HELP EACH OTHER
WHITE PAPER

ABSTRACT

Help Each Other is the first stablecoin-based crowdfunding platform that removes geographical and political limitations from fundraising. Any person from any country can start a fundraising campaign on Help Each Other platform to raise donations from anyone anywhere in the world for any purpose. No government can stop a donation or freeze a beneficiary's account. All donations are immediately available to beneficiaries to be used. Each donation results in daily farming of project tokens to the donor in the way that allows early donors to get back 2X the amount that they have donated. The platform is decentralized. All rules that govern the platform are defined in smart contracts. Holders of tokens locked for voting can elect Executive Directors, adjust key parameters of the contracts that govern the platform, and make other changes to how the platform operates.

1. INTRODUCTION

One of the greatest demands of the world today is to decentralize the global financial industry in order to get rid of unnecessary intermediaries. Decentralized lending platforms and decentralized exchanges function autonomously via smart contracts and are governed by voting users. These types of platforms are rapidly gaining popularity. In this white paper we suggest applying similar decentralized mechanisms to crowdfunding by creating a financially stable crowdfunding service that will be governed by its users.

The economic model of this service assumes that initial donations will be producing profits not only to campaign beneficiaries, but also to campaign donors. This mechanism will stimulate donors to register on the service and start donating as soon as possible. This initial rush of donations will allow campaign beneficiaries to quickly raise requested funds for any of their projects. This dynamic will generate initial publicity and traction, which will help sustain the platform after the growth rate levels off.

HEO DAO Fund will guarantee long term survival and stability of the platform. At the same time, Fundraising Fees, Donation Reward Farming and Liquidity Mining will support stability of the token economics.

2. MARKET NEED

2.1. Emergence of the global crowdfunding market

Crowdfunding has become one of the fastest growing sectors of the internet. In 2018, the size of the global crowdfunding market was estimated at $10.2B, by 2020 it has grown to $13.7B, and it is expected to continue growing at 16% annually reaching $28.8B by 2025.

Estimate of global crowdfunding market size in billions USD (source QYResearch)
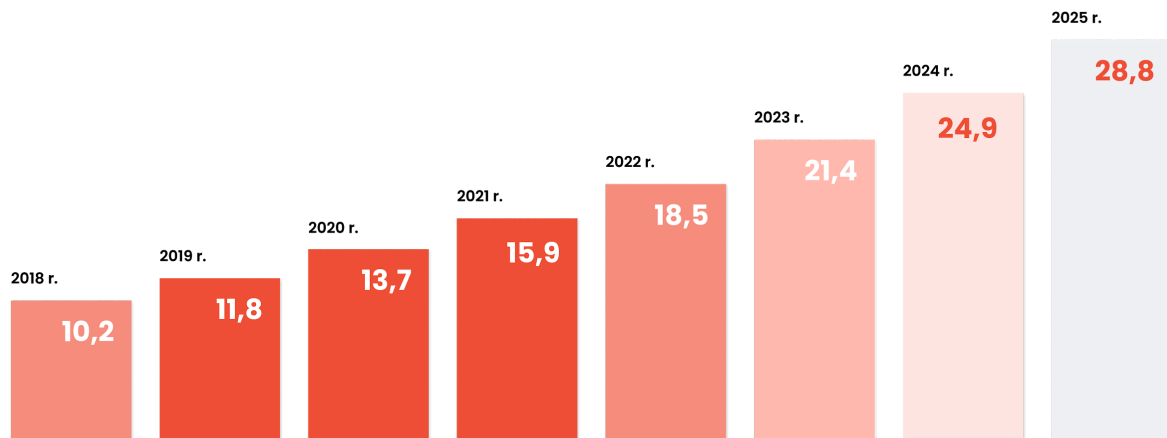
2.2. Market leaders

Several prominent international crowdfunding platforms have emerged over the past 10 years. The leading platforms, such as GoFundMe, Kickstarer, and Indiegogo help raise billions of dollars. To give an example, the total amount of money raised on GoFundMe in 10 years is close to $10B.

Each of the crowdfunding platforms is generally tailored for raising money for a subset of specific purposes, such as starting a business, charity, or creative projects.

2.3. Market challenges

Despite the overall success of crowdfunding platforms, several challenges prevent them from reaching broader audiences and in certain cases make fundraising impossible. Following is the list of these challenges.

