Extreme Sportsbook (XSB)

Whitepaper

November 2017
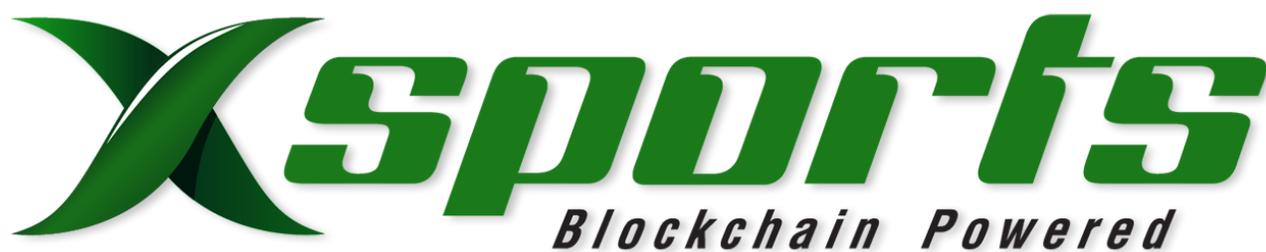
Abstract

The goal of this white paper is to outline the process of investing into the Extreme SportsBook (XSB) crowdsale, how the XSB platform functions, as well as including the benefits it offers its users and investors. The Extreme Sportsbook platform is the first of its kind in providing the mechanisms that have been designed by our team to fully utilize ever facet blockchain technology has to offer. The accompanying features built into the client will offer additional incentives for global use and utility.

The VIP presale will begin on November 1, 2017 when investors can create an account on https://www.xsports.io and generate deposit addresses for both Bitcoin (BTC) and Ethereum (ETH) cryptocurrencies. The VIP presale price per XSB token is $0.25 USD. Phase 1 of the public sale will begin on December 1, 2017, where the price per XSB token is $0.30 USD, and will continue until December 15, 2017. From there Phase 2 of the public sale starts, where the price per XSB is $0.35 USD, this will continue until December 30, 2017. VIP investors will be rewarded 10% of the total block value, evenly distributed among all presale investors.

There will be an additional 100,000 XSB tokens set aside for initial network operations and security, until additional clients come online to ensure functionality, and chain health is established which will subsequently be publicly burned. The total number of tokens available for sale is capped at 18 million. The platform will go live on January 1, 2018.

Introduction

Sports betting has been popular since Roman times, with people wagering on the outcome of competitors in events of the day. With the birth of the Internet, came new opportunities for convenience and new areas of interest, and online sports betting was soon to emerge.

However, the platforms used for wagering online have several inherent flaws in them, due to the technology used to power them. Participants wagering online are required to create accounts where password strength is the responsibility of the user. Social engineering is abundant, as most sites hire third-party support companies, or outsource their support, leaving the user vulnerable to theft and account hijacking. Then there are certain regional restrictions, which prevent everyone from enjoying the same online experience as one another. Aside from these critical flaws, there are other areas that these systems fall short in. For example, users must rely on a central authority for trust—the site operators—to pay out their winnings, which can introduce waiting periods and delays in payouts, or not pay at all. Compounding this is the possibility of site vulnerabilities leading to hacks, leaving users with no recourse or recovery of their funds. Lastly, there is no transparency or verifiable accounting mechanism in place.

Blockchain technology with the proper application, as with the Extreme SportsBook platform, is the solution. Beyond providing a layer of complete transparency and removing the middle-man in favor of complete autonomous operations, an additional benefit of unbiased participation exists: our client and network can indiscriminately provide sportsbook services to anyone wishing to participate by simply downloading our software. There are no user accounts and passwords to remember, or socially engineer from a support agent. The XSB client itself, and the user's unique keys (known only to you), are what authenticate each wager placed on the network, which also identifies them for paying out earnings on winning bets. XSB tokens are used for both placing bets, and receiving payouts automatically through the blockchain.

As an additional incentive, the Extreme SportsBook network pays users in XSB tokens for providing additional network security by holding their tokens without spending them. This is a method known as "staking" or "Proof-of-Stake" (PoS), which replaces the traditional means used by other networks for security and consensus such as Bitcoin, which uses mining hardware for network support.

Staking, Masternodes & Rewards

The oldest and most commonly known method of consensus is called "Proof-of-Work" (POW), which is utilized by networks like Bitcoin. This entails using special hardware to find blocks which contain transaction data, and keep the blockchain moving forward. This method of consensus, while time proven, requires a great amount of electricity which translates into "hash power", or the rate at which you can calculate hashes in effort to find a solution, and not everyone is able to participate. Proof-of-stake is another method of consensus, where the XSB tokens in your wallet serve as hash power, and can run on almost any modern computer without the need for excessive power use. Every time your XSB wallet "finds" a block, you're rewarded with 2 XSB tokens. The longer you hold your XSB, the more likely you'll find a block and be rewarded.

