



# JOINTER'S LIQUID ECONOMY

Version 2

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**This project is in beta. Use at your own risk.**

## **THIS IS NOT AN OFFER TO PURCHASE OR SELL SECURITIES:**


This White Paper is for informational purposes and is not an offer to sell or a solicitation of an offer to buy any securities in Jointer (the “Company”), and may not be relied upon in connection with the purchase or sale of any security. For US Investors’ interests in the Company, if offered, will only be available to parties who are “accredited investors”, “qualified purchasers”, (as defined in Rule 501 promulgated pursuant to the Securities Act of 1933, as amended) and who are interested in investing in the Company on their own behalf. Any offering or solicitation will be made only to qualified prospective investors pursuant to confidential subscription documents, including a private placement memorandum, all of which should be read in their entirety.

### **Forward-Looking Statements:**


This White Paper contains “forward-looking statements.” These forward-looking statements are based on the Company management’s reasonable expectations and assumptions as of the date of this presentation regarding important risk factors. Jointer has based these forward-looking statements on our current expectations and projections about future events. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Jointer cannot guarantee and does not guarantee future results, levels of activity, performance or achievements.

# Who We Are


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## Background

Jointer is a decentralized financial (DeFi) and property technology (PropTech) based on a Decentralized Autonomous Organization (DAO) established in 2017 in Silicon Valley, CA and expanded to include Tel Aviv, Israel. Jointer has invested talent, resources, and funds to build an alternative to Commercial Real Estate syndication, scaling the needs of investors and owners in a complete and independent end-to-end blockchain syndication and investment solution.

Jointer is a multi-award winning company, including:



**A \$1,000,000 "Best Startup in the World" prize in 2018 during a worldwide competition between 4,000 startups and 196 countries**



**Winner of the Disruptive Startup Award at Stanford University in 2019 by a panel of Google, SoftBank, Bain Capital, Thomson Reuters, Stanford Angels, BMW, Andreessen, NEA, and other top VC Funds,**



**First place for the Disruptor Daily "Blockchain in Real Estate" Disruptor Award,**



**Most promising venture from the Carnegie Mellon University US-China Innovation and Entrepreneurship Association**

In addition to Draper Venture Network inclusion, Jointer's prestigious advisory group includes Nobel Prize Winners, the previous Chairman of the SEC, the previous Vice Chairman of the NASDAQ, founder of Visa, the previous Chief Economist of the U.S. Department of State, founder of LA Blockchain Summit (CIS), the CFO of Yahoo, the co-creator of Bitcoin's prototype, and other luminaries.

Through years of work, Jointer has created a decentralized fund of funds syndication economy utilizing the blockchain while providing uncorrelated returns, diversification, and unlimited liquidity. The syndication economy is powered by a world's first patent-pending multilayer system that helps to increase the company's valuation daily while preventing a value decrease, regardless of market volatility or manipulation. This syndication economy system can be applied to a multitude of industries, including insurance, venture capital, and many more. Jointer's first use case will be commercial real estate.

## Jointer's Vision – A Safe and Profitable Alternative for All

Jointer strives to democratize and simplify the Commercial Real Estate industry so that every investor, even one with zero knowledge or experience, will have the opportunity to enjoy lucrative returns along with low risk cross-collateral investing and high liquidity. Jointer is an alternative to Commercial Real Estate syndication that provides increased access and higher returns.

“

**“Jointer's new syndication approach presents a better solution that has the potential to disrupt the real estate industry”**



**David Weild IV**

The former Vice Chairman of the NASDAQ and Father of the US JOBS Act



# Jointer Syndication Economy

## Overview

The Jointer Syndication Economy is powered by 3 different and unique asset classes, JNTR, JNTR/ETN, and JNTR/STOCK. The goal of the three asset classes is to meet all investor needs for continuous liquidity, improved risk distribution, and high returns.

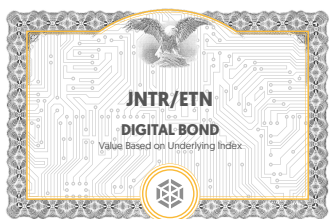


Jointer's digital assets are managed on a distributed ledger, the Binance Smart Chain, with full transparency and 24/7 access.

Jointer's Syndication Economy focuses on short and long term value for investors. The decision to create an inclusive Syndication Economy fits within Jointer's mission to make Commercial Real Estate available to everyone. In accomplishing this, Jointer presents three asset classes that aim to fit the needs of every investor:



**JNTR** is a liquidity bridge that serves as a transfer of value between traditional commercial real estate securities (JNTR/ETN and JNTR/STOCK) and digital currencies.



**JNTR/ETN** is akin to an Exchange-traded Note (ETN) that is pegged with 2X leverage on the Dow Jones Global Select REIT Index, aiming to provide ~20% returns per year.



**JNTR/STOCK** is preferred shares in Jointer, gaining value as the company grows and the Net Asset Value (NAV) increases.

# Jointer's Liquid Economy

Recognizing the importance of liquidity for investors led Jointer to develop Jointer's Liquid Economy. The goal of the Liquid Economy is to provide trust and liquidity options to all of Jointer's investors. To accomplish the goal, Jointer's Liquid Economy is composed of the Liquidity Reserves' Protocol and leverages the Law of Scarcity.

# Jointer's Liquidity Reserves' Protocol

Jointer's Liquidity Reserves are powered by multiple smart contracts creating multiple reserves and tiers of decentralized rules on top of UNISWAP's relay protocol. The Reserves are funded with 10% of all investment received to support everlasting liquidity for investors and JNTR's sustainability. In accomplishing these goals, Jointer utilizes a Main Reserve, a Side Reserve, a Turnover Reserve, and an Overflow Reserve.

All Liquidity Reserves are fully decentralized, without any interference from Jointer or any other centralized party.

