

BlitzPredict

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White Paper

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What is BlitzPredict?

BlitzPredict is a global platform under development applying fintech solutions to provide function and liquidity to users of blockchain prediction markets and sportsbooks. BlitzPredict aims to bring the power of blockchain technology to the mass consumer via streamlined products.

BlitzPredict's aggregator will ensure that users will always get the best odds available in the market at any given time. BlitzPredict's liquidity reserve will ensure that users can get paid immediately at the conclusion of an event. BlitzPredict's smart contract tools will allow our users to interact seamlessly and effectively throughout the market.

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Value Propositions:

- Constantly aggregate data from prediction markets and sportsbooks to always provide our users with the best odds available in the market for a given event.
- Where and when legal, provide liquidity to users of multiple prediction markets and sportsbooks. With BlitzPay, our method to provide instant payouts upon completion of an event, users won't have to wait for sportsbooks to transfer winnings or reporters to verify results on blockchain prediction markets.
- Where and when legal, provide smart contracts to allow our users to automatically execute wagers placed with sportsbooks and prediction markets when certain criteria are met (e.g. Bet 1 ETH when New England Patriots are trading at 60% or below).
- Incentivize expert contributors to work within our community on advanced predictive models.
- Build products accessible to the 99% of consumers who aren't currently using blockchain-powered products.

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Problem

Traditional sportsbooks are centralized authorities. Users must deposit money, while earning no interest and tying up funds for long periods of time. Although wagers get graded nearly instantly (so users can keep betting), cashouts can take days or even weeks to process. In addition, if the sportsbook collapses and defaults, there is no recourse for users to reclaim their money.

Blockchain prediction markets solve the issue of trust, but liquidity remains a major issue. Prediction markets like Gnosis and Augur may take up to a week to grade wagers and resolve contracts. Money tied up in a contract can't be deployed, hurting users' bankroll growth.

Setting up accounts at multiple sportsbooks to find the best lines is a smart practice. However, the process of scanning various sportsbooks to find the best line is time-consuming. This process, combined with the liquidity issues discussed above, leads bettors to spend time doing monotonous, inefficient work, with a fraction of their working capital available.

Sports analytics is fragmented. Sportsbooks, betting syndicates, sports teams, and other entities wall off their internal analytics departments and don’t share information with each other. Different analytics groups compete independently toward the same goal, instead of cooperating. In addition to the below market rate salaries that sports analytics jobs generally offer, there is no community where experts and enthusiasts can participate and be rewarded for their contributions.

Sports betting “experts” aren’t held accountable for their predictions. Experts can lie about their track records and claim they bet at numbers that never existed. Being a successful sports betting tout is more an exercise in marketing than in accurately predicting the results of events.

In addition to issues with sportsbooks and prediction markets, there are security and design challenges in the blockchain space in general. Potential users are intimidated by the onboarding flow and the challenges of keeping their information safe and secure.

Money tied up in a contract can't be deployed, hurting users' bankroll growth.

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Solution

BlitzPredict is an aggregator of sportsbooks and prediction markets. By constantly refreshing the odds like a stock market ticker, we ensure our users will always get the best odds available for a given bet. BlitzPredict streamlines the process to make prediction markets as simple to navigate as traditional sportsbooks.

BlitzPredict will provide a suite of smart contract tools for our users to better interact with sportsbooks and prediction markets. Users will be able to set up smart contracts to execute when specified criteria are met. The goal is to bring the power of an advanced betting syndicate's tools to our users.

Our aggregator and liquidity reserve will ensure our users always get the best odds and receive guaranteed instant payouts

BlitzPredict will also establish a reserve to provide liquidity for bettors and traders. Where and when legal, users will be able to use BlitzPredict tokens (XBP) to immediately collect on successful wagers made with a sportsbook or a prediction market. BlitzPay (instant, guaranteed cash outs) can be activated by wagering with XBP or using XBP to convert a completed wager to a BlitzPay ticket. Users can earn rewards by staking XBP to support the BlitzPay Reserve.