Masternodes act as service providers on the network facilitating instant transactions, private transactions (anonymous sending), and budget proposal voting. In exchange for passively providing these services, masternodes are rewarded 2 XSB per block. In addition, masternodes will also receive 0.1% of all wagers placed on the network.

Block Reward Breakdown

Percentage — Presale VIP (10%), DEV (10%), Staking (40%), Masternodes (40%)

5 XSB Total (without wagers) — Presale VIP .5, DEV .5, Stakers 2, Masternodes 2
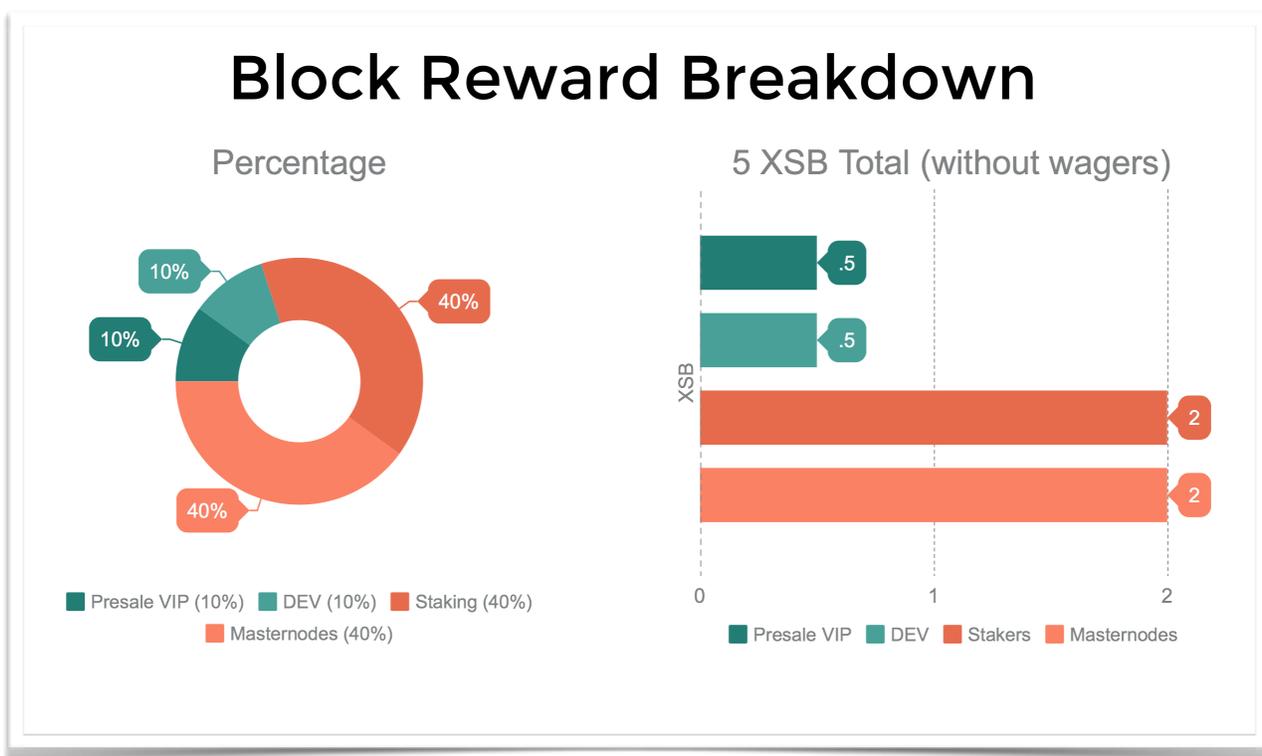
Transparency, Trust & Autonomy

We want the network to be as transparent as possible for all users and the public. The blockchain is the perfect vehicle for carrying wager information and accounting. Our custom block explorer will identify all transaction types while preserving anonymity, to provide users with a complete view of data such as:

* VIP bonus rewards from blocks
* Masternode payments
* Stake payments
* Winning & Losing wagers
* Burned XSB

Our system is completely autonomous, providing everyone utilizing the services with a trustless solution. Blockchain technology paired with cryptocurrencies, such as Bitcoin or Ethereum, result in a "trustless" system of transferring information without any need for a central processor/website. Think of this as a system with no middle man or "site operator", where every bet/win/loss/payout/etc is recorded and verifiable by anyone who accesses the blockchain.

