



BRINGING BALANCE
TO THE BLOCKCHAIN

2016

BASED ON BITCOIN,
BUILT FOR EVERYONE.

INVESTOR'S HANDBOOK

DEFINING THE FUTURE



Executive Summary

While the concept of a Distributed Autonomous Organization is still very new, enough data exists to inform investors as to the profit potential in the investment in new blockchain and smart contract platforms within the current market.



Blockchains will change
the world.

- Don Tapscott

The Tao Network is a blockchain-based, smart contract DAO platform being offered through public crowd sale to raise funds for continuing development. Tao is derived from the Bitcoin code base, which provides a stable, tested platform for expansion and development of applications, goods, and services.

There has been tremendous growth in the non-Bitcoin blockchain space, with the majority of that growth in blockchain-based smart contract platforms. This growth has been driven by a very narrow, well understood global demographic with ample room for expansion through unique service offerings.

Several technical and governance crises have afflicted blockchain networks, and Tao has been designed and bootstrapped to avoid these pitfalls. With the successful conclusion of funding, the Tao Network will be able to fully realize its vision as an inexpensive, easy to use, accessible, programmer-friendly blockchain-based smart contract platform suitable for small to mid-sized business use.



THIS IS
TAO

OUR *PASSION*
IS TO
CONTINUOUSLY
INCORPORATE
THE LATEST
DEVELOPMENT
IN *BLOCKCHAIN
TECHNOLOGY*
INTO A SINGLE
NETWORK WHICH
PROVIDES
UNPRECEDENTED
LONG TERM VALUE
AND CONSUMER
UTILITY
WITHOUT
SACRIFICING
STABILITY.

Profile Of A Distributed Autonomous Organization

This DAO exists to leverage the best talents and abilities from the cryptocurrency community towards the greater goal of creating and maintaining a stable platform for the development of distributed applications for the benefit of all who participate.



This project is being operated as a distributed autonomous organization, however during the bootstrapping phase the network will be governed by the group of individuals who originated the code base. We value and respect the transparency afforded by blockchain technology and crowd funding is conducted in an open, public manner. Ledgers are updated hourly throughout the crowd fund to reflect the funds raised, with each and every sale accounted for.

Development milestone progress will be published at quarterly intervals post-funding in order to set the standards of openness and transparency by which all participants in the DAO, in every DAO, should

We are futurists and developers and have designed the Tao Network to be the vehicle for the manifestation of a vision of a better future for ourselves, our families, and our society.

follow; putting into practice the core ideals embodied in blockchain technology from the first moment the project is announced. During the bootstrapping phase these individuals wish to remain anonymous as to encourage community involvement in the development of the protocol as opposed to establishing governance around personalities, as this has led to crisis in both Bitcoin and Ethereum.



The Heart of a DAO

The heart of a DAO is its people, and every effort should be made to provide a mutually supportive environment where education and personal growth are respected and valued.

The State of the Markets

At the time of this writing, according to CoinMarketCap.com the industry market capitalization for public blockchain projects is over \$12,000,000,000USD.

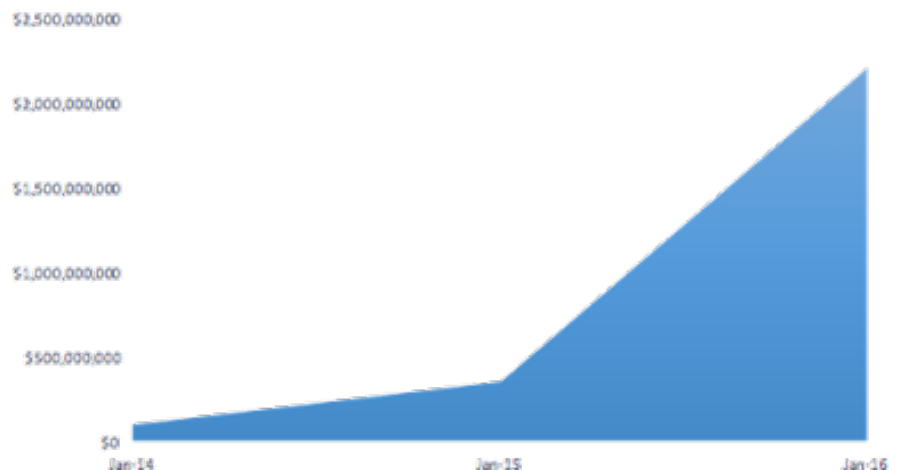
For the twenty four month time period between July of 2014 to July of 2016, the market capitalization for blockchains other than Bitcoin has increased over twenty (20) fold: from \$100,000,000USD in 2014 to over \$2,000,000,000USD in 2016. Tao is a blockchain-based smart contract platform, and similar platforms account for over 50% of the non-Bitcoin market capitalization, ranging in value from \$1,000,000USD to over \$800,000,000USD with over \$1,100,000,000USD invested in start-ups to create infrastructure to support those networks.