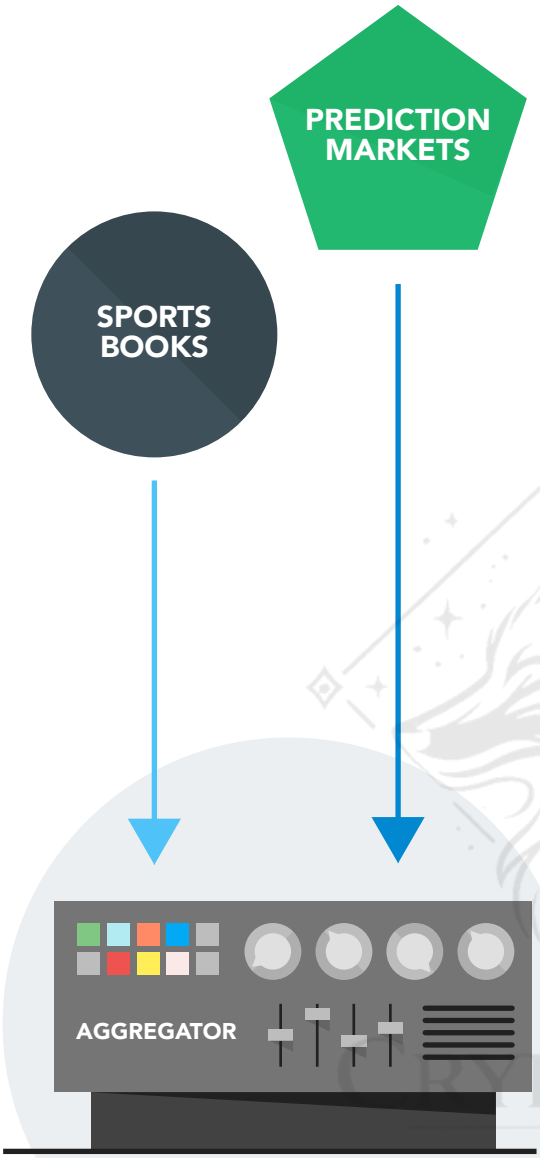
We are implementing the Bancor Protocol to further provide liquidity and low rates for our users. Users will be able to instantly exchange tokens without needing to use an exchange or find a buyer. Our aggregator and liquidity reserve will ensure our users always get the best odds and receive guaranteed instant payouts - no more waiting days or even weeks for withdrawals to hit.

We will incentivize sports analytics experts to contribute to our platform and work with them to create powerful predictive models. Models will be tested publicly and predictions must be made using actual odds available in the market at that time. Experts must stake XBP to support their picks and models. Over time, the most successful models will receive the most support from the community.

We will develop secure, streamlined implementations of blockchain protocols to onboard casual users to partner operations. Our goal is to bring users with no previous blockchain experience to the low-vig, high-volume options in the space, and to deliver a beautiful, easy-to-use experience.

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Aggregator

The BlitzPredict Aggregator will constantly pull updated lines from sportsbooks and prediction markets, delivering them to our users in a streamlined format. Instead of displaying "New England -7 -110 / Buffalo +7 +110," users might see "New England -6.5 -110 / Buffalo +7.5 -110" where the odds for this game are coming from two different sources.

Users will have the option of viewing prediction market contracts through either American or Decimal odds. E.g. New England is trading at 67% on Gnosis, users viewing American odds would see New England -205 (accounting for the vig). In a scenario where the best odds for New England at a traditional sportsbook are -220, users using the Aggregator would see the -205 option and be able to place their bet at Gnosis.

The Aggregator will be extremely customizable but the main premise is to ensure our users always get the best line available for an event. Users will be able to store their information in order to quickly engage with any sportsbook in the Aggregator, whether they have an account there or not. Users can bet through smart contracts, make traditional deposits, or use BlitzPay to ensure immediate payment.

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Liquidity

Where and when legal, XBP can be used to wager at partner sportsbooks and platforms. Any wagers made using XBP will have BlitzPay automatically activated - no waiting for payouts upon completion of the event. Users betting in other currencies (USD, BTC, ETH, etc.) will be able to use XBP to activate BlitzPay after an event is completed.

BlitzPredict's reserves will be publicly audited and verifiable by independent third parties. BlitzPay can only be activated when there is enough in the BlitzPredict reserves to cover the wager. Anytime BlitzPay is activated, tokens are removed from the reserve so tokens can't be double-spent.