## The Main Reserve

The Main reserve has two responsibilities, one is to provide ongoing liquidity for JNTR holders when they redeem their JNTR and secondly to calculate JNTR's face value.

To establish Jointer's Main Reserve, Jointer uses the UNISWAP protocol to store funds and JNTR into two pools that act as a fractional reserve for redemption. One pool holds JNTR and the other pool holds BNB. Every time BNB or JNTR is added or removed from their respective pools, the JNTR face value will change. Therefore, when BNB is added to the pool, JNTR is removed from the other pool. As a result, JNTR's face value increases. Conversely, if JNTR is added to the pool, BNB is removed from the other pool and as a result, JNTR's face value decreases.

### Main Reserve Funding

The Main Reserve consistently receives up to 3% of the total Jointer Auction investment as well as splitting surplus funds from the Side Reserve.

### Main Reserve Redemption Recovery

Every time users deposit JNTR through the Main Reserve, the Side Reserve recovers the Main Reserve to keep JNTR's face value the same even after the redemption. The automated process uses digital currency in the Side Reserve to swap with the Main Reserve for the redeemed JNTR.

## Financially Engineered Calculation of JNTR's Face Value

JNTR's face value changes with every currency deposited to pool A or when JNTR is purchased from pool B. Therefore, the ratio between pool A and pool B determines JNTR's face value.

### Example of JNTR Redeemed

- Pool A has a \$100 value of digital currency and pool B has 100 JNTR.
- The value of JNTR is \$1 based on pool A/pool B ( $100/100$ ).
- If 2 JNTR are redeemed (meaning deposited into pool B in exchange for funds from pool A), the first JNTR will be redeemed at \$1.
- Subsequently, the pools recalculate the ratio, which is now \$99 in pool A and 101 JNTR in pool B.
- Therefore, JNTR's new face value is \$0.98 ( $99/101$ ).
- The second JNTR will be redeemed at \$0.98.
- After this redemption, the pool ratio changes to \$98.01 in pool A and 102 JNTR in pool B.
- So after the 2 JNTR are redeemed, the new JNTR face value is \$0.96.

### Example of Digital Currency Deposit

- When Jointer Liquidity Reserve Protocol sells JNTR, it uses the digital currency allocated to the Main Reserve to purchase JNTR from pool B and deposit funds to pool A. This automated action increases JNTR's face value relative to the new ratio between pool A and pool B.

## Face Value Restoration

Since JNTR's face value is derived from the Main Reserve and investors redeem from this reserve, it is important the Main Reserve maintains liquidity. Therefore, the Main Reserve is replenished by the Side Reserve. If two orders are placed simultaneously, the side reserve is responsible for refilling the main reserve between each order to the exact same face value it was before the first redemption

### Example

- 100 JNTR are deposited to the Main Reserve(as part of the redemption process)
- The Side Reserve has available funds so it withdraws 100 JNTR from the Main Reserve, restoring the Main Reserve's exact previous face value.

## Protection against manipulation and volatility

Since the face value of JNTR relies on pool A which holds BNB in the Main Reserve, there must be protections against market manipulation or volatility. If protections were not in place, JNTR would be altered in an unreasonable manner every time BNB changes value or each time someone sends funds directly to pool A to the blockchain address. Therefore, Jointer implemented an automated process to ensure neither potential reality could harm JNTR's integrity.

### BNB increases in value

- Every time BNB increases value, the smart contract triggers relative pool liquidation (using the Relay ownership tokens) from both pool A and pool B to keep the ratio the same.
- The pool liquidation amount is equal to the volatility percentage change. After liquidation, the smart contract redeposits JNTR back to pool B and sends the BNB to the Turnover Reserve.
- This process balances the JNTR face value to the original position before the BNB value increased.

### BNB decreases in value

- Everytime BNB decreases value, the smart contract triggers relative pool liquidation (using the Relay ownership tokens) from both pool A and pool B to keep the ratio the same.
- Each pool's liquidation amount is equal to the volatility percentage change.
- After liquidation, the smart contract redeposits BNB into pool A and sends JNTR to the Overflow Reserve.
- This process balances the JNTR face value to the original position before the BNB decreases.

### Direct deposit to pool A

- Every time there is a direct deposit to pool A, the smart contract triggers relative pool liquidation from both pool A and pool B to keep the ratio the same.
- After liquidation, the smart contract redeposits JNTR back to pool B and sends the BNB to the Turnover Reserve.
- This process balances the JNTR face value to the original position before the direct deposit to pool A.

### Direct deposit to pool B

- Pool B is protected by a smart contract that prevents any JNTR deposits outside the Jointer system.

## The Side Reserve

The Side reserve has two responsibilities, to recover the Main Reserve which protects JNTR's face value, and provide excess funds to the Main Reserve to increase liquidity depth. Funds are not directly withdrawn from the Side Reserve by investors, rather the Side Reserve communicates directly with the Main Reserve and refills the Main Reserve after redemptions.

The Side Reserve protects JNTR's face value from decreasing in the Main Reserve by providing digital currency for the redeemed JNTR in the Main Reserve. The Side Reserve increases liquidity depth by pushing surplus Side Reserve digital currency to the Main Reserve in exchange for JNTR.

### Side Reserve Funding

The Side Reserve consistently receives at least 7% of the total Jointer Auction investment.

### Side Reserve Refill

Since the Side Reserve is used to recover redemptions from the Main Reserve, there may come a time when the reserve falls short. If the Side Reserve is unable to recover the Main Reserve completely, the Turnover Reserve will refill the Side Reserve to allow it to complete this process.

## The Turnover Reserve

The Turnover Reserve acts to automatically and responsibly refill the Side Reserve.

### Turnover Reserve Funding

The Turnover Reserve receives 10% each time investors purchase JNTR through channels other than the auction, such as purchasing JNTR from the protocol for JNTR/ETN or JNTR/STOCK.

