

DART DAO Systems, Pvt Ltd.

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CHAOS

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## **Preface & The CHAOS Thesis**

The initial promise of cryptocurrencies and blockchains was to provide a more transparent, clearer, and easier system of access. The initial concept was simple:

Allow direct Peer-to-Peer transactions that do not require a complex (and corrupt) banking system in between.

The idea was to protect the average citizen from corrupt or reckless political and financial activity that results in harmful effects such as inflation, disrupted capital access, and inefficient accumulation of wealth.

However, that message seems to have been lost among the sea of 'staking' ideas, 'protocols', memecoins, overpriced NFTs, and the incenstituous focus on tokens whose entire purpose is to 'rise in value' and that's it.

This has resulted in widespread chaos within the crypto ecosystem. Chaos, that crypto was meant to allay.



The CHAOS token is designed to address this very Chaos in both fiat and crypto systems.

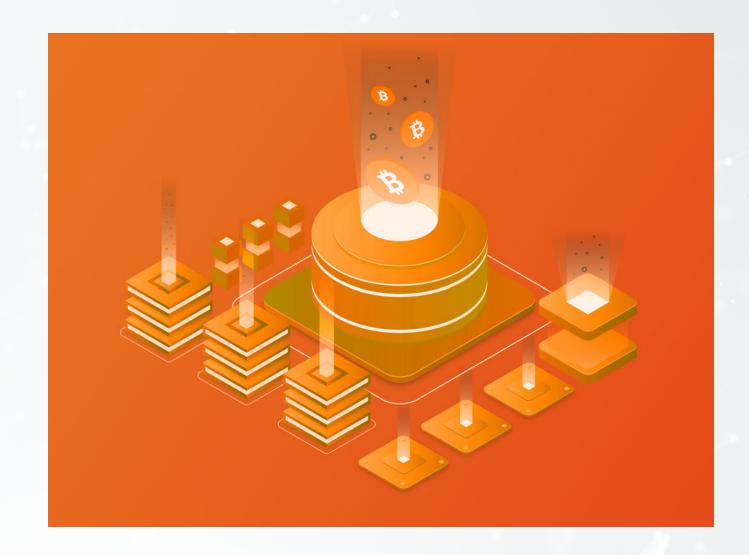
The concept is remarkably simple, just like the original Bitcoin thesis. Peg yield and value directly to "Productivity" instead of "Perception". And more specifically, productivity of real world items that are necessary for humanity's survival. Food, Housing, Energy - these are the critical asset types and classes that provide the most accurate measure of valuation.

But more specifically, the production and consumption cycles of these asset classes is what's critical more so than their simple existence.

As such CHAOS is designed to observe, receive, and then distribute the actual revenue from activities in these sectors. All CHAOS token holders can build a hedge against inflation and global disasters through this mechanism. Further, the value of the token isn't based on 'hype' and market-making activities (or what we see as market manipulation). The value is simply a multiple of the yield derived from the underlying assets.



chaos.dart.cash



# CHAOS is the native token of the DART DAO

-a culmination of ongoing developments in the Energy, Digital Asset, and Regulatory sectors since mid-2016.

The key goals of these developments were to create a new DeFi model with:

- » Significantly higher token-holder protections.
- » Well defined source of cashflows and revenue for token holders.
- » A consistent, reliable hedge against inflation and reckless governmental actions.

CHAOS Token Holders receive ongoing rewards in USDC and CHAOS tokens of dividends in proportion to the number of tokens held. The rewards are directly derived from the revenues of producing hard assets and the associated APY is recalculated every Quarter. The APY is entirely dependent on the performance of the underlying assets and has averaged in the 16% to 27% range (though this cannot be guaranteed).

The rewards or yield generated is claimable monthly though it is posted daily on the participating platforms. The consistency of the rate, and the backing provided by hard assets ensures the 'risk of collapse' is significantly mitigated.



## The Inflation Resistant Cashflow

To ensure that the CHAOS rewards are consistent and don't lose their value due to inflation, the 'Hedge Rate' automatically adjusts every quarter. In times of high inflation and global uncertainty, the rate goes up. In times of lower inflation, the rate adjusts down.

This occurs naturally and automatically, without direct human intervention due to the source of the CHAOS cashflows - the Energy, Real Estate, and Digital Asset sectors.