2.3.1. Geographical limitations

Generally, only citizens of a fairly small number of countries are allowed to raise money on each of the major platforms. GoFundMe, the leader in the fundraising market, allows fundraising only to citizens of the USA, Canada, Australia, UK, Switzerland, and of the 15 most prosperous members of the EU. Kickstarter (2d place worldwide by annual amount raised), Indiegogo (3rd place), and other platforms have similar limitations.
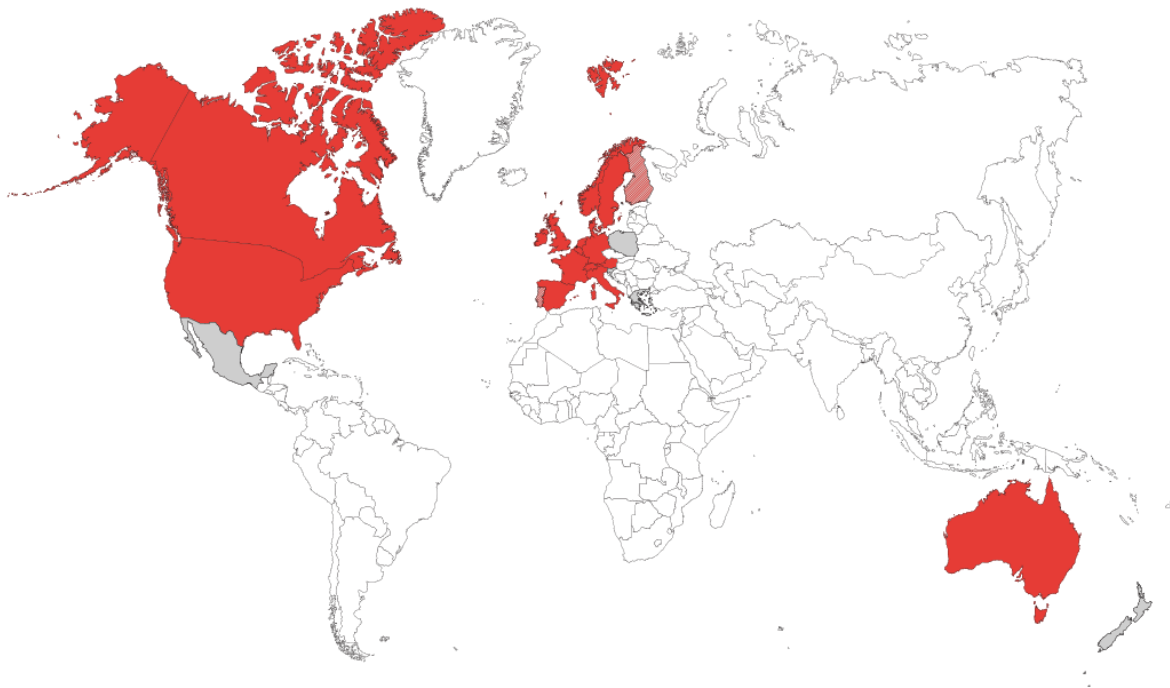
The countries where these platforms allow raising funds are among the most developed and liberal countries in the world. Coincidently (or consequently) only 1.9% of funds raised on crowdfunding platforms are raised in developing countries. At the same time, crowdfunding could provide a lifeline and a chance to get out of poverty for many more people, who live in less developed and less prosperous countries. However, it is nearly impossible for people in those countries to raise money that they need within the borders of their homelands, because most of their fellow countrymen live in similarly poor conditions. This need is partially filled by global charitable foundations. However, their reach is extremely limited due to their centralized nature and narrow focus. Furthermore, these foundations do not provide a human connection between a donor and a beneficiary. This is why we believe there is a need for a global platform that would allow a teenager in Bangladesh to raise money for his or her education, and help a village in Kongo raise money for building a water supply from anyone on the planet. Such a platform could dramatically change the lives of many people in developing countries.

2.3.2. Control by authoritarian governments

All online crowdfunding platforms collect and distribute money via traditional banking systems. National governments exercise tight control over the banking systems and can therefore limit and block fundraising within their borders. While in many countries this does not present a practical challenge, in countries with authoritarian and hybrid regimes governments routinely

seize bank accounts related to political opposition or any NGOs that they deem undesirable. Not only that, but donors with ties to those countries are often afraid to openly send money via the banking system, because of potential retaliation.