If an event is cancelled, wagers are credited back to the Extreme SportsBook wallet they were sent from. When an event has completed and the outcomes are determined, winning wagers are paid out to the Extreme SportsBook wallet they were sent from. When wagers are initially placed, the XSB tokens used are burned. The reason for this is due to the fact that there is no central authority (wallet) receiving the wagers, and winning payouts are created during block generation. To prevent an incorrect supply count, this is all accounted for and reflected when querying the network through your XSB wallet or the block explorer.

Determining Odds & Wager Timeframes

Odds are determined using a parimutuel betting system. This means there is no "house take", and payoff odds are calculated by sharing the pool among all winning bets. This method is commonly used in horse racing, sports, and other events which are scored in a ranked fashion. The odds for an outcome of an event are determined once the period for wagering has been closed. This is typically 10 minutes prior to an event start time. With a fixed odds system the payout is determined and set at the time the wager is sold.

Unlike many forms of casino gambling, in parimutuel betting the gambler bets against other gamblers, not the house. The science of predicting the outcome of a race is called handicapping.

Consider a hypothetical event which has eight possible outcomes. Each outcome has a certain amount of XSB wagered:

1	60.00
2	140.00
3	24.00
4	110.00
5	220.00
6	94.00
7	300.00
8	80.00

Thus, the total pool of XSB on the event is 1028.00. Following the start of the event, no more wagers are accepted. The event is decided, and the winner is determined to be Outcome 4 with 110.00 wagered. The payout is now calculated.

First, traditionally the commission (or take) for the wagering company is deducted from the pool, however in XSB it is unique as there is no commission taken, instead there is a block generation event that creates 0.1% of total wagers, this does not effect any of the players payouts; for example the calculation is: $1028 \times 0.001 = 1.028$. This amount is generated as a reward and distributed evenly to all of the Masternodes, The pool is now distributed to those who wagered on Outcome 4: $1028 / 110.00 = 9.34545454545$, which is about 9.3 per 1 wagered. This payout includes the 1 wagered plus an additional 8.3 profit. Thus, the odds on Outcome 4 are 8.34545454545-to-1 (or, expressed as decimal odds, 9.34545454545). So in this example if each "outcome" was represented as singular bets, the person who bet on Outcome 4 would be paid 110 x 9.34545454545 = 1028 directly to their wallet, without any take from the "House".

Prior to the event, betting agencies will often provide approximates for what will be paid out for a given outcome should no more bets be accepted at the current time.

Reference: https://en.wikipedia.org/wiki/Parimutuel_betting

XSB Tokens

Extreme SportsBook tokens are purchased at a rate of $0.25 USD per XSB during the VIP presale, and at a rate of $0.30 - $0.35 USD during the public offering. VIP registration will be available on https://www.xsports.io, and the equivalent in Bitcoin and Ethereum will be calculated and displayed for that day's rate, alongside a calculator for convenience to estimate how much XSB you will receive.

There is a total cap of 18 million XSB for sale. There will be an allocation of 500,000 XSB for bounties available, as well as 100,000 XSB total to bootstrap the network with necessary masternodes and staking wallets, to secure the network during the early period. The 100,000 XSB, along with any rewards generated from their operation, will be burned and publicly verifiable as soon as new users begin to stake and set up their own masternodes.

Distribution Breakdown

Percentage

- Presale (15%)
- ICO (75%)
- Bounties (2.50%)
- Dev/Marketing (7%)
- Network Bootstrap (0.50%)