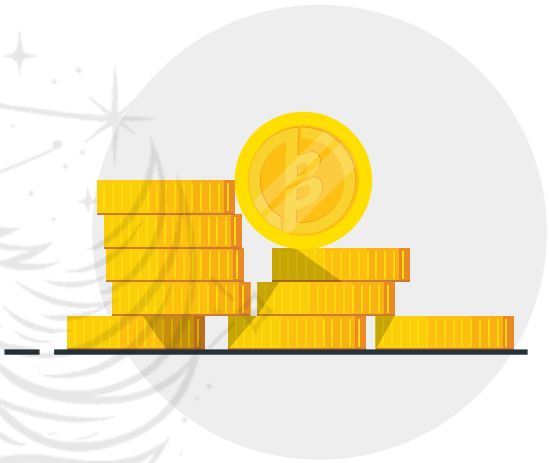
BlitzPredict will be buying and selling XBP to maintain our reserve. When a user activates BlitzPay, we will pay him immediately from our reserve. Then, when a BlitzPay contract gets paid by the vendor (sportsbook or prediction market), we will purchase tokens to replenish the reserve. In addition to our reserve, BlitzPredict users will be able to earn rewards by staking XBP to support the liquidity pool.

BlitzPredict will implement a Bancor Token Relay to provide added liquidity for our users, allowing them to instantly purchase or liquidate XBP in exchange for any other token in the Bancor Network. Prices are calculated by the smart token so buys and sells will use the same current price.

Sportsbooks can take weeks to pay out wagers and even default completely on their obligations. Users can activate BlitzPay to ensure that they receive their winnings immediately upon completion of the event. We will track payment times from all partner operations and our formula for pricing BlitzPay will change depending on the expected wait time and chance of default at a partner operation.

Vendors that prove customer deposits are kept in segregated accounts will have access to larger BlitzPay reserves, along with those that build a track record of prompt payments. If a vendor reaches its cap of the maximum BlitzPay reserve active at once, then BlitzPay will not be available with that vendor until the debt is paid down.

We will encourage partners to adopt smart contract betting solutions – where both the vendor and the user enter into a smart contract agreement that resolves immediately upon completion of the event. In addition, we will encourage open, auditable finances so we can increase the portion of the BlitzPay reserve available for that vendor.



More advanced users can benefit from applying the Kelly Criterion. As the Kelly Criterion proves, there are many times where paying a slight vig for immediate liquidity results in faster bankroll growth. Given discrepancies in the marketplace, it's common for the best odds for each wager in a series of wagers to be found at different sportsbooks or prediction markets. Therefore, it's important that a user always has full access to all sportsbooks and prediction markets.

Tying up money with one entity or in an unresolved contract can cause the user to miss out on future +EV wagers, resulting in suboptimal bankroll growth. In addition to added liquidity, BlitzPredict users will be able to incorporate proper Kelly betting strategy into their wagering strategy with our suite of advanced betting tools.

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Smart Contracts

Smart contracts can power some of the best use cases for blockchain prediction markets and sportsbooks. Users can set up smart contracts to automatically execute a wager when certain criteria are met, bet alongside the expert of their choice, escrow with sportsbooks for immediate payouts, and store information for immediate transactions in the marketplace. XBP will be used to activate smart contracts. Wagers made in XBP will automatically have smart contract functionality enabled.

Case 1: We partner with a sportsbook to allow for users to wager through a smart contract with the sportsbook. Both the user and the vendor escrow funds in a smart contract, and the winner receives all funds immediately at the completion of the event.

Case 2: A user signs up for a package of picks from an expert. The user then enters some XBP into a smart contract escrow and links to a wallet or another payment option for the wagers. Any time the expert recommends a bet, the user's smart contract automatically executes the same bet for the user at a sportsbook or prediction market, using the linked payment information (Users specify the amount they want to wager per bet e.g. "1 unit = $10 or .2 ETH"). If the expert wins over the course of the package, he receives the user's XBP based on how many units were won. If he loses, the user is returned all his XBP.

Case 3: : A user sets up a smart contract to bet if a line reaches a certain number. E.g. the current best line on the Patriots is -7 -110. The user sets up a smart contract with the function of "bet $550 on Patriots -6.5 -110 or better." The smart contract then executes if the line hits 6.5 at any sportsbook or prediction market.

In the event of large wagers or smart contract syndicate betting, the smart contract may end up being deployed at several different vendors due to volume restrictions. Users can also sign up for live betting packages, including recommended hedging opportunities. Users can also set up smart contracts to automatically bet whenever a certain model recommends a bet at a certain ROI or better. The BlitzPredict Model Aggregator can be utilized in this fashion as well.

Users can store their personal information to easily sign up for various sportsbooks and store their payment information (fiat or crypto wallet) to easily deposit and/or exercise smart contracts when their terms are met.

