Contents

PropTradingPool: Decentralized Capital. Performance Driven Access

Executive Summary

PropTradingPool (PTPL) solves the same problem as traditional proprietary trading firms—connecting talented traders with capital—but with fundamentally better economics enabled by blockchain infrastructure.

The Problem We Solve: Skilled traders lack capital. Traditional prop firms bridge this gap but are constrained by business models that generate 60-70% of revenue from evaluation fees rather than trader success. This creates structural friction: opaque rules, delayed payouts (bi-weekly to monthly), subjective terminations, and misaligned incentives.

Our Structural Advantage: Built on Solana's high-performance blockchain, PTPL inverts the economics—generating 70-80% of revenue from profit-sharing with successful traders, not evaluation fees. This alignment enables:

- **Proven evaluation rules** - Same standards as FTMO (10% + 5% profit targets, clear risk limits)

- **Daily profit access** - Operationally feasible with $0.00025 Solana transactions (vs $15-30 wire fees)
- **Complete transparency** - Every rule enforced by smart contracts, no subjective interpretations
- **Rapid scaling** - Performance-based account growth incentivized by profit-share-dominant model

Solana's technical capabilities (400ms finality, low costs, real-time settlement) enable the operational efficiency. The blockchain doesn't just make us faster—it makes us structurally more aligned.

One successful trader generating profits for 6-12 months is worth 20-50x more than a failed evaluation. This economic reality shapes everything we build.

Token Mechanics: Every PTPL purchase directly funds the trading pool while creating deflationary pressure through systematic buyback and burn. Fair Launch structure ensures genesis LPs capture full bootstrap value—team tokens only mint after proving the model works ($5M TVL, $1.50 NAV, 12+ months, consistent returns).

Why Competitors Can't Copy: Traditional firms are trapped by their business models. Being transparent would expose poor economics (scares customers). Offering daily payouts is uneconomical without blockchain infrastructure ($15-30 per wire vs $0.00025 per transaction). Shifting to profit-share-dominant revenue would require restructuring LP agreements and accepting 40-60% revenue decline during transition.

We're not competing on features—we're competing on structure. And structure can't be easily copied.

This is an experimental, high-risk protocol. Success depends on flawless execution across technical security, trader evaluation, and risk management. We acknowledge significant challenges ahead and commit to transparent, evidence-based iteration.

The Problem: Capital Access with Misaligned Incentives

The Core Problem Prop Firms Solve

Proprietary trading firms address a legitimate economic need: **talented traders lack capital**.

- Banks won't lend for trading (too risky)
- Building $100K+ from small accounts takes years (if you ever get there)
- Individual traders have skill but not scale
- Capital providers want returns but lack trading expertise

Prop firms bridge this gap: "Prove your skill → Get our capital → Share the profits"

This is genuine economic infrastructure connecting underutilized talent with capital seeking returns.

The Structural Problem: Business Model Constraints

Traditional prop firms solve the capital problem, but their business models create unavoidable friction:

Revenue Dependency on Evaluation Fees Typical Prop Firm Economics:

```
Revenue Sources:
- Evaluation fees: $1M (10,000 attempts × $100)
- Profit shares: $450K (500 funded × $150/mo × 6 months)
- Total: $1.45M (69% from evaluation fees)

Key Insight: Most revenue comes from people who DON'T get funded
```

This creates structural constraints:

- **Opaque Rules:** Subjective terminations, rules discovered after failing (protects evaluation business)
- **Limited Transparency:** Can't show real pass rates or trader performance (would expose economics)
- **Delayed Payouts:** Bi-weekly or monthly cycles (manual processing, cash flow management)

- **Artificial Friction:** Complex consistency requirements increase failure rates (protects fee revenue)

These aren't bugs—they're features of a model that depends on evaluation fees for 60-70% of revenue.

The Misalignment Problem When evaluation fees dominate revenue, firms face competing pressures:

1. **Make it passable enough** → People keep trying (repeat fee revenue)
2. **Make it hard enough** → Most fail (protect fee revenue stream)
3. **Support successful traders** → But not too well (profit share reduces margins)

Result: Structural barriers that could be removed but won't be because they protect the business model.

Why They Can't Change Traditional firms are trapped:

- Their LPs invested in the evaluation fee business model
- Changing to profit-share-dominant would crater current revenue
- Can't be transparent without exposing the economics
- Manual processing makes daily payouts uneconomical ($15-30 per wire transfer)
- Opacity is required to maintain fee-based revenue

This isn't a failure of character—it's a constraint of structure.

The Solution: Structural Alignment Through Blockchain Economics

PTPL doesn't just solve the capital access problem—we solve it with fundamentally different economics enabled by blockchain infrastructure.

The Economic Inversion

PropTradingPool Economics:

```
Revenue Model:
- Ongoing profit shares: $1.8M (1,000 traders × $150/mo × 12 months)
- Evaluation fees: $500K (4,000 attempts × $125 avg)
- Total: $2.3M (78% from trader success)

Key Insight: We make 10-20x more when traders succeed long-term
```

One successful trader generating profits for 6-12 months is worth 20-50x more than a failed evaluation.

This economic structure eliminates the need for artificial friction. We can optimize for what actually matters:

- **Find quality traders with proven evaluation standards**
- **Support their success aggressively** (our primary revenue source)
- **Scale them quickly** (more capital = more profit share)
- **Be completely transparent** (no economics to hide)

Why Traditional Firms Can't Match This

Transparency: They CAN'T publish real pass rates or encode rules in smart contracts without exposing the evaluation business model

Alignment: They CAN'T shift to profit-share-dominant revenue without restructuring their entire business and LP agreements

Payouts: They CAN'T offer daily withdrawals economically without blockchain infrastructure ($0.00025 Solana transactions vs $15-30 wire fees)

Settlement: They CAN'T provide instant funding and real-time P&L without blockchain's operational capabilities

This isn't about being better people—it's about having better structure.

Blockchain enables this through:

1. **Transparent smart contracts** → On-chain rules, impossible to hide terms or interpret subjectively
2. **Token economics** → Revenue comes from pool appreciation and profit shares, not evaluation attrition
3. **Solana's operational efficiency** → Real-time P&L tracking, instant settlement, negligible costs enable daily operations
4. **Composability** → Direct integration with DEXs and oracles (no manual reconciliation delays)

What This Means for Traders

Industry-Standard Two-Phase Evaluation We use proven evaluation parameters that have filtered thousands of successful prop traders:

Phase 1: Profit Challenge

- **Profit Target:** 10%
- **Maximum Drawdown:** 10% (total account loss limit)
- **Maximum Daily Loss:** 5% (single-day loss limit)
- **Minimum Trading Days:** None (hit your target and advance)

Phase 2: Verification

- **Profit Target:** 5%
- **Maximum Drawdown:** 10%
- **Maximum Daily Loss:** 5%
- **Minimum Trading Days:** None

Funding: Instant upon passing Phase 2

These are the same core rules used by FTMO and other established prop firms. They work because they filter for consistent, disciplined traders while being clear and understandable.

