

Divvy.bet Litepaper

February 2023

*This information is subject to change. Please do your own research. This is not financial advice.

Who is Divvy.bet for?

- Those who believe “The House always wins.”
- Investors who want the ultimate diversification: exposure to a new asset class and one that outlives market cycles.
- Sharp bettors who are tired of being pushed out of sportsbooks just for winning.
- Weekend gamblers who want ease of access and competitive odds.
- Community members that want to play fun games and hang out with friends.
- Degens who want killer perks, unmatched security and transparency, quick payouts, and complete privacy.

The Problem

The gambling industry is in the middle of enormous expansion. There are more global participants than ever before due to ease of access, changes in regulations, and an increase in wealth among the middle class. World gambling statistics show an incredible 26% of the global population engage in gambling of some kind (that’s 1.6 billion active gamblers and 4.2 billion casual participants that place a bet at least once a year). Online gambling is the fastest growing segment of the industry with a \$59B market value that is set to double in the next few years.¹ According to the UK Gambling Commission, Covid restrictions assisted in increased betting worldwide by 64% and those numbers continue to grow with a 12% CAGR.²

While traditional brick and mortar sportsbooks and casinos might offer a fun in-person gambling experience for those willing to travel, they are built on an archaic model that is shrouded in secrecy. Not only does their overhead prevent them from offering competitive rates and low fees, their centralized nature allows for unfair gambling practices and lack of transparency.

Online sportsbooks attempted to solve some of the problems of brick and mortar casinos, but at too high of a cost. When bettors place wagers at one of these online sportsbooks, they often have no idea if the operator has the liquidity to cover winning bets. Funds sent to operators are entrusting them to responsibility custody their funds. Many offshore sportsbooks operate under a Ponzi scheme model that relies on future deposits to pay out winners and commit exit scams once they become insolvent. The problem is so widespread that *Sportsbook Review* has compiled a list of bad and failed operators with **thousands** of entries!³

Managing these online centralized casinos requires intense human capital to operationalize payment processing along with navigating international banking and gaming regulations. Operators often charge as much as 6% for deposits and withdrawals to cover overhead (among other hidden fees). Due to regulations, it is almost impossible for operators to work with legitimate large financial companies and, instead, are forced to use unsecured payment processors that charge exorbitant fees.

¹ <https://www.statista.com/statistics/270728/market-volume-of-online-gaming-worldwide/>

² <https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Covid-19-research/Risks-arising-from-Covid-19-and-our-response.aspx>

³ <https://www.sportsbookreview.com/blacklist/>

Ads for these online sportsbooks are ubiquitous, often offering promotions for bonuses up to 100% of the deposit. Most bettors lured onto these betting platforms never receive these bonuses because of ‘rollover’ requirements. Bettors are required to wager a certain amount of dollars in order for the bonus to be withdrawable. For example, a small \$100.00 bonus on a deposit of \$100.00 could have a 5x rollover. A bettor would have to wager \$1000.00 (5 x [100 bonus + 100 deposit]) just to withdraw the bonus. Some rollovers are as high as 30x! Online gambling sites often add additional restrictions and certain games (usually blackjack and poker) are excluded from eligibility.

