



P / PLAYPOT KINGDOM

WHITEPAPER

The wealth of the Kingdom.

Real revenue. Shared reserves. Real + Fair Proof of Liquidity.

PlayPot is a proposed ecosystem in which applications contribute real revenue to a shared external-asset reserve supporting POT, the ecosystem token. Verified contributions can qualify projects and their users for bounded POT incentives, while Houses commit locked POT to defined governance and funded distributions. This paper explains the economic loop, asset and supply accounting, participation rights, and the safeguards required before implementation. It describes intended architecture and proposed parameters, not verified holdings, deployments, audits or financial performance.

THE WEALTH OF THE KINGDOM

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PROLOGUE

The wealth of the Kingdom

In the old stories, a kingdom's wealth lay beneath the castle. Behind an iron door, under the watch of a keeper, the treasure waited.

Outside the walls, merchants were returning from distant cities. Each carried the proceeds of a different venture. Alone, each could build a business. Together, they could establish something that would outlast a single trading season.

PlayPot begins with that shared possibility.

Ecosystem projects contribute real revenue. Under the reserve policy, that revenue is converted into tokenized stocks, ETH (Ethereum's native asset) and approved fundamental crypto assets. These assets accumulate in a common reserve backing POT and supporting Protocols-Owned Liquidity.

Protocols, plural. Many businesses help establish the economic foundation that serves their ecosystem.

Real + Fair Proof of Liquidity connects verified contribution to bounded POT rewards for the participating projects and their users. Those incentives are intended to support useful activity that earns further revenue. Further contributions replenish the reserve, and the cycle repeats.

The Kingdom takes shape through that circulation: enterprise becoming common capital, common capital supporting participation, participation returning to enterprise.

Its founding Houses commit to this shared undertaking. Their Charters record their identity and rights; their Seats connect locked POT to designated governance and eligible distributions. Their place is in an ecosystem built to earn, accumulate and reward contribution together.

Real revenue. Shared reserves. Real + Fair Proof of Liquidity.

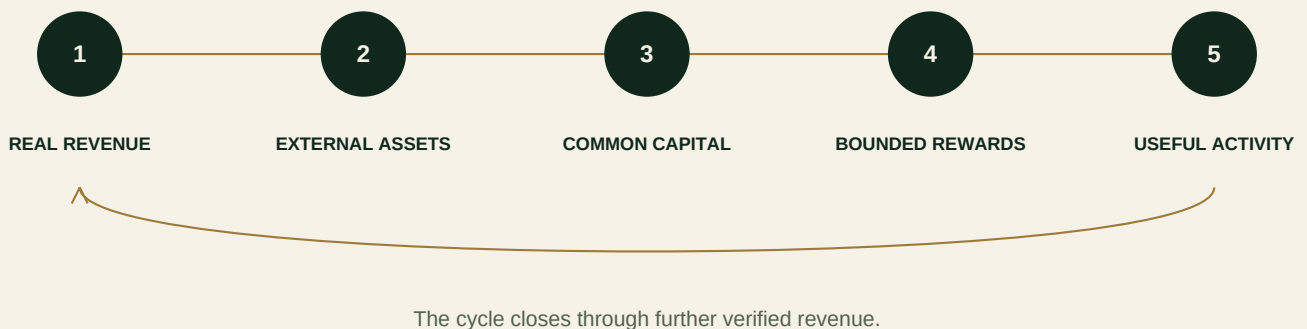
THE PLAYPOT FLYWHEEL

Earn. Build. Reward. Repeat.

Real revenue contributed by ecosystem projects -> conversion into tokenized stocks, ETH and approved fundamental crypto assets in reserve -> Protocols-Owned Liquidity -> Real + Fair Proof of Liquidity -> productive participation and further real revenue -> renewed contributions.

Reserve conversion follows the approved capital-allocation policy, after applicable costs, obligations and buffers. Assets may be held directly or deployed into approved liquidity positions. The reserve backs POT; reward distribution releases reserved POT under contribution-based limits.

The loop closes only when supported participation creates further qualified revenue. Activity, rewards and reserve value are measured separately. Growth is the intended result of useful business, not an automatic consequence of token distribution.