2.3.3. Centralized governance

All of the major crowdfunding platforms are centralized. The owners of the platforms decide what types of campaigns are allowed to raise money. They can prevent the launch of any campaign at their own discretion, and even halt fundraising that is already underway. Governance and development of these platforms is fully controlled by the owners and does not have to take into account the opinions of the communities that they serve.

2.3.4. Inefficient withdrawing

Kickstarter and many other platforms use an "all-or-nothing" funding model. Only campaigns that reach their minimum funding goals get to collect the money. Even if a campaign falls 1% short of the goal, all the money goes back to the donors.

Some other platforms, such as GoFundMe, allow collecting money even when a minimum funding goal is not met. However, in these cases, the admins of the platform have to give a special permission for withdrawing the funds. In any case, users cannot withdraw any of the raised funds while the money is still being collected.

2.3.5. Absent or insufficient rewards for donors

Some of the crowdfunding platforms that target raising money for starting a business or creating a product reward donors with exclusive access to products or equity. However, the donors are rewarded only when the campaign they have sponsored succeeds. Other crowdfunding platforms, that target fundraising for charity, provide no rewards at all. We believe that innovations in blockchain and decentralized finance provide mechanisms for rewarding donors regardless of the type of campaigns that they support.

2.4. DeFi need

Forbes has recently [highlighted DeFi](#) as "the new paradigm not only for financial instruments but for all manner of financial and commercial activity in digital assets". DeFi technology and value has exploded in 2020. According to [defipulse.com](#) the amount of value locked in DeFi platforms has grown from $250M at the beginning of 2019 to over $45B in March 2021.

Total Value Locked (USD) in DeFi

TVL (USD) | ETH | BTC   All | 1 Year | 90 Day | 30 Day

One of the main reasons underpinning the success of DeFi projects is the demand for decentralization and dissatisfaction with current financial systems that are controlled by governments and corporations, rely on protectionism and corruption, and involve a large number of intermediaries in every transaction. Unlike traditional financial systems and products, DeFi-based systems and products allow anyone to participate regardless of their citizenship or place of residence. Furthermore, the protocols and financial models of DeF-based services are completely open and transparent.

Currently, DeFi technology is focused on three main markets: lending, decentralized exchanges, and oracles. However, many analysts predict that DeFi technology will soon expand to cover other markets.

3. VALUE PROPOSITION

3.1 Main principles

Help Each Other - is the first crowdfunding platform based on DeFi technology. It's two main principles are:
- People all around the world have the right to help each other directly, without intermediaries, and according to the rules that they establish and adjust through democratic process.
- Helping others should be rewarding, not only morally, but also financially. When we help other people, we invest not only in them, but also in ourselves.

3.2. No borders

Fundraising via Help Each Other is not limited by any political or geographical borders. People from anywhere on the planet, including developing countries, can use the platform.

3.3. Independence from national governments

Decentralized nature of blockchain guarantees that no agency, company, person, or any other type of entity can stop the passing of funds from a donor to a fundraiser. For this reason, raising money on the platform is safe, even if an authoritarian power or a totalitarian government wishes to prevent funding a specific campaign.

3.4. Donation rewards

Donations to a campaign on Help Each Other start farming reward tokens to the donor's wallet. Reward amounts are paid in HEO tokens according to the HEO-USD exchange rate for the day of donation.

The exact amount of reward depends on the Donation Yield of the campaign where the donation was sent. During the initial period of growth, rewards paid to donors will significantly exceed amounts donated (see Reward farming).

3.5. Decentralization

Help Each Other is a fully decentralized platform. All decisions about the governance and functioning of the platform are made by voting of HEO DAO (see Governance).

Furthermore, all money collected from the sale of tokens during the private and public sales will be automatically transferred into the HEO DAO Fund, which will also be governed by voting (see HEO DAO Fund).

The responsibility of the founders of the platform is to launch it and to scale it up to the point where it can sustain itself. After the platform reaches sustainable scale, the founders will gradually transfer control over the platform and the Platform Development Fund to the majority of the users. This process of gradual transfer of control will happen automatically based on ownership of HEO tokens.

3.6. Immediate access to funds

All funds collected on the platform will pass immediately from donors to fundraisers. A person raising funds on the platform will receive each donation as soon as it is sent, and will be able to use the funds right away.