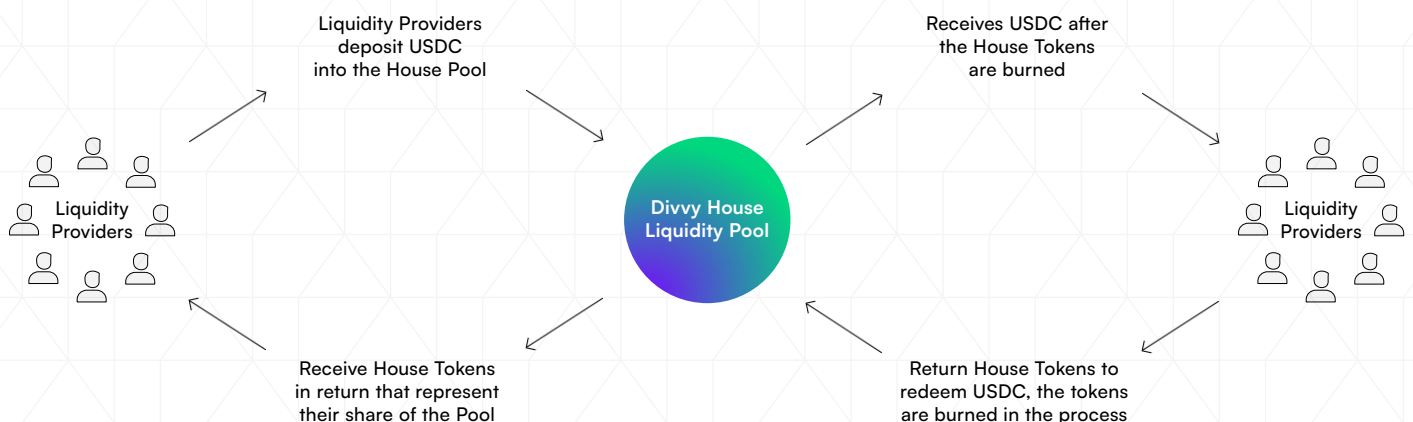
The few online sportsbooks and casinos that do accept crypto often only take BTC or their own token. The volatility of BTC makes it less than ideal for a betting platform and tokens for specific online sites are often created as a cash grab and rapidly lose value. A bettor might win a wager only to find that, by the time they withdraw their winnings.

The Solution

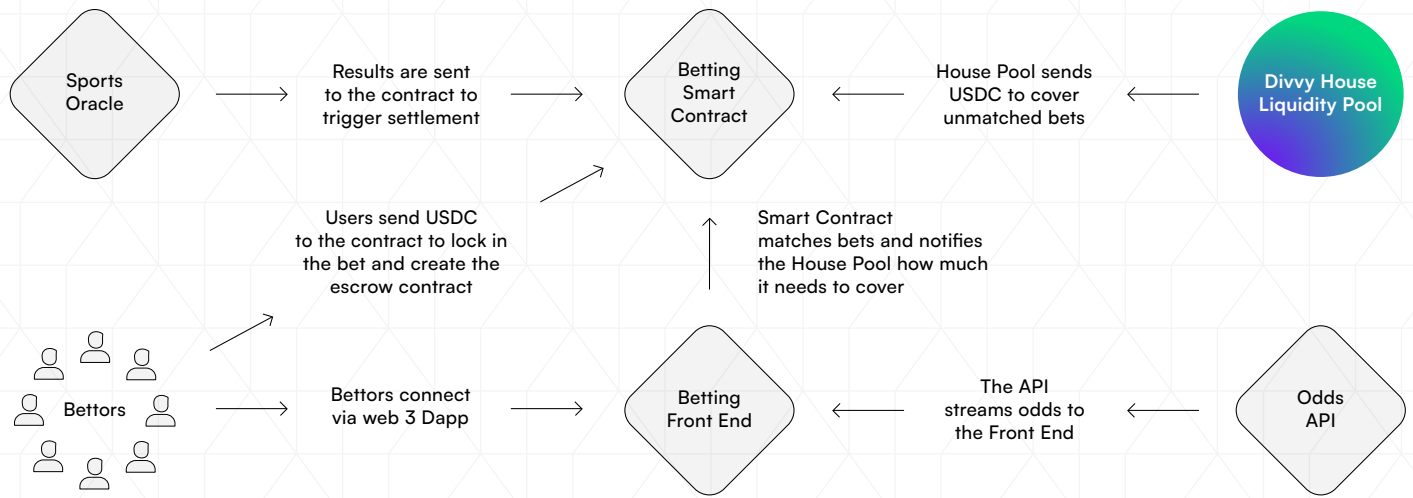
We at Divvy.bet knew there had to be a better way. Our team reimagined what a gambling platform could be and then built a decentralized application (DApp) that addresses all of the problems of the modern online casino and sportsbook. And now we’re taking it to *next generation*.

