Mass Network
ICO Prospectus

September 1, 2016

Net Operating Income Gem
Noigem Establishment, Landstrasse 97, 9494 Schaan, Liechtenstein
info@mass.network
https://mass.network
Ad industry and blockchain experts have combined efforts to create a groundbreaking project, Mass, in order to fix the imbalance of power which exists between the online advertising industry and the internet users who unwillingly provide this industry its revenue generating data without receiving anything in return.

Mass is software for consumers, webmasters, advertisers, and advertising data management platforms within the RTB (Real Time Bidding) framework. The founding principle is to follow the industry's trend towards monetization of customer attention and to create a convenient, fair marketplace for all participating parties (including web users, themselves). Mass allows users to receive instant compensation for ordinary internet browsing via its built-in blockchain-based peer-to-peer infrastructure.

Mass Coin: a highly in-demand, scarce resource with excellent potential for growth.
The one-time public offering of Mass Coins will end on December 1, 2016, at 11:59:59 am PST. On December 2, 2016, the one-and-only distribution of Mass Coins will take place when one trillion indivisible Mass Coins are issued publicly. During the period from December 2, 2016, to December 15, 2016, the entire supply of Mass Coin will be distributed according to the following formula:

Each participant of Mass ICO will receive \[ 1,000,000,000,000 \times \left( \frac{\text{total amount of all deposits made to one individual account}}{\text{total amount of deposits made by all ICO participants}} \right) \times 0.7 \] Mass coins;

Mass will reserve \[ 1,000,000,000,000 \times 0.3 \] coins altogether for its internal use.

A non-refundable deposit in bitcoins needs to be made to participate in the distribution of coins. Before the ICO ends, multiple bitcoin deposits can be made. There is no minimal or maximal amounts imposed. In the formula above, \([ \)] \ means the integer part function, \(\times\) means an arithmetical product, \(\div\) means arithmetical division. By the term "ICO participant" we understand whoever has access to control the single Mass ICO account. ICO account is needed for deposits collection only. Mass Coins will be transferred to each individual’s independent Mass wallet or Mass account in Mycelium Wallet (thanks to Mycelium and Bitfury for supporting us!). Mass Coins storage is NOT centrally controlled. Anyone can participate in Mass ICO. Besides an email address, no personal data is collected. To join the ICO, one has to sign up for the Mass ICO account.

Attention! Owning Mass Coin is the only result of participating in this ICO. No equity or bonds of any legal entity are offered in this ICO.

Mass Coin Will Be Offered Only Once

Mass utilizes modern tools to increase efficiency but does so with an explicitly balanced notion of complexity and purpose. Mass Coin is a once-issued virtual currency that uses the Bitcoin Blockchain as transport; its value depends solely on the market forces of supply and demand.

Expected Mass Coin Value Gain

Assumptions

Typical individual investment: 10 BTC
Funds raised during the ICO: $10M
USD/BTC: 579
Industry size: $237.5B
(mean of statista.com’s prognosis for 2017 & 2018)
A fundamental law of nature states that "energy is neither created nor destroyed." This principle informs our one-time issuance approach to Mass Coin. Satoshi may have had a similar idea in mind when he set the Bitcoin cap at 21 million which is itself an instance of single-issuance although intentionally not all released at once.

There will never be a second emission, sale, or offering of any sort for Mass Coin. As the network grows and users become more active the demand for Mass Coin will increase which with a corresponding price increase. Those who stand to profit most from this are the early adopters—the believers and supporters of this network and the idea behind it. The crux of this one-time emission philosophy is that it keeps the system independent of its creator.

Mass Coin: 100% unwavering currency after one-time distribution event.
Advertising requires specific knowledge about the target market segment. Advertising agencies are obsessed with data harvesting and to that end, they know more about you than you would be comfortable sharing. The tracking of user data plays a fundamental role in the extremely profitable, real-time ad exchange ecosystem. Yet, despite all of the artificial intelligence and tracking employed by Big Data, the majority of “targeted” ads remain irrelevant at best and annoying at worst.

Why Do We Need the Mass Network?

Blocking of ads and tracker software is a serious problem for the advertisement industry sector; it’s just a little unclear exactly how big.