3.7. Low cost and fast transactions

According to a 2018 report an average donation for GoFundMe campaigns was equal to $15. But when you make a transaction on Bitcoin or Ethereum blockchains you should pay the same amount or even more as a transaction fee. Therefore Help each other platform will be developed on a blockchain that provides low cost and fastest transactions.

3.8. Predicted rate

Help each other will use USD as the unit of value. The platform will allow making donations in stablecoins, such as USDT, USDC, TUSD, DAI, PAX etc. The platform will assume $1 USD value of any stablecoin accepted by the platform.

3.9. Open source

All system contracts and the source code of the original Help Each Other website are publicly available. Anyone can create a mirror of the Help Each Other website, or another website based on the Help Each Other system of contracts, or embed a donation system based on Help Each Other contracts into an existing site.

3.10. Competitive comparison

	HEO	GoFundMe	Kickstarter	Fundraising to personal BTC/ETH wallets
Geographically unlimited	Yes	No	No	Yes
Independence from authoritarian control	Yes	No	No	Yes
Decentralized	Yes	No	No	Yes
Immediate access to funds	Yes	No	No	Yes
Rewards for donors	Yes	No	Only if the project succeeded	No
Predicted rate	Yes	Yes	Yes	No
Low cost transactions	Yes	Yes	Yes	No

4. TOKEN ECONOMY

4.1. HEO Token

HEO token is the utility token that is the main crypto-currency of the platform.

4.2. Fundraising Fee

To start a new campaign a fundraiser should lock 5% of its amount in HEO equivalent. When this campaign gets a donation, a corresponding number of locked HEO will be debited to the HEO DAO Fund. If you close your fundraiser your unspent HEO will be unlocked and returned to your wallet.

Example: 1 HEO = $1. Alice starts a fundraiser for $1000 and locks 50 HEO (5% of $1000). She receives $500 and decides to close the fundraiser. So 25 HEO were sent to the Development Fund, and 25 HEO were unlocked and sent back to Alice's wallet.

4.3. Donation Reward Farming

Each donation launches daily farming of rewards in HEO which continues throughout the year and is calculated by the formula S*X/365*R, where S is an amount donated in USD, X - donation yield coefficient, R — HEO/USD rate for the day of donation.

Donation Yield Coefficient X decreases depending on the number of HEO which should be farmed according to already given donations.

Example: Bob donated $100 to Alice's fundraiser when 1HEO=$0.5 and X=2. This means that he will farm 1.09589041 HEO tokens every day for 365 days (400 HEO in total). And Chris donated $100 to Alice's fundraiser when 1HEO=$1 and X=1.5. This means that he will farm 0.4109589 HEO tokens every day for 365 days (150 HEO in total).

4.4. Donation Yield Coefficient (X)

Donation Yield Coefficient X depends on the number of HEO which should be farmed according to already given donations.

Will be farmed	Donation Yield Coefficient X
Below 1,500,000	2
1,500,000 - 3,000,000	1.9
3,000,000 - 4,500,000	1.8
4,500,000 - 6,000,000	1.7
6,000,000 - 7,500,000	1.6
7,500,000 - 9,000,000	1.5
9,000,000 - 10,500,000	1.4

10,500,000 - 12,000,000	1.3
12,000,000 - 13,500,000	1.2
13,500,000 - 15,000,000	1.1
15,000,000 - 16,000,000	1
16,000,000 - 17,000,000	0.9
17,000,000 - 18,000,000	0.8
18,000,000 - 19,000,000	0.7
19,000,000 - 20,000,000	0.6
20,000,000 - 21,000,000	0.5
21,000,000 - 22,000,000	0.4
22,000,000 - 23,000,000	0.3
23,000,000 - 24,000,000	0.2
24,000,000 - 25,000,000	0.1
Over 25,000,000	0*

* HEO DAO may release additional HEO from the HEO DAO Fund in order to continue Reward Farming even after reaching this milestone. This decision can only be made by voting.

4.5. Liquidity Mining

Holders of HEO may provide liquidity for DEX trading and stake their LP tokens to mine more HEO from the HEO DAO Fund.

4.6. Campaigns promoting

Authorized users can assign likes and dislikes to campaigns on the platform in order to increase or decrease their visibility. Likes/dislikes will be sold at price which will be determined by a vote by the holders of HEO tokens. HEO tokens used to purchase likes/dislikes will be sent to the HEO DAO Fund. Assigning Likes and Dislikes will happen on HEO website off-chain.

