Designed by

SOLVE.CARE

Definitize

Whitepaper

The World's First Decentralized Autonomous Organization (DAO) that Utilizes DeFI for Healthcare

Innovative and sustainable decentralized finance for healthcare

Version 1.1

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Executive Summary

Definitize is a Decentralized Autonomous Organization (DAO) created specifically to deliver highly innovative financial solutions for deserving projects that serve patients and doctors by improving the accessibility and efficacy of global healthcare.

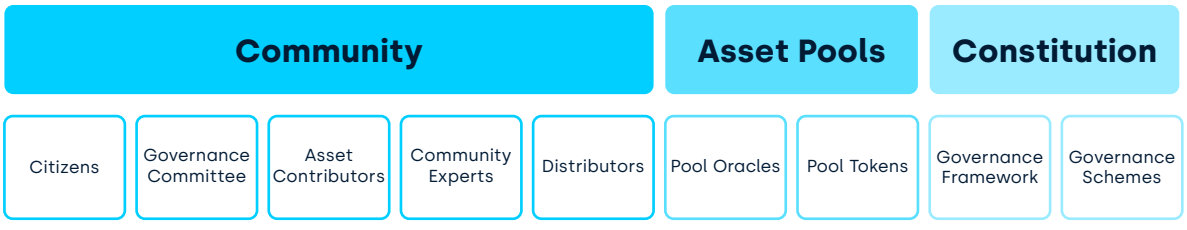
The key element of Definitize as a DAO is its merit based lending and governance protocol, used to select projects, finance projects, and manage projects, whilst generating sustainable returns for asset contributors and the Definitize community.

The premise of the Definitize DAO is that the healthcare sector represents a unique opportunity for lending and financing solutions that can produce significantly higher sustainable returns, if financing projects are selected on merit and properly governed.

The purpose of Definitize is to allow DeFi solutions to be designed and implemented on a project basis as determined to be worthy and as approved by its citizens via a governance vote.

The Definitize DAO is made up of 7 key components:

1. Constitution
2. Citizens
3. Governance Token
4. Asset Pools
5. Distributors
6. Community Experts
7. Asset Contributors



The power of DAO governance lies with its citizens, via a well-designed governance framework that aligns the interests of patient, asset contributors, distributors, and the DAO citizens. Definitize is designed to enforce the principles enshrined in the Definitize constitution via 7 core governance schemes (A collection of smart contracts which run the DAO).

Definitize distributors and community members can submit merit-based proposals for launching new asset pools. Distributors are required to stake tokens for their proposal to be considered and may boost their proposal (prioritize review) by staking additional tokens.

Assesment scheme	Configuration scheme	Contribution scheme	Distribution scheme	Performance scheme	Redemption scheme	Voting scheme
Proposals	Asset Pool Creation	Eligibility	Whitelist	Pool Index Token scheme	Principle, Interest and Income	Mining
Scoring	Pool Oracle	Contribution	Collateral	Risk Factor Calculation	Liquidation	Reputation
Staking		Pool Index Token (PITx)	Assets		Emergency Stop	Citizen Voting
			Receipts			Emergency Voting
			Payments			

All proposals are evaluated by a pool oracle and then submitted to a citizen vote. Definitize citizens review proposals from distributors and vote on deserving proposals. If the proposal is approved via a vote by its citizens, the corresponding asset pool is automatically launched.

Asset contributors can choose between multiple pools with different purposes, parameters and risk factors. Contributed assets earn interest and may earn part of the pool income. Asset contributors receive a pool specific token that represents the value of their contribution plus all earned/accrued interest and income. This value will be updated daily.

All asset pools are monitored by Pool Oracles, which calculate the risk and performance of the pool and update the risk adjusted value of the pool (a combination of contributed principal, accrued interest and anticipated income), which is then reflected in the daily value of the pool token.

The Definitize governance model is universally applied to all asset pools, resulting in a decentralized community-based governance that provides management and oversight over every asset pool. All asset pools contribute a small part of their pool income to the Definitize treasury to ensure the ongoing sustainability, scalability, and resilience of the DAO.

The Definitize constitution binds all Definitize community members to always act in the best interest of patients and providers, with the goal to improve access to healthcare and its efficacy for humanity. The Definitize protocol ensures that these goals are achieved in a sustainable manner through merit-based selection of projects that meet the qualification criteria, combined with effective governance by an engaged community.

In conclusion, the full value of Definitize is in the community governed, merit-based, project-specific sustainable financing mechanism that can be applied to healthcare and most other sectors of the economy in need of innovative financial solutions.

Definitize brings Decentralized Finance to Healthcare

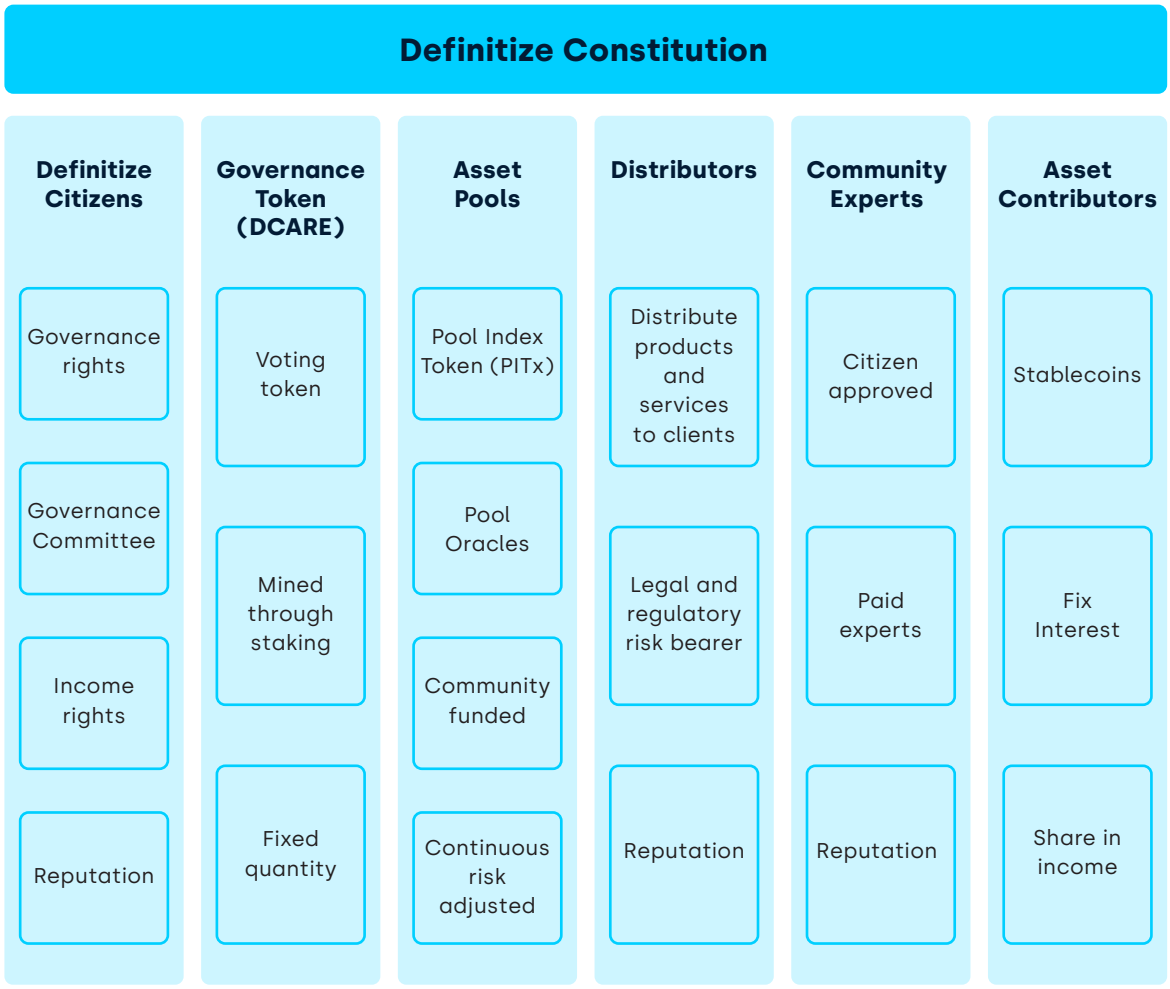
The mission of Definitize is to improve healthcare worldwide and remove barriers by bringing innovative DeFi solutions to patients and doctors (and care delivery organizations such as hospitals, labs, clinics etc.) while delivering sustainable value to all participants.

Definitize looks to match the decentralized finance (DeFi) community and community run asset pools with real and significant global healthcare matters, such as medical device leasing, insurance, drug research and many more.

How is Definitize organized?

The rest of this document explains how Definitize is organized and how it is designed to optimize the $8+ trillion dollar annual spend on healthcare. Definitize is a DAO and is designed to be community governed. Definitize is created on the firm belief that our future should be decentralized, autonomous, globally accessible, and fundamentally fairer for all human beings.

7 Core Components of the Definitize DAO



01 **The Definitize Constitution:** This is the governing document that lays out the rules, roles, responsibilities, and rights of all the DAO participants. The initial draft of the constitution shall be published by the Founding committee members and will be adopted by the Constitutional Assembly by a majority vote of its citizens.

02 **Definitize Citizens:** These are in effect the citizens of the DAO and have rights to govern, modify, and participate in the activities of the DAO. Citizens exercise their rights to govern the DAO participants by voting via the governance token. Citizens appoint a governance committee to provide constitutional compliance, service coordination and oversight over community experts and distributors.

03 **Governance Token (DCARE):** DCARE is the governance token of Definitize. It grants voting powers to token holders to vote on all matters that are of importance to the functioning of the DAO. The governance token gives the power of governance to the token holder via voting powers defined in the constitution, the same way as a constitution gives power to the people to govern.

04 **Asset Pools:** These are citizen designed, citizen approved asset pools that serve a specific purpose and operate under a specific set of terms and conditions. There is no limit to the number of asset pools that Definitize citizens can create.

05 **Community Experts**: These are citizen approved domain experts who perform the paid services required for Definitize to achieve its goal of sustainable financial innovations in global healthcare delivery. Community experts are typically paid for their services from the pool assets or the Definitize treasury.

06 **Asset Contributors:** These are people who provide funding to various asset pools over a fixed period of time, and earn interest and a share of the income according to the parameters of the asset pool.

07 **Distributors:** These are citizen approved individuals or organizations who are authorized to access assets in Asset Pools under certain terms and conditions for specifically defined and authorized purposes that are aligned with the Definitize constitution. Definitize distributors may have to deposit collateral to access the pool assets.

Definitize Founding Committee

The Definitize founding committee consists of 7 members with extensive expertise in healthcare, blockchain, community building, communication, and legal/compliance. The Definitize founding committee is the team that has been working on the ideation, research, design, implementation and launch of the DAO for most of this year.

The founding committee is working to setup the rules of Definitize, and to ensure 'real world' healthcare use cases and distribution agreements as part of its initial duties. As an example, the founding committee has analyzed the consumer medical devices financing solution for doctors and patients and has recommended this as the first asset pool for community consideration.

The Definitize founding team role diminishes once community governance is in effect, and thereafter all asset pools, distribution relationships and partnerships are established and approved by the community via a governance vote.

Founding Committee Voting Powers

The 7 founding committee members reputation is fixed and non-decaying.

Committee Member	Fixed Reputation
Conceiver	**5.000**
Evangelist	**4.000**
Supporter	**3.000**
Promoter	**2.000**
Expert 1	**1.000**
Expert 2	**1.000**
Expert 3	**1.000**
Total	**17**

1. Founding committee members can vote only using their reputation during Founding Committee Voting (Governance tokens cannot be used for this voting).
2. Founding committee votes may be used in the administration of founding committee members and their reputation.
3. The founding committee may manage emergency stops, and emergency/unusual situations that cannot be resolved through the normal citizen governance vote (due to logistical, timing or other constraints).
4. The founding committee is not meant to override the wishes of the community that have been expressed through a citizen governance vote.
5. Founding committee members can vote in normal citizen governance votes using their Governance Token holdings adjusted for their reputation. (reputation shall be covered in more detail in the later part of this document)

FC Vote Type	Votes Needed	Purpose of Vote
Unanimous	**17**	Replace a member of the founding committee Move reputation of member to a different wallet address
Super Majority	**12**	Emergency Stop Emergency Proposals
Majority	**9**	Remove Governance Committee member Governance matters not resolvable through a citizen vote Approve change/upgrade smart contracts of DAO

Definitize will rapidly move to a model of citizen governance

Definitize will switch to decentralized governance as quickly as possible. To achieve this objective, Definitize is implementing a rapid phase approach to engage the community, culminating in the constitutional assembly and the beginning of citizen governance.