As of summer 2016, in the UK, for example, about forty percent of adults of all ages block ads. The market research company GlobalWebIndex says the figure is 37 percent, which is not easy to believe. According to Pagefair and Adobe’s 2015 report, it was already over 20 percent then. The adblock community is expanding rapidly. Dozens of percents each year from 2012 to 2016.

Take U.S., male 18-29-year-olds. Almost 60% of them claim to use adblock software. They block ads on purpose: the share of ads blocked by “end-user installed” browsers is 5x higher than by “pre-installed” browsers. These people are young, productive and serious: they are not on mobile devices, obviously adding value to the economy working hard.

Consumer disaffection with irrelevant and obtrusive ads has resulted in the steady adoption of ad-blocker software. This fact is making data-tracking nearly useless.

The industry’s current solution is an arms race of anti-blockers versus anti-anti-blockers. This inefficient counterproductivity inevitably leads to a dead end.
Mass proposes an truce. Why not substitute this wasteful fighting for a mutually beneficial and proactive commerce? Let’s end the spying, end the software wars and start paying consumers their fair share for the data they provide. Moreover, allow the user to share as little or as much as they choose and openly ask them for clarifications along the way. Individuals are compensated, and industry receives quality over quantity. Everyone wins!

Mass allows for the creation of a marketplace whereby the industry must pay a fair, market-determined rate to consumers for their quality data and attention. Voluntary and consciously provided user information exchanged for compensation presents a much more valuable data set than the current ill-gotten and often misinterpreted version of data as it mined at present.

Finally, Mass paves the way for the monetization of our everyday online experience. Mass makes every internet user an interested party in these relations and improves consumer attitudes towards brands, publishers, and advertisements, themselves.

Mass makes advertising much more efficient to the benefit of all parties involved.
Why is Mass Coin Necessary?

User attention and online behavior patterns have a value. Mass establishes a trustless ecosystem where this value is established by market forces and determined by the relationship between buyer and seller. Using this foundational principle of capitalism will allow the value of user data to be established in a transparent and fair way.

Currently, most internet users think of their attention and online behavior as valueless. This ignorance of users is essential to the ad industry whose annual revenue is in the hundreds of billions of dollars. The fact is that user data is valuable and is already being bought and sold. Mass allows the source of this data, the individual, to participate in these transactions.

However, according to current conditions, even if an individual could willingly sell their data it would not yield any significant profit. The ad industry's huge profit is based on the aggregation of million of individuals' data. There is strength in numbers, but we must first change the game. Mass creates a new network and a new market which allows a unified critical mass to emerge. This, in turn, will necessitate a paradigm shift in the acquisition of user data.

To make a stand one must have a solid foundation on which to leverage a position. The Mass Economy will be this leverageable entity. It will be built and sold to willing participants who are tired of being exploited, cheated, and farmed for their valuable user data. Naturally, ad agencies will see this emerging sector of internet users and want to target them with ads. To do this, they will need to participate in the network by paying Mass Coin in exchange for data. They will do this because it will be a worthy investment for their business.

Advertising is not inherently evil, but exploitation is. Mass allows for the possibility of a mutually beneficial relationship to emerge between the ad industry and the individual.
Mass Coin is a form of digital currency needed to access the service provided by the Mass network. However, Mass Coin is very different than so-called, “app coins” such as Ether on the Ethereum Network. Advocates of such coins have characterized these as “tickets to ride” within a network. In Ethereum, for example, one needs Ether to build distributed apps on the platform. In the case of Steem or Sia (and dozens of others), you also need to own native coins to do whatever it is that each network allows doing.

The problem with the above is that these “tickets” come with an additional cost and various side-effects such as mining fees or requirements to continuously contribute to the network in some way. In summary, they try to mimic many aspects of Bitcoin. It is not clear why any of these projects liken themselves to Bitcoin. Bitcoin is a functional monetary system, currency, and a payment network all-in-one. This complexity appears reasonable by virtue of Bitcoin’s usability and sustainability. But why should any of the existing app coins be as intricate as Bitcoin? It is hard to answer this question—especially when we have yet to see anything useful come from “distributed applications” apart from Bitcoin, itself. Mass’s economic structure is comprised of a transparent, closed-loop system with tremendous growth potential.

