

# TokenStars Public FAQ

## TOP-6 QUESTIONS

### What is TokenStars?

TokenStars is the first blockchain company to tokenize celebrities. It aims to disrupt the huge \$25 billion talent management industry by decentralizing it and providing funding and promotion resources to rising stars. Starting with issuing ACE tokens for the tennis vertical, the company plans to expand into new verticals in 2017, including football (GOAL tokens), poker (CHIP), and cybersports.

Young (potential) celebrities need funding and provide share of their income in return. Already successful professionals need more advertising contracts in return for agency commission.

### How does TokenStars make money?

TokenStars' business model is based on the traditional talent management agency (TMA) model. We receive a 20-30% commission from the players' sponsorship contracts. This revenue will be converted into tokens.

This business model is already working. We have signed the first player (Veronika Kudermetova). She was introduced by a scout. And the first promoter (JAMI agency) is close to signing the first advertising contract of \$82K, forming the revenue stream for the agency. Stay tuned.

### Why should the token's price fundamentally rise?

As the TokenStars project grows, the number of sponsorship contracts signed by the players will grow. As a result, the commission of the agency will grow. We will convert our commission into tokens, by buying tokens on the market.

So the more revenue the project has, the more tokens the agency will have to buy. This should positively impact the internal economy. However, bear in mind that markets are unpredictable.

### Who will buy your tokens?

We are focused on three audiences:

1. Traditional blockchain audience.

2. Institutional investors, funds and family offices (as company management comes from the financial industry).
3. Sport fans (brought via multiple sports media partnerships, including Manchester United fans community).

## **When will the tokens start trading on crypto exchanges?**

## **Which crypto exchanges will be chosen?**

We plan to list the ACE token on Bittrex, Bitfinex and/or Poloniex and several other exchanges. This procedure usually takes four weeks after the token issue date, which is scheduled at the end of October (or sooner, if the token issue cap is reached). Every month the team will make public reports with Key Performance Indicators (new players signed, revenue, audience numbers etc.)

## **What is the Index token (STAR) for?**

We believe, this is the best part of the offer. TokenStars will launch multiple verticals one by one, but you can get 'an **early-bird ticket**' to them now (by buying ACE token) and exchange it later via the index token (STAR) into any other vertical (be it football, poker, actors or any other celebrities).

## **YOUNG vs PROs, TEAM**

## **Are you considering working with PROs? I don't want to wait for 4 year until young players mature.**

You don't have to :) We already work with PROs (4 amazing players in the top-100 for tennis), not only the rising athletes. PROs don't need the funding, but do need help with sponsorship deals which our team brings to the table. We've built sales teams of 500 representatives in the past and know the craft.

We have signed our first contract with an established PRO player, Veronika Kudermetova, winner of 19 international tournaments.

## **What is the experience of the executive team that gives a tennis player the trust to go with this group?**

Tokenstars has an amazing mix of talent and expertise.

1. Tennis (coaching and agency side). Anastasia Myskina (No.2 in WTA, Roland Garros winner), Maya Kurilova (ex Operational Director at Octagon agency).
2. Blockchain and IT. Oleg Abdrashitov (Founder of the Synswap blockchain platform and Lead of the Requirements Working Group at Hyperledger blockchain)

initiative). Evgeny Potapov (CEO at IT Summa with 120+ IT clients in Silicon Valley and Europe).

3. Advertising sales. Alex Stratilatov (JAMI agency managing partner), Madina Hooke (Regional Sales Director at Groupon).

4. Online marketing and PR. Irina Shashkina (CMO at Groupon, COO at Rambler). Ksenia Chabanenko (Ex-VP of Communications & BizDev at Mail.ru Group and My.com).

5. Top-management. Pavel Stukolov, a Russian entrepreneur with a strong high-tech and financial background.

6. Investors. TokenStars also has the strong support of its first believer and investor, Forbes top-30 internet entrepreneur Elena Masolova. Joined by Victor Shpakovsky, founder at TokenFund.

## **TOKEN, PRE-SALE & SALE, HOW TO BUY**

### **What are the conditions for presale?**

The pre-sale is going on right now. It ends on September 9.

The minimum amount of tokens purchased during the presale is 10,000 ACE tokens. The bonus for the pre-sale is 15 to 50% of the purchase.

Just contact [ask@tokenstars.com](mailto:ask@tokenstars.com), and we'll send you all the details via email.

### **What are the conditions for the crowdsale?**

The crowdsale starts on September 10, 2017, and ends on October 31 (or sooner, if the token issue cap is reached).

The minimum amount of tokens purchased during the presale is 100 ACE tokens. The bonus during the crowdsale is up to 15% of the purchase.

To buy tokens, you will be asked to sign up at our website. The purchasing option will be available in your profile.

### **Which payment methods are accepted?**

Bitcoin (BTC), Ethereum (ETH).