4.7. Token Economy Diagram
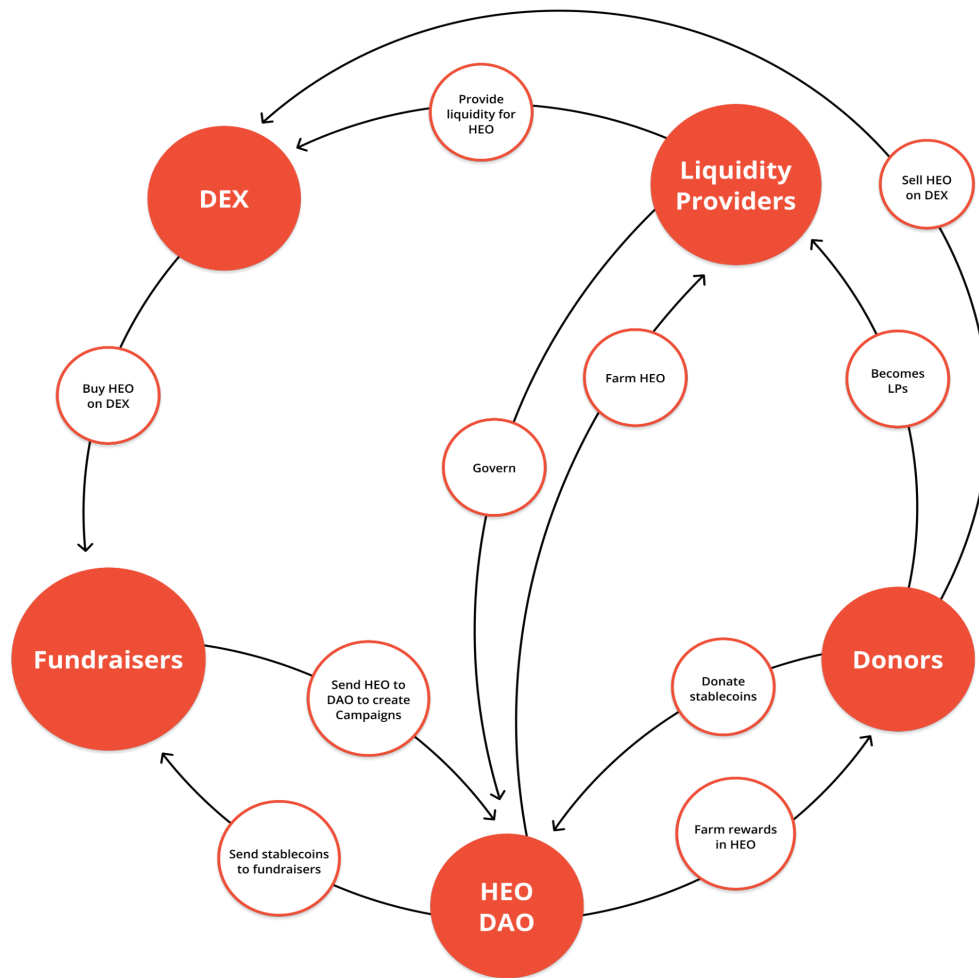
5. GOVERNANCE AND FINANCES

5.1. HEO DAO

Help Each Other is a decentralized autonomous organization (HEO DAO). All decisions about development of the project are made by voting.

HEO DAO controls the following aspects of the platform:
- Distribution of the resources of the HEO DAO Fund;
- Elections of the Executive Management to control the Platform Development;
- Amount of Fundraising Fees;
- Amount and schedule of Liquidity mining;
- Amount and schedule of Donation Reward Farming;
- Price of campaigns promoting;

- Amount of LP tokens that their holders have to stake in order to cast a governance vote;
- Rules for proposing changes to be voted upon;
- All the other adjustable parameters of the platform;
- Propose any other changes to the platform.

5.2. HEO DAO Fund

5.2.1. Overview

HEO DAO Fund is the project treasury that guarantees long term sustainability of the platform. HEO DAO Fund can hold stablecoins as well as HEO tokens.

5.2.2. Sources

HEO DAO Fund is created with:
- 26,5% of total supply of HEO tokens;
- stablecoins raised from the private and public sales of HEO tokens

Then HEO DAO Fund is replenished with the HEO tokens from users who start and promote campaigns.