### Turnover Reserve Triggers

The Turnover Reserve has two triggers that spring it into action. One, to refill the Side Reserve when it is empty and two, to initiate the Relay ownership token to liquidate the main reserve pool.



# The Overflow Reserve

The Overflow Reserve Protocol purchases JNTR throughout different processes included in the multiple reserves. The Overflow Reserve holds all of these JNTR and uses them to create liquidity and to regulate the Main Reserve.

## Overflow Reserve Funding

The Overflow Reserve receives funds from two sources, the main reserve and from investors swapping JNTR through SmartSwap.

First, the Overflow Reserve receives JNTR from the Main Reserve every time the Main Reserve uses digital currency to purchase JNTR from the pool. Second, JNTR is added to the Overflow Reserve everytime investors swap JNTR for JNTR/ETN or JNTR/STOCK.

## Overflow Reserve Triggers

When the Overflow Reserve runs out of JNTR, it will trigger the relay ownership token to liquidate the Main reserve and refill the Overflow reserve with JNTR.

# Relay Ownership Tokens

The Relay Ownership tokens represent ownership of the two pools in the Main Reserve. The holder of the relay has the ability to redeem up to 100% of the currency from the Main Reserve pools. The Liquidity Reserve protocol utilizes the Relay token to partially liquidate, from both Main Reserve pools, creating a decentralized circuit breaker that does not affect the JNTR face value.

Relay Ownership token responsibilities include:

1. Recovering the Turnover reserve and the Overflow reserve.
2. Stabilizing JNTR face value against market volatility and price manipulation.
  - a.. **Increase in currency market price** - When the digital currency (Binance's BNB) market value in pool A increases, the value of the entire pool increases. So if the currency increases by 10% the value of pool A would increase from \$100 to \$110. Without the Relay Ownership token, the value of JNTR, which is determined by pool A, would increase. Because of the Relay Ownership token the crypto market price volatility never affects JNTR's face value.

Jointer accomplishes this by automatically redeeming 10% from both pool A and pool B, then depositing back into pool B enough JNTR to return it's face value to its starting value before the 10% currency market price increase.

- b. **Decrease in currency market price** - When the digital currency (Binance's BNB) market value in pool A decreases, the value of the entire pool decreases. So if the currency decreases by 10%, the value of pool A would decrease from \$100 to \$90. Without the Relay Ownership token, the value of JNTR which is determined by pool A, would decrease. Because of the Relay Ownership token, the crypto market price volatility never affects JNTR's face value.

Jointer accomplishes this through automatically redeeming 10% from BOTH pool A and pool B, then depositing back into pool A enough currency until the face value of JNTR reaches it's starting face value before the 10% currency market price depreciation.

- c. **User manipulation** - If Jointer's system were to receive funds directly into pool A from an attacker looking to manipulate the JNTR face value, the system process compensates by redeeming an equal % of the manipulated JNTR from the relay in an equal amount from both pool A and pool B. Then the Liquidity Reserve process deposits enough JNTR into pool B until the face value of the JNTR returns to its initial face value before the attack.

## Liquidity Reserve Redemptions

Investors are able to access the on-chain Liquidity Reserves through the Jointer web portal. The portal allows users to interact with the Reserves without needing a counterparty for a trade.

### Infinite liquidity with slippage

Slippage is traditionally used to provide price discovery without a counterparty but the price discovered may not be the exact price at which the trade is executed because of slippage. The slippage on a trade is the variance between the expected price which is discovered before the transaction is executed and the final, exact price at which the trade executes.

Depending on the size of the trade and the available liquidity, each transaction will have different slippage. The larger a given withdrawal is compared to the liquidity in the pools, the higher the price slippage on the transaction will be.

From a mathematical perspective, this makes the liquidity unlimited and provides the ability to restore JNTR's face value after any event. The entire process is automated and processed on public blockchains which means JNTR's face value can increase value but can never decrease.

## **Price slippage recovery**

Jointer financially engineered the Reserves to provide a perfect price slippage recovery for investors which goes beyond the simple slippage model. Utilizing the Side Reserve to consistently recover the Main Reserve after a redemption of JNTR provides price slippage recovery for the next investor wanting to redeem JNTR.

### Example

- 🌀 The Main Reserve executes a redemption request reducing the digital currency in pool A while adding JNTR to pool B, which traditionally increases the slippage for the next investor
- 🌀 After the trade is executed, the Side Reserve withdraws the same amount of JNTR from pool B to the Side Reserve
- 🌀 The Side Reserve withdrawal brings the face value to the original position before the redemption and decreases the slippage back to the initial value before the redemption
- 🌀 Therefore, the next investor is not damaged by the investor redeeming JNTR first as they both receive the same slippage calculation

N.B. JNTR's face value recovery takes place between displays to avoid quick trading investors or API players who may abuse the temporary face value change. This means, the volatility due to redemption is recovered by the Side reserve in a way that is transparent to the public.

## **Continuous liquidity during zero investment**

Even in a scenario where no reserve allocation is received because there is zero auction investment, the contribution trigger will initiate an automatic process to provide funds to the Main Reserve.

If the Side Reserve has enough funds it will contribute to the Main Reserve up to 1:1 value of yesterday's Main Reserve Contribution amount.

If the side reserve does not have enough funds to contribute to the Main Reserve, the Turnover will recover the Side reserve. Similarly, if the Turnover does not have enough funds to recover the Side reserve, the Turnover Reserve will automatically trigger the Relay ownership token to liquidate 10% of the Main pools.<sup>1</sup> The process takes 10% of the proceeds from liquidation to push capital to the Turnover Reserve, which in turn refills the Side Reserve, allowing it to follow normal processes and directly contribute up to 1:1 value of yesterday's Main Reserve Contribution amount.