The founding committee will guide and manage the DAO until its citizens assume governance control of Definitize. It is planned to reach this milestone by the end of 2020.

It is worth noting, that no contributions, income, or compensation is permitted until citizenship governance has begun. In other words, no one will be paid or profit from the Definitize DAO until its citizens have had the chance to vote on and approve the proposal.

Definitize will evolve over time

New governance schemes and contracts can be added or removed, as and when deemed appropriate and necessary, by the Definitize citizens through a governance vote.

Definitize citizens can create and change rules in a way it deems appropriate to govern as long as it is in compliance to the constitution, for example shortening or lengthening mining or voting periods.

Each scheme has governance parameters, such as voting time periods, which dictate how its citizens may arrive at decisions. For example, the parameters for governance token mining could be changed to end mining sooner.

A citizen proposal would be required for modifying or adding a scheme to the DAO and, once the proposal is approved by a governance vote, the new scheme will be automatically applied to the Definitize governance framework.

Definitize is currently being designed and will be launched by the founding team which consists of finance, healthcare and blockchain professionals. The Definitize founding team is in consultation and collaboration with the leading healthcare blockchain platform company – Solve.Care. Definitize will deliver financial innovations to this sector using decentralized financial models that are community funded and citizen governed.

Definitize Charter

Definitize is a true decentralized autonomous organisation that serves patients and doctors with real products and services and is governed by a global community. Definitize is built to make a massive impact on Blockchain, crypto, digital assets, DAO governance models, real world healthcare use-case for Oracles, and above all, improving healthcare for ourselves and our future generations.

Definitize Governance Framework

One of the greatest areas of inequity in the world is lack of access to quality healthcare. Decentralized organizations such as Definitize (and blockchain based healthcare platforms like Solve.Care) can bring about a better way of life and health to billions of people around the world.

The Definitize governance model is decentralized, community (citizen) owned and managed, and expandable. These are the core capabilities that are needed to manage a decentralized organization.

Definitize Governance Schemes

The Definitize governance model consists of 7 core schemes that can be combined to provide full functionality of the DAO:

1. An Assessment scheme consisting of proposals, scoring and staking.
2. A Configuration scheme for pool creation and pool oracle.
3. A Contribution scheme for eligibility, contribution and ownership of asset pool specific tokens.
4. A Distribution scheme for the distributor whitelist, distributor collateral, and for managing assets receipts and payments.
5. A Performance scheme for the pool index token (which determines its value) and risk factor calculation.
6. A Redemption scheme for managing principal, interest and income distribution, pool liquidation and emergency stops.
7. A Voting scheme for mining, reputation, citizen voting and emergency situations.

Assesment scheme	Configuration scheme	Contribution scheme	Distribution scheme	Performance scheme	Redemption scheme	Voting scheme
Proposals	Asset Pool Creation	Eligibility	Whitelist	Pool Index Token scheme	Principle, Interest and Income	Mining
Scoring	Pool Oracle	Contribution	Collateral	Risk Factor Calculation	Liquidation	Reputation
Staking		Pool Index Token (PITx)	Assets		Emergency Stop	Citizen Voting
			Receipts			Emergency Voting
			Payments			

Each scheme allows Definitize to take specific actions under specific conditions. The running of Definitize is implemented through these schemes (each scheme is a collection of smart contracts) and more schemes shall be approved and built in the future.

Definitize Governance Committee

The Governance Committee is appointed by its citizens to perform administrative functions, interact with live actors such as community experts, distributors, legal and regulatory authorities, and to support the effective functionality and scalability of Definitize.

It is possible, and in time, desirable to incrementally replace the functions of the governance committee with advanced smart contracts, oracles and more sophisticated community governance.

Definitize Tokens

Definitize operates on two tokens, both of which are ERC20 compliant

a. Governance Token (DCARE)
b. Asset Pool token (PITx)

Governance Token

Voting Rights

Pool Index Token

Redemption Rights

Governance Token

The Definitize Governance Token (DCARE), is bound to the Definitize Constitution. It grants power of governance via voting rights and the right to participate in income distributions from all Definitize asset pools. The holders of DCARE are in effect citizens of the DAO.

1. DCARE can be mined by staking SOLVE tokens.
2. DCARE will not be sold via a token sale.
3. DCARE has no monetary value or issuance price.
4. DCARE holders are bound to comply with the Definitize Constitution.
5. DCARE holders have the right to vote.
6. DCARE holders have the right to receive income from ALL asset pools.
7. The Constitution allows for a maximum of 3,500,000 DCARE to be mined
8. The DCARE (Governance Token) issue quantity can be decreased by a governance vote.

Governance Token Mining

The Deposit required to mine 1 DCARE is 100 SOLVE

- The Deposit must be in increments of 100 SOLVE, partial DCARE Tokens cannot be mined

When SOLVE is deposited into the contract

- DCARE is mined immediately and can be withdrawn immediately
- SOLVE are locked for 365 days and cannot be withdrawn during this time period.

The Mining Contract shall expire at midnight on Dec 31, 2021.

- The last date to make a SOLVE deposit is 23:59 on Dec 31, 2021.
- No more DCARE can be mined once the contract expires

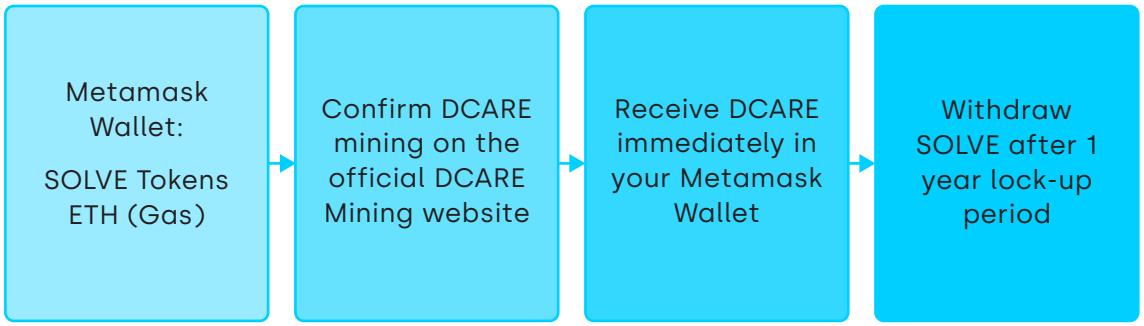
The Constitution prohibits increasing the maximum number of DCARE tokens available for mining.

- The Maximum number of Governance Tokens may only be reduced by a governance vote.
- The Mining contract expiry date may be brought forward by a governance vote.

Additional mining contracts may be approved by a governance vote.

- Proposals for mining quarterly or daily, or by contributing assets to pools have been initially considered and will be subjected to a governance vote.

How to Mine Governance Tokens



Governance Token Rights and Voting

The DCARE Token governs the Definitize DAO and approves all asset pools, appoints committee members, approves community experts and manages all ongoing governance tasks. DCARE Token holders set the income distribution from the asset pools to contributors, distributors, Definitize treasury and Governance Token holders.

The Definitize Governance Voting Model is based on two variables – quorum and majority.

Voting Quorum

A Quorum is defined as the minimum number of votes required to be cast as percentage of possible Governance Token votes, but does not take into account impact of reputation.

Voting Majority

Majority voting is defined as the percentage of votes cast within a valid quorum to achieve a voting result.

There are two types of majority:

1. Super Majority: 75% or more votes are in favor of the proposal
2. Simple Majority: 50% + 1 or more votes are in favor of the proposal

All vote types require a quorum and majority as defined in the constitution. Majority calculation must take into account the impact of reputation which will be discussed in detail in the later sections of this document

Definitize Reputation

Reputation is a work-driven, time-decaying measure that combines contribution (commitment) to the DAO, with quality of work and decision-making (work product). It is not a token and cannot be transferred or used outside the Definitize governance framework. Definitize uses reputation as a key element of governance and community engagement. Within Definitize, the following roles shall have reputation that determines their influence:

1. Governance Token holders
2. Governance Committee members
3. Community Experts
4. Distributors
5. Founding Committee Members

Impact of Reputation on Voting Power and Majority Calculation

Governance Token voting power is a function of the number of Governance Tokens held, multiplied by the reputation score of the voter. For example:

# of VOTES = # DCARE Voted * (1 + Reputation)

Reputation Adjusted Voting is illustrated below.

# of DCARE Voted	Reputation	Impact	TOTAL VOTES
1000	0	1000 * (1 + 0)	**1000**
1000	0.5	1000 * (1 + .5)	**1500**
1000	0.75	1000 * (1 + .75)	**1750**
1000	1	1000 * (1 + 1)	**2000**

How to earn Reputation in Definitize

There are four ways you can earn Reputation*, detailed terms of which shall be approved by a governance vote by the Definitize community:

- Stake tokens. Anyone can do this to earn Reputation.
- Become a Governance Committee member. You earn Reputation when elected.
- Become a Definitize Community Expert. You earn Reputation when approved.
- Become a Definitize Distributor. You earn Reputation after a successful proposal.
- Maximum reputation that can be earned: 1.000

Reputation Decay

As Governance Token holders and other roles participate in the governance of the DAO, Reputation may increase or decay. Reputation may decay based on non-participation, malicious acts, failure to perform etc. The Definitize Citizens shall approve and adjust decay models as appropriate.

* Reputation award scheme shall be approved by the community during the First Governance vote.

Definitize Asset Pools

The main objective of Definitize is to create citizen approved, citizen governed and community funded asset pools that can be applied to clearly identified needs of patients and doctors (and care delivery organizations) worldwide. Definitize aims to merge the potential of decentralized financial services with healthcare services to deliver a better healthcare experience for patients and doctors worldwide.

Types of Asset Pools

Financing Asset Pools

Asset pools typically pay interest on deposited assets, and the assets are used to finance products and services, as approved by the community. Assets in the financing pool are likely to be liquidated, exchanged, sold or traded for approved purposes (e.g. purchase of consumer medical devices). This type of pool will accept stablecoins, such as USDT, USDC, TrueUSD, Paxos, BUSD, and DAI.

Underwriting Pools

Asset pools typically pay interest on deposited assets, and the assets are used to underwrite financial products (e.g. practice insurance for doctors). This type of pool will accept stablecoins and other approved ERC20 tokens such as SOLVE.

What are Definitize Asset Pools used for?

One key principle behind each Definitize asset pool is to "do good and do well", with a focus on improving patient outcomes. Each pool must be designed to generate real and sustainable returns for the Definitize community while delivering a tangible, measurable product or service to the healthcare community.

Examples of asset pool uses are:

1. Consumer medical device financing.
2. Professional device and facility financing.
3. Cash flow and accounts receivable lending to doctors (and hospitals, labs etc.).
4. Physician Practice Insurance.
5. Consumer Supplemental Insurance.
6. Drug research and discovery financing.
7. And more, as approved by its citizens.

In addition to serving patients and doctors, Definitize may expand to serve the needs of hospitals, clinics, labs, pharmacies, home care providers, nurses and many more healthcare stakeholders.

The creation of Definitize asset pools shall always be in compliance with the Definitize constitution. This is a binding document that lays out the mission, method and model of governance to improve healthcare worldwide, while creating measurable and sustainable value for all the DAO participants.

Asset Pool Proposals and Evaluation

Definitize citizens will review, approve, fund, and receive income for managing purpose specific asset pools that meet the constitutional requirement of improving healthcare for patients and doctors, anywhere and everywhere in the world.