CHAOS receives a fixed allocation of Crude Oil, Natural Gas, and related resources under the 'Volumetric Production Agreement.' This means when the price of Oil and Gas goes up (as it does in case of inflation or global chaos), the value of these allocations also goes up, resulting in higher rewards for the token holders.

Similarly, CHAOS receives a fixed allocation from Real Asset transactions like the sale of oil fields, gas pipelines, and liquidated real estate properties.

Finally, CHAOS receives transaction and technology fees from DART — the 'Parent DAO' — on digital asset trading. As the digital asset markets glow due to lowered confidence in local currencies, associated DART revenues also increase, resulting in CHAOS rewards increasing.



## **Developing The Asset Network**

Building a substantial Energy and Asset network takes time, resources, and requires significant regulatory approvals. The CHAOS project has chosen to build this network and resources before moving to the token offering to ensure all token holders are appropriately protected and see rapid progress on the project.

To this end, the project has sought to partner with actual hard-asset holders instead of focus on just protocols and software. Following are some of the KAPs (Key Assets and Partners) in the CHAOS project:



NATURAL GAS PRODUCTION

Flared Natural Gas is one of the greatest untapped opportunities in the Energy sector today. A 187-mile Natural Gas pipeline that specifically gathers stranded and flared gas has been added to the project as of March 2022.



#### **OIL PRODUCTION**

The project has partnered with 3 Operators with access to over 2,000 active oil wells with production capabilities of approximately 300,000 barrels of oil annually (a USD value of roughly \$30 million per year at \$100 per barrel).



#### **GREEN ENERGY**

The project has partnered with Recycle & Rescue project that salvages abandoned oil wells and under-productive resources with ecofriendly technology. This Energy agreement can scale to over 1m barrels of oil annually (a \$100m value at current price of oil).



**MINING OPERATIONS** 

Given the project's access to extremely cheap electricity, a portion of the Flared gas will be converted to active BTC mining with target production rate of under \$10,000 per BTC mined. The pilot study for this project has already been completed.



#### GOVERNMENT AGREEMENTS

The project is in early-stage discussions with the governments of states of Texas and Oklahoma, and the country of Ecuador to receive access to State-owned oil and gas fields for the CHAOS Gas and Abandoned Oil rescue projects.



#### LIQUIDATION REAL ESTATE

The project has entered an MOU with a major Real Estate asset liquidation and credit resolution firm in emerging markets (such as India). This reconstruction program can be scaled to roughly \$500m USD in annual deal flow, resulting in \$75m+ in annual revenues for the token holders. Each transaction is fully collateralized by the underlying asset, ensuring further baseline support the for CHAOS token.





## The DART DAO

DART (Decentralized Autonomous Resource Tracker) project was founded to develop a neutral, third-party layer to monitor and administer the transfer of tokenized tangible assets and digital assets. To this end, DART has developed a marketplace that uses USDC as its baseline currency (one of the few fully audited stablecoins on the market). Digital Asset holders and Consumers can interact in a decentralized manner with Traders and Hard Asset holders to access a multitude of mechanisms to generate safe, stable returns on the platform.

DART receives technology fees on all yield generating products. A portion of this technology fee is also contributed to the CHAOS rewards to further boost the protections for token holders.

## Regulatory & Compliance Technology

A key aspect of the DART project is to develop a robust, fully compliant ecosystem where users may interact with proper safeguards in place, and yet with a high-level of freedom in individual decision making.

All interactions on the DART platform are compliant with KYC-AML regulations and proper user/accreditation checks are in place. Industry leading chain-analysis is in place to ensure no blacklisted or nefarious actors may participate on the platform.



## **Tokenomics**

To ensure significant appreciation for early adopters, the CHAOS token will be released in 3 phases with a staggered valuation structure.

50m tokens at	100m tokens at	200m tokens a
\$0.20 USD	\$0.40 USD	\$0.90 USD
6.6%	13.3%	26.6%



With a post-release valuation target of \$1.50 per token on the secondary markets. An additional 100m tokens are reserved for Operators and Managers for the various assets, 50m for the DART team, 200m for locked liquidity pool, and 50m tokens allocated to bonuses and rewards.

This schedule will result in total supply of 750m CHAOS with a market cap exceeding \$1b market cap.