The contribution trigger allows continuous liquidity and growth even without Auction investment.

## **Matching Contributions**

Every time the Side Reserve has extra funds it uses the funds to match original contributions to the Main Reserve at a 1:1 ratio. This method, also referred to as tag along contributions, is designed to increase the liquidity in the Main Reserve cautiously and responsibly, following the organic demand and making sure not to disproportionately boost the face value of JNTR.

## **Mirror the Federal Reserve's Economic Psychology**

As mentioned above, JNTR was financially engineered to set a face value floor and constantly increase. Therefore, much like the Federal Reserve Gold system used to back currency, economic psychology plays a role in secondary trading.

The psychology assumes that the secondary markets will follow closely to JNTR's face value in the Liquidity Reserve. This is similar to the old Federal Reserve Gold system to back currency because although the gold is not physically traded, the paper currency receives a denomination as if it were and it is traded on secondary markets following this mindset. This same concept applies to Jointer's Liquidity Reserves and Syndication Economy. JNTR's face value can be trusted since there is an option to redeem for digital currency from the Liquidity Reserve process, just like the Federal Reserve.

For example, if the system offers JNTR redemptions for \$1 and after a few days the ratio in the reserve increases, pushing JNTR's face value to \$2, it is unlikely that JNTR will trade on secondary markets for a value that deviates far from \$2. When the number deviates enough, an arbitrage opportunity arises creating incentive to close the difference between the two values.

<sup>1</sup> Liquidating relay tokens reduces the numerator and denominator of total available tokens in the pool and Jointer assets equally by 10% without changing the token value or token ratio. Learn more about UNISWAP protocol: <https://uniswap.org/docs/v2/protocol-overview/how-uniswap-works/>

So in other words, Jointer's Liquidity Reserves allow the public the ability to enjoy from JNTR's growth with decentralized mechanisms that once a floor is established, the face value cannot drop below it, while being supported with unlimited liquidity.

## **Arbitrage Pricing Theory**

As well as benefiting from the Liquidity Reserves, JNTR's secondary market value will also utilize the Arbitrage Pricing Theory. The theory holds that an asset's expected return allows sophisticated investors to recognize discounts which allows them to increase their rate of return on an investment.

Therefore, since JNTR is a way of payment to purchase JNTR/STOCK and JNTR/ETN investors calculate that they receive a higher rate of return by purchasing discounted JNTR in the secondary market. Purchasing JNTR at a discounted rate and using it to purchase JNTR/ETN or JNTR/STOCK, investors receive real estate backed assets for a fraction of the face value.

## **Law of Scarcity**

Jointer's main goal is to build a liquid economic structure that naturally creates high demand and low supply in the secondary market. Jointer achieves this goal through fully transparent and automated protocols to create scarcity on the secondary market:

- 1 Restrain JNTR daily appreciation
- 2 Daily Contribution Cap
- 3 90% JNTR downside protection
- 4 Network staking
- 5 Investment power
- 6 Premium buy-orders
- 7 Gateway to secondary market

## Restrain JNTR Daily Appreciation

Jointer's longevity and liquidity in the market relies on the Auction to thrive. If JNTR's price appreciates too quickly, investor's would be more apt to sell the JNTR they won at a discount on the secondary market. A deep discount on the secondary market would risk reducing the appeal to investors of participating in the Auction.

Therefore, Jointer created a smart contract that regulates JNTR's daily appreciation in a decentralized manner. The smart contract is not controlled by Jointer and limits JNTR's appreciation to 120% greater than yesterday. When JNTR's appreciation naturally rises above 120%, the Main Reserve transfers the remaining funds to the Side Reserve.

## Daily Contribution Cap

Since JNTR's supply is driven by demand, the total amount of contributions must scale with liquidity in the market. Therefore, not only is the starting JNTR supply low but investments are capped at 150% of the previous day.<sup>2</sup>

### Example

🌀 On day 2, if the Auction receives \$1,000 in investments, the contribution cap on the following auction day cannot exceed \$1,500.

(Read more at [Maximum Auction Investment](#))

## 90% JNTR Downside Protection

Jointer presents investors reduced risk investing (Downside Protection) by locking 90%<sup>3</sup> of their total investment into a smart contract. Only the investor has access to the contract and can cancel at any time, presenting investors peace of mind when investing in Jointer's Syndication Economy.

<sup>2</sup> Exception is the higher ground rule mentioned below

<sup>3</sup> Both personal and individual bonuses are locked in Downside Protection

- 1 **An initial investment for JNTR is received**
- 2 **90% of the investment, along with the JNTR and any group or individual bonuses, will be locked on an escrow smart contract**
- 3 **After one year, 90% of the investment will automatically release to Jointer and the assets will release to the investor**
- 4 **At any time before the year ends the investor has the option to waive the protection and get the locked JNTR or to cancel the investment and receive 90% of their investment back**

#### Example

- Assume today's baseline supply is 100 JNTR and the maximum investment is \$100
- Investor invests 100% of total allotted investment and therefore receives 100% of the daily total supply
- The group bonus will increase the supply so the investor receives 200 JNTR
- This investor would be eligible for an additional 50% personal bonus of 100 JNTR, bringing their total to 300 JNTR
- Because of downside protection, the investor will receive 10 JNTR immediately and the remaining 290 will be locked in Downside Protection along with \$90 (90%) of the investment

## Network Staking

Jointer creates a staking incentive network that focuses on building ongoing, mutually beneficial relationships with investors. The other benefit of the network is that it helps achieve Jointer's goal to reduce supply in the secondary market while encouraging investors to unlock their downside protection. Allowing Jointer to invest in Real Estate and add funds to the Liquidity Reserves.

Staking is triggered when investors unlock their downside protection and send their JNTR to a staking contract to receive a daily JNTR award. Investors can choose to unstake their JNTR at any time without restrictions.