I / THE ROAD TO ENTERPRISE

Money learned to build

Bitcoin began with a proposal for electronic cash exchanged without a trusted financial intermediary. Its white paper placed incentives inside the design: participants maintaining the network could receive newly issued coins and transaction fees. The monetary system and the motivation to sustain it were conceived together. [1]

Ethereum widened the possibilities. Its white paper described a general platform for smart contracts and decentralized applications (dApps): applications whose functions use on-chain programs. A common infrastructure could support markets, agreements and organizations with rules of their own. [2]

Applications then extended incentives toward the people using and supplying them. Compound's COMP distribution and Uniswap's early UNI distribution and liquidity programs made application participation part of the token economy. [3, 4]

Alongside that development, Olympus established a prominent treasury-backed model with protocol-owned liquidity. Its treasury holds external reserves as well as liquidity positions; asset backing is already part of OHM's design. [5, 6]

These ideas made different relationships possible: between a network and its operators, an application and its users, a token and a shared treasury.

PlayPot brings its own commercial purpose to those relationships. Its proposed ecosystem combines dApp revenue with a Treasury spanning tokenized equities, ETH and approved fundamental crypto assets. Business contributions can add external assets without requiring a matching new sale of POT. Treasury strategies may produce further net income, while bounded incentives help participating applications attract and reward users.

PlayPot's thesis joins them in one recurring economic loop: project revenue builds an external reserve; the reserve supports Protocols-Owned Liquidity; contribution-based Proof of Liquidity rewards projects and users; useful participation seeks to generate further revenue. The shared, multi-protocol structure and its tokenized-stock and crypto reserve are central to that proposition.

II / BEYOND THE WALLS

A Treasury connected to the world

A visitor looking only at the Kingdom's applications would see half the design.

The other half is the Treasury: external assets accumulated from ecosystem contributions and held under the common treasury rules as the economic backing of POT. Its intended universe includes tokenized stocks, ETH and selected fundamental crypto assets, supported by the cash reserves required to operate and meet obligations.

Tokenized stocks are on-chain instruments providing the exposure specified in their issuer's terms to businesses beyond the PlayPot ecosystem. ETH and other approved crypto assets connect the reserve to the digital economies on which on-chain activity depends. The Treasury can therefore accumulate assets whose economic lives extend beyond demand for POT itself. The precise ownership, distribution and redemption rights of each stock token must be checked separately.

The two sides of the Kingdom can develop together. Useful applications generate qualified contributions. Retained contributions finance asset purchases and strengthen the external reserve. Eligible positions can enter approved strategies, and realized net results return to the Treasury for allocation. The businesses supply an internal source of income; the portfolio supplies a broader base of owned assets and potential investment results.

Ownership has to be visible through every layer. A liquidity provider (LP) position represents the Treasury's interest in assets supplied to a trading pool. An asset held directly and the same asset placed inside an LP position cannot both appear as separate wealth. A position held for the shared reserve is valued through its underlying assets, subject to applicable risk adjustments. Stock-token exposure is measured according to the instrument's actual terms, with issuer, trading and transfer restrictions reflected in its treatment.

POT held by the protocol does not count as external backing for POT. That includes treasury POT inventory, reward inventory and the POT side of any trading pool. The backing must come from outside the token's own accounting circle.

This is the Treasury at the center of PlayPot's identity: capital earned, acquired and held across a wider economy, with an auditable relationship to the token it supports.

Enterprise within. Assets beyond.

III / COMMON CAPITAL

Protocols-Owned Liquidity

Each contributing protocol enters the system with its own business, users and revenue. The reserve is where those separate contributions begin to form a common economic foundation.

Protocols-Owned Liquidity names that collective design. Multiple ecosystem projects contribute revenue toward a shared reserve of external assets backing POT. The approved portion of that capital can be deployed into liquidity positions under the common treasury policy.

The plural is substantive. The ambition is an ecosystem in which contributing projects help build the reserve that supports the shared incentive system. A successful application can add capital to that foundation; the resulting ecosystem resources can help support further productive participation.

One proposed initial strategy is to acquire eligible stock tokens, pair them with the settlement token USDG and hold the resulting LP position. USDG serves as the quote and settlement asset for that strategy; its actual issuer terms, redemption access, liquidity and market price must be assessed before use. Its role does not guarantee a dollar peg or eliminate settlement-asset risk. ETH and other approved fundamental crypto assets belong to the broader intended reserve universe. Each additional deployment requires its own asset permissions, exposure limits and exit checks. Direct reserve holdings and active LP positions remain separately measured.