Anytime the expert recommends a bet, the user's smart contract automatically executes the same bet for the user at a sportsbook or prediction market, using the linked payment information

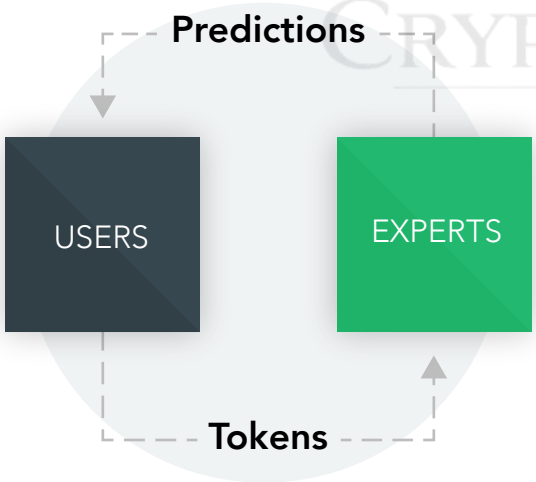
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Analytics Community

Sports analytics is fragmented. Analytics are walled off – various sportsbooks, betting syndicates, sports teams, and other entities have their own analytics teams and don't share information with each other. This fragmentation results in an inefficiency where various tribes are independently working to solve the same problem. E.g. Sports Betting Syndicate A and Sports Information Site B are all trying to build an NFL model in-house, with no outside collaboration.

Sports analytics is popular, but there is no community where enthusiasts can participate and be rewarded for their contributions. Also, sports betting "experts" aren't held accountable for their predictions. Experts can lie about their results or claim they made a bet at numbers that were never available to the public.

To deliver quality sports analytics to consumers, we are building a platform that will incentivize sports analytics experts and enthusiasts to share their models and picks, and contribute to community projects. Users must spend XBP to access an expert's information. In turn, experts will earn XBP for providing access to their information. Over time, the market will reward quality predictions and avoid inferior information.





We will provide a community for both sports analytics enthusiasts as well as users who are interested in accessing the information. Experts who contribute to the platform will be rewarded based on how popular their predictions and models are. All predictions will be time-stamped and must be made using actual odds available in the market - no forging records.

Experts must stake a certain amount of XBP to list their picks or submit a model. This will help increase the quality of contributors and help to prevent abuse like automating 10,000 expert profiles, relying on variance to produce a few profiles with outsized returns. Therefore, it is imperative that experts have "skin in the game" alongside the users they are providing information to.

There is strong consumer demand for quality sports analytics, but, due to the myriad walls built up in this space, along with the general lack of accountability (it's easy to lie about one's record), it's difficult, if not impossible, for consumers to access quality information.

We will pair our tech team with the sports analytics community, using machine learning to analyze the data produced to develop powerful consensus models along with our own proprietary models. The resulting analytics will be delivered to consumers via streamlined products.

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Tournaments

BlitzPredict will use a portion of the company's XBP holdings to sponsor tournaments where users can earn free XBP. Some tournaments will only be available to users who agree to lock up a certain amount of XBP over a specified timeframe.

We will also sponsor tournaments, where experts can share their models over a certain duration (e.g. an NFL season) and be rewarded for accurate results. Community members wishing to encourage development of models in certain disciplines can also choose to sponsor tournaments by escrowing XBP to be awarded to the most accurate predictions over that timeframe.

Example 1: BlitzPredict offers a contest for Week 15 of the NFL season, only open to users with holdings of at least 500,000 XBP for at least the previous 30 days, awarding 3,000,000 XBP to the users with the most accurate predictions against the spread. The most accurate predictor receives 1,000,000 XBP, the second most accurate predictor receives 500,000 XBP, and so on.



Example 2: BlitzPredict creates a contest, awarding 1,000,000 XBP to the 5 most accurate models over an NFL season. The tournament will be run in our demo environment and each participant will be given 10,000 play chips to wager with. Each week, the models will test the outputs of their models against the BlitzPredict Aggregator. Experts can use Kelly or other betting strategies and at the end of the season, the prize pool will be awarded to the winners.

Example 3: A user wants to access a powerful NHL model and wants to incentivize experts to work together to create one. The user agrees to escrow 500,000 XBP in a smart contract, and reward 100% to the winner as a bounty for the best model. This top-heavy payout structure could incentivize multiple NHL experts to combine their models and work together toward receiving the reward. Also, users with a shared interest in a model's development can pool resources to run a tournament with a larger payout to attract a higher caliber of expert.

