

INTRODUCTION

The Haven sale, like the project, has been designed to achieve fair outcomes for all participants. The two key objectives are: a wide distribution of tokens and a sufficient pool of collateral value to back the stablecoin. The sale is scheduled for the 28th of February 2018, with an expression of interest phase starting January 8th, 2018.

Havven is an open source protocol designed to act as a public good. The promise of crypto is to enable fair and open economic systems, Havven was designed with this goal in mind. Tokens allow us to create new types of economic entities, and while tokens can function as funding mechanisms for private companies, this limits their potential. It is no surprise that Bitcoin, with its open approach to distribution, has been so successful. Had Satoshi tried to crowdfund Bitcoin to create a private company to compete with banks it is unlikely Bitcoin would exist today. Havven, like other successful crypto projects, will generate support from the community through demonstrating alignment with these principles. In accordance with this the sale will be open to any interested party, and we will not offer volume-based discounts.

HOW IT WORKS

Please see the [‘How It Works’](#) page for a visual summary.

Cryptoeconomics is about incentives, so it is imperative that users are incentivized and rewarded for maintaining the system. Critically, collateral holders must be rewarded. We believe these rewards make the Haven mechanism far more efficient than other stablecoins. Within Haven, the dynamics between participants are clear. The users of the system get utility from trading the stablecoin – nomins – and the collateral holders are paid for providing this utility and ensuring the nomins in circulation are always fully collateralized. In fact, the system is actually over-collateralized to ensure that major market movements do not undermine the value of the circulating nomin supply. As the network grows fees paid to havven holders increase as transaction volume increases, thus those who stake the system initially will be rewarded with a larger proportion of future fees.

Because havvens are the collateral that back nomins, the value of the havven pool must be established by the token sale. Once determined, this value dictates the maximum supply of circulating nomins. Thus, it is essential to have a large supply to satisfy demand, while also balancing the fee yield so the value of the havvens increases as the network grows.

Fees are generated every time nomins move between wallets. These fees are paid to all havven token holders who have issued nomins and are collateralized. This incentivizes havven holders to both issue nomins and to ensure they are fully collateralized. The transaction fees paid by nomin users are expected to be low, less than 20 basis points per transaction.

In order to determine the initial parameters of the system, we will seed the system with ether backed nomins from the proceeds of the sale. These eth-nomins will be directly redeemable for ether. This will allow us to measure the demand for nomins and to establish the optimal system parameters. Haven holders will still receive fees generated through transactions of eth-nomins, for more details on this please see our blog.

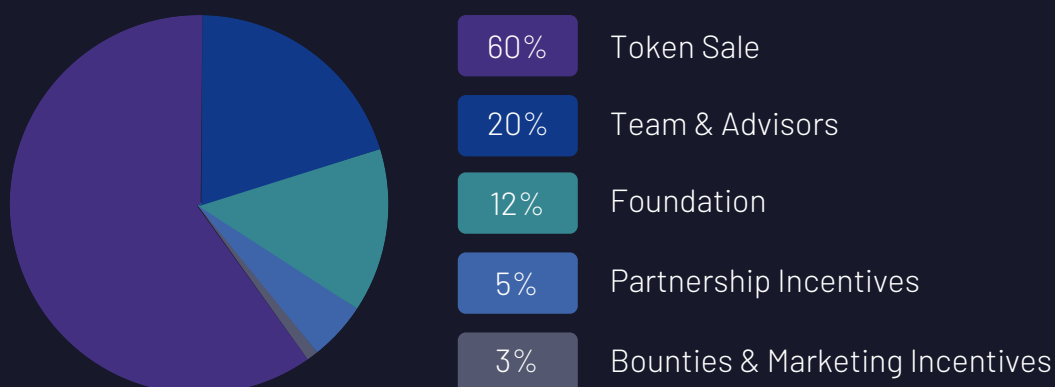
TOKEN SALE

High level approach:

The goal for the token sale is, as described above, to ensure a fair distribution and to establish the haven pool value. A hard cap on the sale of \$30m USD will be applied to ensure the initial pool value is significant but still has room to grow as the network matures. Ensuring continuity of funding for the Haven foundation is also critical to the success of the platform, as the foundation will manage the ongoing governance of Haven. One of the benefits of the fee model is that the foundation will hold havvens that generate fees. This means there should ideally be no need to sell havvens to pay for future cash requirements.

Distribution of Havvens:

SEGMENT	AMOUNT	PERCENTAGE
Token Sale	60,000,000	60.00%
Team & Advisors	20,000,000	20.00%
Bounties & Marketing Incentives	3,000,000	3.00%
Partnership Incentives	5,000,000	5.00%
Foundation	12,000,000	12.00%
TOTAL SUPPLY	100,000,000	100.00%



Discount mechanism:

It is important to incentivise those who believe in the long term success of Haven. To achieve this we will offer discounts to participants who elect to escrow their havvens for a fixed period. These havvens will automatically issue nomins and will receive fees. The discount for escrowing will be as per the table to the right:

ESCROW PERIOD	DISCOUNT
18 months	20%
12 months	15%
6 months	10%
3 months	5%

TOKEN SALE - continued

Participants will be able to choose a blend of escrow periods. So, as an example, someone might choose to escrow 50% of their tokens for 18 months with the rest issued immediately after the token sale – this would yield a discount of 10% across their tokens. This approach is intended to reward commitment to the system.

Expression of Interest Phase:

Starting on the 8th of January we will open an expression of interest period. Anyone interested in participating in the sale will be able to commit to a purchase and place a deposit. They will receive a 30% discount and their tokens will be escrowed for 12 months. Expressions of interest will close on the 31st of January.

Sale Period:

The sale will run from the 28th of February to the 6th of March, 2018.

Auction mechanism:

A proportional distribution mechanism will be used for the sale. Each participant will receive an allocation in proportion with their purchase amount, after factoring in any discounts.

Airdrop & Bounties:

There will be an airdrop campaign prior to the sale, \$1m in tokens will be distributed to users who register for the airdrop on our website. Bounties are also important for a successful sale, both to ensure a wide distribution of tokens and to ensure that users can trade time and effort for upside in the project. Bounty information can be found on our [bitcointalk bounty thread](#).

Use of funds

The funds raised in the sale will be used to support the development of the network and to incentivise market participants to integrate with the Haven protocol. The core development will be focussed on the mechanism design to ensure stability over the long term. This includes significant efforts towards R&D into decentralised oracle functions, scalability and the development of multiple versions of nomins to support currencies other than USD. In addition to this, significant resources will be put towards the mobile applications and wallets to ensure that the interfaces are accessible for new users.

Team and advisor vesting

All team tokens will vest over a two year period, advisors will vest over 12 months. This is to ensure that long term incentives are maintained.

CONCLUSION

The sale has been designed to ensure that the network has sufficient funding to achieve the stated aims of the project, but without compromising the core tenets of fairness and egalitarianism. We believe this approach if executed well will generate significant interest within the community and allow for Haven to launch with strong network effects in place.