Fees and realized net strategy results can add to the reserve's operating resources. Costs, position losses and required buffers come first. Appreciation affects valuation; it does not automatically become spendable distribution income.

POT trading liquidity remains a separate market function. Its choice of pair cannot define the shared reserve, and its POT leg cannot count as external backing.

The common Treasury is the custody and accounting structure. Protocols-Owned Liquidity describes the multi-project economic undertaking it serves. The contributing projects' specific governance and asset rights must be explicit in the participation agreements.

IV / THE BUSINESS OF THE KINGDOM

Real + Fair Proof of Liquidity

An ecosystem needs a credible answer to a simple question: what earns a reward?

PlayPot's answer begins with contribution that can be verified. A project's agreement fixes the revenue scope, contribution rate and settlement rules. The reward calculation uses the qualified amount actually received by the Treasury. A deposit of user principal, a financing round or an internal transfer cannot impersonate operating revenue.

That is the real in Real + Fair Proof of Liquidity.

Fair describes the rules the mechanism is designed to uphold: published inputs and calculations, bounded allocations, disclosed user pass-through, limits on entity and affiliate concentration, and a review process before rewards become final. A participant should be able to trace an allocation back to its contribution data and the policy applied to it.

Fair does not mean every project receives the same amount. The proposed weighting rule combines 80% of the current period's verified contribution with 20% of the mean contribution over the preceding three periods. This smooths a project's history while giving most weight to its current business. Calculation periods, treatment of short histories, eligibility when current contribution is zero, and entity and affiliate limits must be published before use. These proposed parameters are not approved launch terms. Governance cannot quietly replace the published rules with a preferred project's allocation.

The mechanism distributes reserved, pre-minted POT to eligible dApps and their users. Inventory and budget limits remain binding. Real describes the economic contribution behind an allocation; it does not turn a token incentive into realized cash profit or authorize new reward minting.

The reward then returns to the application economy. It is intended to help projects attract, retain and reward useful participation. When that participation generates further qualified revenue, the contribution returns to the reserve and the flywheel turns again.

The return path is the test: more paying activity, more verified contribution and a reserve reconciled to actual assets. Distributing more tokens alone cannot complete the loop.

V / THE COMMON TOKEN

What stands behind POT

POT is the common token of this commercial system. It can reach users through ecosystem incentives, be committed to Seats, and be acquired by the protocol under its buyback policy. Behind it sits the eligible external net asset base of the Treasury.

Backing has a precise meaning in the design. Risk-adjusted eligible external net assets are compared with complete POT supply, including tokens already issued and obligations committed for future minting. Dividing those assets by complete supply gives a per-token backing measure. It informs issuance limits, reward constraints and public risk reporting; it does not determine a guaranteed market price.

Its movement tells a more useful story than a treasury balance alone. Retained net income may increase external assets without increasing supply. A Bond, the proposed route for issuing POT in exchange for eligible external assets, adds assets and new POT commitments together and therefore requires an updated backing check. An asset distribution or a buyback spends resources that can no longer support another commitment. An asset-price decline can reduce backing even when token supply is unchanged.

The Treasury is therefore a balance sheet with decisions to make. Accumulating assets and buying back POT are central priorities. Available operating surplus can also support approved liquidity, growth and partner distributions. The same capital cannot satisfy all of these purposes at once.

A buyback makes a direct connection between an authorized budget and market demand for POT. Its effect depends on the destination of the tokens: permanent burning, reserve replenishment and redistribution have different consequences. Spending above per-token backing can reduce that measure even when tokens are burned.

POT's external backing is not a fixed peg, an automatic redemption right or a guaranteed trading floor. It is an accountable economic foundation, paired with rules governing how that foundation may be used and how supply may expand.

What is earned, what is owned and what is issued must remain legible together.

VI / THE FOUNDING HOUSES

A place in the enterprise

Founding Houses help establish the capital and decisions around this shared flywheel. Their contribution includes judgment: which businesses deserve support, which proposals merit a budget and which work can bring lasting value to the ecosystem.

PlayPot gives these participants a House.