By staking their JNTR, investors receive a portion of the total daily minted JNTR. The 1% portion is split into pro-rata portions with other investors choosing to stake. When investors withdraw their JNTR from the staking contract it will include the original JNTR amount plus the accumulated staking award.

## Staking guidelines

- Staking is only available for the locked JNTR in downside protection. Once an investor unlocks their JNTR they can never enroll in the staking program
- Staking rewards are generated on a daily basis and distributed pro-rata between all staking users. Rewards are added to a ledger associated with the user and recalculated daily. The longer users choose to stake, the greater their cumulative pro-rata position
- Daily staking reward amount is paid in JNTR
- Staking simulations produced between 15-50% total potential ROI per year

## Investment Power

Investors must hold JNTR to participate in the daily Auction, effectively placing a hold on selling a relative amount of JNTR as well as increasing buying demand on the secondary market. Investment power is equal to the amount of unlocked/unstaked JNTR held in an investor's wallet. Investors can invest in Jointer's Auction up to 100% (1:1 face value) of their unlocked/unstaked JNTR holdings at the time of the investment.

If an investor does not have enough investment power to participate in the auction, they will either need to unlock/unstake their JNTR or purchase more from the secondary market or SmartSwap.

### Example

- 🌀 Investor holds in the wallet \$100 worth of JNTR
- 🌀 Investor may invest up to \$100 in the auction
- 🌀 Investor will need to unlock, unstake, or purchase more JNTR from other users via the secondary market to invest more in the Auction

N.B. Investment power will start after day 5 to allow the first investors to become the secondary market's first sellers.

## Potential Premium Buy-orders

Once a daily Auction achieves the group bonus, which guarantees a 50% discount on JNTR, investors may calculate that they still benefit from paying more for JNTR on the secondary market. Since it is required to have JNTR for investment power, investors will welcome the opportunity to pay a premium to in turn receive an overall net gain.

### Example

- 🌀 JNTR in the secondary market is \$1
- 🌀 The Group Bonus is achieved in the daily Auction
- 🌀 If the investor paid a 20% premium on JNTR in the secondary market to invest in the Auction, the net profits are as high as 60%

*Calculation - \$0.50 Auction profit - \$0.20 secondary market premium*

## Secondary Market Gateway

In order to protect the integrity of JNTR's price and protect against a flood of secondary market supply, Jointer placed restrictions on their pre-minted digital assets and the ongoing company supply.

All pre-minted JNTR, JNTR/ETN, and JNTR/STOCK and ongoing JNTR minted as the management fee are restricted from direct access to the secondary market, Liquidity Reserves, SmartSwap, and Atomic Swap.

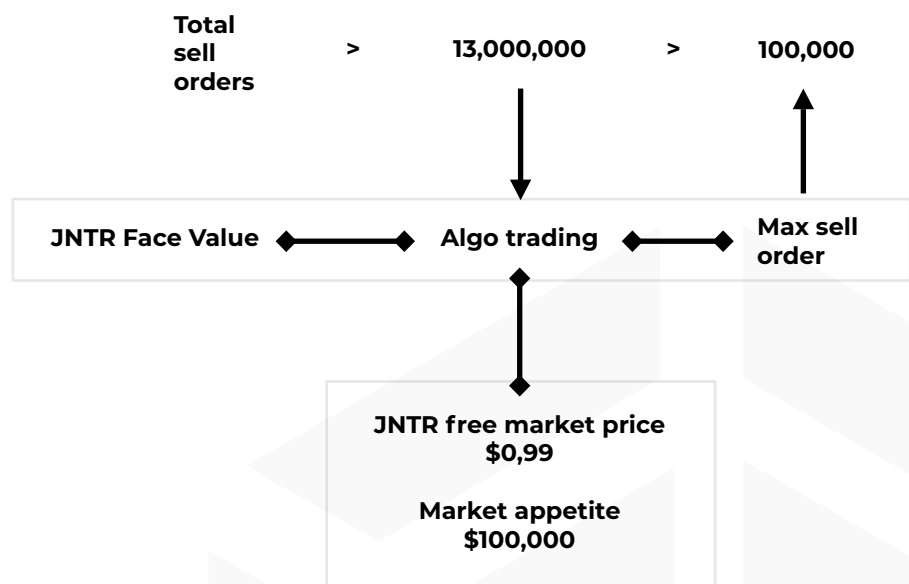
All Jointer's digital assets under this classification are automatically placed into a digital escrow contract. This contract only allows Jointer's digital assets to be sent to a single address<sup>4</sup>, the Gateway.

The Gateway engages with the secondary market through an API and makes trades based on the calculations of an algorithm which determines market demand. As a result, early investors, founders, providers, and others will receive liquidity without harming Jointer's digital assets face value.

Once a sell order is completed, the proceeds will be sent back to the escrow to be split pro-rata between the group itself.

<sup>4</sup> These tokens will eventually be allowed to be transferred to personal storage wallets and family members; the minimum time period is one year.

Group		Allocation	Users	JNTR sell orders	
Group 1	Investors	40%	User A	>	1,000,000
			User B	>	1,000,000
			User C	>	1,000,000
Group 2	Founders	40%	User A	>	1,000,000
			User B	>	1,000,000
			User C	>	1,000,000
Group 3	Employees	5%	User A	>	1,000,000
			User B	>	1,000,000
			User C	>	1,000,000
Group 4	Advisors /Providers	5%	User A	>	1,000,000
			User B	>	1,000,000
			User C	>	1,000,000
Group 5	Company	10%	User A	>	1,000,000



# Jointer Auction

Jointer is a decentralized open-ended fund syndicating investment through daily auctions which in turn is invested wholly in Commercial Real Estate and the Liquidity Reserves. The Auction provides investors JNTR with dynamic rewards to encourage investors to invest the maximum daily amount.