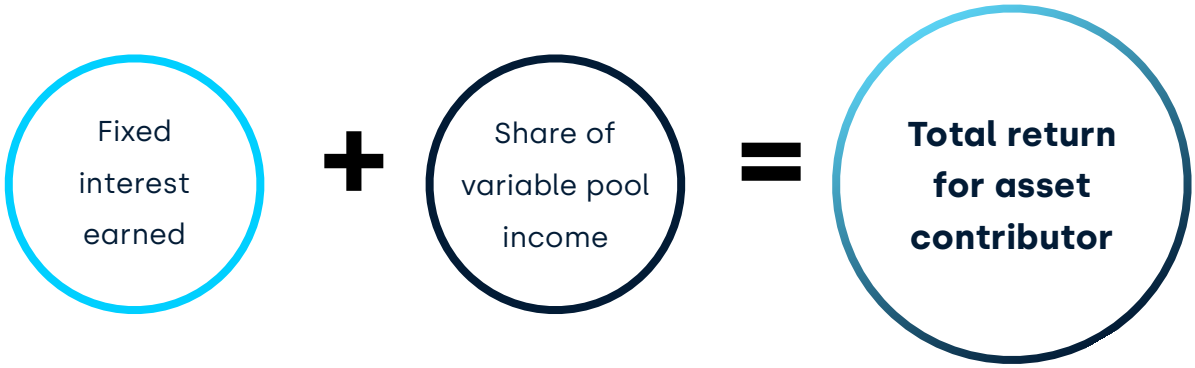
Definitize Asset Pools are purpose specific and have clearly articulated terms of contribution, interest, income sharing and collateral.

The party proposing an asset pool for creation is required to submit a set of pool parameters which are then evaluated by a smart contract followed by a committee review and a citizen governance vote

Definitize citizens will analyze each asset pool's purpose, parameters, and risk-return ratio (we will describe how Definitize Asset Pools are automated and continuously risk-return adjusted through use of Pool Oracles later in the document.)

A governance vote approves the creation of an Asset Pool including all the required parameters of the Asset Pool smart contract.

Asset Pools are designed to pay interest and a share of pool income, as approved by its citizens. Asset Pool contributors typically contribute stablecoins, in compliance with pool contribution terms and eligibility requirements.



Asset Pool Index Token (PITx)

PITx is the Asset Pool Index Token that represents a share of the risk adjusted value of the pool. PITx (where x represents Asset Pool x) is generated when assets are contributed to the Asset Pool x and burned when assets are withdrawn

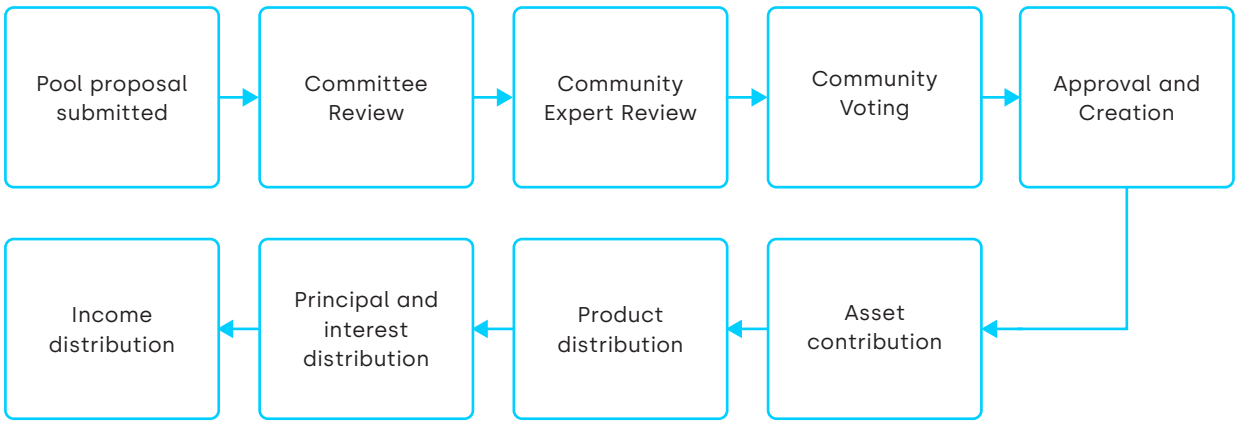
1. PITx token is an index token of Asset Pool x.
2. PITx token is generated when assets are contributed into asset pool x.
3. PITx token value represents the contributed asset value PLUS all earned, accrued and anticipated income from the pool.
4. PITx token value will change based on Asset Pool performance.
5. PITx token holder is entitled to receive the repayment of principal, plus interest payments and its share of pool income.
6. PITx token is the key for asset withdrawal and interest/income distribution.

Asset Pool Creation Process

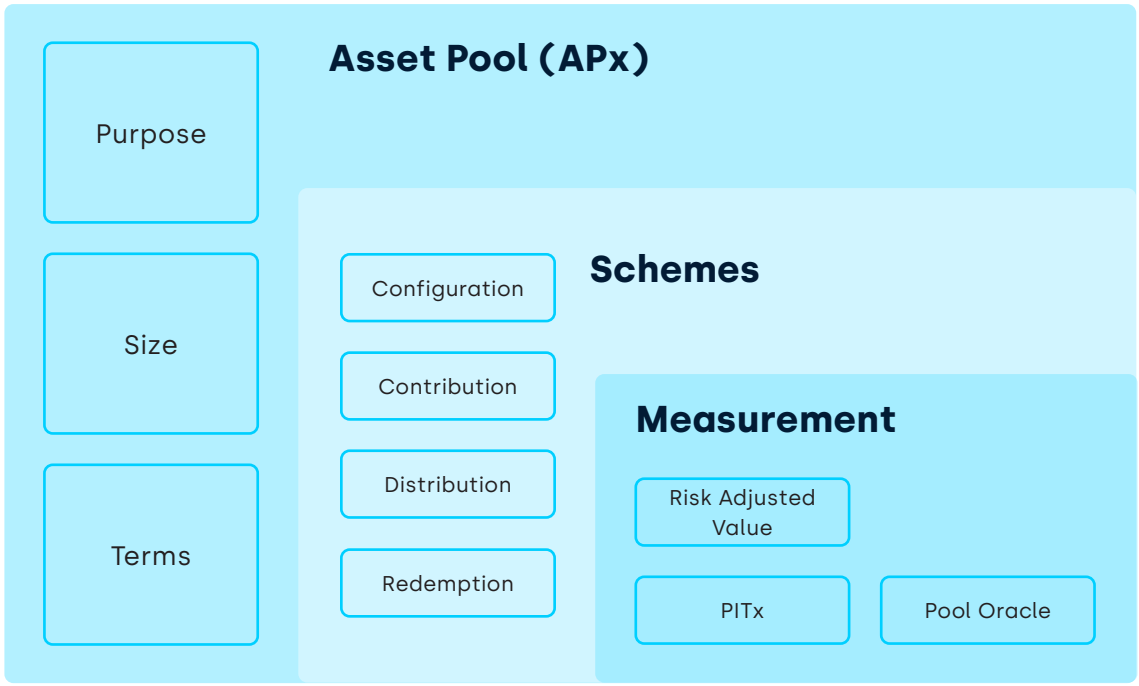
Definitize Asset Pools are created upon approval of Definitize citizens and are designed to pay interest and a share of the overall income generated from the pool. Contributions to the asset pools are made using crypto assets as per the terms of contribution for each Asset Pool.

Once the Asset Pool funding is open, any member of the global DeFi or crypto community can contribute assets to the pool in compliance with contribution terms established by the contribution contract and pool governance model.

Definitize Asset Pools are created through a proposal, review, voting, approval, creation and funding process. We will describe the process of pool creation later in this document, as part of the governance model.



Asset Pool Structure and Configuration



Every parameter is configurable, and the full package of configuration parameters must be voted on and approved via a governance vote. Not all contracts will be needed for every asset pool. For example, a Pool Oracle contract may not be required for certain asset pools and thus not configured.

Key configuration parameters and inputs to the Asset Pool smart contract are as follows:

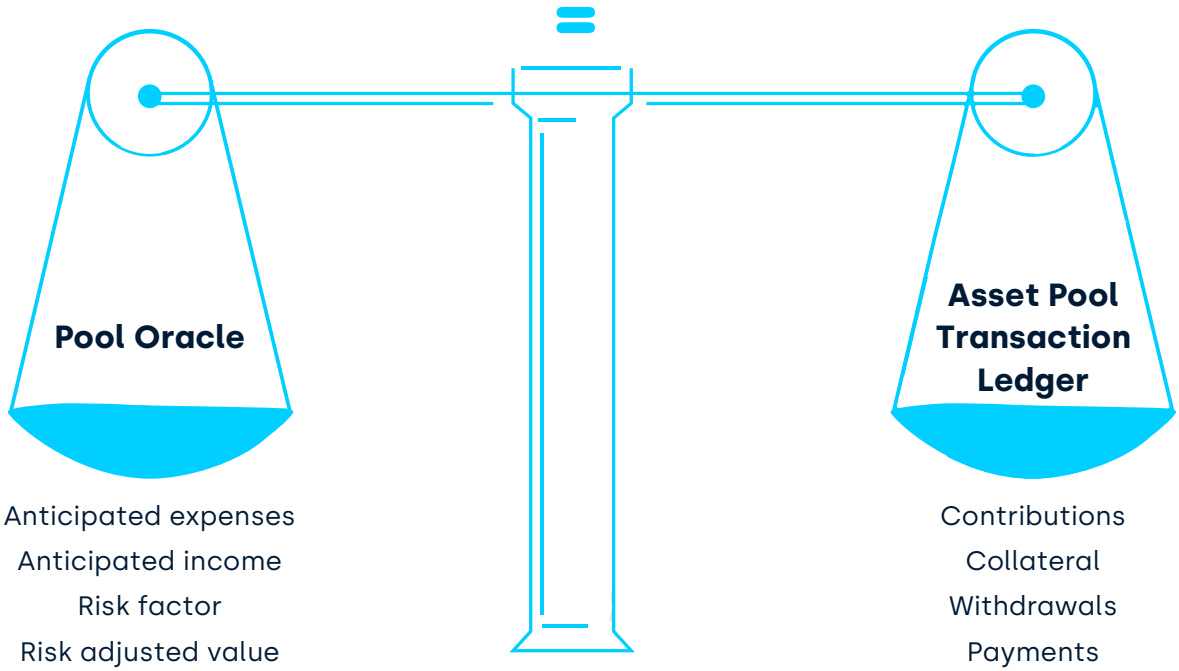
Allowed contributions	Allowed stablecoins (USDT, USDC, TrueUSD, Paxos, BUSD, DAI)
Contribution Period	30, 60, 90 days
Activation size	Minimum pool value that must be achieved in contribution period
Maximum size	Maximum value of asset pool after which deposits are not allowed
Initial funding period	Number of days in which activation size must be reached
Commitment period	After which assets can be withdrawn. Not the same as pool period
Pool period	How long the pool will stay active. >= Commitment period
Interest rate	Expressed as Annual Percentage Yield (APY)
Interest payment schedule	Periodic (D,W,M,Q,A), Commitment period
Principal repayment schedule	Periodic (D,W,M,Q,A), Commitment period
Pool Oracle contract	Contract that calculates pool risk factor and performance
Eligibility contract	Contract to satisfy eligibility requirements prior to contributing assets (e.g. KYC, Accreditation, other)
Contribution contract	Contract where deposits are sent and PITx originate
Pool Index Token contract	PITx token contract that calculates total pool value, risk
Redemption contract	Contract to distribute interest, principal and income to PITx owner.
Distribution coin	Stablecoin in which distributions are made by redemption contract
Liquidation contract	Contract for pool liquidation, if triggered all assets returned to contributors. Must use Distribution coin
Distributor Whitelist	List of authorized distribution addresses where pool assets can be withdrawn and from where recurring payments are received

Asset Pool Oracles

Definitize Asset Pools are monitored by Pool Oracles to continuously calculate the risk and performance of every Asset Pool.

Definitize Asset Pool Oracles are 3rd party services that provide smart contracts with external information. They are decentralized, verified, and use independent sources of data related to the performance of each Asset Pool. The Asset Pool Oracle is responsible for calculating pool measures for every Asset Pool and are paid from the Definitize treasury.