Blockchain platforms traditionally appeal to millennial males, with over 60% of users to demographics surveys identifying as being under age 35, male, American or European, with a household income greater than \$25,000USD. Goods and services initially offered by smart contract platforms should address those desires of the predominant demographic segment. As such, the market size is small but growing at an exponential pace and with tremendous potential as the adoption of blockchain technology becomes more common place, with a significant number of non-financial industries beginning to explore the applications of the

The rate of growth of the market capitalization of smart contract blockchains is exponential in 2016.

technology. Within this landscape, the Tao platform is offered as an accessible, affordable, platform under public governance to enable the development of distributed applications which may benefit from the inclusion of the latest in blockchain technology into their operations.

Market Capitalization of non-Bitcoin Blockchains 2014 - 2016





The State of The Tech

Inspired by the mechanics of the Bitcoin community, the concept of a DAO has come to represent the open market development of ideas and software surrounding a specific protocol.

As such, a DAO would appear not to be so much “governed” as it would be “respected,” making reliable investment an exercise in significant research.

The added component of a mutual financial investment binding the participating entities together cannot be understated. Financial motivation must be recognized as the primary or secondary reason for involvement beyond the application of individual philosophy, which is the aspect which makes blockchain-based DAOs truly revolutionary organizational structures. This also serves to highlight the need to make as few changes to the core protocol as possible post-launch (known in the industry as a “hard fork”), as the long term stability and resilience of a blockchain-based DAO is a direct function of the stability and resilience of the software upon which it is based.

The competition in the smart contract platform space is very sparse for the interest and potential which the technology currently promises. This is in large part of the rarified skills required to understand the principals involved and the lack of institutional experience in deploying such platforms. The year 2014 saw the launch of BitShares (\$2,600,000USD), one of the first smart contract blockchain platforms. Ethereum (\$12,000,000USD), largely considered the flagship of smart contract blockchains, was launched in 2015. 2016 has so far seen the launch of Lisk (\$5,800,000USD), Waves (\$16,600,000USD), and Bitcoin smart contract

The definition of a distributed autonomous organization is under as much development as the platforms which claim the title.

platform Rootstock (\$1,500,000USD). It is clear that the market demand for easy to use, easy to develop, easy to deploy smart contract blockchain platforms is still undecided, with several options from which to choose. Of these choices, only Tao and Syscoin may claim to be derived from the robust Bitcoin code base and yet still serves as an independent blockchain.

While hundreds of blockchains have been launched each year since 2013, the barriers to entry for smart contract platforms is quite high given the skill sets required to design, engineer, and deploy them. It is within this environment of vanguard technological development that the time, resources, and expertise of the participating individuals of the DAO become the most relevant to the long term success of the project.

It is intended that the Tao project fills a niche currently left vacant in the consideration of the potential of smart contract platforms, which is that of a platform that can provide maximum utility with as low a barrier to entry as possible. While more complex systems may capture headlines, Tao is a robust platform with a very simple elegance and profitability of operation.