Each auction day, investors have the opportunity to invest as much or as little as they desire to receive their pro-rata JNTR supply while still benefiting from the purchasing power of the whole group.

Every auction runs daily opening at 12:00 PM GMT and ending at 11:00 AM GMT. The one hour pause is for potential system maintenance and distribution.

# Establishing and Setting Goals

The goal of each Auction day is based on the total amount of funds raised the day before. The daily amount raised becomes the following day's goal. This process repeats itself daily, always setting the goal based on the previous day's fundraising amount at the conclusion of the auction.

## Establish the First Goal

**DAY  
1**



## Setting Daily Goals

**DAY  
Infinity**

The goal on Auction Day One is set by Jointer because it cannot be set by yesterday's contributions. After day one, daily goals are set by the market, not Jointer. At the end of each auction the total supply is distributed to the investors that participated, regardless of the results. Therefore, even if the total starting supply is worth \$10,000 and the investor or group of investors invest only \$0.01, they still will receive the entire supply.

On day one of the Auction, Jointer is setting the starting mint at 50,000 JNTR.

### Example

Auction Day	Goal	Total Investment Amount
1	\$500	\$500
2	\$500.01	\$750
3	\$750.01	\$693
4	\$693.01	\$1039.51

NB. Each Auction day's starting mint is calculated based on yesterday's results. This amount increases when the contributions exceed yesterday's investment results.

# Maximum Auction Investment

Daily, during Auction hours, investors have the opportunity to invest as much or as little as they desire as long as the total investment, from all investors combined, does not exceed the maximum investment allowed, which is 150% of the previous day's investment amount.

## Higher Ground Minting Rule

Since the daily maximum contributions are directly tied to auction performance, Jointer needs to set an exception rule for unexpected investment behavior. Therefore, when yesterday's total investments are lower than the total investment of the day prior to yesterday, Jointer takes the average of the previous 10 days of investments when deciding the new maximum amount.

Formula

If yesterday's investment is higher than the day before yesterday than:

$$\text{Yesterday's total investment} * 150\%$$

If yesterday's investment is lower than the day before yesterday than:

$$\text{The average calculation of 10 Days} = (\text{Total investment in the last n days}) / n \text{ days} * 150\%$$

N.B. The smart contract uses whichever calculation is higher.

Example

Yesterday's total Investment = \$10,000

Total investment of the day before yesterday = \$25,000

$$(10 \text{ day average} = \$23,586) * 150\% = \text{Today's max investment } \$35,379$$

## Minting

The Auction's daily supply is determined by daily contributions to ensure the supply meets demand. While determining the daily mint, Jointer will take yesterday's total contributions and divide that by JNTR's face value price at the end of the day.

### Example

Auction Day	Total investment amount	JNTR	Goal Achieved?	Next day mint
1	\$500	\$0.01003002	YES	50,000
2	\$750	\$0.01012036	YES	74,108.04
3	\$693	\$0.01025663	NO	67,566.05
4	\$1039.51	\$0.01046273	YES	99,353.61

[see full simulation](#)

## Game-theoretic Auction: A Mathematical Game

The auction is designed around Game-theoretic models<sup>5</sup> where the investor's total benefit depends on both their individual performance and a common group investment goal. The individual and group benefit creates unique symmetric equilibrium amongst investors.

The game begins each Auction day when there is zero investment and opportunistic investors that may invest the smallest amount possible to win the entire offering at a discounted rate, while hoping that the total investments after their investment will not increase significantly. If this happens, participants win a disproportionate discount.

For example if the total JNTR daily Auction supply is worth \$10,000 and investors invest a total of \$1, the discount to participating investors will be equal to 99.99999%.

It is likely at this stage that investors recognize the opportunity and immediately invest as well to take advantage of the large discount. When the \$1s accumulate and become \$1,000, the total group discount starts to go down to 90% and then furthermore as the total investment keeps increasing.

<sup>5</sup> Tong Li, Isabelle Perrigne and Quang Vuong, The RAND Journal of Economics Vol. 33, No. 2 (Summer, 2002), pp. 171-193



This strategy creates a positive dilemma,

*“Should I invest the smallest amount possible in hopes that all other investors do the same? Will the discount remain high enough for all, even if I receive a smaller portion relative to all other investors?”*

- OR -

*“Should I invest a large amount proportionate to others, in hopes of increasing my personal share proportionate to all other investors, and hope that they will not do the same?”*

This dilemma can lead to a global competition between investors acting to serve their own personal interest by increasing their proportional investment to gain a bigger share from the total supply. More to that point, Jointer creates an added incentive as an individual bonus. This bonus provides the top five (5) daily investors an extra bonus up to 50% on all JNTR they received.

The combination of temptation and human disordered desire for “more than”, along with self-interest as a motivating human action, creates a high possibility that the total investment each day will increase towards the daily goal, resulting in a reduced discount to all. In fact, once the exact total investment amount from yesterday has been met, the daily goal reached and the discount to all will be 0%.

#### The Next Dilemma

As the total discount decreases with every additional investment, at some point the group and the individual interest may become more aligned with avoiding additional investment to keep the discount from dissolving. At this point, the game-theoretic auction creates a new dilemma to participants by offering a new option to keep investing until the 0% discount is reached. This will open the opportunity to invest only \$0.01 more to exceed yesterday's total investment, triggering the Group discount and regaining a 50% discount to all.

Once the group discount triggers and there is a guaranteed 50% discount for all, new types of investors may be encouraged to participate (skeptical that wait on the bench to see first the final discount outcome) and as a result may lead to the final phase of behavioral economics to avoid loss aversion. which means the group of investors that was the force behind the group discount's trigger, may feel that new investment is coming at their expense and shrinking their proportion supply, that thought may lead them to preserve their pro-rata position by investing more.