An Asset Pool Oracle can be described as a decentralized auditor of Definitize asset pools.



Asset Pool Oracle Measures

The Asset Pool oracle shall compute the following measures for each asset pool, where TP( ) = Total Pool (measure)

ca = contributed assets
ai = accrued interest to date (calculated daily)
df = distribution fees
ae = anticipated expenses (incurred and projected)
pi = projected income (calculated daily)
rf = risk factor calculated daily by analyzing payment data
ni = net income
tr = total revenue of the pool

Pool Risk Adjusted Value Calculation (Daily)

The risk adjusted value of the pool is calculated by factoring in anticipated income, expenses and risk of payment default.

TP (rav) = (TP(ca) + TP(ai) + TP(pi) – TP(df) - TP(ae)) x (1- TP(rf))

Asset Pool Index Token (PITx) Value Calculation (Daily)

Pool Index Token (PITx) is an ERC20 token issued automatically in direct proportion to the assets contributed to an asset pool. PITx has a risk adjusted value that is computed using the total pool measures provided by the Pool Oracle(s). The PITx value is calculated and updated daily as follows:

PITx(v) = TP(rav) / PITx(n)

Where PITx() = Pool Index Token for Asset Pool x (measure)

n = Total number of PITx issued

v = Risk adjusted value of Pool Index Token

Therefore, PITx represents a fraction of the total risk adjusted value of the pool, computed in real time based on the latency of the oracle data feed.

- PITx(v) represents the actual value of the asset that was contributed in present day terms, having accounted for the financial performance of the pool. Pool Index Tokens are ERC20 tokens and automatically issued by the contribution contract.

- PITx represents the right to receive all distributions for contributed assets that are generated. PITx is needed to redeem contributed assets, earned interest and a share of pool income.

PITx Value At Contribution Time (Illustration purposes only, in nominal terms*)

PITx(v) = TP(ca) / PITx(n) = 1.000

Where:	Contributed Assets - TP(ca):	1,000,000
	PITx Tokens Issued – PITx(n):	1,000,000

PITx Value After 6 months (Illustration purposes only, in nominal terms**)

PITx(v) = (TP(ca) + TP(ai) + TP(pi) – TP(df) - TP(ae)) x (1- TP(rf)) / PITx(n) = 1.1781

Where:	Accrued Interest (12% APY):	60,000
	Distribution Fees:	-110,000
	Default Rate:	1%
	Projected Income share:	250,000
	Anticipated expenses:	-10,000

Calculation:

((1000,000 + 60,000 + 250,000 – 110,000 – 10,000) * (1 – 0.01)) / 1000,000

* No discount factor used in this example, this will be determined by the Community on a scheme by scheme basis.

** No discount factor used in this example, this will be determined by the Community on a scheme by scheme basis.

Asset Pool Net Income Calculation (End of Commitment Period)

At the end of the commitment period, the net income from the pool shall be calculated by the income smart contract as follows:

$$TP(ni) = TP(tr) - TP(ti) - TP(df) - TP(oc)$$

Where TP() = Total Pool (measure)

ni = net income

tr = total revenue of the pool

ti = total interest of the pool

df = distribution fees

oc = other costs, including taxes and insurance

Asset Pool Index Token Redemption

At the end of the commitment period, the PITx token holder has the right to redeem principal, interest and any income share from the pool as follows:

1. Redeeming PITx = sending it to redemption contract.
2. The redemption contract burns the PITx token.
3. The redemption contract distributes principal, interest, and income share.
    a. The redemption contract will distribute in one or more stablecoins.
4. The redemption contract will enforce a pool contribution lock up period.
5. After lock-up period, the redemption contract will allow periodic redemptions (e.g. immediate, end of quarter - based on the specifics of the asset pool contract).

Asset Pool Net Income Sharing (End of Commitment Period)

For illustration, the community approved net income from an Asset Pool may be shared as follows:

Income Recipients	% of Net Pool Income
Governance Token Holders (citizens)	**33%**
Asset Pool Contributors	**27%**
Distributor Bonus	**20%**
Taxes, Admin, Experts, Treasury	**20%**
Total	**100%**

The income distribution percentages shall be approved and may be modified, by a governance vote

Definitize Distribution Model (Distributors)

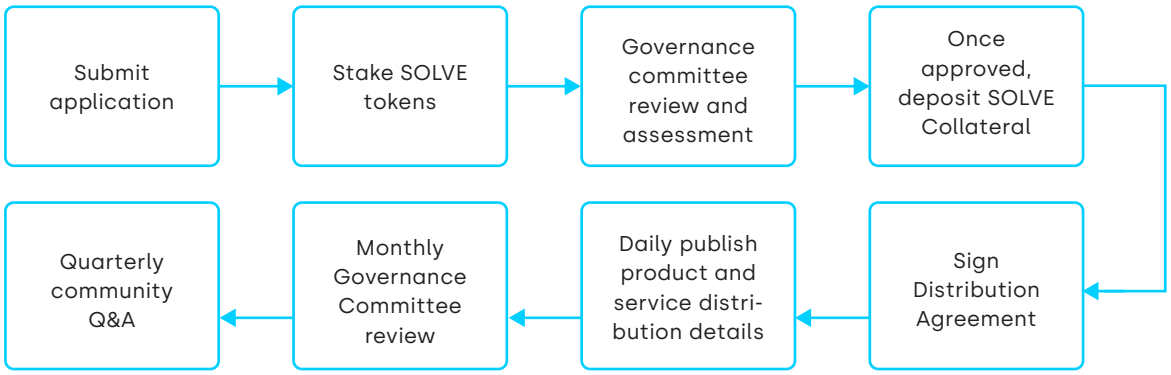
Definitize distributors are responsible for ensuring there is a world-wide supply chain for clients, customers and users of Definitize for healthcare. Definitize citizens shall appoint at least one distributor for each region as follows. In general, the goal is to appoint a distributor for every 350 Million consumers.

1. North America
2. South America
3. Africa
4. European Union
5. Middle East
6. SE Asia
7. Asia Pacific

Qualification process to become and remain a Distributor

Distributor applicants must submit a detailed application to the Governance Committee and stake the required number of SOLVE tokens for the application to be considered. The following lists the steps in the qualification process:

1. Submit application
2. Stake SOLVE tokens
3. Governance committee review and assessment
4. Once approved, deposit Collateral
5. Sign Distribution Agreement
6. Daily publish product and service distribution details
7. Monthly Governance Committee review
8. Quarterly community Q&A



Definitize Distributor Functions

Definitize distributors perform the following functions:

1. Submit a distribution proposal to the Governance Committee, stake SOLVE tokens
    a. Distributors can boost proposals (prioritize review) by staking additional SOLVE tokens
2. If approved, enter into a distribution agreement, increasing the stake to meet any collateral requirements.
3. Educate, evangelize and enroll clients and consumers (e.g. doctors, patients).
4. Handle contracting with end clients and consumers.
5. Draw down assets from Asset Pools as per the terms of the distribution agreement.
6. Manage product inventory, shipping, handling and customer service.
7. Collect payments and remit payments to the Definitize pool.
8. Receive distribution fees to help cover the costs of:
    a. Sales, marketing, and referrals.
    b. Legal and administration.
    c. Breakage/loss, shipping, and handling.
    d. Taxes and regulatory costs.
9. Share in pool income.

Asset Pool Distributor Collateral Requirements

The collateral requirements of the pool must be satisfied by authorized pool distributors before pool assets can be accessed. Further, all products and services distributed from the pool themselves serve as collateral for the pool.

Distributor collateral deposit (typically percentage of assets available for distribution)

Product or service agreement with every recipient is also pledged to the pool

Asset pool collateral is enforced via the collateral smart contract and distributor white list. Once conditionally approved, the Distributor shall deposit collateral in SOLVE tokens equal to the required percentage of the asset pool distribution amount - the required percentage being set by the Governance committee. In other words, the Distributor must provide collateral equal to the specified percentage of the amount of assets the Distributor is authorized to withdraw under the distribution agreement.

Definitize Treasury receives a part of income from every asset pool

The Definitize DAO shall have a treasury - a smart contract where a percentage of income from every Asset Pool is channeled to. The percentage of asset pool income to be collected by the treasury is set as part of the pool approval vote.

Definitize citizens shall set the terms and conditions for all distributions from the treasury. The treasury may be used to pay for citizen approved expenses such as experts, governance committee members, and to meet the legal, regulatory, and operational needs of the DAO.

All distributions from the treasury are subject to a governance vote by its citizens.

The Definitize treasury shall be used for the following purposes:

1. Collecting and retaining a part of the income from every pool.
2. For investment in improvement and scalability of the DAO.
3. Compensation for Governance Committee members.
4. Compensation for Community Experts.
5. Other purposes as approved by a governance vote.

Community Experts

Community Experts are paid services providers who are required for the effective and efficient functioning of the DAO. Community experts follow the process of application, staking, interim appointment, community approval, payment, and reputation mining, as defined by the governance model.

The community experts can provide a range of services, including but not limited to:

1. Pool modeling and risk-reward analysis.
2. Smart contract developers.
3. Smart contract auditing.
4. Social media marketing, SEO optimization, web site development etc.
5. Legal support, token opinion, regulatory compliance.
6. DAO governance experts.
7. DAO implementation experts.
8. Debt collection services.
9. Background checks.
10. Pool auditors.

Becoming a Community Expert

There are 2 methods to become a community expert; both methods are subject to citizen approval via a governance vote.

Submitting a proposal

- Submitting an expert services proposal and staking tokens.
- Proposal may be boosted (max 10 proposals) by paying boosting
- fees.
- Citizens vote on proposals.
- If the proposal achieves the required majority, the expert is
- approved.
  The Expert is assigned a neutral reputation score.
- As the expert performs services and completes assignments, their reputation is updated.
  Certain tasks can only be assigned to experts with high reputation scores.

Responding to a posted project

Definitize shall publish a project portal where community experts can stake tokens to make and application for specific projects to be considered.

- Submitting an expert services project proposal and staking tokens.
- The proposal may be boosted (max 10 proposals) by paying boosting fees
- Citizens vote on proposals.
- If a proposal achieves the required majority, the expert is approved.
- The Expert is assigned a neutral reputation score.
- As the expert performs services and complete assignments, their reputation is updated.
- Certain projects can only be awarded to experts with high reputation scores.

Definitize Constitution

The purpose of the Definitize constitution is for the community to govern decentralized finance products that serve real patients, real doctors (and hospitals) while ensuring long term, consistent, sustainable value for all.

The Definitize constitution is the binding document that lays out the mission, purpose, global constraints and rights of the Definitize community. The constitution also sets the rules and responsibilities of Governance Token holders including mining, usage, income, and vested authority.

The initial constitution consists of the following articles and additional articles can be added via the constitutional amendment process:

Article: Patient Rights

a. Do no harm to a patient
b. Improve access to healthcare for everyone
c. Improve healthcare results for all patients

Article: Provider Charter

a. Empower physicians to practice medicine more effectively and efficiently
b. Increase the adoption of digital health, telehealth
c. Improve remote monitoring and diagnosis world-wide

Article: Governance Model

a. Governance Committee
b. Community Experts
c. Dispute Resolution

Article: Governance Tokens (Citizens) Rights

a. Voting
b. Income Sharing
c. Other Rights

Article: Governance Token (DCARE) Mining

a. The Constitution allows for the creation of an absolute maximum of 3,500,000 Governance Tokens.
b. The Constitution prohibits any increase in the maximum possible number of Governance Tokens
c. The maximum number Governance Tokens may be reduced through a governance vote
d. Mining contracts can be amended as follows:
    - A minimum of 1/3rd yes votes are needed to propose an
    - amendment
      2/3rd of Governance Token votes are needed to approve
    - the amendment
    - The amendment must be publicly available for a minimum of 14 days
      If the amendment is modified in any way, the process shall restart.

Article: Asset Pool Management

a. Asset pools shall be created to serve the best interests of patients and doctors while creating stable, sustainable returns for pool asset contributors.
b. Asset contributions shall be managed by a combination of autonomous smart contracts and citizen governance.