### **Are ACE tokens ERC-20 compatible?**

ACE tokens are ERC-20 compatible, which carries the backbone functions of the ACE ecosystem.

## **How many tokens will be available during the token sale and how many will be created in general?**

Number of sold tokens cap: 99,000,000.

Number of issued tokens cap: 165,000,000.

For every 60 tokens sold, 20 additional tokens will be issued and retained for the team, partners, and advisors, and 20 additional tokens will be issued and retained for the community.

### **OTHER**

## **Which country are you legally registered in?**

The company to issue tokens is based in the British Virgin Islands. The company to run operations is based in Cyprus.

## **Where did the concept of ACE come from? Who is behind it?**

As of August 2017, there are more than 20 team members. The software development team is based in Moscow, the business development is in Russia, Spain, and Silicon Valley.

The TokenStars' founders are Internet entrepreneurs as well as sports fans and junior players in the past. That is why they saw an opportunity to disrupt the traditional talent management market by using blockchain-related technologies.

## **What is the difference between a classic agency and TokenStars?**

Firstly, TMAs pick just a few junior players, ignoring many other rising talents. We've found about 20 Russian junior tennis players unnoticed by the sole IMG representative in the country.

Secondly, we expect decentralized promotion to bring a significant revenue stream for the players. This does not happen in IMG's case, because only the top players like Maria Sharapova get dedicated advertising managers.

Most players don't even have professional social handlers and can't work with brands.

## **How many players and tennis advisors are signed to date?**

### **Any notable names?**

The first scout has already introduced the first promising player, Veronika Kudermetova. She is a PRO with 19 victories at the tournaments. And we have signed the contract.

The agency is selling sponsorship deals for the 4 successful players in the top-100.

We are also proud to have some star tennis advisors with TokenStars, including Anastasia Myskina (WTA No.2), Sergey Demekhine, and Maya Kurilova.

### **What is the ACE token?**

First, ACE is a product token which offers unmatched opportunities, like hours of training with players, meetings, tickets, advertising with celebrities for platform users, etc. These services are bought for tokens. The more often a token is used, the better it is for all participants.

Second, agency commissions will be converted into tokens. As TokenStars develops, the number of sponsorship contracts signed by the players will grow. As a result, the agency commissions will grow. Accordingly, we will convert our commissions into tokens, which means we buy tokens on the market. The more revenue, the more we buy. This positively impacts the internal economy.

Third, the ACE token plays a crucial role in the ACE ecosystem, since it provides voting rights in the decentralized community voting mechanism. ACE holders will have the opportunity to vote on various decisions, thus influencing the success of the platform. Then, it serves as a fundamental unit of accounting and a method of payment for its agents, specifically scouts, promoters, and advertisers.

### **Superstars' success is unpredictable!**

Indeed, it is unpredictable if a particular talent becomes a superstar; that is why we have not included superstars in any of the scenarios we've developed. Please check out our three forecasts (pessimistic, realistic, and optimistic) on p.49 of the WP. Additionally, we select cohorts of 20-30 players, which raises the chances of success.

### **If the hard cap is not reached during the token sale, will the remaining tokens be destroyed?**

Yes, the remaining tokens will not be issued (except for the pool reserved for the community).

## **Who ensures that the money is spent for the right purpose?**

We'll transfer funds to the athletes' parents quarterly (until the athletes reach the age of 18). We will track the athletes' expenses. Fraud is easily recognizable and will be stopped.

Part of the money transferred has strict limitations on the use of funds; e.g., it can only be spent on travel to foreign tournaments.

Additionally, we will ask every supported player for regular reporting.

## **How can the young players earn money?**

\$10k contracts with sports brands like Nike and Yonex are typical for successful 14-year-old players.

Our first advertising partner (JAMI agency) forecasts that youth brands will be interested in working with juniors.

## **How much does it cost to support one player?**

The estimated training costs for a junior are about \$100,000 a year. Lack of funding is a typical problem, which almost all current stars faced as juniors.

## **Why do you issue several tokens instead of one?**

Money from the ACE project token sale will help to form the cohort of tennis players, while the GOAL project is purposed for forming the football players' cohort.

Those sports differ significantly in players' selection ages, home countries, average grant amounts, first prizes, federation rules restricting the agents' rights, etc.

Therefore, agreements will be different, complying with FIFA's or ATP's rules, and engage special scouts from the verticals, respectively.

## **Will the ACE/STAR rates be fixed? Or will they fluctuate according to popularity of the sport?**

The rate will fluctuate. But the exact formula will be announced closer to the football token sale. Before that, there's no sense in exchanging.

## **Which countries can the token holders be from?**

Token holders from all over the world except for the United States of America are allowed during pre-sale and sale. If you are the US resident you'll be able to purchase the token after its listing on crypto exchanges.