## Secondary Market & Public Pricing Support

One of the key advantages of a resource, revenue, and asset backed token like CHAOS is the clear market price support, which directly benefits all token holders.

In traditional stock markets, the prevailing public share pricing has averaged a 22x multiple of annual yield of a company. The CHAOS token market pricing operates on a similar concept, with the estimated token price to hover around 20x of the annual yield. In fact, this is a highly conservative estimate as most projects in the blockchain industry have significantly higher market valuations:



\*Source Coinmarketcap.com, above figures can vary per day.

In each Phase, CHAOS has a target yield per token that should result in a market price as indicated below:



**Disclaimer:** Note that this yield and the associated market price is purely an estimation and not a guarantee of any yield or appreciation in token price.



## **The CHAOS Reward Mechanism**

The CHAOS token has a sophisticated 'flare-off' system in place which ensures high rewards and high token value at the same time.



If the price of the token is extremely high on public exchanges, the treasury of 200m tokens will be used to sell some tokens. This results in an influx of revenue to the treasury, which results in higher rewards. On the other hand, the token price is low on the exchanges, and the native reward generation is high due to the performance of the commodity assets; the treasury uses excess rewards to purchase the token, creating an uplift in the price of the token.

This mechanism creates natural baseline support for the token price and, on the opposite, baseline support for the token rewards.

The very nature of the ongoing rewards, which accrue daily, and are issued monthly, encourages holding the token for its cash flow value instead of looking to rapidly dump the token on the market, which would have a negative impact on CHAOS value. However, there is no restriction against doing so! If a token holder wishes to sell their CHAOS holdings, they may do so at any time, as the treasury-asset float would kick in and present the token value for all the other holders.

The market rate and rewards would continue a similar harmonious balance with each other, with the treasury buying or selling excess supply as needed.



## **Compound Effect Of CHAOS**

Since token holders can receive rewards in CHAOS equivalent, they can compound their holdings rapidly. Due to the staggering valuation nature of the CHAOS tokens, a secondary effect of compounding is achieved. The 'new' CHAOS released as rewards has a higher value than the previous CHAOS holdings that were released at a lower valuation. This mechanism results in significant rewards for early adopters.

This compounding nature of the CHAOS token creates the opportunity to grow total CHAOS holdings while also capitalizing on a potential increase in the token price. Note that not all exchanges support both USDC and CHAOS rewards.

## **Deployment & Rewards Lag**

From the moment new CHAOS tokens are sold, the process of deploying the capital into Commodity production and Hard assets begins.

This process takes an estimated 90 days, though exact timelines vary based on the nature of the deployment and production. For example, deployment towards Oil and Natural Gas wells takes roughly 60 days before the production from those wells begins to kick in. Meanwhile an asset arbitrage transaction can take as much as 180 days before materializing.

As such, as new capital flows in, there is a temporary dilution effect on the rewards. This is because there are more participants in the rewards, but the associated CHAOS purchase has not started contributing to the production yet. As the production or Asset arbitrage occurs, the rewards streamline and increase, normalizing in the expected range.

CHAOS purchasers should be aware of this phenomenon and expect that the immediate rewards they receive will be lower than what they will see as the capital gets deployment and becomes productive.

## Long Term Market Support & Subsequent Minting

Beyond the phased initial release of 750m total supply, additional CHAOS will be minted in Secondary Expansions. The CHAOS Smart Contract is designed to allow future minting when the supply reaches its limits.

The decision to mint additional CHAOS is determined by 3 factors:

- » Exhaustion of existing supply in rewards and holdings
- » Expansion of hard assets beyond the available market supply.
- » Demand for additional liquidity on secondary markets that cannot be fulfilled by the Treasury.

In the current environment, it is not expected that such a minting will be required until at least 2027. Yet, the CHAOS Contract is designed to allow for such a possibility.

## **Project Audience & Restrictions**

The CHAOS token is not available for purchase to:

- » Retail (non-accredited) residents of the United States.
- » Residents of St. Kitts and Nevis and the rest of the Caribbean Countries.
- » Residents of Restricted Nations or State Sponsors of Terrorism that are not in compliance with the international KYC-AML rules.