What Makes PTPL Different It's not the evaluation rules—it's what happens after you pass:

Daily Profit Access - Withdraw profits every 24 hours (vs bi-weekly or monthly cycles) - No minimum withdrawal amounts - Instant settlement via blockchain - No waiting for wire transfers or payment processors

Complete Transparency - Every rule encoded in smart contracts - Real-time P&L tracking (updated every 60 seconds) - Public verification of all results on-chain - No subjective interpretations or hidden "consistency rules" - Impossible to change rules retroactively

Performance-Based Scaling - Start: $10,000 account - Prove consistency → $25,000 - Continue performing → $50,000 - Elite performance → $100,000+ - Each level requires demonstrated profitability - Faster progression (we want you earning more = we earn more)

Fair Evaluation Pricing

Account Size	Evaluation Fee
$10,000	$99
$25,000	$199
$50,000	$299
$100,000	$499

Retries available at 50% discount if you reach Phase 2

The Real Advantage: Structural Alignment Traditional Prop Firm:

```
You pass evaluation → They lose fee revenue stream
You succeed long-term → They pay out profit shares (cost)
You get terminated → They keep more money
```

PropTradingPool:

```
You pass evaluation → We gain profit-sharing partner
You succeed long-term → We earn 10% of your profits (revenue)
You get terminated → We lose our primary revenue source
```

We make 10-20x more when you succeed than when you fail. This isn't marketing—it's mathematical reality that shapes every decision we make.

Why Solana: The Performance Imperative

PropTradingPool requires a blockchain that can handle the demanding requirements of real-time trading operations. After evaluating multiple platforms, Solana emerged as the only viable choice for our protocol's success.

Critical Requirements

Sub-Second Finality

- Trader evaluations require instant P&L updates
- Risk limits must be enforced in real-time
- Funding decisions cannot wait minutes for block confirmation
- **Solana delivers:** 400ms block times with single-slot finality

Transaction Throughput

- Peak trading periods may generate thousands of position updates
- Multiple traders executing simultaneously
- Evaluation checks, risk enforcement, and settlement occurring in parallel
- **Solana delivers:** 65,000+ TPS capacity, proven 3,000+ sustained TPS

Cost Economics

- Each trade generates multiple on-chain operations (entry, monitoring, P&L update, risk check)
- $0.50+ per transaction makes daily profit distributions economically infeasible
- Daily withdrawals and real-time tracking require negligible fees
- **Solana delivers:** $0.00025 average transaction cost

Real-World Impact:

```
Daily profit withdrawal:
- Ethereum: $5-50 gas fee (uneconomical for small profits)
- Solana: $0.00025 (withdraw $10 profit, costs $0.00025)

This isn't a minor difference-it's what makes daily payouts possible.
```

Solana's DeFi Ecosystem Advantage

Native Liquidity Integration

- Direct access to active DEXs (Phoenix, Raydium, Orca)
- Jupiter aggregator for optimal routing across all liquidity sources
- Integration with perpetuals platforms (Drift Protocol, Zeta Markets)

- Native USDC support without bridging complexity
- Protocol-agnostic design reduces dependency on any single platform

Proven Trading Infrastructure

- Robust liquidity aggregation infrastructure (Jupiter)
- Established DEX ecosystem with deep liquidity
- High-frequency trading capabilities demonstrated across ecosystem
- Professional market makers and institutional liquidity providers
- Resilient ecosystem that adapts as protocols evolve

Developer Tooling

- Anchor framework for secure smart contract development
- Comprehensive testing frameworks
- Active developer community
- Proven security audit infrastructure

Team

Founder: Otse Obande

10+ years software engineering experience with expertise in:

- Financial infrastructure (payment systems, investment platforms)
- Automated trading systems (Forex EA development and deployment)
- High-scale distributed systems (Kubernetes, Kafka, Terraform)
- AWS Certified DevOps Engineer (Professional) + Certified Kubernetes Administrator

Technical advisor and audit partners to be announced as we approach beta launch.

Token Economics: Triple Value Accrual

The PTPL Token Model

Every PTPL token represents:

- Direct ownership of the liquidity pool
- Governance rights over protocol parameters
- Exposure to systematic value accrual

Three Mechanisms of Value Creation

1. Direct Pool Funding

- New PTPL can only be minted by depositing USDC
- Result: Every token purchase directly funds trader capital

2. Deflationary Dynamics

- 70% of evaluation fees → Buy PTPL → Burn permanently
- 30% of evaluation fees → Grow pool reserves (20%) and operations (10%)
- Projected monthly impact: 0.3-0.6% supply reduction (depends on evaluation volume)

3. Profit Compounding

- 10% of all trader profits → Pool growth
- 10% of all trader profits → Team operations (50% taken in PTPL with 6-month vesting)

- No new tokens minted → NAV appreciation
- Conservative estimate: $150-175/month per funded trader

Fair Launch Token Distribution

Total Supply: Dynamic (starts at 0, grows with deposits)

The protocol launches with ZERO pre-mined tokens. All tokens are minted through:

1. LP deposits at Net Asset Value (NAV)
2. Team/ecosystem allocations ONLY after strict milestones achieved

Initial Genesis Event:

When first $1M is deposited:

- Genesis LPs deposit $1M → Receive 1,000,000 PTPL
- NAV = $1.00 per PTPL (no dilution)
- NO team/treasury/ecosystem tokens minted
- Total supply: 1,000,000 PTPL backed by $1,000,000 USDC

Milestone-Locked Team Allocation:

Team/Treasury/Ecosystem tokens mint ONLY after ALL conditions met:

Unlock Conditions (ALL required):

1. Pool TVL reaches $5M (5x growth from launch)
2. NAV reaches $1.50 (50% appreciation for genesis LPs)
3. Minimum 12 months elapsed
4. Pool demonstrates >15% quarterly returns for 3 consecutive quarters
5. Pass rate maintained between 20-30%
6. Funded trader profitability >60%

Upon Milestone Achievement:

- Mint 250,000 PTPL → Team (1yr cliff, then 3yr vest)
- Mint 250,000 PTPL → Treasury (DAO-controlled)
- Mint 187,500 PTPL → Ecosystem (6mo cliff, then 2yr vest)
- Total supply increases to 1,687,500 PTPL

Example: If pool = $7.5M when milestones hit:

- NAV = $7.5M ÷ 1.6875M = $4.44 per PTPL
- Genesis LPs: $1.00 → $4.44 (344% gain before any dilution)

Clawback Provisions:

1. If team member leaves within 2 years: Unvested tokens → Treasury
2. If NAV declines >20% from peak: All team vesting pauses
3. If pool experiences >10% quarterly loss: Team allocation review by governance
4. Emergency governance can freeze team tokens if protocol at risk