The House is an ecosystem partner identity. Its Charter records the applicable rights, and a Founder's Charter preserves participation in the founding cohort. A House can hold multiple Seats under one Charter. Each Seat requires a fixed quantity of locked POT, established before issuance.

Active, eligible Seats connect that commitment to designated governance and funded partner distributions. A House can participate in the allocation of an approved growth budget under admission rules, conflict controls and milestones. Its distribution weight follows eligible Seat count over time, making the economic relationship measurable.

The partner budget may deliver POT purchased with operating funds, or approved external assets, including eligible tokenized stocks or crypto assets under the adopted allocation policy. That offers a tangible way to participate in the Kingdom's results while preserving the priority given to treasury accumulation and POT buybacks.

The relationship is collective. With 300 active Seats and 20 businesses, the Seats would participate in the defined common partner budget; they would not require 300 separate dApps. A House with ten Seats would have ten units of eligible weight, not title to ten businesses. These counts are illustrative.

The founding appeal is a recorded place in an enterprise that may widen over time, backed by a capital commitment and rights that can be inspected. The Charter does not itself confer company shares or ownership of an individual dApp.

VII / THE FOUNDING COVENANT

Capital with a common purpose

The proposed founding subscription brings a House into the ecosystem through a defined package: POT from a dedicated sale allocation, its lock into Seat positions, and a Charter recording the House's identity and applicable rights.

Subscription capital has a disclosed job to do. The funding plan must distinguish the initial external treasury portfolio, approved liquidity, reserves and the work required to establish the ecosystem. An ETH payment is a funding input; it does not limit the Treasury's eventual assets to ETH or turn the sale into operating revenue.

The first participants would be helping establish both sides of the Kingdom: businesses capable of earning, and an external asset base capable of supporting POT. The enduring value of that commitment depends on what the system subsequently delivers.

Scarcity is expressed through a published cumulative Seat cap. Activations consume that capacity. Closing a Seat does not replenish it, and admitting another dApp does not enlarge it. Later participation within the remaining allowance may change the weight shared by existing active Seats.

The founding designation records when a House entered. Continuing economic participation follows its eligible active positions and the governing budget. Neither historical status nor a larger number of Seats creates income where none has been earned.

The Kingdom's ambition is to make the loop productive: real project revenue becomes external reserve assets; Protocols-Owned Liquidity and contribution-based rewards support the ecosystem; useful participation earns further revenue. Founding Houses help establish the capital and bounded governance around that recurring relationship.

Its wealth would be visible in the Treasury. Its earning power would be visible in the businesses. Its founding Houses would carry the record of those who helped bring the two together.

ECONOMIC COVENANT / ASSETS

Backing, ownership and issuance

This paper describes a proposed design. Treasury assets named here are intended asset categories, not a statement of current holdings. Final instruments, weights, venues, deployment status and sale terms require publication before use or commitment.

EXTERNAL ASSET BACKING

The intended reserve spans eligible tokenized stocks, ETH and selected fundamental crypto assets, with settlement and operating cash. Assets can be held directly or through specifically approved positions. Eligibility considers custody, issuer rights, liquidity, prices, restrictions and concentration. Tokenized stock exposure follows the instrument's terms; holding a stock token does not automatically convey direct company shareholder rights.

A = risk-adjusted eligible external assets minus external liabilities and restricted assets.

S_{complete} = issued POT plus POT committed for future minting.

$b = A / S_{\text{complete}}$.

A is measured in the common valuation unit specified by the asset policy; S_{complete} is a quantity of POT; b is therefore external backing value per POT in that same unit. Risk adjustments account for asset eligibility, price reliability, liquidity and other published deductions. Unminted Bond obligations enter S_{complete} when committed, so delayed minting cannot conceal dilution.

Assets and deductions must not be duplicated. Protocol POT, reward inventory, user-locked POT and the POT side of a pool are excluded from A . An external LP is valued through its underlying holdings, with the position and those holdings counted once. Amounts reserved for distribution cease to be available for other commitments. The backing measure b is an issuance and risk metric, not a redemption quote.