Syndicates

Users will be able to back syndicates on the BlitzPredict platform. A syndicate will be comprised of an expert or group of experts. Similar to a hedge fund or a venture fund, experts with proven track records will be able to solicit contributions from token holders looking to profit from investing in winning sports bettors. Experts will be able to set parameters including min and max fund size, betting strategy, and distribution strategy.

All expert predictions will be recorded on the blockchain and publicly verifiable so potential investors will be able to verify the track record of the expert they are considering investing with. There is precedent in the United States for such funds: sports betting hedge funds can legally exist in Nevada, solicit investors from all over the world, legally place bets at Nevada sportsbooks, and share the profits with their investors.

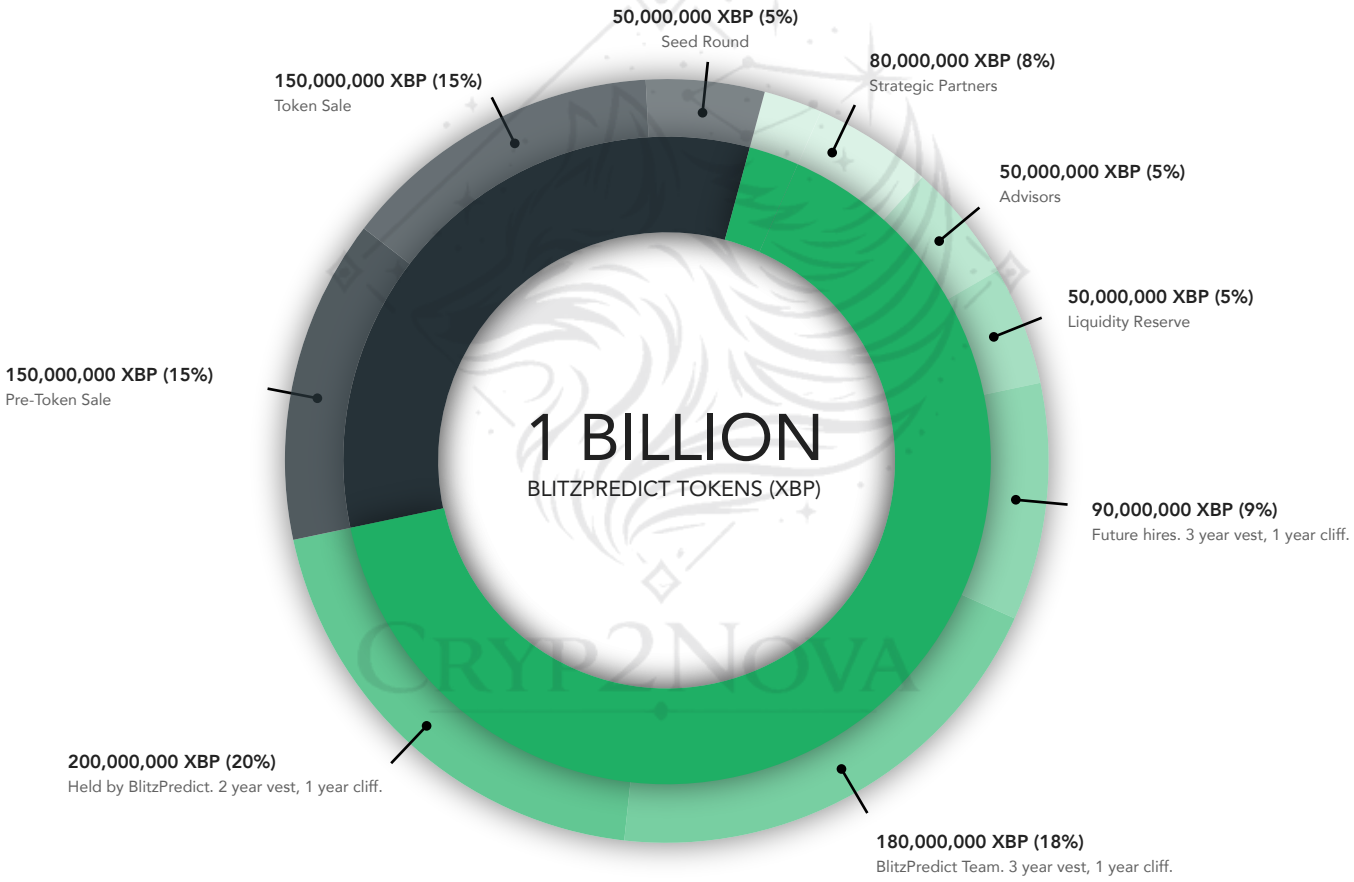
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BlitzPredict Token

BlitzPredict will create 1,000,000,000 BlitzPredict Tokens (XBP) - ERC20 tokens. BlitzPredict will never create more tokens. 300,000,000 XBP will be offered for sale to the public. Unsold tokens will be burned.