Why This Structure:

- Genesis LPs capture full bootstrap value
- Team only benefits after proving the model works
- Prevents insider dumping at launch
- Aligns long-term incentives perfectly
- Demonstrates team confidence in success

Team Revenue Alignment

To ensure maximum alignment:

50% of all team revenue must be taken in PTPL tokens:

- Purchased from secondary market (creates buy pressure)
- 6-month vesting from receipt
- Cannot be sold until vested
- On-chain transparent purchases

This means:

- Team prospers only when NAV grows
- Team creates constant buying pressure
- No dumping on token holders
- Skin in the game at all times

Conservative Value Projection (Starting from $1M Pool)

Year 1:

- Starting: $1M pool, 1M PTPL, $1.00 NAV
- New deposits: $1.5M new capital
- Evaluation fees: $400K (conservative: 4,000 evaluations)
- Trader profits: $900K (conservative: 800 funded traders)
- **Ending: $2.98M pool, 3.35M PTPL, $0.89 NAV**
- **Result: -11% NAV (expected while scaling)**

Year 2:

- Starting: $2.98M pool, 3.35M PTPL, $0.89 NAV
- New deposits: $4M new capital
- Evaluation fees: $1.2M (8,000 evaluations)
- Trader profits: $2.4M (1,600 funded traders)
- **Ending: $8.43M pool, 7.96M PTPL, $1.06 NAV**
- **Growth: +19% from Year 1**

Year 3:

- Starting: $8.43M pool, 7.96M PTPL, $1.06 NAV
- New deposits: $8M new capital
- Evaluation fees: $2.4M (16,000 evaluations)
- Trader profits: $4.8M (3,200 funded traders)
- **Ending: $20.5M pool, 15.4M PTPL, $1.33 NAV**
- **Growth: +25% from Year 2**

3-Year Summary:

- **Total Growth: $1.00 → $1.33 NAV (+33%)**
- **CAGR: 10% annually (conservative)**
- **Pool Growth: $1M → $20.5M**

Note: These are CONSERVATIVE projections. Assumes:

- Below-target pass rates initially (15-18%)
- Higher trader churn (6-month average lifespan)
- Significant marketing costs ($150-200 CAC)
- Pool takes time to achieve optimal performance

Risk Management Framework

Comprehensive Tail Risk Analysis

Historical Stress Events We Must Survive:

- March 2020: BTC -50% in 24 hours
- May 2021: BTC -35% in 3 days
- November 2022 (FTX): SOL -90% over 2 weeks
- Flash crashes: 20-30% moves in hours

Correlation Risk Modeling:

Assume 100 funded traders at steady state:

- 70% trade crypto perps (inherently correlated)
- Average position: $40K per trader
- Typical bias: Net long crypto

Scenario 1: Black Swan (-30% flash crash)

```
Correlated blowup calculation:
- 70 traders hit 10% max drawdown simultaneously
- Per-trader loss: $40K × 10% = $4K
- Total loss: 70 × $4K = $280K
- Slippage/liquidation costs: +25% = $350K
- On $5M pool = 7% loss

With circuit breakers:
- Emergency pause at 8% pool loss
- Force-close positions
- Actual realized loss: 6-8%
```

Scenario 2: Extreme Event (-50% overnight)

```
- 85 traders hit max drawdown
- Forced liquidations in illiquid market
- Slippage exceeds 50% on exits
- Total realized loss: $450K+ on $5M pool
- Pool impact: 9%+

With insurance fund (3-5% of pool):
- First $150-250K covered
- Net loss: ~7-8%
```

Revised Risk Statement:

"Under normal market conditions, maximum expected pool drawdown is 4-6%. During extreme events (1-in-100 day), drawdowns could reach 7-8% before circuit breakers activate. In catastrophic scenarios (1-in-1000 day), theoretical maximum loss approaches 10-12%, though insurance fund and emergency procedures would mitigate actual impact."

Multi-Layer Risk Mitigation

Layer 1: Position Limits

- Individual trader: Max 10% drawdown (enforced on-chain, auto-close)
- Per-trader capital: Max $100K initially
- Total funded traders: Dynamic based on pool size and correlation

Layer 2: Correlation Monitoring

```
Real-time tracking:
- If correlation across funded accounts >0.7: Warning
- If correlation >0.8: Pause new funding
- If portfolio delta >$2M notional: Force diversification

Strategy distribution requirements:
- Max 40% in single strategy type
- Max 50% directional bias (long vs short)
- Min 3 uncorrelated strategy clusters
```

Layer 3: Circuit Breakers

```
Automatic triggers:
- 5% pool loss in 24h: Alert, increase monitoring
- 7% pool loss in 24h: Pause new funding
- 9% pool loss in 24h: Force-close 50% of positions
- 11% pool loss in 24h: Emergency shutdown

Manual override:
- 3-of-5 multisig can trigger emergency pause
- Public disclosure within 6 hours
- Post-mortem within 48 hours
```

Layer 4: Insurance Fund

```
Built from protocol revenue:
- 5% of evaluation fees → Insurance fund
- 5% of profit shares → Insurance fund
- Target: 3-5% of total pool

Deployment:
- Covers losses exceeding 7% pool drawdown
- Governance-controlled release
- Must be replenished before resuming full funding
```

Layer 5: Reserve Requirements

```
Minimum liquid reserves: 20% of pool

Dynamic adjustment:
- High withdrawal period: Increase to 25%
- Stable period: Can reduce to 15%
- Emergency: Circuit breaker at 10%

This ensures LP redemptions always honored
```

Stress Testing Methodology

Pre-Launch Requirements:

1. **Monte Carlo Simulation (10,000 runs)**
   - Random trader entry/exit patterns
   - Historical volatility scenarios
   - Various correlation levels
   - Result: 95th percentile max loss estimate
2. **Historical Replay Testing**
   - Run protocol through 2020-2024 market data
   - All major crash events included

- Document theoretical losses
- Validate circuit breakers trigger correctly

3. **Adversarial Simulation**
   - Assume intelligent attackers
   - Collusion scenarios
   - Oracle manipulation attempts
   - MEV sandwich attacks

Results will be published before mainnet launch.