Article: Redemption Management

a. Asset, interest and income distribution shall be managed by a combination of autonomous smart contracts and citizen governance

Article: Sovereignty, Transparency and Disclosures

a. Asset pool participation shall require total transparency from all parties involved in using the pool assets including but not limited to distributors

Article: Constitutional Amendments

The Constitution can be amended as follows:

a. 50% of Governance Token votes are needed to propose an amendment.
b. 75% of Governance Token votes are needed to approve the amendment.
c. The amendment must be publicly available for a minimum of 14 days
d. If the amendment is modified in any way, the process shall restart

Article: Emergency Vote

a. An Emergency vote can only be used for pre-defined specific purposes. These are:
    - Legal, regulatory or compliance requirements.
    - Black swan events/hacks/coordinated attacks
    - Major technological failure that puts the DAO at risk.
    - Other emergency scenarios (as approved by a governance vote).
b. An Emergency vote cannot be used for adoption, amendment and standard governance purposes
c. All votes are counted, meaning if a vote is not cast, then this vote is automatically counted as a "yes" to support the recommended position of the Governance Committee

Article: Governance Committee

a. The Governance committee shall consist of a minimum of 5 people
   - The Maximum number of governance committee members shall be set by the community

b. The Governance committee must have at least one practicing, board certified physician.

c. Committee members may be nominated or may apply.

d. A Committee member's appointment requires minimum yay votes AND relative majority

e. Committee members are appointed for 18-month terms.

f. Committee members cannot serve consecutive terms.

g. Committee members can earn and lose reputation based on their actions.

h. Committee members can be automatically removed if their reputation falls below threshold.

i. Committee members can be removed by citizens following a governance vote

j. Committee members compensation is set by the community and Is paid from the Treasury

k. The Governance committee reviews and approves the following items to be presented for citizen voting:
   - Proposal Review
   - Redemption Management
   - Mining Rules
   - Legal and compliance management
   - Expert services negotiations and interim appointment
   - Other tasks as approved by the community

Article: Voting rights to Governance Token Holders:

Definitize citizens are bound to the Definitize constitution but can amend it with a constitutional amendment vote. The Definitize constitution is the guide to governing the Definitize DAO by its citizens by voting their Governance Tokens, the same as a republic is designed to be governed by its people. DCARE token holders have the right to vote on the following matters:

1. Adoption Vote
    a. Adopt the constitution
2. Governance Vote
    a. Appoint Governance Committee members
    b. Appoint community experts
    c. Approve/modify healthcare asset pools and terms
    d. Approve distribution agreements
    e. Other governance matters
3. Mining Vote
    a. Amend the Governance Token mining contracts
4. Constitutional Amendment
    a. Amend the Definitize constitution
5. Emergency vote
    a. Emergency vote can only be used for specific purposes
    b. Legal, regulatory or compliance requirements
    c. Black swan events/hacks/coordinated attacks
    d. Major technological failure that puts DAO at risk
    e. Other emergency scenarios (as approved by proper governance vote)
    f. Emergency vote cannot be used for adoption, amendment and standard governance purposes
6. Required Quorum and Majority By Vote Type is as follows:

Vote Type	Quorum	Majority
Adoption Vote	**10%**	Super **(75%)**
Governance Vote	**25%**	Simple **(50% +1)**
Mining Vote	**35%**	Super **(75%)**
Constitutional Amendment	**50%**	Super **(75%)**
Emergency Vote*	**15%**	Super **(75%)**

Constitutional Assembly and First Governance Vote

The Definitize constitution shall be adopted in the first constitutional assembly and vote, and will trigger the citizen governance phase of the DAO. Once the constitution has been adopted, the first governance vote will be taken on all matters related to citizen governance. This vote will include but is not limited to:

1. Reputation award rate.
2. Governance committee compensation.
3. Community expert compensation.
4. Governance Token mining period reduction.
5. Other governance matters.

The first governance vote shall also consider the consumer device lending pool proposal, including the approval of the distributor(s) that will distribute healthcare monitoring devices to patients and doctors for the consumer medical device lending pool.

Additional proposals such as insurance, invoice factoring, medical tourism and other healthcare proposals will be considered in subsequent governance votes.

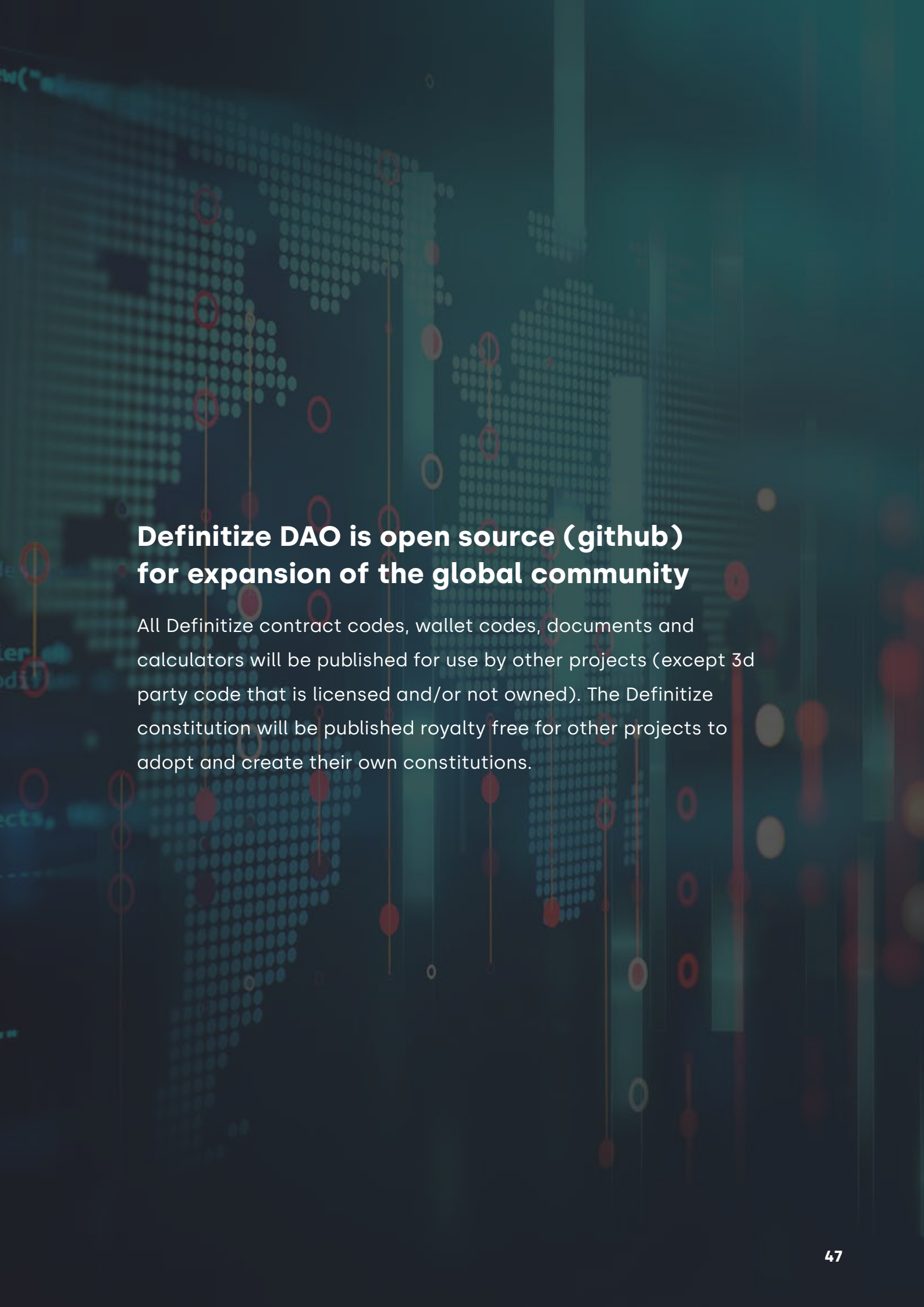
* Requires Founding committee approval

Legal Framework for Definitize DAO

Definitize is a Decentralized Autonomous Organization (DAO) and, as such, governed by its citizens. However, practicality wise, in order to successfully interact with real-world entities such as distributors, doctors, clinics and hospitals, and to comply with tax, securities and other financial laws, a legal entity that is able and authorized to act on behalf of the DAO will be established. Such an entity should also provide limitation of liability for Definitize founding committee members. Therefore, Definitize will partner with and authorize a legal limited liability company, duly registered in Estonia and properly licensed, to act on its behalf. This limited liability company and its relationship with the DAO shall be authorized by the Definitize citizens as part of the initial governance vote.

Regulatory Compliance

All Definitize participants shall be made aware of all risks, and all participation should be subject to regulatory compliance, best practices in the absence of clear regulation, and ongoing legal review. Definitize shall not willingly and knowingly become a vehicle for illegal activities and as such, the Definitize community is responsible for providing proper stewardship, governance, and vigilance to ensure regulatory and legal compliance.



Definitize DAO is open source (github) for expansion of the global community

All Definitize contract codes, wallet codes, documents and calculators will be published for use by other projects (except 3d party code that is licensed and/or not owned). The Definitize constitution will be published royalty free for other projects to adopt and create their own constitutions.

Definitize Roadmap

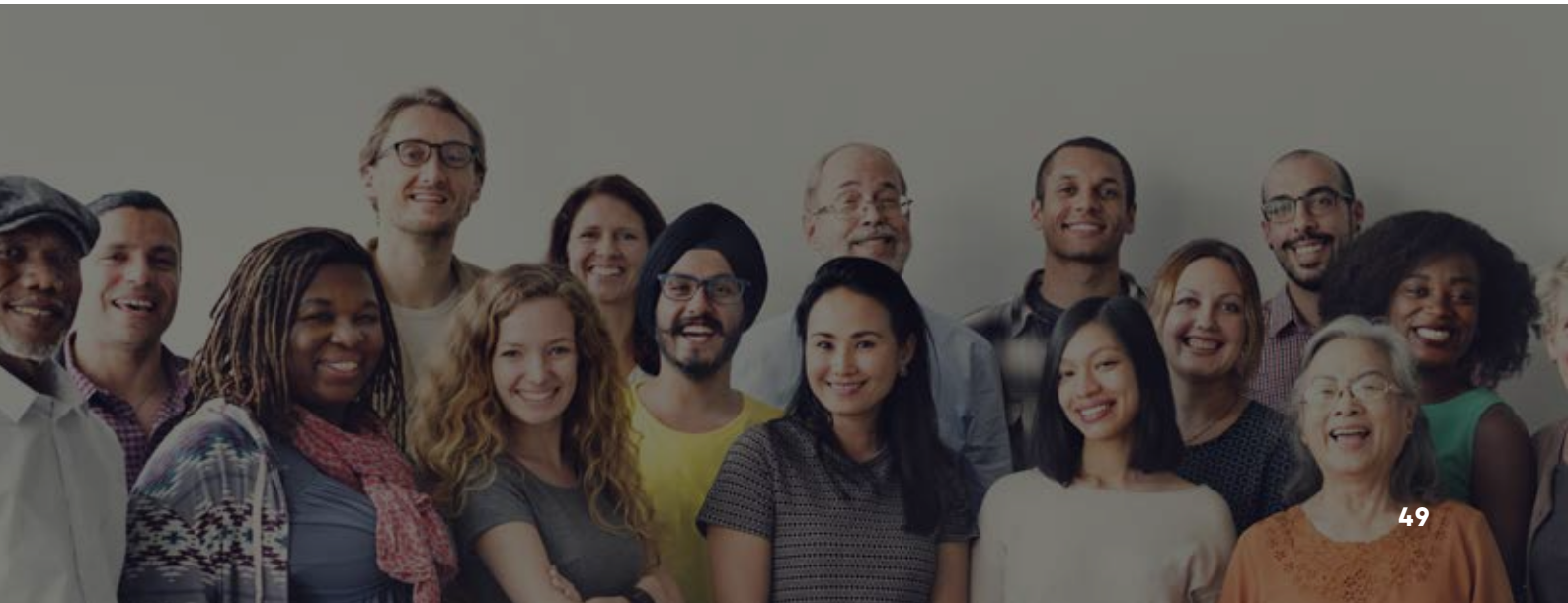
Phase/ Activity	Who worked on it	When	Status	Compen-sation
Ideation	Founding Committee (3)	Feb – May 2020	**Completed**	None
Research	Founding Committee (5)	May – Jul 2020	**Completed**	None
Whitepaper, Domain, Governance model	Founding Committee (7)	Jul – Sept 2020	**Completed**	None
Technical Design	Founding Committee (7), Solve.Care	Jul – Sept 2020	Mostly Completed	None
Definitize Constitution	Founding Committee (7)	Jul – Sept 2020	Mostly Completed	None
Governance Committee	Founding committee (7) + 20 appointed by community	Oct 1-15 2020	In progress	None
Governance Token Mining Phase	Anyone can deposit SOLVE to mine Governance Tokens	After Oct 15, 2020	In progress	None
Constitutional Assembly	Adopt constitution, activate community governance	30 days after Governance Token mining starts	To be scheduled	None
Citizen Governance Begins	First governance vote must be scheduled immediately upon adoption of constitution	Day of constitutional assembly	To be scheduled	Governance committee and experts paid from treasury
First Asset Pool Launched	Proposed to be Consumer Medical Device Financing pool, subject to community approval	Subject to governance voting and approvals	To be scheduled	

Appendix A: Consumer Device Financing Asset Pool Proposal

The first proposed financing pool shall be for FDA approved consumer medical device lending aimed at remote monitoring and tele-medicine delivery by doctors to patients. The financial asset pool shall be used for consumer device financing for physicians who need to remotely monitor the health of their patients, as part of their telemedicine and in-person care delivery model. The solution allows doctors to offer remote monitoring devices to their patients and capture the necessary information to provide effective tele-health and tele-medicine services to their patients.