The XBP Tokens will be used to access certain features of, and to reward contributors to, the online platform once it is developed and in operation. They do not represent an equity or other interest in the business of BlitzPredict. BlitzPredict does not intend to create a secondary market for trading XBP Tokens and they should not be considered as an investment.

The XBP Tokens are not backed by any physical or other assets.



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Token Economy

Tokens will be used to implement various functions of the platform. In addition, tokens can be staked to support various functions of the platform.

When a user or expert makes a bet at a partner site in XBP, BlitzPay will be automatically activated and the user will receive his winnings immediately upon conclusion of the event. If the user or expert bets in fiat currency (or BTC, ETH, etc.) they will have the option to activate BlitzPay after an event by spending XBP.



Smart Contracts can be activated using XBP. Users can use XBP to activate smart contracts to: automatically execute a wager when certain criteria are met, enter a smart contract with sportsbooks for immediate payouts upon completion of an event, or automatically bet an expert's recommended wagers.

Users can use XBP to purchase information from experts, and to automatically execute contracts alongside an expert's predictions.

Experts must stake XBP in order to submit their picks or models. Experts can earn XBP from users who are interested in accessing their information.

BlitzPredict will develop its own models and offer a consensus of the best-performing models on its platform. Users can access these models with XBP and BlitzPredict will share the proceeds with contributing experts.

Users must stake XBP to enter certain tournaments. Users can support the BlitzPay Reserve by staking XBP to enhance liquidity. Experts must stake XBP to track and share the records of their models or picks.

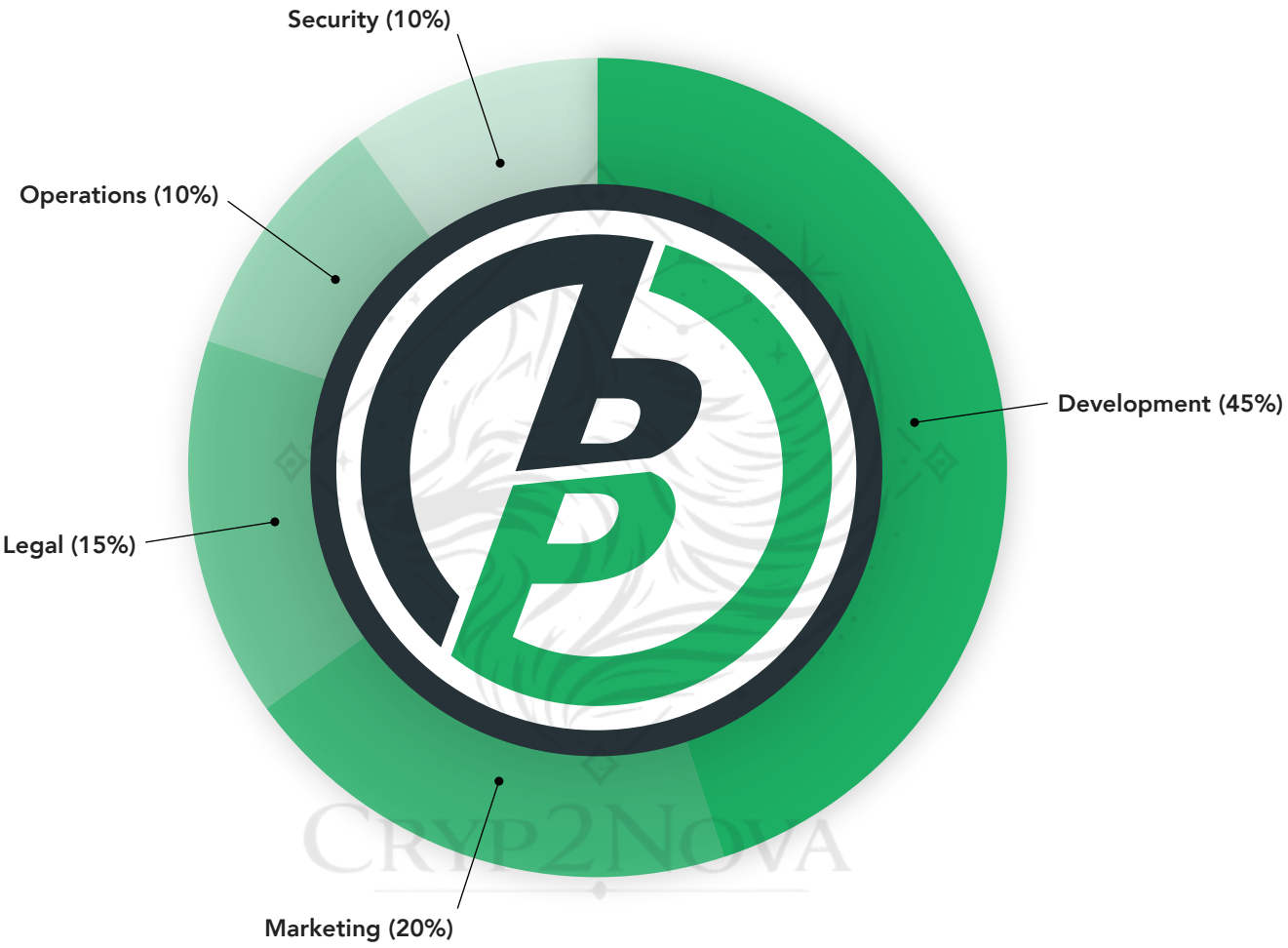
Revenues will be allocated to the operation of BlitzPredict's business, strategic partnerships, community projects and tournaments, and the liquidity reserve.