The Mass Economy and True Value of Mass Coin

The Mass platform and the crypto-exchanges which carry Mass Coin represent a self-sufficient earning machine that will provide huge benefits to early-adopters.
Mass Road Map

March 2016
Concept development

June 2016
Gathering development team

July 2016
Consulting with advertising/industry gurus

August 2016
Coding proprietary part

September 2016
ICO announcement

November 2016
Collecting feedback, adjustment

December 2016
Mass Coins Emission. Mass browser extention & mobile app release

February 2017
Business software release

March 2017
Mass browser release

May 2017
Critical mass reached
In recent years, "blockchain" has turned into a catch-all phrase for anything involving a distributed, public ledger or database. Blockchain technology has been hyped for use everywhere from traditional banking institutions to the healthcare industry. When first confronted by the reality that Bitcoin is here to stay and kill many of them, banks reacted with hostility and skepticism.

Today banks and financial institutions seem to agree with the Bitcoin community that the technology behind Bitcoin can provide an efficient platform for settlement and for issuing digital assets.

Curiously, though, they shy away from Bitcoin itself. Instead, they want something they have control over and doesn’t require listing transactions publicly. The problem is that the Blockchain is specifically designed to obviate private firms. The Blockchain is and will always be purely customer-to-customer. The notion of a “blockchain company” or “private blockchain” is nonsense by its very nature.

Bitcoin is not just a protocol or money; it is a new business model for open source software. Industry refusal to acknowledge this point has resulted in multiple misunderstandings, which have persisted for a variety of reasons.

The Mass team realizes that by using a true blockchain-based money not the slightest piece of monetary control will remain in private hands. Mass Coin will be left to its market forces immediately after its one-time issuance. Mass does not want to maintain any authority nor is it able to thanks to the decentralized and public nature of the Blockchain. Mass does not have to be trusted—and this is the beauty of the whole concept.
Bitcoin: the Only Safe Blockchain

Strictly speaking, there are no other fully functioning blockchains apart from Bitcoin; therefore, the Blockchain is Bitcoin. Thus, one can’t really be “blockchain agnostic” at this point in time.

Moreover, some people in Bitcoin community will do their best to stifle the emergence of any serious alternative. Bitcoin is the perfect example of the so-called Lindy effect. When it was young, it was fragile and could have died multiple times. Now, every day it survives adds two more days to its life expectancy.

The essence of a blockchain is the consensus process. The Blockchain is an ongoing chain of hash-based proof-of-work, forming a record that cannot be changed without redoing the proof of work as well as all the previous proofs of work. Without Bitcoin’s essential qualities, a real life blockchain most probably cannot take off. Alternative blockchain creators often attempt to compromise primary principles that have already proven to be viable. For example, proof-of-stake is a concept trying to marry two contradicting phenomena: blockchain as the means to get rid of the need of credibility and authority that wants to get inserted into the decision making this way or another.

The only alternative to Bitcoin worth mentioning is Ethereum, and it is many orders of magnitude less secure yet, so it is mentioned here only anecdotally. “Smart contracts” - the idea Ethereum boasts adding to the blockchain world - are not “legally binding contracts” in any part of the world, and will probably not be before long. “Smart contracts” are ordinary software with some centralised intervention. Ordinary software rarely works as expected, has bugs, and is vulnerable. Do not compare smart contracts with Bitcoin and do not expect the same level of security!
Colu.com: the Most Reliable Operator for Assets-over-Bitcoin

There are three prominent operators, namely Omnilayer, Counterparty, and Colu, as well as a handful of powerful protocols built on top of the Bitcoin Blockchain. They all allow issuance and transfers of user-created assets. This is an evolution of the Bitcoin concept often referred to as Bitcoin 2.0 or, in a more narrow sense, “colored Bitcoins.” “Colorization” is a term that stands for attaching a specific name, feature or even promise to a transaction conducted in the Bitcoin network.

Among the three operators mentioned, we consider Colu as most suitable for Mass. Colored addresses are free to create and require only a small transaction fee on issuing new coins. Assets can be locked so that no new shares can ever be created. While these features are available from several providers, Colu is the best because of its organizational structure. The company—yes, this open source protocol is supported by an Israeli corporation— is transparently funded and operated and has clear business goals. Open source community-run projects are cool but often lack direction, are unreliable and always slow. Colu supports many ongoing classes of assets and has extensive experience in the field. Therefore, using Colu brings excellent value to the Mass project.