Here is **The Divvy Difference**:

- Be The House.** Users are finally able to ‘Be The House’ and experience profit sharing in a fully decentralized sportsbook and casino! The Divvy.bet protocol is backed by a publicly-funded liquidity pool that secures wagers made on the Divvy.bet ecosystem. All deposits made into the House liquidity pool trigger a smart contract that mints liquidity tokens called House tokens. These House tokens proportionately represent the user’s stake in the House liquidity pool. This is truly non-custodial and permissionless, as only holders of LP tokens have claim to the funds. **ALL** profits generated from betting activity go directly back into the House pool to be claimable among liquidity providers.
- Non-Custodial.** Unlike other online sportsbooks, Divvy.bet users will never have to deposit funds into the platform to place wagers. Any user can place a bet with the existing tokens in their wallet by simply connecting, selecting a bet, and approving the transaction. All wagers entered into the protocol are securely held in escrow smart contracts and broadcasted onto the blockchain. Best part is once the event is over, the smart contracts automatically settle payouts directly back into the user’s wallet. No withdrawal request needed!



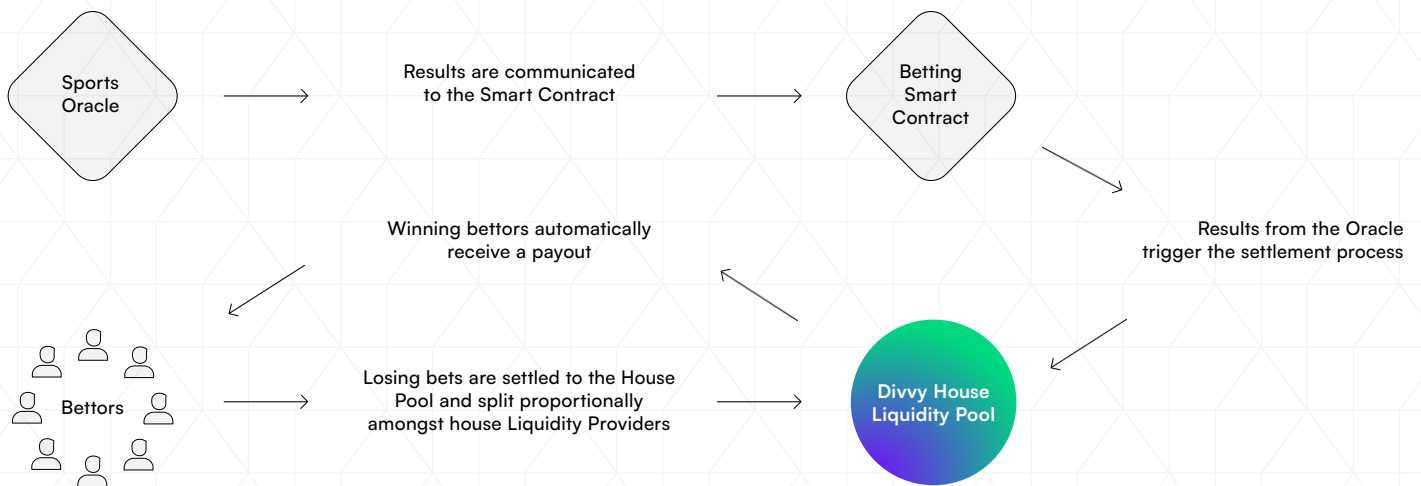
- **Speed.** Divvy.bet is built on the Solana blockchain that handles over 65,000 transactions per second. (For a Web2 comparison, Mastercard claims to only be able to process 5,000 per second.) Users simply connect their Phantom wallets, or other compatible wallets, to the Divvy.bet Dapp to place wagers or provide liquidity to the Divvy House Pool.
- **Security.** Divvy.bet smart contracts are immutable; thus, no one can alter a wager once it's on the chain. Divvy.bet's proprietary smart contracts manage the creation, trading, and settlement of crypto-based wagering. Divvy.bet's partnership with oracle providers stream real world data into our smart contracts that trigger settlement instantaneously. All of this works behind the scenes to provide users with all the benefits that the permissionless and secured web3 blockchain environment provides.
- **Simplicity.** Advancements in web3 combined with deep preoccupation for user experience, we're able to provide users the ability to wager or provide liquidity within a few clicks. Divvy.bet's simple-to-use UI, users will experience the next generation of gambling.