When a user or expert makes a bet at a partner site in XBP, BlitzPay will be automatically activated and the user will receive their winnings immediately upon conclusion of the event.

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Use of Funds



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Timeline

These are our primary milestones but the order in which we accomplish them will depend on market forces, partnerships, the regulatory environment, and feedback from our community. We will update the community with progress towards these milestones and solicit community involvement in aligning our goals with the market as it evolves. In addition to traditional sports, we will look to expand into eSports, crypto markets, politics, and other markets that our users support and the blockchain prediction markets serve.

Quarter 1, 2018

Launch live production platform operating on the public blockchain. Will include the smart contracts surrounding the flow of information from experts to users. Begin strategic hiring for future development.

Quarter 2, 2018

Launch a sportsbook and prediction markets aggregator. Release a beta platform featuring the liquidity pool and smart contracts surrounding automated betting behavior.

Quarter 3 & 4, 2018

Activate liquidity pool and implement smart contracts surrounding automated betting behavior in legal jurisdictions where we have regulatory guidance.

Quarter 1, 2019

Implement machine learning database to analyze the data that passes through our platform. Begin community modeling projects with our network of contributors.

Quarter 2, 2019 & Beyond

Continue to scale our tech and operations teams and expand partnerships with prediction markets and sportsbooks.

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Legality

Given that blockchain and sports betting laws can vary wildly between countries, it is imperative to follow the laws in each jurisdiction BlitzPredict operates in. Certain functions of the platform, like interacting with sportsbooks and betting with smart contracts, may not be available in all jurisdictions, such as the United States.

There is a lot of momentum for legalized sports betting and there are several reasons why the United States federal ban (PASPA) might be overturned soon: NFL ratings are down, subscribers are fleeing ESPN, advertisers want engaged viewers during live events (no fast-forwarding), Government may see it as a 'win' of additional revenue, the majority of citizens already support legalized sports betting, the past and present NBA commissioners, and owners such as Mark Cuban publicly support it, and several states (CA, DE, MD, MI, NJ, NY, PA, WV) are pushing bills to legalize sports betting and/or repeal PASPA. Most importantly, the Supreme Court has agreed to hear NJ's challenge to PASPA.

Operating in the light will be an advantage for the network effect of our platform. Experts can contribute without fear of the U.S. government shutting down the project. BlitzPredict will be positioned to access a large pool of sports bettors and analytics enthusiasts when sports betting is legalized in the U.S. BlitzPredict will obey all US laws and SEC guidelines, along with all laws in each jurisdiction we operate in.