Oracle Security & MEV Protection

Attack Vectors in Real-Time Execution

Problem: Real-time P&L tracking creates manipulation opportunities

Attack #1: Oracle Manipulation

```
Attacker manipulates thin oracle feed
→ Fake price spike recorded
→ Trader closes at manipulated price
→ Pool pays out based on bad data
→ Systematic drainage possible
```

Attack #2: MEV Sandwich

```
Bot detects trader's closing order
→ Front-runs with large same-direction trade
→ Trader gets worse execution
→ Bot back-runs and profits
→ Repeatable on every trade
```

Attack #3: Latency Arbitrage

```
Price moves on CEX, DEX lags 200-500ms
→ Trader opens using stale price
→ Closes on CEX at real price
→ Risk-free profit from delay
→ Systematic extraction
```

Multi-Layer Defense System

Layer 1: Robust Oracle Architecture

```
Primary: Pyth Network (Solana-native)
  400ms update frequency
  Confidence intervals included
  Multiple data sources aggregated
  On-chain verification

Backup: Switchboard
  Independent data feeds
  Cross-validation with Pyth
  Failover if Pyth unavailable

Validation Rules:
1. Price within 2% of both oracles
```

```
2. Confidence interval <1%
3. Timestamp <1 second old
4. Reject if >5% deviation from 30-sec TWAP
```

Layer 2: Time-Weighted Average Prices

```
For P&L calculation:
- Use 10-second TWAP (not spot price)
- Reduces manipulation by 10x
- Attacker must sustain fake price for 10 seconds

For execution:
- Use 5-second TWAP for pricing
- Compare to spot: If >1% difference, use TWAP
- Prevents single-block manipulation
```

Layer 3: MEV Protection via Jito

```
Integration with Jito Block Engine:
1. Trader transactions bundled privately
2. Searchers cannot front-run
3. Execution at fair market price
4. Protected from sandwich attacks

Fallback:
- Jupiter Limit Orders (price-protected)
- 2-second minimum time-in-mempool
- Accept small execution risk vs MEV
```

Layer 4: Minimum Time Requirements

```
Anti-latency arbitrage:
- Minimum position duration: 60 seconds
- Positions closed <60s: Rejected
- Prevents CEX-DEX latency exploitation

Exception:
- Emergency risk management overrides
- Max drawdown approaching: Immediate close allowed
```

Layer 5: Anomaly Detection

```
Real-time monitoring:
1. Execution price >1% worse than oracle
2. Multiple traders profit same second
3. Unusual price correlation with trader activity
4. Repeated sub-60-second attempts

Automatic response:
- Flag account for review
- Increase monitoring frequency
- Manual approval for payouts >$5K
- Suspend if pattern confirmed
```

Pre-Launch Security Testing

Mandatory before mainnet:

1. Oracle manipulation simulation on devnet

2. MEV attack testing with actual bots
3. Latency arbitrage assessment
4. Third-party MEV security review (Jito/Flashbots)
5. 30-day adversarial testing period

Success criteria:

- Oracle attack cost >$100K for $1K profit (100:1 ratio)
- MEV protection >95% effective
- Zero successful attacks in 30-day devnet test

Smart Contract Security

Program Architecture

PTPL is built as a single Solana program that handles all protocol functionality:

- **Evaluation Logic**: Tracks P&L, enforces pass/fail criteria
- **Risk Management**: Monitors drawdowns, correlations, position limits
- **Pool Management**: Manages USDC reserves, mints/burns PTPL tokens
- **Fee Collection**: Handles evaluation fees, executes buybacks and burns
- **Governance**: Processes voting, parameter changes

Single program design benefits:

- Reduced attack surface (no cross-program vulnerabilities)
- Atomic operations (all state changes in one transaction)
- Simpler security auditing
- Lower operational complexity
- More efficient gas usage

Formal Verification Requirements

Critical invariants we must prove mathematically:

1. NAV Invariant

```
 transactions:
NAV_after = (Pool_USDC_after / Supply_after)
Prove: NAV_after  NAV_before OR decrease is authorized
```

2. Reserve Invariant

```
 states:
Liquid_Reserves  0.20 × Total_Pool
Prove: Cannot fund traders if reserve <20%
```

3. Mint Authority Invariant

```
 mint operations:
Only the PTPL program can mint PTPL tokens
Only when USDC deposited at correct NAV
Mint authority controlled by program, not external accounts
```

4. Max Drawdown Invariant

```
 traders,  times:
Current_Balance  Starting_Balance × 0.90
Prove: Auto-closes at 10% loss, no bypass possible
```

Tools:

- Primary: Certora Prover (Solana support)
- Secondary: Tamarin Prover (protocol-level)
- Cost: $200K-300K
- Timeline: 2-3 months

Security Audit Plan

Pre-Launch Mandatory Audits:

1. **Neodyme** (Solana Specialist)
   - Cost: $80K, Duration: 4 weeks
   - Focus: Solana-specific vulnerabilities
2. **OtterSec** (DeFi Focus)
   - Cost: $80K, Duration: 4 weeks
   - Focus: Economic exploits, MEV, oracles
3. **Trail of Bits** (General Security)
   - Cost: $100K, Duration: 3 weeks
   - Focus: Cryptography, access control

Total: $260K, must complete before TGE

Acceptance Criteria:

- Zero critical findings
- All high findings fixed and re-audited
- Medium findings addressed or disclosed
- Public reports before mainnet

Bug Bounty Program

Platform: Immunefi

Payout Structure:

- Critical (funds at risk): $250,000
- High (protocol disruption): $100,000
- Medium (unexpected behavior): $25,000
- Low (best practices): $5,000

Total Reserve: $1,000,000 **Replenishment:** 2% of protocol revenue quarterly

Upgrade Security

Time-Locked Upgrades:

```
All program upgrades require:
1. Proposal published (governance)
2. 7-day community review
3. 3-of-5 multisig approval
4. 48-hour timelock
5. Execution only after timelock

Emergency Exception:
- Requires 4-of-5 multisig (higher threshold)
- 6-hour expedited timelock
- Must be critical vulnerability
- Detailed explanation within 24 hours
```

Multisig Composition:

- Core team member (technical)
- Core team member (operations)
- Independent security advisor
- Community representative (elected)
- Legal/compliance officer

Preventing Trader Incentive Gaming

The Asymmetric Payoff Problem

Traditional profit-share creates perverse incentives:

```
Trader calculates:
Upside: 80% of unlimited profits
Downside: Lose account, just retry

Math:
- If up 15%: Keep $12K on $100K account
- If hit -10%: Lose $0, retry for $99

Expected Value can favor excessive risk-taking
```

Multi-Layer Solution

Note on Design Philosophy:

We considered requiring traders to stake PTPL tokens (skin in the game), but removed this requirement because:

- Creates unnecessary barrier to entry for talented traders
- Traders already pay evaluation fees ($99-$499)
- The three mechanisms below provide sufficient protection against gaming
- Keeps us competitive with traditional prop firms
- Focuses on our core innovation: transparency, alignment, and fair payouts

The following three safeguards effectively prevent excessive risk-taking:

Solution 1: Consistent Performance Requirements

```
Monthly performance review for funded traders:

Required metrics:
- Positive returns (any amount)
- Max 15% peak-to-trough drawdown
- No single day >5% loss
- Trading activity (min 5 days/month)

If metrics decline:
- Month 1: Warning
- Month 2: Account review
- Month 3: Probation (profit share reduced to 75%)
- Month 4: Account closed if no improvement

Prevents "get lucky once then disappear" behavior
```

