Abstract

This paper presents a protocol for a decentralized wealth management platform. The ultimate product is a trustless, transparent, and well-incentivized platform that provides investors with a selection of wealth management services and fund managers with access to highly liquidized funds.
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1. Executive Summary

Cook Protocol establishes a transparent and flexible asset management platform suited to diverse investors and asset management service providers alike. Investors can monitor a manager’s fund allocations without worrying about fund security or foul play. At the same time, fund managers can leverage Cook Protocol to gain access to investors and carry out virtually any investment strategy without having to open-source the strategy.

1.1 Mission & Vision

Cook Protocol was founded on the belief that everyone needs to have access to finance. We contend that decentralization holds the key to empowering people around the world to better manage their assets, and we are helping the world move in this direction by accelerating the transition to adopting decentralized finance.

**Mission:** Accelerate Adoption of Open and Decentralized Finance

We believe that we can accelerate the adoption of decentralized finance by:

- Providing investors with secure, transparent and high-quality asset management services
- Providing fund managers with funds and a variety of asset management tools

**Vision:** Bring Finance to the Masses

In our journey towards achieving this vision, we are:
→ Democratizing secure, transparent and high-quality financial services with a lasting, positive impact

→ Becoming a world-leading decentralized asset management platform

--- 1.2 Problems

Traditional asset management markets are opaque in revenue, profit, and risk information. They are usually limited to wealthy private and institutional clients due to inherent structural inefficiencies and hefty fee structures. Blockchain-based wealth management provides a promising alternative because of the open and transparent nature of blockchain technology.

However, existing blockchain solutions are often too sophisticated and technically obscure for ordinary investors. Moreover, none of them provides the necessary investment tools for professional fund managers to flexibly carry out a variety of strategies.

--- 1.3 Solutions

To tackle the aforementioned challenges, we are creating an Ethereum-based decentralized asset management platform to provide ordinary investors with professional asset management services. The platform offers the following benefits:

→ Investors can access high-quality asset management services without professional knowledge of decentralized finance (DeFi). They only need to select the appropriate investment strategies and send cryptocurrencies to the corresponding smart contract to obtain ckTokens (fund-specific LP tokens). They can sell or redeem ckTokens at any time.
Fund managers can create funds, configure investment strategies to attract investors, and use tools on the platform to execute investment strategies.

Smart contracts guarantee security of the funds and transparency of the underlying assets by limiting the access of fund managers.

Decentralized Autonomous Organization and Tokenomics incentivize global investors and fund managers to interact with each other via smart contracts deployed on Cook Protocol.

Passive investors interested in index-based investing strategies desire a selection of high-level low-fee funds that track the growth of an index or industry. Investors with higher risk-tolerance who seek higher returns require professional fund managers who will bring extensive experience and advanced trading techniques to the table. Cook Protocol aims to become a platform that matches a wide range of investors’ and fund managers’ needs while remaining trustless and transparent.

### 1.4 Market Size

DeFi is at an early stage and has immense growth potential. To put things into context, the global stock market is approximately $73 trillion, the global lending market is $215 trillion, and the global derivatives market is $1200 trillion, dwarfing the $700 billion global cryptocurrency market size.

The total value locked in DeFi as well as total DeFi users over time continue to grow exponentially despite some hiccups in token prices for DeFi projects. As the DeFi Pulse chart below demonstrates, the total value locked in DeFi projects exceeded $1 billion in February 2020 and grew 16 times to more than $16 billion by the end of 2020.
According to the report in Dune Analytics shown below, the total unique Ethereum addresses start to grow exponentially in early 2020 and exceeded 1.1 million by the end of 2020. As more and more institutional investors and governments start to invest in and adopt DeFi, the exponential growth trend is expected to continue.

As a result, we strongly believe that DeFi has the potential to grow into a multi-trillion dollar industry with hundreds of millions of investors.
2. Cook Protocol Overview

Cook Protocol is built on an Ethereum blockchain that establishes a generic asset management platform, providing investors with a selection of asset management vehicles from fund managers. Funds can be managed passively or actively through whitelisted DeFi protocols. For each investment fund, a unique ERC-20 token – proportional to their contribution to the fund – is issued to investors. Investors can divest the tokens any time in exchange for the equivalent underlying asset.