## **CHAOS FAQ**

#### • What is DART DAO and who manages it?

DART DAO Systems, DAO stands for Decentralized Autonomous Organization, is formed as an IBC (International Business Corporation) in Saint Kitts and Nevis, and as a decentralized organization has people spread all around the globe. You can find the specific information and the key people in place below in the whitepaper.

## • How is the expected yield calculated, and is it based on the token price during the 3 phases or on the expected market value when it can be traded?

The yield has very little to do with the market price of the token. The 15%+ yield is the expectation based on the performance of energy, real estate, and digital asset markets. This yield is not directly impacted by the market price of the token. On the other hand, the higher the yield, the higher the support/base market price of the token as buyers are willing to pay a higher price for a token that produces a yield unrelated to its own price. Just like the dividend paid by Apple (AAPL) is not directly related to its stock price, but the stock price of APPL is higher if the dividend is higher.

#### How does the CHAOS "double-compound effect" work exactly?

If you acquired CHAOS tokens during Phase I, you paid \$0.20 per token. These CHAOS will produce a yield in the form of new CHAOS. When we hit Phase II, the CHAOS yield being received will be in form of the new CHAOS tokens, which have a higher valuation. So not only are you compounding like you normally would, but you are now receiving tokens that have a higher valuation and a higher yield target, thereby increasing the compound rate you receive. This, in effect, compounds your return AND increases the yield rate. Hence the term 'double compound'.

#### • Why do you have CHAOS token rewards in each phase and at what price are these rewards at?

Buyers after Phase III will be purchasing the CHAOS tokens at the secondary market price. They will be purchasing an asset-backed yield-generating token at its market value. During the first 3 phases, buyers can acquire these at below market value. If you look at the expected market value (based on a 20x multiple of yield), the price in the 3 phases is significantly lower. This premium discount is to encourage rapid early adoption, and the CHAOS token rewards have the same token price of each phase.

#### • What is the vesting period for the DART team, and what for bonuses?

The vesting is 12 months for the DART team. There is no vesting period for bonuses, they are treated like normal ones.

# • How will the DART team protect the CHAOS token and their ecosystem from heavy "short" attacks and avoid a "Luna" incident in the near future?

One of the beauties of a true asset/revenue-backed token like CHAOS is that there is no 'emotional' pricing at play. The market value of the CHAOS token has a base support price determined by its yield and assets that are unrelated to the token/crypto markets in general. If someone was to 'short' the CHAOS token to reduce its price artificially to a lower price than the yield would suggest, that's actually very good for the project as management and other buyers will simply acquire the tokens at the price below market. There is no 'algorithmic peg' that would collapse and result in an incident like Luna. The 'death spiral' flaw simply does not exist in the CHAOS token concept.



## **Core DART Team:**



## Vasileios P.

Managing Director

Has served in critical leadership roles in multiple industries including military, public, and private entities, with the addition of 7+ years of corporate contribution in two 8-figure SaaS companies. As one of the pioneers of multiple business ventures in Greece and Cyprus, his invaluable relationships and experience in furthering the project in the European markets.



#### Yusuf Ouda CTO

Over 12 years of experience as full-stack developer. Has contributed significantly in driving growth and innovation for two 8-figure SaaS companies with 2 core product and a combined revenue of over \$31m+ in direct digital product sales. Fully skilled in all programming languages and managing multiple IT operations.



## **Demetris P.** Marketing Director

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Demetris is an accomplished businessman, digital marketing leader and avid entrepreneur with a diverse unique experience background in various industries including but not limited to project management, social media/internet marketing consulting, online product creation/promotion in various SaaS projects.



#### Akis K. Finance & Compliance Advisor 🔗

Akis is a professional with over 22 yrs extensive experience in several sectors of Banking, with Major the International Banking Services, well known to AML regulations, and internal procedures (ISO), having always in mind providing Excellent Service, increasing Market Share and Profit.

## **DART Operational and Support Teams:**

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**CA. Vinod Kr Chhabra** Financial Operations

Member of FCA since 1977, Company Secretary (FCS) with 40+ years in Raising of Short Term & Long Term Funds, MIS Manufacturing, Process, Vanaspati, Textiles, Stock Exchange & Service industries.



**CA. Vishnu Dutt** Legal Operations

FCA, LLB, ACMA, NCLTAT Bar Association, Forensic Auditor with 30+ years experience including Real Estate, Manufacturing, Consulting, Oil Sector, Service industries.