Consumer Device Financing Pool Distribution Model

Definitize has received a distribution proposal for 500K devices financed, based on active discussions with physicians, nurses, and specialists. The distributor believes this is particularly relevant in the ongoing coronavirus disrupted reality and has the potential for a positive impact on patients' health. The community shall vote and approve the terms of this asset pool via the first governance vote.



Proposed Pool Structure

The doctor assumes the risk and liability for device payments (lease or financing) and may bundle the cost of device into their overall consultation fee or charge the patient directly

Minimum Pool Size	10M USD
Maximum Pool Size	100M USD
Initial contribution period	30 days. If minimum pool size is not achieved, then all contributions are returned. Early contributors may be incentivized by issuance of reputation and/or, bonus subject to pool becoming operational
Early contribution incentive	Early contributors (first 7 days) will be incentivized by reputation award and/or, bonus subject to pool becoming operational
Allowed contribution currencies	USDT, USDC, TrueUSD, Paxos
Commitment Term / Lockup Period	1 Year
Interest rate (12 mon. commitment)	12%
Principal Withdrawal	Not allowed
Interest Payments	Accrued, distributed at end of term
Distributions from Pool	Asset Pool distributions are done via the Redemption Contract, which may distribute principal, interest and income in a different stablecoin than originally contributed

Pool Performance Projection

The analysis below is in nominal terms and is purely illustrative in nature. The actual model will depend on several market and other factors that will be subject to community approval via a governance vote. For example, commitment periods, withdrawal terms, interest payment terms, discount rates etc.. All contributions and distributions are presumed to be in stablecoins.

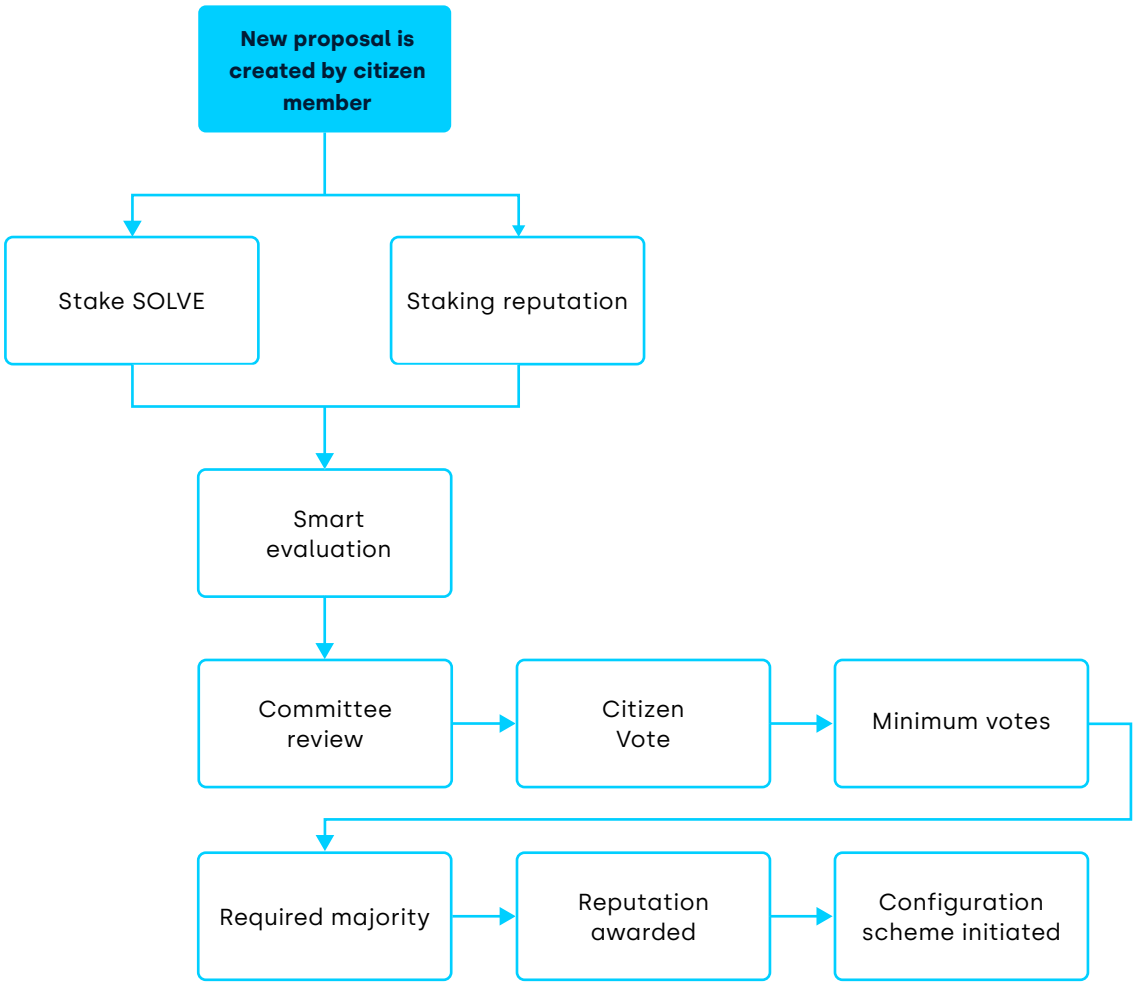
Consumer Device Lending Pool

Cost Per Device	$ 80.00	Based on current discussions with device manufacturers
S&H	$ 8.00	Individual device shipping and handling by manufacturer
Breakage and Loss prevention	$ 4.40	Breakage and loss coverage - 5% of Device + S&H
Total Device Cost	$ 92.40	Fully loaded cost, delivered to patient or doctor
Monthly Payment (12 month term)	$ 15.00	Market price, based on actual discussions
Defaults	$ (1.50)	10% of all leases
Annual Revenue	$ 162.00	Adjusted for defaults
Distribution Costs	$ 35.64	22% (Revenue)
Net Revenue	$ 126.36	Net revenue to the pool for every $92.40
Pool Interest (Annual)	$ 11.09	12% APY interest payment to pool asset contributors
Principal Repayment	$ 92.40	Return of principal to pool asset contributors
Net Income	$ 22.87	Pool income after paying interest, return of principal and distribution fees
2021 Pool Performance Analysis		
# of Devices	500,000	Estimated based on ongoing discussions with physician groups
Total Contributed Assets	$ 46,200,000.00	Pool size needed to finance 500K devices
Commitment period	12 months	Asset pool scheme length

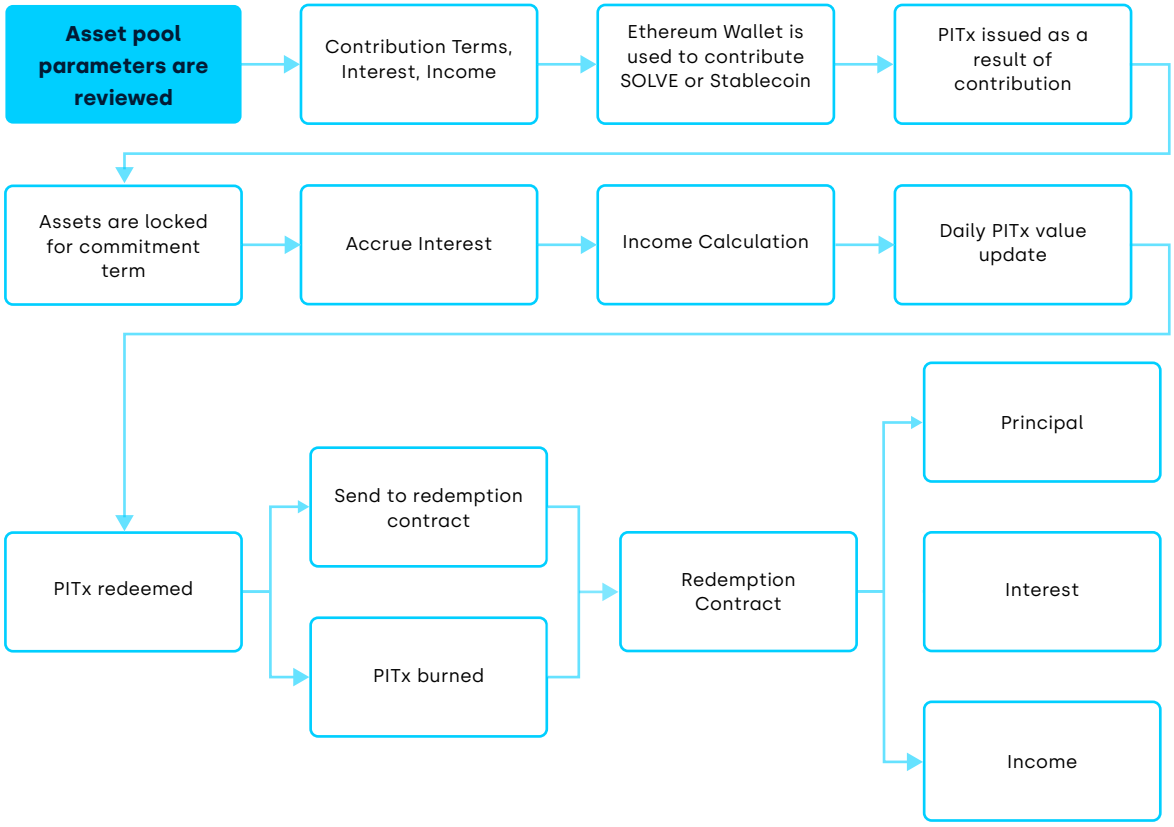
Gross Revenue	$ 81,000,000.00	Adjusted for defaults
Distribution Costs	$ 17,820,000.00	22% of gross revenue
Net Revenue	$ 63,180,000.00	Gross - Distribution Costs
Return of Principal	$ 46,200,000.00	Pool size to finance 500K devices
Asset Contributor Interest Payment	$ 5,544,000.00	12.0%
Net Pool Income Distribution	$ 11,436,000.00	25%
Asset Contributor Income Share	$ 3,087,720.00	27% of net income
Distributor Bonus	$ 2,287,200.00	20% of net income
Governance Token Holders Income	$ 3,773,880.00	33% of net income
Taxes, Administration and Treasury	$ 2,287,200.00	20% of net income