Also we believe that once the 50% discount to all is guaranteed, investors may buy JNTR on the second market at a premium price. (read more about it in Premium buy-orders)

## Daily Auction Incentives

Jointer provides investors incentives to benefit the group as a whole while still optimizing their own personal benefit. The group is encouraged to outperform the previous day while individuals are incentivized to lead the daily investments and invest the maximum allotted by the Auction on that day. The dual bonus structure provides both large and small investors an opportunity to benefit from the daily success as a group and as an individual.



### **The Group Discount**

Allows everyone to benefit from a greater JNTR discount of 50% once the auction exceeds yesterday's total investment.



### **The Individual Bonus**

Benefits the top five (5) largest contributors to the round by offering a multiplier that incentivizes daily lead investors.

Both bonuses are uncapped but cannot exceed the daily investment cap.

## Group Discount

The Group Discount is earned through the minting of additional JNTR for distribution. The smart contract increases the number of JNTR minted based on successfully surpassing yesterday's total investment. This allows all investors to benefit from the daily success of a 50% discount and encourages group participation and engagement.

### How the group bonus minted

The daily auction minted supply doubles at a 2:1 rate after the total investment outperforms the previous day's total investment. Minting continues to increase proportionally with more investment, up to the daily investment cap.

#### Calculation

If today's total investment > yesterday's total investment then  $((\text{today's total investment} / \text{yesterday's total investment}) * 2) * \text{baseline supply}$

#### Example

🔸 If yesterday's total investment was \$10,000 and today's total investment stands at \$15,000 with a baseline supply of 10,000 JNTR, the extra supply for the group discount will be 20,000 JNTR ( $\$15,000 / \$10,000 * 2 * 10,000 = 30,000$ ).

## Individual Bonus

Investors are incentivized to lead the daily investment round. The bonus is based on their place amongst all investors in the group. The highest discount is based on the highest individual's investment compared to the group. The more individually invested, the greater the individual bonus.

Rank	1st	2nd	3rd	4th	5th
Multiplier Bonus	50%	40%	30%	20%	10%

### Example

- 🎲 Let's say the final amount of funds invested for a single day is \$100,000;
- 🎲 Investor A invested \$50,000, Investor B invested \$30,000, Investor C \$10,000, Investor D \$5,000, Investor E \$3,000, Investor F \$1,500, and Investor G \$500.
- 🎲 Based on the individual bonus ranking Investor A receives a 50% bonus, Investor B receives a 40% bonus, Investor C receives a 30% bonus, Investor D receives a 20% bonus, Investor E receives a 10% bonus, and Investors F and G receive no individual bonus.

## **Tie Breaking**

In the event two investors invest the same amount, during the same auction day, receiving the same Individual Rank, the rank will go to the investor whose investment was processed first.

### Example

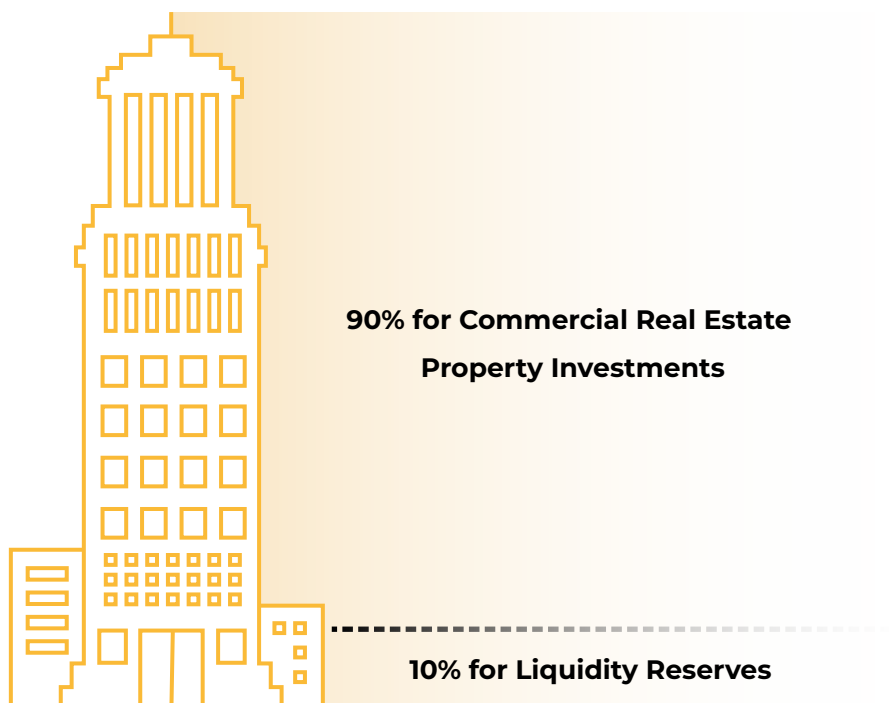
- 🎲 Let's say the final amount invested for a single day is \$100,000;
- 🎲 Investor A invests \$40,000 which is the first investment processed in the day's auction, Investor B invests \$20,000 at the beginning of the Auction and another \$20,000 later in the day for a total of \$40,000, Investor C \$10,000, Investor D \$5,000, Investor E \$3,000, Investor F \$1,500, and Investor G \$500.
- 🎲 In this scenario, Investor A and Investor B have tied for first place but Investor A processed their investment first. Therefore, Investor A earns Individual Rank one (1) and receives a 50%<sup>6</sup> bonus and Investor B earns Individual Rank two (2) and receives a 40% bonus. Further, Investor C receives a 30% bonus, Investor D receives a 20% bonus, Investor E receives a 10% bonus, and Investors F and G do not receive an individual bonus because they have placed outside the Individual Rank.

<sup>6</sup> N.B. The 2X includes pro-rata JNTR distribution, the combined Group Discount, and Individual Bonus but does not include the large contribution bonus.