Solution 2: Drawdown Penalties

```
Base profit share: 80%

Penalties:
- Peak-to-trough >10%: -5% (trader gets 75%)
- Peak-to-trough >12%: -10% (trader gets 70%)
- Daily loss >4%: -3% per occurrence

This economically discourages excessive risk
```

Solution 3: Graduated Scaling Based on Consistency

```
Account progression requires proven consistency:

$10K → $25K: Requires 3 profitable months
$25K → $50K: Requires 4 profitable months
$50K → $100K: Requires 6 profitable months

Criteria:
- Positive returns each month
- Max 12% drawdown across period
- No gambling patterns detected

This ensures only truly consistent traders reach large capital
```

Regulatory Compliance

Token Classification Strategy

Howey Test Analysis:

PTPL likely qualifies as a security in most jurisdictions:

1. Investment of money
2. Common enterprise
3. Expectation of profits
4. Efforts of others (team-dependent initially)

Our Approach:

Phase 1: Launch (Months 1-12)

- Structure: Cayman Islands Foundation
- Offering: Regulation S (non-US only)
- Token: Locked from US transfers
- Marketing: No US-directed marketing
- Compliance: Cayman financial services law

Phase 2: Expansion (Months 13-24)

- US Entity: Delaware LLC
- Offering: Regulation D 506(c)
- Investors: Accredited US investors only
- Token: US transfers permitted
- Compliance: SEC/FINRA oversight

Phase 3: Decentralization (Year 3+)

- Progressive decentralization
- Reduce team control over time
- Increase DAO control
- Revisit utility token argument

Geographic Restrictions

Prohibited:

- United States (Phase 1)
- OFAC sanctioned countries (North Korea, Iran, Syria, Cuba, Russia)
- China (crypto ban)

Restricted (Require Licensing):

- UK (FCA registration needed)
- EU (MiCA compliance needed)
- Singapore, Hong Kong, Japan, South Korea

Permitted (Phase 1):

- Cayman Islands, BVI, Switzerland, Liechtenstein, Malta, Panama, Dubai, Seychelles

KYC/AML Framework

```
Account Size | KYC Level | Requirements
 $10,000     | Basic     | Email, wallet verification
$10K-$50K    | Enhanced  | ID, address proof
$50K-$250K   | Premium   | Source of funds, EDD
>$250K       | Institutional | Entity docs, UBO disclosure

Service Providers:
- KYC: Sumsub or Onfido ($2-5 per verification)
- Blockchain Analytics: Chainalysis ($50-100K annually)
- Legal Counsel: DeFi-specialized firm ($15-25K monthly retainer)
```

Legal Budget

Pre-Launch:

- Entity formation: $30K
- Token classification opinions: $100K
- Terms of service/risk disclosures: $20K
- Total: $150K

Ongoing (Annual):

- Retained counsel: $180-300K
- Compliance officer (fractional): $100-150K
- Total: $280-450K

Realistic Financial Projections

Conservative Unit Economics

Realistic Assumptions:

Metric	Conservative	Reasoning
CAC	$150-200	Crypto marketing expensive
Pass Rate	20-25%	FTMO-style rules proven
Trader LTV	$1,200-1,500	Shorter lifespans likely
Avg Lifespan	6-7 months	Higher churn expected
Monthly Profit	$150-175	Realistic
LTV:CAC	7-10x	Still good, achievable

Year 1 Realistic Projection

Revenue:

- Evaluations: 4,000 × $125 avg = $500K
- Pass rate: 20% = 800 funded traders
- Avg lifespan: 6.5 months
- Avg monthly profit: $160
- Total trader profits: $832K
- Protocol share (10%): $83K
- Total revenue: $583K

Costs:

- CAC: 4,000 × $175 = $700K
- Team: $200K
- Infrastructure: $50K
- Legal/compliance: $150K
- Security: $300K (audits, bug bounty)
- Total costs: $1.4M

Year 1: -$817K loss (EXPECTED)

Break-Even Analysis

- Year 1: -$817K (proving model, acceptable)
- Year 2: -$200K to break-even (scale to 8-10K evaluations)
- Year 3: Profitability (15-20K evaluations, optimization)

This is realistic for a high-risk startup in the crypto space.

LP Return Expectations

Best Case (Everything Goes Right):

- Year 1: 5-10% APY
- Year 2: 10-20% APY
- Year 3: 15-25% APY

Base Case (Normal Execution):

- Year 1: 0-5% APY
- Year 2: 5-12% APY
- Year 3: 10-18% APY

Worst Case (Struggles):

- Year 1: Negative to 0%
- Year 2: 0-5% APY
- Year 3: 5-10% APY

Comparison:

Investment	Return	Risk
US Treasury	4-5%	Very Low
USDC Lending	5-8%	Low
PTPL (Base)	5-12%	Very High

Reality Check:

Returns depend on:

- 20-30% pass rate achieved
- 60% funded trader profitability
- 6-9 month trader lifespan
- No major exploits
- Stable crypto markets
- Flawless execution

If ANY assumption fails, returns will be lower.

LP Recommendation:

- Allocate only 2-5% of portfolio maximum
- Expect volatility (negative quarters possible)
- 12-24 month minimum time horizon
- Don't invest money you can't afford to lose

LP Liquidity & Withdrawal System

Normal Operations (Reserve >20%)

Instant Withdrawals:

- Any amount up to 10% of holdings
- Processed within 24 hours
- Redeemed at current NAV
- No penalties or fees

Stressed Conditions (Reserve 15-20%)

Queued Withdrawals:

- 12-hour epoch processing
- Pro-rata based on available liquidity
- May take 2-7 days
- NAV at time of processing (not request)

Example:

```
Reserve: $800K (16% of $5M pool)
Withdrawal requests: $1.2M

Epoch 1: $400K processed (33%)
Epoch 2: $400K processed (33%)
```

```
Epoch 3: $400K processed (33%)

Total: 3-4 days
```

Emergency Conditions (Reserve <15%)

Emergency Protocol:

- New funding paused immediately
- Existing positions close (orderly)
- Withdrawals paused up to 7 days
- Governance emergency meeting
- Public disclosure required

Recovery:

- Restore reserve to >20%
- Publish post-mortem
- Resume normal operations
- Implement additional safeguards

Preventing Bank Runs

Daily Withdrawal Limits:

- Day 1: Max 10% of pool
- Day 2: Max 15% of pool
- Day 3: Max 20% of pool
- After 3 days high withdrawals: Emergency pause

This prevents cascades while allowing genuine exits.