An investor invests crypto assets accepted by a particular fund in exchange for ERC-20 tokens, representing partial ownership of the fund. The ERC-20 token, or ckToken, is unique to each fund and can be exchanged among investors or redeemed for its underlying assets within the fund. The concept of a ckToken is similar to a share in the stock market, especially with financial products such as exchange traded funds (ETFs). Thus, a ckToken equates to a percentage of ownership in an investment fund with a value proportional to the investment fund’s value. For each investment fund, its ERC-20 tokens become fungible assets that can then be traded among investors, providing convenience and reducing transaction fees.

A fund manager initializes a fund by defining an overall strategy and fee structure, accepting assets and access limits to each of the whitelisted DeFi protocols. Cook Protocol allows fund managers to describe investment strategies to attract suitable investors. Funds are then pooled from investors into a smart contract so that the fund manager can allocate passively by following a specific index or actively by managing multiple financial product streams.
For each investment fund, the fund manager is granted with the proper permissions according to the given smart contract, which allows the manager to allocate funds to the whitelisted DeFi protocols, such as Compound, 0x, and Synthetix. The amount of funds allocated to each DeFi protocol cannot exceed a pre-determined limit and can only be revised through fund-level governance. In return for providing asset management services, the fund manager is compensated via a fee-based model, wherein investors take all gains and losses while paying a fixed fee to the fund manager. While each transaction within the fund market is transparent, the actual investment strategy can remain opaque to the outside world to spur innovation.

By default, fund managers will pay 2% when they claim the management fees. Fund managers do not need to pay platform fees if they decide to withdraw their management fees in COOK tokens; 100% of the platform fees are then redistributed to COOK token holders who actively contribute to our ecosystem. The platform fees are subject to change as per the community governance in the future.
COOK PROTOCOL

Investors

Create smart contract
Allocate assets

Asset Managers

Deposit asset
Return ckToken

Fund Smart Contract

Send ckToken
Redeem underlying asset or Sell

Fund Governance Smart Contract

Grant permissions
Update smart contract

Decentralized Exchanges

Decentralized Derivatives

Decentralized Lending
3. Cook Protocol Solution - Investing

3.1 ckTokens

Each fund is structured as a smart contract that implements the ERC-20 token specification. A user’s balance is represented as an amount of fund LP tokens, or ckTokens. A user can mint ckTokens by supplying assets to the fund and redeem the ckTokens for the underlying assets. The price (exchange rate) of a ckToken varies with each underlying asset over time. At time $t$, the exchange rate can be calculated as the overall fund valuation divided by the total ckTokens in circulation:

$$ R(t) = \frac{V(t)}{T(t)} $$

Where $R(t)$ is the exchange rate at time $t$, $V(t)$ is the total fund valuation at time $t$, and $T(t)$ is the total number of ckTokens issued at time $t$.

3.2 Investing ABI

A user deposits ethers or other ERC-20 tokens accepted by the fund manager by invoking the `depositErc20()` or `depositEth()` functions of the fund’s smart contract. As a result, the corresponding ckToken is then minted and transferred to the user. The amount of ckTokens that will be minted at time $t$ depends on the value of the depositing assets and overall fund valuation at time $t$:

$$ mt(t) = \frac{dv(t)}{V(t)} \times T(t) $$

Where $mt(t)$ is the amount of ckTokens to be minted at time $t$, and $dv(t)$ is the total value of assets deposited at time $t$. A user can subsequently redeem a ckToken for its underlying assets by invoking the `withdraw()` function. This operation burns the
user’s ckToken and transfers the underlying assets to the user’s wallet address. The amount of withdrawn underlying assets at time $t$ can be calculated as follows:

$$rv(t) = \frac{rt}{r(t)} \cdot V(t)$$

Where $rv(t)$ is the redeemed asset value at time $t$, $rt$ is the amount of the redeemed $ckTokens$.

<table>
<thead>
<tr>
<th>Function ABI</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>depositErc20(address erc20Contract, uint256 depositAmount)</td>
<td>Transfers investors’ ERC-20 assets to the fund address; mints ckTokens to msg.sender</td>
</tr>
<tr>
<td>depositEth(uint256 depositAmount)</td>
<td>Transfers investors’ ether to the fund address; mints ckTokens to msg.sender</td>
</tr>
<tr>
<td>withdraw(uint256 withdrawFundTokenAmount)</td>
<td>Transfers ckTokens’ underlying assets to msg.sender; updates msg. sender’s ckTokens balance</td>
</tr>
</tbody>
</table>
4. Cook Protocol Solution – Managing Funds

4.1 Managing Assets ABI

When a fund manager initializes an empty fund smart contract on the Cook Protocol, the contract comes with the generic ABI function `execute(address target, bytes memory data)`. The `target` specifies the address of the target DeFi protocol, and `data` specifies the function and calldata the user intends to invoke on the target DeFi protocol. This ABI makes it possible for the fund manager to interact with all whitelisted DeFi protocols.