<sup>7</sup> N.B. The 2X includes pro-rata JNTR distribution, the combined Group Discount, and Individual Bonus but does not include the large contribution bonus.

# Use of Funds

The proceeds from investments received from selling JNTR during the Jointer Auction or from other channels set up a robust ecosystem benefiting Jointer investors. Jointer puts 100% of the proceeds to work through Commercial Real Estate investments and the Liquidity Reserves.



## 90% for Commercial Real Estate Property Investments

Jointer invests in thoroughly underwritten deals that meet a stringent standard.

## 10% for Liquidity Reserves

Jointer distributes funds directly to the Jointer Liquidity Reserves which is powered by a Main Reserve, Side Reserve, and Turnover reserve.

## Evergreen fund

Unlike traditional companies that execute distributions and dividends to founders and shareholders, Jointer reinvests 100% of all the profits from real estate investments into new real estate projects to support Jointer's success.

# Hold JNTR to Participate “Investment Power”

Investment power is limited to the amount of JNTR held in the investor's wallet. In order to participate in the auction, investors will need to hold JNTR in their wallet which can be obtained through secondary trading. Investors can invest in Jointer's Auction up to 100% (1:1 face value) of their unlocked JNTR holdings at the time of the investment.

## Example

- 🌀 Investor holds \$100 worth of JNTR
- 🌀 Investor may invest up to \$100 in the auction
- 🌀 Investor will need to purchase more JNTR to invest more into the Auction

N.B. On Jointer Auction days one through five (1-5), this requirement is waived.

# Regulations

Jointer's offering complies with

1. Section 201(a), the SEC adopted paragraph (c) of Rule 506. Under Rule 506(c), based on this rule issuers can offer securities through means of general solicitation, provided that:  
All purchasers in the offering are accredited investors; the issuer takes reasonable steps to verify their accredited investor status and that certain other conditions in Regulation D are satisfied.
2. Reg S allows non-US investors to invest in a US company or a non-US company on a similar basis to the Reg D terms, but with **no requirement** to be accredited investors.

## Non-Accredited Investors

In regulated countries such as the US, there are three options for non-accredited investors to buy Jointer assets:

1. Purchase them from an accredited investor via a security exchange in the secondary market. In this situation, accredited investors are subject to rule 144 to hold their securities for 12 months before they can sell them to non-accredited investors.
2. If a company completes registration of its public offering of securities, and those securities are registered with the SEC and the 50 states, anyone will be able to buy and sell the registered securities.
3. If a company can prove that their security is no longer a security based on the "Howey Test" created by the US Supreme Court for determining whether certain transactions qualify as "investment contracts."

Note: Non-accredited investors from non-regulated countries can freely purchase JNTR if they pass KYC/AML. To check if your country has regulations, consult with your local legal representative.



# Initial Qualifications

Since Jointer will begin fundraising under US Regulation D 506(c) and Regulation S, the investor pool is limited. Therefore, certain qualifications must be met and the regulatory process must be followed in order to participate.

Prior to submitting a bid in the Jointer Auction, the investor must be qualified by meeting the following conditions:

- All investors will complete onboarding procedures established by Jointer or Jointer's partners, including AML/KYC review.
- Each investor will complete the verification process to confirm they are outside of the US or other regulated countries and compliant with Regulation S, or are accredited investors under Regulation D of the Securities Act.
- If investors use BNB, they are able to participate directly from their wallet of choice once approved. At the moment, Jointer's Auction page supports MetaMask but other wallet support will be added down the road.
- For Bitcoin, Fiat backed stablecoins, and other cryptocurrency, Investors will need to swap their funds using Element Zero SmartSwap or any other solution. After the auction launches, Jointer plans to integrate SmartSwap into the auction which allows users to invest BTC and other cryptocurrencies. The SmartSwap processes the swap and refunds fees and gas in a native token.
- Investors with fiat money that want to use conventional bank wiring will need to transfer the desired amount of funds they wish to invest into a designated escrow account, established by the escrow agents engaged by Jointer. More information about this process will be shared by Jointer after the auction launches. Investors that invest through exchanges, will invest funds using their exchange wallet, the exchange will distribute the JNTR assets directly.

Learn more about Element Zero and the SmartSwap [here](#)

# Risk Factors

- As with any digital/cryptocurrency, purchasing Jointer assets involves a high degree of risk. Those who cannot risk losing their entire purchase should not buy these assets.
- The ability to transfer the coins is subject to a secondary market for digital securities functioning. If there is no secondary market in which to sell the coins, investors could be left holding them in perpetuity.
- The assets have no voting rights or ability to direct the company or its actions.
- Government changes to the current regulations or tax code changes could impact our results. It is also possible that regulators from the jurisdictions in which a purchaser of Jointer assets reside may, after the purchase of the coins, conduct investigations and take regulatory action. Additionally, it could become prohibited for the secondary market to sell or purchase Jointer assets.
- Residents of certain jurisdictions may not be permitted to purchase cryptocurrencies or digital assets. In some cases, even participating in a purchase may be illegal in certain jurisdictions. New or revised legislation, regulations, guidelines, and directives may be introduced, which may affect the Jointer marketplace or other platforms in which the Jointer token is used.
- There is always the possibility that our burn rate will increase to support changes and operating costs, so we may run out of capital before reaching the next significant milestone. This could change our plans and force us to earmark more funds to fill the gaps.
- When deciding whether or not to purchase Jointer assets, you must rely on your own examination of the issuer and the terms of the offering, including the merits and risks involved. The Jointer assets have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon any information regarding the accuracy or adequacy of this document.
- The U.S. Securities and Exchange Commission does not decide on the merits of any securities offered or the terms of the offering. Nor does it make a decision on the accuracy or completeness of any offering document or literature.
- Jointer assets are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

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