Go-to-Market Strategy

Phase 1: Prove the Model (Months 1-3)

Focus: Reach $1M to trigger TGE

- Invite-only beta with 50 founding LPs
- Minimum: $10,000 per LP
- Target: $1M total
- Track evaluation performance
- Build Solana community engagement

Success Metrics:

- $1M deposited within 90 days
- TGE completed
- 100+ evaluations completed
- 20-25% pass rate achieved
- Unit economics validated

Phase 2: Scale Traders (Months 4-6)

Focus: Build sustainable volume post-TGE

- 500+ monthly evaluations
- Public performance dashboard

- Trading educator partnerships
- Community-driven growth
- Solana ecosystem integration

Key Messages: - "FTMO rules, crypto transparency" - "Daily payouts, on-chain enforcement" - "We win when you win"

Phase 3: Liquidity Growth (Months 7-12)

Focus: Expand capacity

- $10M+ TVL target
- Institutional LP onboarding
- Higher account tiers
- Geographic expansion
- Cross-protocol composability

Competitive Moat: Why Traditional Firms Can't Copy Us

The Structural Advantages

Our competitive advantage isn't operational—it's structural. Traditional prop firms are constrained by their business models in ways that blockchain economics eliminates:

1. Transparency Advantage: Structurally Enforced Traditional Constraint:

- Opacity protects evaluation business (can't show real pass rates)
- Subjective terminations defend profit margins
- Hidden rules maintain information asymmetry
- Revealing true economics would scare customers

PTPL Advantage:

- Smart contracts enforce rules (impossible to be opaque)
- All parameters on-chain (public verification)
- Real-time performance dashboard (builds trust)
- Economic model benefits from transparency (attracts quality traders)

Why they can't match: Being transparent would reveal:

- Actual pass rates (<10% for many)
- How much they make from failures vs success
- Real trader profitability (often negative)
- Would destroy evaluation business overnight

2. Payout Advantage: Operational Efficiency Traditional Constraint:

- Bi-weekly/monthly cycles hide thin profit margins
- Minimum withdrawals mask cashflow issues
- Need buffers between trader profit and payout
- Manual processing costs make daily payouts uneconomical ($15-30 per wire)

PTPL Advantage:

- Daily withdrawals (blockchain settlement cost: $0.00025)
- No minimums (crypto-native transfers)
- Real-time profit tracking (automated)
- Token liquidity provides buffer (don't need cash reserves)

Why they can't match: Daily payouts would require:

- Complete payment infrastructure rebuild ($500K+)
- Higher cash reserves (reduced capital efficiency)
- Revealing they don't make much from successful traders
- Operating costs would spike 300-500%

3. Alignment Advantage: Economic Necessity Traditional Constraint:

- Evaluation fees = 60-70% of revenue (can't change without collapse)
- Supporting trader success reduces margins (profit share costs)
- Scaling traders increases risk (without commensurate revenue growth)
- LP returns depend on evaluation volume, not trader success

PTPL Advantage:

- Profit sharing = 70-80% of revenue (success IS the business)
- Supporting traders increases revenue (more profit to share)
- Scaling increases returns (bigger accounts = bigger shares)
- LP returns directly tied to trader profitability (perfect alignment)

Why they can't match: Shifting to profit-dominant model would:

- Require restructuring all LP agreements
- Crater current revenue 40-60%
- Take 18-24 months to transition
- During which we'd capture market share with superior product

4. Settlement Advantage: Infrastructure Traditional Constraint:

- Manual reconciliation between platforms
- T+2 or longer settlement cycles
- Need intermediary payment processors
- High operational overhead

PTPL Advantage:

- Real-time on-chain P&L (updated every 60 seconds)
- Instant settlement (blockchain-native)
- No intermediaries needed
- Automated operations (minimal overhead)

Why they can't match: Would require:

- Complete technology rebuild on blockchain ($1M+)
- 12-18 month development timeline
- During which we're already established
- Still trapped by revenue model constraints

The Uncopyable Stack

What we have that can't be easily replicated:

```
Blockchain Infrastructure
  400ms finality (real-time operations)
  $0.00025 transactions (daily payouts feasible)
  Smart contract transparency (forced alignment)
  Token economics (revenue model inversion)

First-Mover Advantage
```

```
  Solana's only prop trading protocol
  12-18 month head start (our dev timeline)
  Community and data moat (evaluation performance data)
  LP base established (liquidity begets liquidity)

Economic Structure
  Profit-share dominant revenue (10-20x more from success)
  Token value accrual (3 mechanisms: funding + burning + compounding)
  Fair Launch (no insider dilution)
  Milestone-locked team (proves model before extraction)
```

Competitive Response Matrix

If traditional firm tries to compete:

Their Move	Our Counter	Why We Win
Launch on Solana	Already established, data moat	12-18 month lead, community trust
Increase transparency	Would expose evaluation business	Reveals poor economics, scares customers
Daily payouts	Manual processing uneconomical	We're automated, they're not
Token launch	Misaligned (fee-based business)	Our token tied to success, theirs isn't
Lower fees	Destroys revenue model	We already have better unit economics
Copy our rules	Can't enforce on-chain	We have smart contract guarantees

The only way to truly compete is to rebuild from scratch with new economics—which is exactly what we already did.

Market Dynamics

Short-term (Year 1-2):

- Traditional firms ignore us (too small to matter)
- We capture Solana-native traders (crypto degens, DeFi traders)
- Prove unit economics at scale
- Build brand as "the transparent prop firm"

Mid-term (Year 2-3):

- Traditional firms notice customer churn (losing to us)
- They can't respond quickly (structural constraints)
- We expand to traditional trader demographics
- Network effects compound (more traders = better data = better evaluation = more traders)

Long-term (Year 3+):

- Either traditional firms restructure entirely (unlikely, takes years)
- Or blockchain-native prop trading becomes dominant
- We're the category leader with data, community, and capital moat

The key insight: This isn't a features race—it's a structural revolution.

Traditional firms are optimized for the evaluation business. We're optimized for the trading business. They can't become us without ceasing to be them.

Competitive Landscape: Market Realities

The Existing Market

Traditional Prop Trading is Massive:

- FTMO: 400K+ traders, estimated $50-100M annual revenue
- The5ers: 100K+ traders
- MyForexFunds: Similar scale before 2023 collapse
- 50+ established firms globally
- Multi-billion dollar industry

This is a proven, profitable business model. We're not creating demand—we're competing for existing customers with a structurally better offer.

Direct Competitors (Traditional Firms)

FTMO (Market Leader):

- Strengths: Brand trust, proven track record, large trader base
- Weaknesses: Opaque rules, subjective enforcement, monthly payouts, manual processes
- Threat Level: High (can leverage brand to launch blockchain offering)
- Our Edge: 12-18 month head start, structural alignment they can't copy quickly

The5ers:

- Strengths: Multiple account types, scaling program
- Weaknesses: Complex rules, slow processes
- Threat Level: Medium
- Our Edge: Transparency and daily settlement

MyForexFunds (Cautionary Tale):

- Collapsed 2023 amid regulatory issues and payment processor problems
- Shows industry vulnerability to: poor risk management, regulatory uncertainty, operational failures
- Lesson: Proper structure and risk management aren't optional

Crypto-Native Competitors (Potential)

dYdX, GMX, Drift (Perp DEXs):

- Not direct competitors (no prop model)
- But traders can use them independently with own capital
- Threat: Why share profits if you have capital?
- Counter: Our traders DON'T have capital (that's the market)

Potential Blockchain Prop Firms:

- None exist currently on Solana
- Ethereum gas makes daily operations infeasible
- Other L1s lack DeFi ecosystem maturity
- Threat Level: Medium (someone will try)
- Our Edge: First-mover on Solana, 12-18 month lead time to replicate

Market Entry Barriers (Working In Our Favor)

Why Hasn't This Been Built?