<table>
<thead>
<tr>
<th>Function ABI</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><code>execute(address target, bytes memory data)</code></td>
<td>Executes any function of any target smart contract on behalf of the caller</td>
</tr>
</tbody>
</table>

For instance, the fund manager can invoke `execute` with

0xc11b1268c1a384e55c48c2391d8d480264a3a7f4 (cWBTC address) as `target` and encode `mint(5)` as `data` to supply 5 WBTC to the Compound WBTC pool, or invoke `execute` with

0x7a250d5630B4cF539739dF2C5dAcb4c659F2488D (Uniswap Router02 address) as `target` and encode `swapExactTokensForTokens(1000, 0, [0xda17f958d2ee523a2206206994597c13d831ec7, 0x2260fac5e5542a773aa44fbcfedf7c193bc2c599], ...) as data` to swap 1000 USDT to WBTC.
Fund managers can access decentralized financial (DeFi) protocols such as Compound or Uniswap, if they are part of the protocol-level whitelist. Fund managers can allocate funds to the whitelisted DeFi protocols within pre-determined limits.

If fund managers desire access to additional DeFi protocols outside the protocol-level whitelist, then they need to submit proposals to add additional DeFi protocols to the fund-level whitelist through fund-level governance. Investors of the specific fund can decide whether to approve the proposal based on their interests and the perceived risks. Please refer to Section 6.1 for implementation details.

4.2 Management Fee Mechanics

The annualized fund management fee is defined during fund creation as a percentage of the underlying asset. The fees are calculated as a function of the blocks mined on the Ethereum blockchain. The management fee $a(n)$ at block $n$ can be calculated as a function of the total value of managed asset $V(n)$, annualized management fee rate $p$, and the total number of blocks mined in the year $N$:

$$a(n) = \frac{V(n) \times p}{N}$$

The `accrueManagementFee()` function is invoked at every deposit or withdrawal to calculate the management fee accrued from the last marked block to the current block, while also marking a new checkpoint. A fund manager can claim the management fee at any time by invoking the `claimManagementFee()` function.
<table>
<thead>
<tr>
<th>Function ABI</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>accrueManagementFee()</td>
<td>Accrues management fees between blocks</td>
</tr>
<tr>
<td>claimManagementFee()</td>
<td>Claims management fees accrued by the fund manager</td>
</tr>
</tbody>
</table>
5. Cook Protocol Solution – Others

– 5.1 Price Oracle

An oracle enables an on-chain application to obtain off-chain information securely. Cook Protocol relies on a price oracle to determine asset valuation and ckToken prices. A 15-node oracle is deployed to collect pricing information of various fund assets from the top 15 exchanges by trading volume. This pricing information is then used to determine the fund’s total valuation $V(t)$, the valuation of the assets deposited by the investor $dv(t)$, and the price of a ckToken $R(t)$.

Cook Protocol uses multiple oracle services such as Chainlink, Band Protocol, Uniswap Oracle, and so forth. Chainlink and Band Protocol are decentralized networks of nodes that provide data and information from off-blockchain sources like Binance, CoinMarketCap, and Coingecko to on-chain smart contracts via oracles. The decentralized network prevents a single point of failure problem that a centralized oracle solution faces when it becomes faulty or compromised. Uniswap Oracle is a highly decentralized and manipulation-resistant on-chain oracle that provides price feeds from Uniswap pairs.

The architecture of how Cook Protocol interfaces with these oracle servers is designed as follows:
When an investor deposits assets into a smart contract, they will invoke the `depositErc20()` or `depositEth()` functions. Cook Protocol will rely on oracle to evaluate the values of the deposited assets and of the existing assets in the fund, to determine the amount of ckTokens to be minted. The same mechanism applies when an investor decides to invoke `withdraw()` to redeem underlying assets in one type of token, such as ETH. Oracle determines the exchange rates between different underlying assets. Additionally, when fund managers invoke `claimManagementFee()`, oracle services will be used to determine the exchanges with the most optimal exchange rate.

The aforementioned functions, once invoked, will auto-generate a requesting smart contract, which sends requests to external oracle services such as Chainlink, Uniswap Oracle, and Band Protocol. When external oracles receive the requests,
they will process the requests internally and return either off-chain price information in on-chain data format (Chainlink and Band Protocol) or on-chain price information (Uniswap Oracle).