"We are entering a perfect storm of interests among broadcasters, among owners of individual sports teams, we have what's clearly been 25 years of a failed law,"

Geoff Freeman,
President & CEO of the American Gaming Association

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Competition

There aren't currently any direct competitors but there are several indirect competitors and we anticipate additional groups coming into this space as well. One of the competitors in blockchain prediction markets will likely be arbitrage syndicates – groups that look to buy up contracts at a 1-2% discount to provide liquidity to customers that don't want to wait to receive their funds in the traditional payout timeframe. The notion of arbitrage is foreign to most bettors, and we plan to offer a simpler mechanism for our users to achieve liquidity.

There is no shortage of touts and affiliate sites in the sports betting space. There is no real accountability - touts can misstate their records and some affiliate sites manipulate data to create inaccurate records. In a fractured market rife with misleading statements by "experts," BlitzPredict plans to bring accountability to sports betting with time-stamped predictions against real market odds. Requiring experts to stake BPZ in order to submit their picks or models should help guard against fraud and abuse.

Most traditional affiliate sites, like Covers and Sports Insights, tend to have web-based, early generation platforms. They currently have communities of contributors but no way for them to get rewarded. Aggregators like OddsChecker have a regional focus and do not include blockchain platforms. Ultimately, our success will be determined by the strength of our platform and personnel, network, predictive models, and the diversity of the markets that we address.

It's important to note that prediction markets like Gnosis and Augur, as well as sportsbooks and other betting vendors, are not competitors. Our goal is to drive business to these platforms and open them up to users who may not otherwise use them. As these companies succeed, so will BlitzPredict. We plan to collaborate with these companies with the common goal of bringing blockchain technology to the masses.



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Risk Factors

There are several risks associated with the advance purchase of the XBP Tokens, including the following:

The XBP Tokens will have no value if the Platform is not completed.

Purchasers of the XBP Tokens in the pre-sale will receive the XBP Tokens upon completion of the anticipated public sale. The XBP Tokens will only provide the right to use the Platform once it is completed. If the Platform is not completed or if, when completed, the Platform does not operate as planned, the XBP Tokens will have no value and the holders of the XBP Tokens will receive no refund. The XBP Tokens are not backed by any physical or other assets. The proceeds received from the XBP Tokens will be used by BlitzPredict to pay salaries and fund the development of the Platform and all other BlitzPredict expenses and will not be held in escrow.

Sportsbooks and prediction markets may block access to their platforms.

The success of the Platform will depend upon BlitzPredict's ability to access the sportsbooks and prediction markets necessary to provide the information to users of the Platform. There is no assurance that the BlitzPredict Platform will have access to those platforms.

BlitzPredict and its management have no history of operating an online aggregator and their experience may be inadequate or unsuitable to manage the Aggregator.

BlitzPredict and its management have no history of past performance in managing an online aggregator like outlined in this white paper. While BlitzPredict has successfully developed and deployed its DFS mobile application, that is no indication of its ability to develop and manage an online aggregator with smart contract functionality.

The development of the Platform will be adversely affected if members of its software development team do not continue to participate in its development.

The development of the Platform depends on the continued participation of BlitzPredict's software development team. The withdrawal of one or more members of that team could adversely affect the development of the Platform.

BlitzPredict will need funds to develop the Platform in addition to the proceeds expected from the private pre-sale of the XBP Tokens and there is no assurance that BlitzPredict will be able to sell additional Tokens for that purpose.

BlitzPredict will need funds to develop the Platform in addition to the proceeds it expects to receive in its initial private pre-sale. While BlitzPredict expects to raise those funds from a public pre-sale and a public sale in January 2018, there is no assurance that it will be able to successfully raise those funds.

Token sales have come under malicious attack from hackers and other parties resulting in the theft of Tokens.

Token sales have come under malicious attack resulting in the theft of tokens and substantial losses to platforms and the purchasers of tokens.

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Team & Advisors

Team



Brett Richey
CEO



David Carley
CTO



Patrick Young
Senior Software Engineer



Chris Bergstrom
Software Engineer



Erik Mikkelson
Backend & Devops



Anthony Hurtado
Director of Business Development

Advisors



Eyal Hertzog
Co-Founder, Bancor



Dave Rogers
CEO J.D. Capital, Inc.



Hartej Sawhney
Co-Founder, Hosho.io



Phil Hellmuth
Professional Poker Player



Brad Libson
Pink Sky Capital



Richard Belsky, JD
Tech/Gaming Entrepreneur



Mark Herberholz
Expert in Sports Gaming Technology

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