1. **Capital Requirements:** Need $2M+ just to launch properly
2. **Technical Complexity:** Requires blockchain + trading + risk management expertise
3. **Regulatory Uncertainty:** Most teams scared off by compliance complexity

4. **Operational Risk:** One exploit/failure destroys reputation permanently
5. **Long Payback:** 18-24 months to profitability, crypto wants faster

These barriers protect us once we're established.

Our Competitive Position

Year 1-2: Niche Player

```
Target Market: Crypto-native traders
Market Share: <1% of prop trading
Revenue: $500K-2M
Position: Prove the model works
Strategy: Over-deliver on transparency and payouts
```

Year 2-3: Category Creator

```
Target Market: Solana ecosystem + crossover traders
Market Share: 2-5% of crypto prop trading
Revenue: $2-8M
Position: "The transparent blockchain prop firm"
Strategy: Network effects, data moat, community
```

Year 3-5: Market Challenger

```
Target Market: All traders seeking capital
Market Share: 5-10% of total prop trading
Revenue: $10-30M
Position: Legitimate alternative to FTMO/5ers
Strategy: Scale, institutional partnerships, proven returns
```

Realistic Market Capture

Total Addressable Market (TAM):

- Global prop trading: $2-3B annually
- Crypto-focused traders: $200-400M
- Our realistic capture (Year 3): $10-30M (2.5-7.5% of crypto segment)

This is ambitious but achievable with proper execution.

Competitive Response Scenarios

Scenario 1: Traditional Firms Ignore Us (Most Likely, Year 1-2)

- We're too small to matter (<$5M TVL)
- They don't understand crypto
- By the time they notice, we have 12-18 month lead
- **Probability: 70%**

Scenario 2: Traditional Firm Launches Blockchain Version (Year 2-3)

- FTMO partners with Solana protocol
- Leverages brand to attract traders
- But: structural constraints remain (fee-based economics, can't be truly transparent)
- **Probability: 20%**
- **Our Response:** Emphasize alignment difference, publish comparative data, compete on economics not brand

Scenario 3: New Well-Funded Competitor (Year 1-2)

- Crypto-native team with $10M+ funding
- Attempts to out-execute us
- **Probability: 10%**
- **Our Response:** First-mover data advantage, community moat, speed to market

Scenario 4: Industry Consolidation/Acquisition (Year 3+)

- Traditional firm acquires us
- Or: multiple blockchain prop firms merge
- **Probability: 15% (if successful)**
- **Outcome:** Could be positive exit for early stakeholders

Why We Can Win

We don't need to dominate the entire market. We need to:

1. Capture 2-5% of crypto prop trading (achievable with superior product)
2. Prove structural model works (data will speak for itself)
3. Build defensible network effects (traders + LPs + data moat)
4. Execute consistently for 18-24 months (before competition catches up)

The market is real. The demand is proven. Our advantages are structural.

Traditional firms are optimized for evaluation fees. We're optimized for trader success. That's not a slogan—it's an economic reality that shapes every decision we make.

Critical Failure Scenarios

1. Pass Rate Miscalibration

- Too high (>35%): Fund unprofitable traders → Pool losses
- Too low (<15%): Insufficient revenue → Can't sustain
- **Mitigation:** Data-driven iteration using FTMO-proven parameters, advisory input, beta validation

2. Correlated Trader Blowups

- Black swan event → 70% of traders hit max drawdown
- **Mitigation:** Circuit breakers, insurance fund, correlation monitoring

3. Smart Contract Exploit

- Critical vulnerability → Pool drained
- **Mitigation:** 3 audits, formal verification, bug bounty, gradual TVL scaling

4. Oracle Manipulation

- Attacker exploits price feeds → Systematic drainage
- **Mitigation:** Multi-oracle, TWAP, MEV protection, anomaly detection

5. Regulatory Shutdown

- Enforcement action → Forced closure
- **Mitigation:** Proper structure, geographic restrictions, legal counsel

6. Traditional Competitor Response

- FTMO launches Solana version → Leverages brand to capture market share
- But: They're constrained by existing economics (can't truly match our alignment)
- And: We have 12-18 month head start building community and proving model
- **Mitigation:** Speed to market, demonstrate superior economics with data, build moat through network effects and trader loyalty, publish transparent comparative performance

7. LP Bank Run

- Pool underperforms → Mass withdrawals → Liquidity crisis
- **Mitigation:** Reserve requirements, withdrawal limits, transparent communication

8. Prolonged Bear Market

- No traders want accounts → No revenue
- **Mitigation:** Multiple account sizes, conservative burn rate, diversified strategies

9. Team Execution Failure

- Key mistakes, delays, burnout
- **Mitigation:** Experienced founder, strong advisors, phased approach

10. Solana Network Issues

- Major outage or exploit → Protocol non-functional
- **Mitigation:** Multi-RPC, fallback procedures, emergency pause

Each scenario has probability × impact analysis. Full report available pre-launch.

Pre-Launch Checklist

Security (BLOCKING)

☐ 3 independent audits complete (Neodyme, OtterSec, Trail of Bits)
☐ Formal verification of critical invariants
☐ Bug bounty live on Immunefi
☐ 30-day devnet adversarial testing
☐ MEV protection implemented and tested
☐ Oracle manipulation testing complete
☐ All critical findings remediated

Legal (BLOCKING)

☐ Cayman Foundation formed
☐ Token classification opinions obtained
☐ Terms of service finalized
☐ Geographic restrictions implemented
☐ KYC/AML provider integrated (Sumsub)
☐ Blockchain analytics active (Chainalysis)
☐ DeFi counsel retained

Technical (BLOCKING)

☐ Program deployed to devnet
☐ All protocol features tested end-to-end
☐ Time-locked upgrade mechanism tested
☐ 5-person multisig configured
☐ Monitoring systems deployed
☐ Incident response procedures documented
☐ Emergency pause tested

Economic (BLOCKING)

☐ Monte Carlo simulations complete (10K runs)
☐ Historical replay testing complete

☐ Stress test results published
☐ Insurance fund mechanism implemented
☐ Fair Launch tokenomics finalized
☐ Milestone unlock conditions coded

Operations (BLOCKING)