PROTOCOLS-OWNED LIQUIDITY

Protocols-Owned Liquidity is the shared ecosystem design, with approved external-asset liquidity strategies executed through the common Treasury. The term does not itself establish a pro-rata withdrawal claim for every contributing project; project rights, governance and custody are defined by the applicable agreements. The proposed initial stock-token strategy pairs eligible stock tokens with USDG, the settlement token described above. ETH and other approved fundamental crypto assets form part of the broader intended portfolio. This does not prescribe a universal pair, authorize leverage or put all reserves into LP positions. Additional strategies require their own permissions, limits and exit checks. POT trading liquidity remains separately accounted for.

CONTROLLED SUPPLY EXPANSION

Post-genesis minting is restricted to the proposed Bond route: participants deliver eligible external assets in exchange for an authorized POT issuance commitment. Assets must actually arrive, and complete supply, valid prices, liquidity, remaining capacity and post-transaction backing must pass the published issuance checks before that commitment is accepted. Seat creation and rewards have no mint permission. The proposed monthly limit on new Bond commitments is 2% of month-start complete supply. A separate proposed limit caps global POT reward commitments at 2% of month-start complete supply. The limits apply independently to their respective uses; unused capacity in one does not authorize spending or issuance under the other. They are proposed maximums requiring final publication, not mandatory emissions or approved live settings.

The proposed genesis design contains 10 million POT, including a dedicated 2 million POT reward reserve within that supply. These figures are design parameters requiring final publication, not an announced final maximum or evidence of tokens already issued. The final overall supply cap, allocations and vesting must be fixed before launch. Reserved Bond obligations count when committed, rather than only when minted. New distributions, spending and buybacks invalidate stale available-asset capacity; backing must be recomputed before another Bond commitment.

ECONOMIC COVENANT / FLOWS

Income, rewards and distributions

OPERATING SURPLUS

Qualified dApp contributions and signed realized net strategy results enter the operating calculation. A signed result includes both gains and losses: losses cannot be discarded before totals are combined. Approved, unused retained earnings may be included only if still backed by available assets. Costs not already deducted, unrecovered losses and required reserves reduce the amount available. The combined result is floored at zero only after losses are included. Each amount belongs to a disclosed calculation period, and an asset already committed to another use is unavailable for this calculation.

Retention, buybacks, liquidity allocations, growth spending and partner distributions must fit within that same available surplus. The partner share and protected policy rules are published before commitment. Sale capital, user principal, internal transfers and unrealized asset appreciation do not become earned distributable income. The allocation priorities favor asset accumulation and POT buybacks; final percentages remain unapproved.

STRATEGY RESULTS

The proposed strategy design begins without leverage. Stock-token LP concentration limits and the required cash reserve must be validated and published before deployment. Net results use settled proceeds plus fees not already included, less disposed cost basis and execution costs. Price and composition losses already reflected in proceeds are not subtracted twice. Performance relative to holding the original assets is shown separately. Net asset value (NAV) is the value of assets less the liabilities and restrictions recognized under the valuation policy. Unsettled valuation changes affect NAV; they do not automatically become a funded payout budget. The backing calculation uses the risk-adjusted eligible external net asset measure A defined above.

REAL + FAIR PROOF OF LIQUIDITY

Qualified, actually received dApp contributions inform the POT incentive budget. The proposed app incentive ceiling is the smallest of: the authorized app budget in POT; $0.50 \times C / p$; and $0.25 \times C / b$. C is the qualified contribution value for the calculation period in the common valuation unit. b is the per-POT external backing measure defined above. p is the greater of a valid POT market-price reference and b, expressed in the same valuation unit per POT. Both divisions therefore produce quantities of POT. The two contribution-based limits bound incentives against market value and external backing simultaneously; neither creates a cash payment or redemption entitlement. Invalid or zero price or backing references stop new reward confirmation. Available pre-minted inventory, period budgets and the separate global POT reward-commitment limit also bind. The coefficients 0.50 and 0.25 are proposed design parameters that require final publication before use.

The proposed application weight is 80% of its current contribution plus 20% of its mean contribution over the preceding three periods. Relative eligible weights determine how the authorized app allocation is shared, subject to published entity and affiliate limits. Each dApp's published user share governs how its allocation passes through to users; a 70% user share is proposed, not an approved launch term. The calculation-period length, short-history treatment, eligibility when current contribution is zero, and user-allocation rules must be specified before confirmation. These rules and the 80/20 weights are proposals requiring final publication. Rewards release pre-minted inventory and cannot authorize additional minting. Any launch subsidy is identified and funded separately from earned partner distributions.