5.2.2. Usage

HEO DAO Fund is used for:
- Platform Development;
- Marketing expenses;
- Ecosystem projects;
- Partnership establishment;
- [Liquidity Mining](#);
- Reserve.

The exact amounts of funds to be used for each of the aforementioned areas is determined by voting of HEO DAO.

5.3. Progressive decentralization model

HEO DAO will use a [progressive decentralization model](#) of transferring governance over to the community. On the initial stage the DAO will be launched and governed by the core team and after the platform is launched and becomes stable, governance of the DAO and of the DAO Fund will be gradually transferred over to the community.
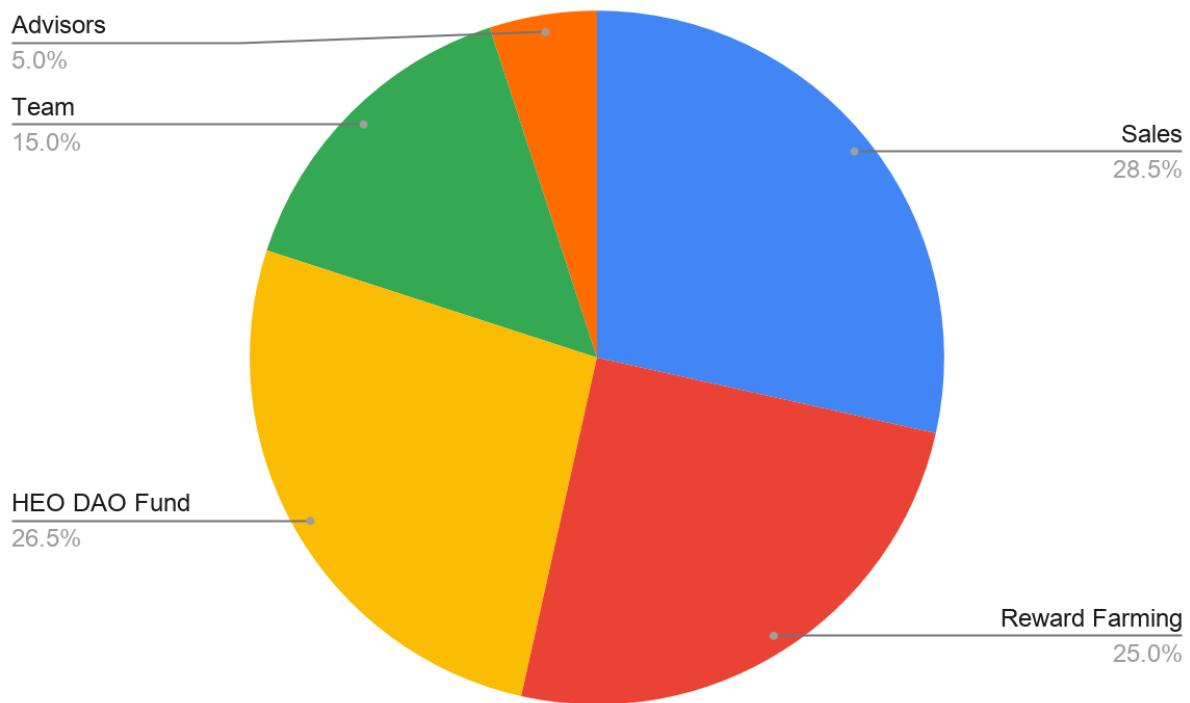
6. TOKEN METRICS

6.1. Key metrics

Initial Circulating Supply: 2,860,000
Fully diluted Supply: 100,000,000
Initial Market Capitalisation $572,000

6.2. Token allocation

Sales: 28.5% (28,500,000)
Donation Reward Farming - 25% (25,000,000)
HEO DAO Fund - 26,5% (26,500,000)
Team - 15% (15,000,000)
Advisors - 5% (5,000,000)

7. CONCLUSION

Help each other project introduces two important innovations in the world of crowdfunding that will promote the growth of this market.

Firstly, the financial benefit is received not only by those who raise funds, but also by those who donate them.

Secondly, the management of the project and its budgets is carried out by the users themselves. 100% of the funds received from the sale of tokens will be used for the development of the project, this is incorporated in a smart contract that cannot be changed.