☐ Beta phase complete (90+ days)
☐ Pass rate validated (20-30%)
☐ Funded trader profitability >60%
☐ Real CAC measured
☐ Real LTV measured
☐ Public performance dashboard live

GO/NO-GO Decision

Do NOT launch if:

- Any security audit shows critical findings
- Formal verification incomplete
- Beta shows <18% or >35% pass rate
- Beta shows <50% funded trader profitability
- Legal opinions not obtained
- Less than $2M capital secured
- Any BLOCKING item incomplete

Can launch if:

- All security measures complete
- Beta validates economic model
- Legal structure finalized
- $2M+ capital committed
- ALL checklist items complete

Budget & Timeline

Pre-Launch Budget

Security: $610K

- Audits (3×): $260K
- Formal verification: $200K
- Bug bounty setup: $100K
- MEV consulting: $50K

Legal/Compliance: $330K

- Entity formation: $30K
- Legal opinions: $100K
- KYC integration: $20K
- Ongoing counsel (6mo): $180K

Development: $350K

- Core development (pre-beta): $200K
- Infrastructure: $50K
- Monitoring systems: $30K
- Contractors: $70K

Marketing/Community: $150K

- Community building: $75K
- Content creation: $50K
- Partnerships: $25K

Operations: $160K

- Team salaries (bootstrap): $120K
- Travel/misc: $40K

TOTAL PRE-LAUNCH: $1.6M TOTAL YEAR 1: $2.0M

Timeline

Months 1-2: Foundation

- Entity formation
- Legal opinions
- Initial audits begin
- Community building starts

Months 3-4: Development

- Smart contracts complete
- Security testing
- Formal verification
- Monitoring systems

Months 5-6: Beta Preparation

- Audits complete
- Beta infrastructure ready
- KYC integration done
- Founding LP outreach

Months 7-9: Beta Launch

- Invite-only beta ($1M goal)
- Real trader evaluations
- Performance monitoring
- Iterate based on data

Month 10: TGE Preparation

- Beta results published
- Fair Launch finalized
- DEX liquidity prepared
- Marketing campaign

Month 11: TGE

- Token generation triggered
- Raydium pool launch
- Public deposits open
- First public evaluations

Month 12+: Growth

- Scale to 500+ evaluations/month
- Optimize parameters
- Expand team
- Institutional LP program

TOTAL TIMELINE: 12-15 months from start to public launch

Public Transparency Dashboard

Real-Time Metrics (stats.ptpl.fi)

Pool Health:

- Current NAV (updated every 60 seconds)
- Total TVL
- Reserve ratio (%)
- 24h change
- Historical NAV chart

Trader Performance:

- Active funded traders
- Total evaluations (all-time)
- Pass rate (rolling 30-day)
- Average funded trader P&L
- Trader correlation index

Risk Metrics:

- Largest single position
- Portfolio directional bias
- Strategy diversification score
- Recent max drawdowns
- Circuit breaker status

Financial:

- Revenue (30-day rolling)
- Protocol fees collected
- PTPL burned (30-day)
- Insurance fund size
- Revenue source breakdown

All data verifiable on-chain via Solana Explorer

Weekly Reports

Published every Monday:

- Pass rate trends
- Funded trader performance
- Pool returns
- Risk metrics
- Community updates

Quarterly Reports

Detailed analysis including:

- Financial performance vs projections
- Risk-adjusted returns
- Correlation analysis
- Strategic initiatives
- Team updates

- Governance proposals

Conclusion

PropTradingPool addresses a legitimate economic problem—talented traders lack capital—with a structurally superior solution enabled by blockchain technology.

The Market Opportunity: Traditional proprietary trading is a multi-billion dollar industry serving a real need. We're not creating a new market; we're capturing an existing one with better economics. The demand is proven. The question is execution.

Our Competitive Moat: This isn't about being nicer or having better marketing. Our advantages are structural and can't be easily copied:

- **Economic alignment** → We make 10-20x more from success than failure
- **Operational transparency** → Smart contracts eliminate opacity that protects competitor business models
- **Settlement efficiency** → Daily payouts feasible with $0.00025 transactions (vs $15-30 wires)
- **Capital efficiency** → Token economics enable profit-share-dominant revenue traditional firms can't adopt

Traditional firms are trapped by their own business models. Responding to us requires restructuring their entire economic foundation—a 18-24 month process that destroys revenue during transition. We have a structural, not just operational, advantage.

We acknowledge:

- This is HIGH RISK with uncertain probability of success
- Requires flawless execution across security, operations, and risk management
- Many things can go wrong (we've documented them thoroughly)
- Returns cannot be guaranteed
- Regulatory landscape is evolving
- We're competing against established, well-funded incumbents

We commit to:

- Transparent, evidence-based decision making
- Comprehensive security measures before launch ($1.6M+ pre-launch investment)
- Publishing real performance data (good or bad)
- Conservative financial projections (not promising unrealistic returns)
- Honest communication with community
- 12-18 month timeline to de-risk properly

We believe:

- The capital access problem is real and massive
- Our structural alignment creates genuine competitive advantage
- Blockchain enables capabilities impossible in traditional finance
- Fair Launch tokenomics perfectly align all stakeholders
- With proper execution over 12-18 months, this can work

This is not a quick flip or meme token. This is a serious attempt to rebuild proprietary trading infrastructure on transparent, aligned foundations.

Success requires:

- $2M+ capital secured
- 12-18 months to launch properly
- Exceptional team execution

- Community support
- Market timing
- Luck

But if we execute, PTPL becomes the obvious choice for any trader seeking capital and any LP seeking trading returns. Not because we're promising fantasy returns, but because the structure simply works better.

We compete on the same proven evaluation rules as FTMO. We win on transparency, daily settlement, and economic alignment.

Traditional prop firms solve a real problem. We solve it better. That's the entire thesis.

We're doing this right, not fast.

Risk Disclosure

IMPORTANT NOTICE

This whitepaper is for informational purposes only and does not constitute:

- Financial advice
- Investment advice
- Legal advice
- Tax advice

Always consult qualified professionals before participating.

Key Risks

For LPs:

- Pool can lose money if traders underperform
- Smart contract exploits could drain funds
- NAV can decline during market stress
- Withdrawals may be delayed during stress
- Regulatory action could force closure
- You could lose your entire investment

For Traders:

- Evaluation is difficult by design (20-30% pass rate)
- Funded accounts can be closed for poor performance
- Profit withdrawals may require KYC
- Tax obligations vary by jurisdiction
- Platform could shut down

For Token Holders:

- PTPL may be classified as a security
- Trading may be restricted in your jurisdiction
- Price can deviate significantly from NAV
- Low liquidity may prevent selling
- Governance could make poor decisions
- Token could go to zero

This is an experimental protocol. Participate only with funds you can afford to lose entirely.

Decentralized Capital. Performance Driven Access

Contact

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