Another important reason to consider is that Colu offers the only protocol that doesn’t take an additional “native” coin to run it. Omnilayer needs such a coin and Counterparty does as well.

Last but not least, the Colu team has been advancing towards its Lightning Network (LN) implementation aggressively. It is essential for Mass to have a micropayment capability like LN, so Colu’s progress in the field is vital for us to take into consideration.

The Wallet Infrastructure: Provided by Mycelium

A crypto-currency wallet is not an easy thing to develop. User security must be balanced with a featureful, intuitive interface. Thus, Mass is integrated with the most respected wallet team in the industry, Mycelium, to make the receiving and selling of crypto-currency seamless for Mass users.
The Exchange. Decentralized by default: ShapeShift

Why ShapeShift? The entire Mass Network is in a space where “trust in the system” is not needed due to the untamperable-with nature of a distributed public ledger. The same level of transparent certainty should exist for the network’s default exchange. In the case of Mass, there is no account to setup, no KYC documents to submit. The Mass exchange turns your Mass coin into BTC, TetherUSD or many other cryptos seamlessly. ShapeShift is primarily intended to be used as an API. One advantage of ShapeShift is that there is no “price slippage.” This means you get a specific exchange rate for your order, which does not change based on the size of your order.

Why not BTC?

Recently, many have been asking, “If the Mass Network runs on the Bitcoin Blockchain then why is Mass Coin necessary? Why don’t Mass users simply receive Bitcoin for their participation in this Blockchain-based system?

One of the tenets of Mass is that the price of ad placement on the network should be determined by supply/demand of ads as well as the overall health and appeal of the Mass ecosystem, itself. Again, if we were to have all of this rely on Bitcoin, in addition to the two factors above, we would be introducing the fluctuating value of Bitcoin as another variable in determining the price of ads which would make the entire system vulnerable to any turbulence within the Bitcoin space. We do not see this as a necessary risk.

We do not see the Bitcoin economy as relevant to our application. The Bitcoin Blockchain plays an important role in Mass Coin distribution and will hopefully become more vital once LN arrives. Until then, we want to embrace the liquidity and security that is available on the Blockchain but discard the volatility in order to create a stable, purely market-based value for transactions within the Mass Network.
Status of Mass ICO

Do not confuse Mass with a company doing a digital IPO. Mass Coin does not represent equity nor is it a cryptographic share. Mass Coin holders are not entitled to dividends in any form or revenue sharing or transaction fees within the network.

Do not confuse Mass with distributed autonomous organization (DAO). Mass Coin does not represent shares of any organization. There is no autonomous code responsible for issuing the coins, holding the money collected from the coins’ sale, and contracting third parties to develop the network.

Do not confuse Mass Coin with debt. There is no interest rate or promise to pay back the principle.

Do not confuse Mass Coin with convertible notes. There is no future equity promise, and there is no vesting period. Mass Coin is ready for free trade on crypto-exchanges immediately after the distribution without limit.

Now, there are some that find it necessary to connect Coins to the legacy world. There are several different approaches to this concept but all are mere shells for legal/tax purposes. For instance, the Ether pre-sale was executed by the Ethereum Foundation, a non-profit organization registered in Switzerland, whose sole purpose is to manage the funds raised from the Ether sale to serve the Ethereum ecosystem best. But, has is helped any of its users lately?

Mass Coin is a balanced combination of centrally organized governance (in the form of a Liechtenstein-registered company) and a decentralized entity component that is the tokenized ecosystem built on Mass Coin. In our case, the company is responsible for the infrastructure’s development. Each stakeholder and employee is and always will be interested in the value-growth of Mass Coin, naturally.
Risk

By buying coins, you accept significant risk. Before purchasing coins, carefully consider the exemplary and non-exhaustive list of risks set forth below and, to the extent necessary, consult a lawyer, an accountant or a tax professional.

1. **Risk of Weaknesses in the Coin Transport Software.** The blockchain-based assets concept is experimental in nature, therefore yet unproven. There is a risk that, as an open source project, any contributor to the software could introduce security weaknesses or errors into the software, causing the loss of coins.

