:** Flag accounts created from the same IP within 24 hours
- **Behavioral Analysis:** Machine learning models detect unnatural trading patterns (e.g., identical trade timing across accounts)
- **Graph Analysis:** Map referral networks to identify bot clusters

Penalties:

- **Flagged accounts:** usdW earning suspended pending manual review
- **Confirmed Sybil:** All usdW balances forfeited, accounts permanently banned
- **IP/device bans:** Prevent re-registration

7.2 Wash Trading and Self-Trade Detection

Problem:

Users might attempt to farm usdW by placing offsetting trades with themselves (e.g., buying YES on one account, selling YES on another).

Detection:

- **Counterparty Analysis:** Flag trades where both sides come from accounts with shared characteristics (IP, device, funding source)
- **Tight Spread Cycling:** Detect users repeatedly trading at near-identical prices with minimal profit/loss
- **Volume Velocity:** Flag accounts generating >10x normal volume in short bursts
- **Penalties:**
 - Suspected wash traders: Volume excluded from usdW earning calculations
 - Confirmed wash traders: usdW forfeit, potential account termination

7.3 Regulatory Compliance Considerations

Is **usdW** a Security?

Coinverse has designed **usdW** with the goal of reducing securities-related risk, but regulatory treatment will depend on the facts and the laws of each jurisdiction. Relevant considerations under frameworks such as the Howey Test may include:

- No Investment of Money: **usdW** cannot be purchased; it is earned through activity
- No Common Enterprise: **usdW** holders are not pooling funds with others; they earn individually
- No Expectation of Profit from Efforts of Others: **usdW** value is tied to protocol revenue (user-generated), not managerial efforts

Stablecoin Regulation Concerns:

usdW is explicitly not a stablecoin:

- It does not peg to any fiat currency
- It is not marketed as a store of value or medium of exchange
- Redemption value floats based on Solvency Pool health.

8. Technical Architecture

8.1 Price Data Integration for Reserve Ratio

Real-Time Monitoring:

Coinverse plans to provide reserve-ratio monitoring that tracks:

- Total USDT in Solvency Pool
- Total circulating **usdW** supply
- Current redemption value per **usdW**
- Reserve ratio

Data Sources:

- Solvency Pool balance: Direct on-chain query of treasury multi-sig wallet
- Circulating **usdW** supply: Total minted - total burned (tracked in **usdW** contract)
- Redemption value: Calculated automatically using formula above

Public Dashboard:

- Users may be able to view indicative metrics through coinverse.markets/usdt-stats:
- Illustrative redemption value: \$0.87 per **usdW**
- Illustrative reserve ratio: 0.87
- Illustrative backing: \$1,045,000 USDT
- Illustrative circulating supply: 1,200,000 **usdW**

9. Risk Factors and Mitigation

9.1 Reserve Ratio Collapse Risk

Risk: Negative sentiment triggers mass redemption requests, draining Solvency Pool faster than revenue can replenish.

Mitigation:

- **Velocity limits:** 1,000 usdW per user per week, 5% of pool per week
- **Automatic circuit breakers:** Pause redemptions if >10% redeemed in 24 hours
- **Path B conversion:** Diverts long-term holders to VRS, reducing USDT redemption pressure

9.2 Redemption Rush Risk

Risk: Negative sentiment triggers mass redemption requests, draining Solvency Pool faster than revenue can replenish.

Mitigation:

- Velocity limits: 1,000 usdW per user per week, 5% of pool per week
- Automatic circuit breakers: Pause redemptions if >10% redeemed in 24 hours
- Path B conversion: Diverts long-term holders to VRS, reducing USDT redemption pressure

9.3 Sybil Farming

Risk: Attackers create thousands of accounts to farm welcome bonuses and referral rewards.

Mitigation:

- Thawing schedule: Only 25 usdW available immediately; rest unlocks via completing various tasks
- Device fingerprinting and IP clustering detection
- Referral rewards require verified trading volume (\$100 minimum)

10. Roadmap and Future Enhancements

Phase 1: Launch (Months 0–6)

- usdW smart contracts deployed on Binance Smart Chain
- Welcome bonuses and trading volume rebates live
- Referral network operational
- Loss rebate system (Lossless) live
- Indicative Solvency Pool dashboard launched

Phase 2: Expansion (Months 7–12)

- Path A redemptions open (3-month cliff expires for early users)
- Marketplace v1: AI signals, charting tools purchasable with usdW / USDT
- Spotlight feature live: Market promotion auctions
- Fixed-term staking: usdW → VRS yield

Phase 3: Maturity (Months 12–18)

- Path B conversion window may open if programme milestones are met
- Governance expansion: community governance begins influencing usdW parameters
- Cross-chain usdW: Bridge to Arbitrum, Optimism, Polygon
- Institutional partnerships: White-label usdW for prediction market integrators

Future Considerations

- **Negative Interest on Idle usdW:** Charge 0.5% monthly "storage fee" on usdW held >12 months to encourage usage or redemption
- **Dynamic Minting Rates:** Adjust usdW earning rates algorithmically based on reserve ratio health
- **NFT Utility:** Allow users to mint commemorative NFTs using usdW (burned on mint)
- **Prediction Market Data Sales:** Sell aggregated, anonymized market data to research institutions for usdW

11. Frequently Asked Questions (FAQ)

- **Q: Is usdW a stablecoin?**
- A: No. usdW is a transferable reward unit with a floating redemption value. It does not peg to any fiat currency and cannot circulate as money.
- **Q: Can I buy usdW on Uniswap or other exchanges?**
- A: No. usdW is a reward token and cannot be traded on any exchange. It can only be earned through Coinverse platform activity.
- **Q: When can I redeem my usdW for USDT?**
- A: After a 3-month cliff from your first usdW earnings. The redemption value per usdW depends on the Solvency Pool balance and circulating supply.
- **Q: What happens if the reserve ratio falls below 1.0?**
- A: Redemption value per usdW will be less than \$1.00. For example, if the reserve ratio is 0.8, each usdW redeems for \$0.80 USDT.
- **Q: Can I transfer my usdW to another user?**
- A: Yes usdW is transferable to another user.
- **Q: How is usdW different from other reward tokens?**
- A: usdW is specifically designed for Coinverse's continuous price prediction markets. It maintains the Proof of Activity philosophy (earn, don't buy) and is backed by Coinverse's trading fee revenue and tailored to Coinverse's product features (Spotlight, marketplace, staking).
- **Q: What is Path B conversion?**
- A: If programme conditions are met, including a VRS valuation milestone, users may be able to convert usdW into VRS tokens under the applicable conversion terms. Any such conversion would remain subject to vesting, eligibility rules, and programme limits.
- **Q: Are there limits on how much usdW I can earn?**
- A: Yes. Velocity limits: 50 usdW per day, 300 usdW per week from trading volume rebates. Welcome bonus: 100 usdW lifetime. Loss rebates: 100 usdW lifetime cap.
- **Q: What anti-abuse measures prevent farming?**
- A: Welcome bonus thaws with trading volume, task completion, referral rewards require verified trading, wash trading detection excludes volume, device fingerprinting detects Sybil accounts.

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