- **Transparency.** Each bet made at Divvy.bet though anonymous is public and easily observable on the blockchain. Our smart contracts are immutable (wagers that have been accepted by the protocol cannot be changed or modified). Once on-chain, each transaction is publicly searchable unique transaction hash. All odds are fed into the smart contract via oracle integrations. Partnering with Switchboard, a trusted on-chain oracle network for Solana, we have created a custom data feed to support the protocol. Our sports betting odds are sourced via professional providers (the same used by many of the popular betting platforms). Once a game is over, the Switchboard oracle collects data from various sources in order to come to consensus before publishing the outcomes and triggering the settlement process.
- **Low Transaction Fees.** Each transaction on the Solana blockchain will incur a small gas fee of approximately \$.00025 per transaction. At Divvy.bet, there are no additional fees for depositing or withdrawing into the Dapp.
- **Anonymity.** Advancements in Web3 development enable users to instantly connect to the Divvy Dapp without going through an intrusive sign-up process. Users enjoy completely anonymous wagering: connect, bet, and withdrawal. We respect the community's desire for privacy and pledge to commit to the latest securities practices to protect user's identity and assets from all bad actors.
- **Stablecoin Based.** Divvy.bet will be a stablecoin-based protocol. By removing the intrinsic volatility of regularly-traded crypto assets, users no longer need to worry about their assets fluctuating while locked up in pending bets.

This provides Divvy.bet users with an experience similar to traditional online gambling platforms while reaping the benefits of blockchain technologies. USDC will be the first supported stablecoin on our platform with plans to accept a wide basket of stable coins or other assets (to be determined by the DivvyDAO).

- **Guaranteed Payouts.** Users will never again have to worry about winning bets not being paid. Prior to a bet being placed, Divvy.bet smart contracts audit the pool to confirm there is sufficient liquidity to cover the bet. Upon passing examination, a Divvy.bet smart contract triggers a request to pull the user’s wagered amount out of the wallet and deposit the potential payout into the contract. The bet is then locked. Once the event is over, results are communicated to our oracles, information is funneled into the Divvy.bet contract, and the settlement process is triggered. Users will simply settle the funds back into their wallets with a single transaction.



- **Betting Rewards.** Instead of impossible deposit bonuses and rollovers offered at other online casinos, Divvy.bet rewards users for using the platform. An innovative incentivization strategy will allow bettors to earn \$DVY tokens by simply placing wagers through the platform. Get paid on every bet!

- **NFTs.** At Divvy.bet, we have created a unique way for NFTs to play an integral part of our ecosystem. Any bettor will have the ability to mint their bet slips and giving them the freedom to freely trade their bets on the secondary market if they ever wish to exit a wager early. The NFTs will act as a digital bet slip that can live outside of the Divvy.bet ecosystem where holders of a winning slip may come redeem it on the platform at any time. Upon redemption, users will be offered the opportunity to mint a settled bet slip to commemorate their big wins!

- **The DivvyDAO.** Our mission at Divvy.bet is to usher in the new age of decentralized experiences and disrupt an ancient system that’s historically preyed on the consumer. Because we believe that the community should be the ultimate beneficiary of the protocol, Divvy.bet is committed to converting the foundation into a DAO as the main governing body. Our community will have the ability to participate and vote on proposals and amendments including (but not limited to): community incentives (liquidity mining rewards), marketing initiatives (betting tournaments), and protocol upgrades (what sport/games/betting types to support). Our goal is to allow the community to unite and determine the direction of the project and make sure every member has a voice. With that in mind, Divvy.bet is partnering and working with industry leaders to devise a DAO structure that aligns with the overall mission.

Tokenomics

There will be a total supply of 1,000,000,000 \$DVY tokens distributed as follows:



Team and Advisors: Six month cliff vesting schedule from launch date. Remaining tokens distributed equally over the next 30 months.

Private Investors: Six month cliff vesting schedule. Remaining tokens distributed equally over the next 12 months.