Appendix B: Key Governance Process Flows

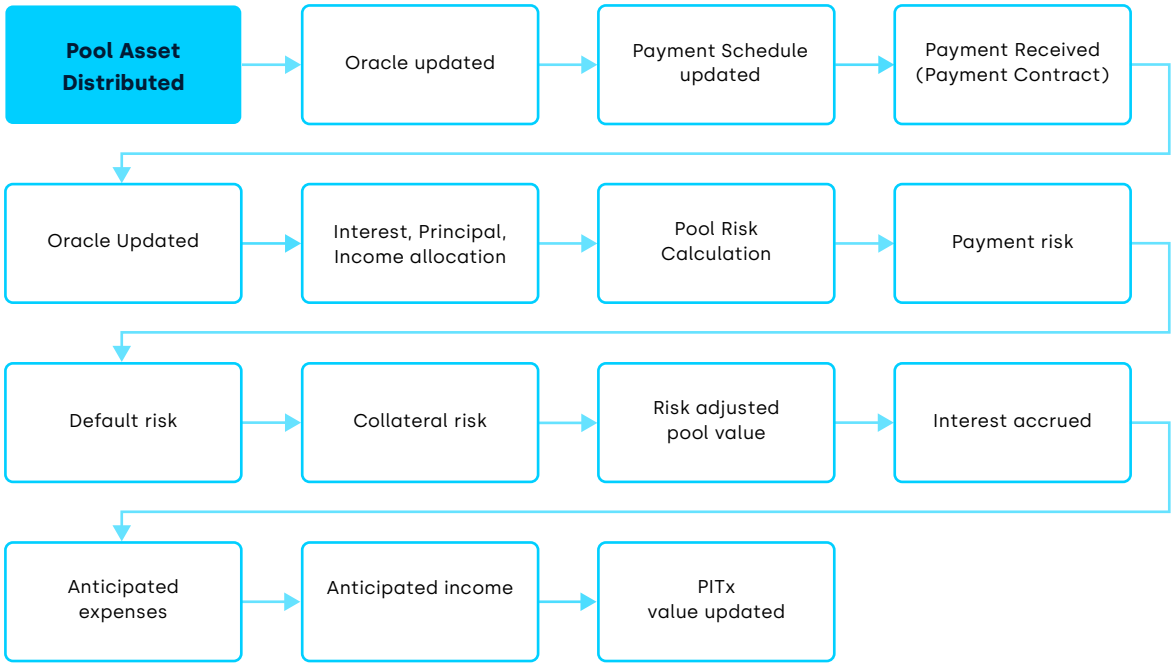
How governance proposals are made



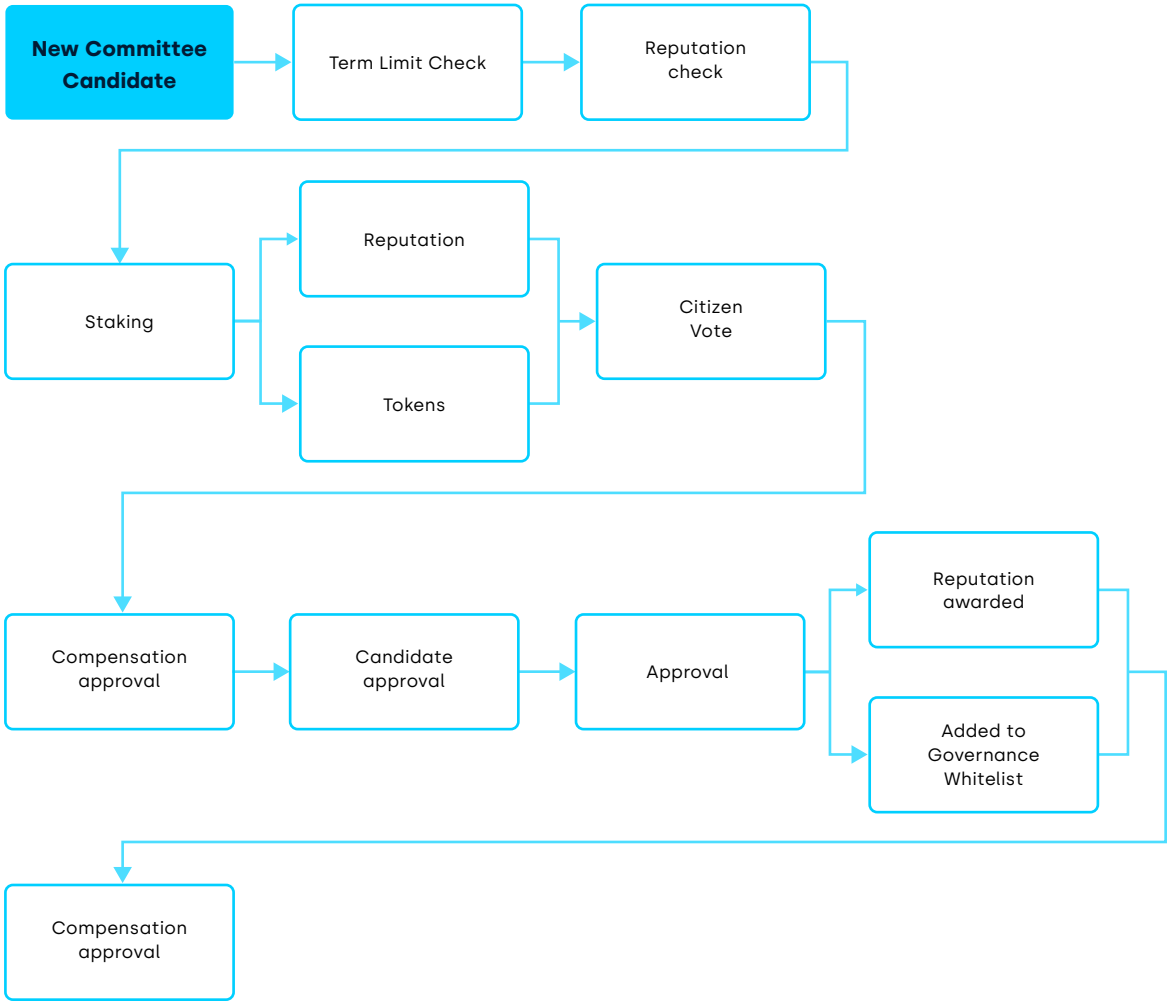
How pool contributions are made and PITx issued and redeemed