FUNDED PARTNER DELIVERY

The partner budget can buy POT, purchase approved external assets or allocate eligible assets supported by unused retained earnings. Each confirmed claim is backed by actual asset units and allocated by the eligible Seat weight for that asset. Its reserve cannot be reinvested. POT purchased for partner delivery consumes the partner budget rather than also consuming a separate buyback budget; that delivery remains subject to the global POT reward-commitment limit. Asset reservations reduce available backing once; subsequent delivery must not repeat that deduction. Buyback destinations are disclosed individually. No fixed payout or annual percentage rate (APR) is implied.

ECONOMIC COVENANT / PARTICIPATION

The rights behind the invitation

HOUSE, CHARTER AND SEAT

One House has one initially nontransferable Charter and may have several Seat positions. Each Seat requires K locked POT: K is the fixed number of POT required per Seat, published and frozen before issuance. Seat weight is linear in eligible active quantity and time, so twice the eligible Seats held for the same eligible duration gives twice the weight. Founder identity creates no hidden multiplier or perpetual unconditional payout. No separately tradable Seat token is proposed. The same locked principal cannot simultaneously earn ordinary staking rewards and Seat weight.

SCOPE OF PARTICIPATION

Houses participate in the designated growth budget using finalized weight from the previous period, subject to project admission, conflict-of-interest rules and milestone-controlled releases. They do not receive unrestricted Treasury withdrawal powers. For a funded asset allocation, each eligible House's share is its time-weighted eligible Seats divided by the corresponding total eligible Seat weight. Eligibility and restrictions are checked separately for each asset, so a weight or claim for one asset does not imply eligibility for another. If 300 equally eligible full-period Seats shared a hypothetical \$12,000 budget in the same asset, one Seat would receive \$40 of allocation value. Neither amount is a forecast or sale parameter.

PRINCIPAL AND EXIT

Locked POT is segregated from Treasury assets and is unavailable for investment or spending. After the minimum lock, an exit request immediately stops future weight; the disclosed cooldown then precedes return of the original POT quantity. Its market value may differ from the purchase cost. Confirmed historical claims survive exit. Claiming a distribution does not consume a Seat or extend its lock. A House may retain its Charter after its economic weight reaches zero.

ISSUANCE AND SALE

Ever-activated Seats plus committed unclaimed allocations and reserved open capacity must remain within the disclosed cumulative cap. Closed Seats do not refill it. POT earmarked for subscriptions, rewards and market liquidity must be recorded in separate inventories; the same tokens or supporting assets cannot satisfy multiple obligations. Subscription ETH remains in escrow until published success conditions and required settlement safeguards are satisfied; failure triggers the defined refund path. Successful settlement does not create a general right to recover the original ETH. On-time claims have a common disclosed activation boundary; late claims receive no retroactive rewards.

FINAL TERMS AND IMPLEMENTATION

Before accepting funds, publish the asset policy, strategy permissions, sale price and conditions, Seat cap, K, allocation policy, lock and cooldown, recipient eligibility, governance controls, contract addresses and actual review status. Initial treasury allocations, approved external-asset LPs and POT market-liquidity requirements must be specified separately. Naming an asset category here does not authorize a particular strategy or establish a live position.

Capital and token prices may fall. Businesses, assets, strategies, issuers, custodians, oracles and contracts may fail. A period may have no distributable surplus. Treasury backing supplies no automatic redemption or price floor; the Charter supplies no automatic company equity or legal cofounder appointment. Published rights and verified implementation must give the invitation its substance.

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[5] Olympus, Treasury. External reserves and protocol liquidity are distinct components of its asset base.

<https://docs.olympusdao.finance/main/overview/treasury>

[6] Olympus, Protocol Owned Liquidity. Used to ground the comparison, without assuming that asset backing or treasury income is unique to PlayPot.

<https://docs.olympusdao.finance/main/overview/pol>

The opening Kingdom story is an original allegory. These external sources provide historical and economic context; they do not imply endorsement, equivalent investment outcomes or that asset backing and treasury income are unique to PlayPot. PlayPot's asset choices, incentive parameters and participation rights are the proposed design explained in this paper, subject to the publication and implementation safeguards stated above.