Millions of XSB

- Presale
- ICO
- Bounties
- Dev/Marketing
- Network Bootstrap
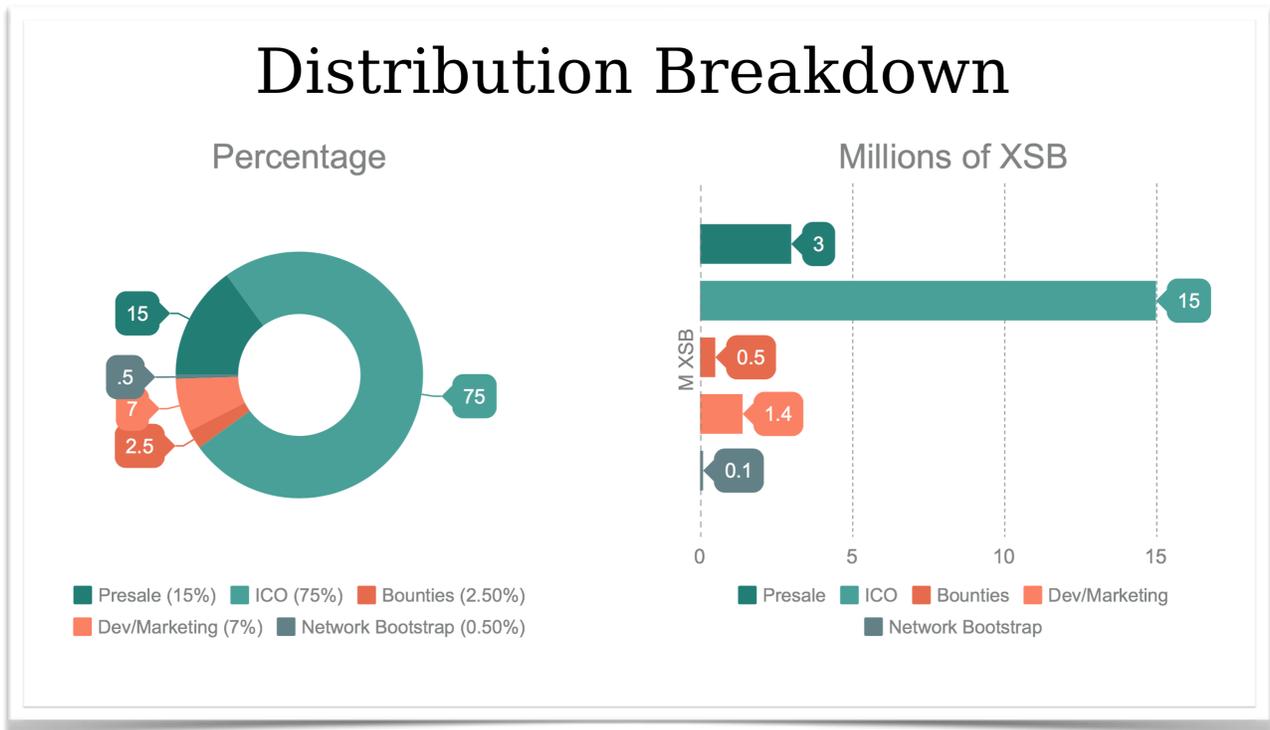
Budget Proposals & Voting

The introduction of masternode features provide what is known as a "budget system", which basically allows members of the community and team to submit proposed monthly budgets, which will be in the form of XSB tokens generated in "super blocks". A super block is one which has an amount greater than the standard reward. These funds can be used for various purposes, such as overhead, employment of new developers to enhance the platform and associated properties, services provided by independent contractors or companies, or exchange listing fees. It's important to understand that proposals must be voted on and approved by masternode operators before any funds are distributed to the address contained in the proposal. This will enable continued development of the Extreme SportsBook platform, and provide additional funds as the community determines necessary.

Security

Eliminating the need for logins and passwords is a tremendous improvement over the existing solutions on the market and Internet today. Identifying and supporting functionality over the network solely based on key pairs, combined with the ability to secure your Extreme SportsBook wallet with a secure passphrase, is crucial to both security and convenience. By design, this also creates potential for expansion beyond the standard client, and allows for future use of the web-based version, which is entirely client-side and runs within a standard browser if desired.

Road Map

Our efforts initially will be focused on the platform and the base functionality, while working on the user experience for launch. Following the VIP sale, we will begin discussing our relationship with various exchanges for the community to trade XSB tokens on. After launch, based on the availability of funds and the level of success of the sale, we will be hiring additional developers to begin working on the mobile client. Future plans for the platform will all be discussed publicly through various communication channels such as Telegram and Reddit.

Summary

Sportsbetting has been a part of history, and as time progressed, so did the means to place the bets. Extreme SportsBook is taking on the challenge of progressing this service even further with the use of blockchain technology and cryptocurrencies. Utilizing these new advances in automation, we are able to offer a service that doesn't rely on middlemen, making your wagers & winnings safer and quicker.

We will also be able to offer a wider range of events to bet on (from classic sports to e-sports), without having to change services. There are even benefits to letting your XSB tokens stake and work for you, netting you additional tokens for each blockchain find.

There's no need to worry about security breaches with Extreme SportsBook, as there's no user names, passwords, or information collected. Only the user's unique keys (known solely to you), are what authenticate each wager placed on the network, which also identifies them for paying out earnings on winning bets.

Remember, the VIP presale will begin on November 1, 2017. Create an account on https://www.xsports.io and generate deposit addresses for both Bitcoin (BTC) and Ethereum (ETH) cryptocurrencies on that date!