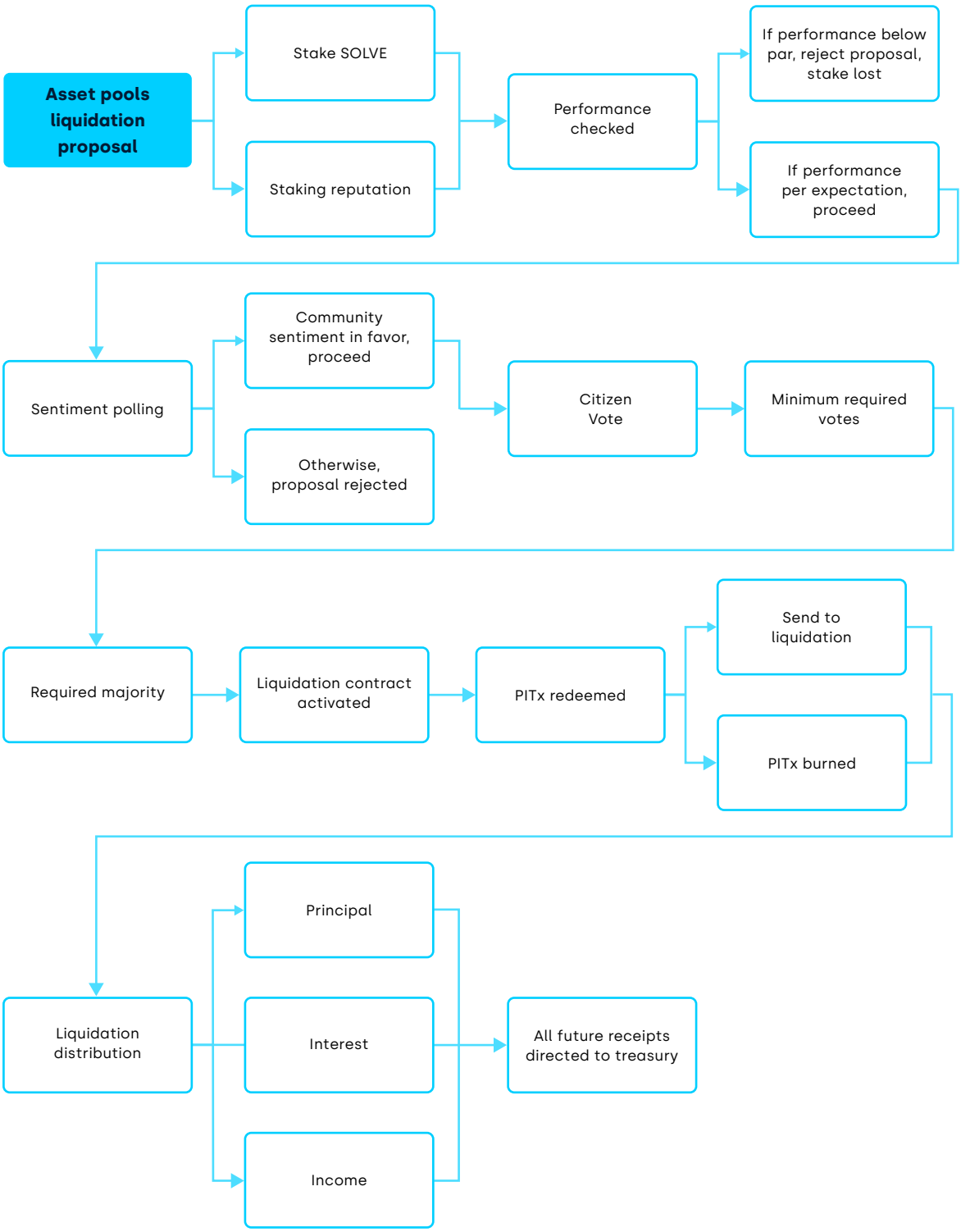
How PITx(v) is calculated



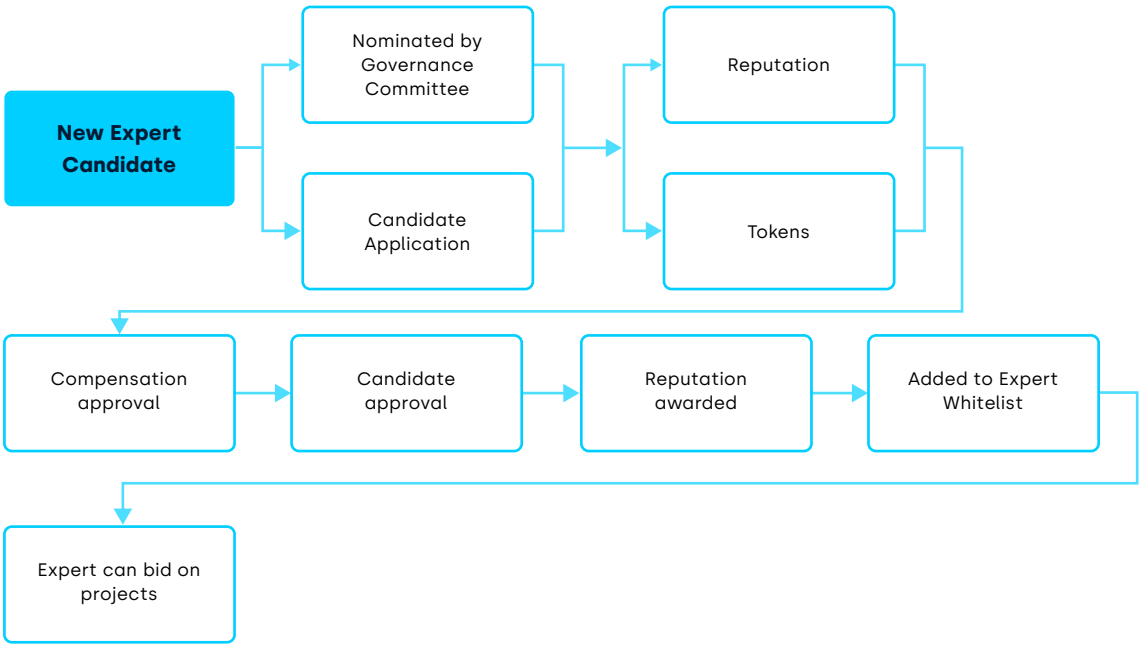
How Governance Committee is appointed



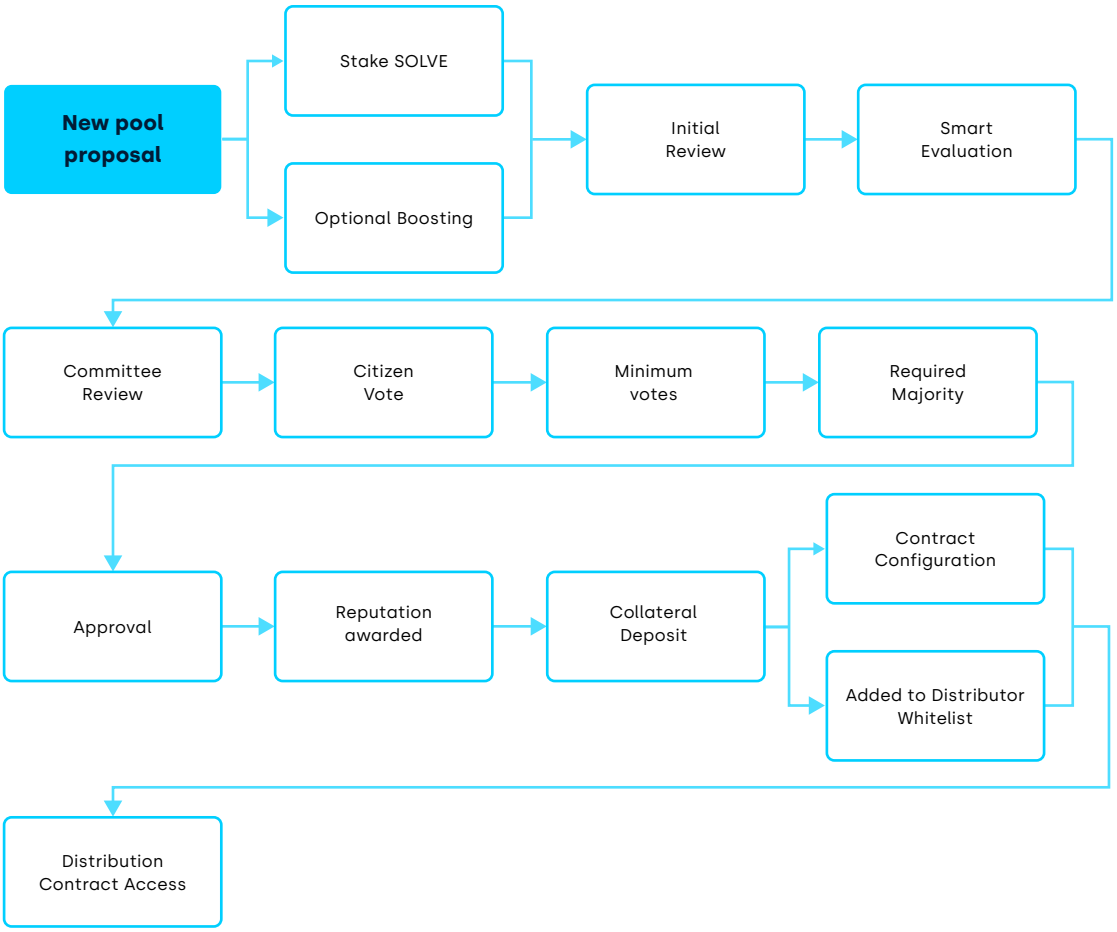
How asset pool is liquidated



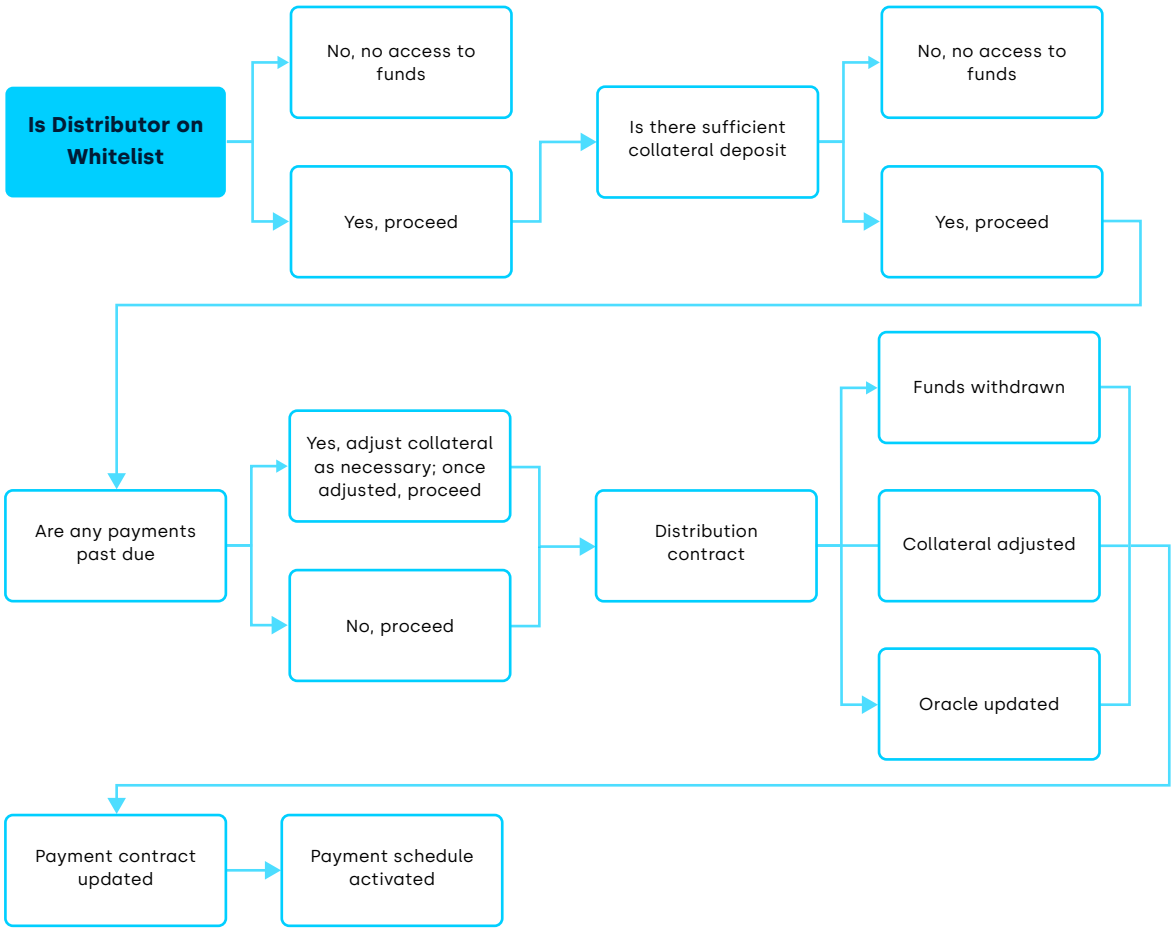
How community experts are selected



How Distributors are approved



How Distributor accesses funds



Appendix C: Risks Factors and Mitigations

Technology Risk

There are several risks in the current available technology to build and govern a DAO, even more so when it is as comprehensive and ambitious as Definitize.

The first risk is that governance technology is experimental and new. Implementing a DAO that can stand alone, scale safely and execute safely, while properly evolving with time, is a challenging task for any technology stack. DAO governance stacks in particular are new and unproven. There can be loss of data, loss of assets, hacks and unexplained or unexpected behavior of governance contracts, even before accounting for malicious actors. There are other technical risks, smart contract systems might not work as expected, performance issues may lead to tokens getting stuck in some smart contracts. and/or hackers may exploit bugs to steal funds or to otherwise impair the functioning of the DAO.

A malicious attack on the DAO infrastructure by bad actors is one of the greatest risks to any DAO. A vulnerability in the smart contracts could be used to break the DAO governance or steal pool assets or treasury assets. In a worst-case scenario, all digital assets of Definitize and the asset pools are stolen and may not be recoverable.

The mitigation plan is to design carefully, implement incrementally, involve the DAO's citizens in every step,maintain as much transparency as possible, and work with quality governance stacks and teams. There is no way to mitigate the risk fully and Definitize citizens and asset contributors should take every opportunity to inform themselves and consider the fact that several known and unknown risks exist.

Market Risk

People in the cryptocurrency space are generally aware of the fact that the prices of most crypto-assets are significantly correlated to Bitcoin and/or Ethereum. Therefore, the possibility of major price and liquidity fluctuations in the assets and pools, including stablecoins, exists and these fluctuations will occur for reasons that have little/nothing to do with the Definitize DAO.

The mitigation plan should be for the voting community to be conservative in asset pool design, distribution criteria and include as much diversification in the portfolio of asset pools as practicable. There is no accurate way to predict or quantify the true nature of this risk and constant education, vigilance, and risk acceptance on part of the Definitize community is a must.

Regulatory Risk

Decentralized Autonomous Organizations (DAO) remain a largely untested organizational model in terms of regulatory and legal acceptance, and the risk levels can and will vary vastly from region to region. It is remains to be seen how and when regulators in different legal jurisdictions will view the DAO structure and what scope and purposes will they deem permissible in a DAO model.

The mitigation plan consists of ensuring that the DAO operates in a truly decentralized manner, that no funds are collected, distributed or invested until the community is able to make the related decisions, and to ensure that proper legal experts are involved as community experts to ensure compliance.

Despite all of the above, the risk remains that regulators in certain jurisdictions may view the DAO model unfavorably. Such risks must be accounted for by the community and asset contributors in all their decisions.

Centralization Risk

Decentralized Autonomous Organizations (DAO) remain a largely untested organizational model in terms of community participation and engagement. There will arise a need for decision making that is not fully decentralized, especially in the early stages of the DAO or if community decision making is not possible due to logistical, legal or timing issues. This creates a risk of the DAO being classified as centralized from a community perception or legal classification.

In the case of large DAOs such as Bitcoin and Ethereum, network participants are not held jointly and severally liable for the obligations of the network, however other legal conclusions are possible. As DAOs do not (yet) enjoy legal personality in various jurisdictions, Reputation Holders may potentially be considered jointly and severally liable for the DAO's actions and obligations.

The mitigation plan is that the Definitize governance model is specifically designed to defer all important decisions until the community governance phase has started. This may delay some decisions and slow down the DAO, but is a necessary part of the risk mitigation plan. However, this may not be sufficient, and the community should carefully consider this as a long term risk

Black Swan Event Risk

A Black Swan Event is a rare and critical surprise attack on a system such as:

a. Attack on the assets used to fund the pools
b. Large, unexpected price decrease of one or more collateral assets
c. Highly coordinated Oracle attack.
d. Malicious Governance proposal.

This list of potential "black swans" is not exhaustive and is not intended to capture the extent of such possibilities.

While no solution is failsafe, careful design of the DAO, in conjunction with good governance, are the best defense plans to mitigate the potentially severe consequences of such an attack.

Unforeseen Pricing Errors and Market Irrationality

Oracle price feed problems or irrational market dynamics can cause significant and persistent errors/variations in the value of DAO assets. If confidence in the system is lost, asset pools may have to be liquidated at inopportune times leading to losses for asset contributors.

The Community governance model should have emergency stops and emergency voting mechanisms to stop distributions and release assets to DAO contributors. However, the presence of such mechanisms may not be sufficient to stop the loss of assets or loss of confidence in the DAO in extreme scenarios.

Other Risks

This is not an exhaustive list of risks, as many risks are not known at this point in time. Ongoing community governance must be tasked with managing risks as they are identified.

Participants of the DOA must understand and accept that the governance model, community participation, software, technology, concepts and theories of the DAO are still unproven and there is no warranty that the DOA functions will be uninterrupted or error-free. There is an inherent risk that the technology or model could contain weaknesses, vulnerabilities, or bugs causing, among other things, the complete failure of the DAO and/or its component parts.

Join us at
https://definitize.finance