The distinctive feature of Tao in relation to its competitors are the routes of potential profit for investors. Tao includes privacy features served by “Alpha Nodes” which secure a percentage of each transaction, in addition to fees related specifically to the processing of those features. In the 12 month period of 2015, the DASH (non-smart contract) network saw a 18% return on investment for master node operators, which is analogous to the profit potential of Tao Alpha Nodes. In addition to proof-of-work block validation through traditional mining, the Tao network also yields 4% interest on holdings. DASH network profitability for master nodes is directly proportional to the number of transactions which are conducted on the network. As Tao is a smart contract platform with the ability to scale infinitely, it bears a greater potential transaction volume than DASH, which in turn leads to potentially greater than 18% profit before proof-of-stake. The potential projected profit per annum of the Tao network is a minimum between 20%-22%.



IT ISN'T THE
FIRST TIME THAT
INNOVATIONS OR NEW
BUSINESS MODELS
HAVE CHALLENGED
THE EXISTING ORDER.

Glenn Stevens, RBA Governor

Participate In The Crowd Sale

The Crowd Sale is the chance for everyone, all over the world, to participate in one of the most ambitious projects in the blockchain industry.

30,000,000 TAO Tokens Available

Maximum 1 \$ per TAO Token

30 Days

up to 50% Referral Rewards*

* Certain terms and conditions apply. Please see website for details.

The Experience Required To Make The Future Happen

Respecting the markets is vital to the long term success of any blockchain network. The Tao Network Crowd Sale is designed with the long term economic future of the network in mind, which includes the initial distribution of coins and providing enough information for accurate price discovery. Every trade has two sides, but the Tao Network Crowd Sale is designed to maximize the profit potential for every single investor.

THE SALE BEGINS

JULY 28

2016

Terms and Conditions of The Offering

Even the fine print is easy to read.

GENERAL

The Tao network crowdsale will begin on July 28, 2016 at 00:00 UTC and last for a minimum of 30 days. During this period the only way to get Tao network tokens will be by purchasing them from this website. To purchase Tao network tokens you must generate a unique Tao address and keep the private key safe. You will need this key in order to claim and spend your Tao network tokens. Purchases are made by entering your Tao address into to this website and then sending Bitcoin to the unique payment address provided. All sales are final. There are no refunds whatsoever. Think carefully before purchasing. Once you send Bitcoin to your unique payment address it shall be credited against your account, as indicated by the Tao network address provided during the sign up process. Tao network tokens will be sent to the Tao network address provided during the signup process within 24 hours after the close of the crowd sale. Tao is a proportional crowdsale, which means your share of the network is a direct proportion of your funds contributed. Purchases are not transferable to another Tao address as your unique Bitcoin payment address is linked to the Tao address provided through a smart contract. This means once purchased, by depositing BTC to your unique address, your Tao network tokens can only be sent to the corresponding payout address.

DELIVERY

The amount of Tao network tokens received by each deposit address will be calculated as a percentage of your contribution to the total coin offering, calculated as x/y , where x is your contribution and y is the total amount of Tao network tokens. Tao network tokens will be distributed between 24 to 60 hours after the end of the crowdsale.

REFERRALS

Individuals participating in the crowd sale are provided a referral rewards code with which they may earn additional shares and special promotions. To qualify for referral rewards, an individual must have deposited at least .5BTC into their Bitcoin crowd sale address. Each individual utilizing a referral rewards code must deposit .5BTC for their participation to be credited against the owner of the referral reward code. For each qualifying individual, the owner of the referral rewards code will earn a 1% bonus to the amount of Tao network shares funded by their crowd sale Bitcoin address. Referral rewards qualifiers will be contacted within 96 hours of the close the crowd sale via the Encrypted Messenger, located inside the Tao wallet. Only a maximum of 50 referrals will be rewarded per referral rewards code.

RIGHTS

The amount of Tao network tokens are considered shares of the Tao Network and do confer in-wallet rights to minimum shareholders as dictated by the operation of the protocol. Some extra in-wallet features, including Alpha Node operation, are limited to a minimum share of 10,000 TAO. Normal wallet features and usability are accessible with less than the minimum share. We assume 100% risk against theft during the crowdsale. Should funds be stolen, all sales shall still be honored.

道 Tao

Twitter

<http://twitter.com/taoblockchain>

Slack

<http://taoblockchain.slack.com>

GitHub

<http://github.com/taoblockchain>

<http://tao.network>