**Devinder Kumar** Financial Planning

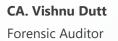
RegD. IP, Certified Financial Planner with 38+ years in Banking & Power sector.



**Prasun Chaudhuri** Energy Assets

RegD. Insolvency Professional (IP); B.E Mechanical with over 40 years in power sector. Turned around MBPL Power Plant, Anuppur.





FCA, LLB, ACMA, NCLTAT Bar Association, Forensic Auditor with 30+ years experience including Real Estate, Manufacturing, Consulting, Oil Sector, Service industries.



Kumud Shekhar Due Diligence

MBA (Finance), LLM & qualified Insolvency Professional with 22+ years in Due Diligence, Legal assistance on Projects, Direct Foreign Investment, Drafting Contracts and agreements, Debt recovery tribunal, Labor Laws.



**K. K Khurana** Assets Valuer

IBBI registered Insolvency Professional and Registered Valuer (SFA) with over 7 years as Executive Director of Delhi Stock Exchange.



Naresh Bhutani Regulatory Compliance Specialist

B.Com (Honours), CFA and CAIIB with 38+ years in Banking, Credit Appraisal & Monitoring and Compliance work.



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## **Project Specific Advisors and Team Leads:**

The following project leads are not direct members of the DART DAO or the CHAOS project, but rather operate independent entities that participate in the CHAOS yield generation mechanisms.



**Ron Bailey** IT, Hardware & Engineering

Mr. Bailey is an acclaimed engineer and inventor best known for his work with the NSA, DARPA, and SpaceX. He oversees all in-situ gas to BTC mining operations and tech innovations for field deployments.

Chief Financial Officer at Reveille Capital & Arkose

Master's Degrees and Over 30 years of experience

in the financial Arena working both domestically and overseas and with 3 Years in the Tech Industry.

Energy Corp. and Ex-CFO of Chevron. has 2



Doug Gaines

Oil Production & Recycling

**Dr. Gavin Clarkson** 

Sovereign & Emerging

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Member of Louisiana Board of Directors Oil & Gas, Mr Gaines has over 30 years of in-the-field experience with acquiring, developing, and managing oil and gas properties.



#### Gary Somesse

Equipment & Hardware Innovation

Founder and developer of Air Lift Technology generation pump. Responsible for timely deployment of the hyperefficient pumping technology on wells.



**Amzy Hibler** Natural Gas & Pipelines

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Attorney and Professor at University of New Mexico and leading Federal expert on Native American & Tribal relations.

Assets



### Ruger Ritz On-site Electricity and Bitcoin Production

BSc Natural Gas Engineering from Texas A&M -Kingsville.



#### Mr. R S Yadav

Liquidation Hard Assets in Emerging Markets

Ex-Sr VP of Reliance Infrastructure with 38+ years in Detailed Project Assessments, Techno Economic Viability (TEV) studies, Costing, Cash Flow Analysis, Arbitration, Project Management.





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FCS, ACMA, M. Com, Regd Insolvency Professional (IP) with 7+ years Director of Delhi Stock Exchange.

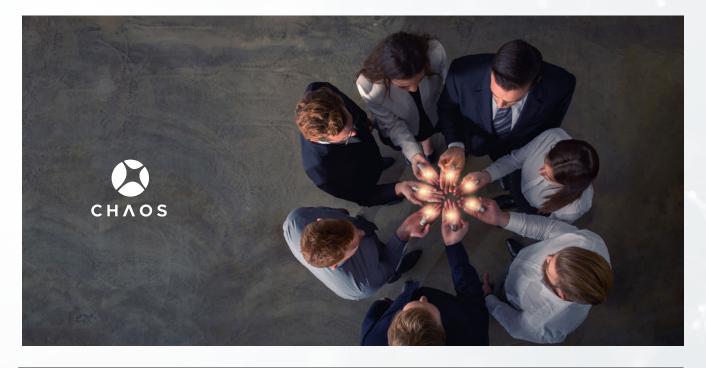


#### Mantrah Law House LLP

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**Insolvency Professionals** 

Leading IPE Law Firm with 20+ attorneys and finance professionals on staff, and an overall corporate exposure of more than 125 years in the various fields of Legal Financial. Secretarial Commercial. Compliance & Management Advisory Services.





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