\$DVY - The DIVVY Token

The Divvy Token (\$DVY) is the native token of the Divvy.bet ecosystem. It'll be utilized throughout the protocol to unlock exclusive benefits and support the further decentralization of the foundation when it converts into a DAO. We don't burn tokens at Divvy.bet, instead we're creating innovative ways to recycle \$DVY back into the community to support a long and sustainable growth strategy. The 3 main utility of DVY tokens are Earn, Spend, and Stake.

EARN

- **Yield and Bet Farming.** Users of Divvy.bet will be awarded \$DVY tokens for placing bets, providing liquidity, and other specially-designated activities. At Divvy.bet, we want to make sure our community is rewarded substantially for growing the platform.

SPEND

- **Minting Bets.** As mentioned above, users will have the ability to mint a NFT of their bet slip where it can be traded on a secondary marketplace. This gives the users the ultimate freedom to take profits early or enter an undervalue position. Users will have to mint with \$DVY tokens where price will vary depending on bet size. More details to be announced closer to feature release date.

- **Marketplace.** The Divvy Marketplace will be premier destination to trade NFTs from minted bets. In addition, we'll also have a variety of tangible items for people to purchase with their \$DVY tokens including Divvy.bet merchandise, live sporting events, and etc.
- **Raffles, and Promotional Bets.** Divvy.bet will host giveaways via raffles purchased with \$DVY tokens. We'll be giving away blue chip NFTs, tickets to live sporting games, and exclusive Divvy events. Divvy.bet will be offering promotional bets in the form of preset parlays bet cards that'll allow users to enter the bet with \$DVY tokens with a chance to win a payout in USDC!
- **Private Poker Games.** Once the Divvy Poker platform is live, users will be able to host private tables and tournaments. Users will immediately gain the benefits of Divvy's betting infrastructure that provides a secure environment to play and automating the treasury of the table.
- **Bet Boosts.** Users will have the ability to reduce the vig/juice of their bets and increase the chances of winning by unlocking Bet Boosters with \$DVY tokens.
- **Expert Picks.** Divvy.bet will be teaming up with world class handicappers to create exclusive content that'll give users their favorite bets of the week. Users will have the ability to subscribe to the handicapper of their choice via \$DVY tokens.

STAKE

- **Profit Share.** Divvy.bet will allocate 5% of protocol profits to \$DVY token holders who stake their tokens. Profits will be awarded proportionally to stakers where they'll have the ability to claim their share at their convenience. There'll also be a tax for those who wish to unstake. The tax will be determined by the length of stake. The longer you stake, the lower the tax. All taxed proceeds will be redistributed proportionally amongst the remaining stakers.
- **Validator.** \$DVY stakers will have the opportunity to further support the decentralization of the ecosystem by becoming a scores validator. Validators will be eligible to receive additional \$DVY rewards for their participation.
- **Voting.** Holders of \$DVY play a significant role in Divvy.bet ecosystem governance as we aim to convert to a truly decentralized platform. \$DVY stakers earn voting tokens that accrue over time. The longer the stake, the more voting tokens they receive. We look to the community to help shape the future of Divvy.bet.

Roadmap

NOW

- Community Discord Server Opens
- Community Games and Alpha Releases
- Litepaper/Tokenomics Released
- Token investors, Advisors, and Partners Announced
- NFT Art Sneak peeks and Giveaways
- Platform Devnet Operational
- Honorable Mention in the Breakpoint Solana Hackathon
- Recipient of the Solana Foundation Grant

SOON

- Mainnet Launch with Global Betting Markets
- Moonshot Game
- Futures, Parlays, Round Robins, Pleaser and Teaser Bets, Prop Bets
- Divvians NFT Drop
- \$DVY Token IDO
- House Pool / Bet Rewards / Yield Farming

FUTURE

- Predictions Markets
- Poker (with NFT avatars)
- New Innovative Bet Types
- Live Betting (Moneyline, Point Spreads or Handicap, Totals)
- Contests and Giveaways
- Table Games (Blackjack, Roulette, etc.)
- Slots
- Special Events
- Daily Fantasy Sports