2. **Regulatory Risks.** Mass will operate through the decentralized coins not through a legal entity. However, there are regulatory risks. Blockchain technology represents the new form of economic interactions between individuals and companies where some methods are still to be tested, verified, and certified. It is likely that specific regulations in some jurisdictions might be set to contradict the mentioned methods. Such regulations may or may not be Mass Network friendly, and some might even forbid any relationships using coins.

3. **Loss of Value.** The recognized value of coins is unpredictable. Mass Network or its representatives or people associated with it will not be responsible for value loss and will not have to buy back any coins from anyone.

Taxation

No party involved in this ICO makes any promises or explanations concerning the tax implications potentially caused by the purchase, possession, and use of coins. You bear the sole responsibility to determine if the potential appreciation or depreciation in the value of coins over time has any tax implications for you in your home jurisdiction.

The company and individuals associated with the organization of this ICO are not liable for any tax liability arising from the fact of buying and owning coins.

Forward-looking Statements

This document contains statements that are, or may be deemed to be, “forward-looking statements” which are prospective in nature. These forward-looking statements may be identified by the use of forward-looking terminology, or the negative thereof such as "outlook", "plans", "expects" or "does not expect", "is expected", "continues", "assumes", "is subject to", "budget", "scheduled", "estimates", "aims", "forecasts", "risks", "intends", "positioned", "predicts", "anticipates" or "does not anticipate", or "believes", or variations of such words or comparable terminology and phrases or statements that certain actions, events or results "may", "could", "should", "shall", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Forward-looking statements are not based on historical facts, but rather on current predictions, expectations, beliefs, opinions, plans, objectives, goals, intentions and projections about future events, results of operations, prospects, financial condition and discussions of strategy. By their nature, forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond anyone's control. Forward-looking statements are not guarantees of future
performance and may and often do differ materially from actual results. Important factors that could cause these uncertainties include, but are not limited to, those discussed in the “Risks” of this document. None of the third parties provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this document. All third parties involved with coins creation and their affiliates expressly disclaim any intention, obligation or undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The making of this document does not constitute a recommendation regarding any securities.

Disclaimer of Warranties

THE USER EXPRESSLY AGREES THAT THE USER IS BUYING COINS AT THE USER’S SOLE RISK, AND THAT COINS ARE CREATED ON AN “AS IS” BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE OR IMPLIED WARRANTIES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING THE FOREGOING, NONE OF THIRD PARTIES OR INDIVIDUALS ASSOCIATED WITH THE COINS CREATION WARRANT THAT THE PROCESS FOR PURCHASING COINS WILL BE UNINTERRUPTED OR ERROR-FREE.

Limitations Waiver of Liability

YOU ACKNOWLEDGE AND AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY ANY APPLICABLE LAW, YOU WILL NOT HOLD THIRD PARTIES OR INDIVIDUALS ASSOCIATED WITH THE COINS CREATION LIABLE FOR ANY AND ALL DAMAGES OR INJURY WHATSOEVER CAUSED BY OR RELATED TO USE OF, OR INABILITY TO USE, COINS OR THE MASS SOFTWARE UNDER ANY CAUSE OR ACTION WHATSOEVER OF ANY KIND IN ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ACTIONS FOR BREACH OF WARRANTY, BREACH OF CONTRACT OR TORT (INCLUDING NEGLIGENCE) AND THAT NONE OF THE THIRD PARTIES OR INDIVIDUALS ASSOCIATED WITH THE COINS CREATION SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING FOR LOSS OF PROFITS, GOODWILL OR DATA, IN ANY WAY WHATSOEVER ARISING OUT OF THE USE OF, OR INABILITY TO USE, OR CREATION OF, OR INABILITY TO CREATE, COINS. YOU FURTHER SPECIFICALLY ACKNOWLEDGE THAT THE THIRD PARTIES OR INDIVIDUALS ASSOCIATED WITH THE MASS-TOKENS CREATION ARE NOT LIABLE, AND YOU AGREE NOT TO SEEK TO HOLD ANY OF THE THIRD PARTIES OR INDIVIDUALS ASSOCIATED WITH THE COINS CREATION LIABLE, FOR THE CONDUCT OF THIRD PARTIES, INCLUDING OTHER CREATORS OF COINS, AND THAT THE RISK OF CREATING AND USING COINS RESTS ENTIRELY WITH YOU.