Once the requesting smart contract in Cook Protocol receives the requested information, it will feed multiple data from different sources into an aggregating contract in Cook Protocol. The aggregating contract validates and reconciles data from multiple sources.

If two of the three sources listed above deliver the same information and the other source delivers different information, then the aggregating contract will validate the multiple data points and reconcile all validated data by averaging it into a single piece of data. In the scenario where the difference is too large to be reconciled, the aggregating contract will decide to discard the potentially faulty information from one source.

The aggregating contract then sends the reconciled data to the original requesting functions. depositErc20() or depositEth() can use the returned information to determine the amount of ckTokens that investors will receive. withdraw() can use the information to decide the amount of funds to be returned to investors. claimManagementFee() can use the information to determine the best exchanges to swap management fees of all the underlying assets into one type of token and send it to fund managers.

5.2 Flash Loan

A flash loan is a loan that is only legitimate within one blockchain transaction. Flash loans fail if the creditor fails to repay the debt before the end of the borrowing
transaction. More specifically, if the condition of a repayment is not fulfilled, a blockchain transaction will be reverted during its execution. Flash loans enable any available amount of assets to be borrowed without any collaterals, and the use cases include leverage, arbitrage, collateral swapping, and many more.

Fund managers or investors can propose to enable flash loan service of their funds; this can bring extra profits to their funds by collecting flash loan interest. There is zero risk, and the loan is always guaranteed to be returned due to the property of atomicity in blockchain transactions.
6. Fund Security

6.1 Governance-based Permission

Proper permissions are assigned to fund managers to ensure security of the funds in smart contracts. As a result, ckToken holders own the underlying assets in the respective fund, while fund managers can only allocate funds to whitelisted DeFi markets. All fund managers only have trading access to smart contracts and do not have any withdrawal permissions.

We use the following architecture to manage permissions:

First, a fund manager initializes a Fund Smart Contract, configuring all the initial parameters such as whitelisted markets and accepted types of tokens. The Fund Smart Contract is an ERC-20-compliant proxy smart contract. After the Fund Smart Contract is initialized, investors can start to deposit funds if they agree with the investment strategies. All the data and permissions of the Fund Smart Contract created by the fund manager are openly available on Ethereum. As a return,
investors will receive the fund-specific ckTokens representing their ownership in the Fund Smart Contract.

As soon as a Fund Smart Contract is initialized, a Fund Governance Smart Contract is created and assigned as the owner of the Fund Smart Contract. From that point on, the Fund Governance Smart Contract grants predetermined permissions to the fund manager. Every transaction will be recorded on the blockchain for future reference.

If a fund manager wants to modify the permission of the Fund Smart Contract after initialization, they will need to obtain approval from the fund investors through fund-level governance. Once investors agree with the proposed change of the fund manager via fund-level governance, the Fund Governance Smart Contract will auto-execute the proposal and change the Fund Smart Contract permissions accordingly.

6.2 Code Security

The Cook Protocol technical team has a proven track record of delivering high-quality code and has adopted the industry standard OpenZeppelin contract architecture for ERC-20 smart contract development, which both improves the security of smart contracts and reduces the risk of hacker attacks. The Cook Protocol team will also conduct comprehensive functional and integration tests and professional third-party security audits before the mainnet goes live to further improve code quality and security.

6.3 Insurance

In addition to high-quality code, industry-proven standards, robust testing, and auditing, Cook Protocol will use Nexus Mutual to insure the entire protocol and
guarantee that investors’ funds are secure. At the same time, Cook Protocol will also provide fund-specific insurance options that investors can choose to purchase to hedge against any risks associated with the fund investment.
7. Fund Properties & Benefits

--- 7.1 Composability

Each fund in the Cook Protocol platform has a corresponding smart contract and a fund-specific ckToken to represent ownership. Since each type of ckToken complies with the ERC-20 standard, ckTokens can be composed of other ckTokens; this makes it possible to have a single token to represent an unlimited number of other tokens.

Because funds are composable in Cook Protocol, multiple layers of abstraction can be built up. Funds therefore work like Lego blocks that can be used to build higher-level financial products and decentralized applications.

--- 7.2 High Liquidity

Funds are collateralized by their underlying assets, which implies that the funds trustlessly have custody of the underlying assets and can be accessed only through its exposed methods. ckTokens represent the ownership of respective funds. The high liquidity property of ERC-20 tokens allows investors to redeem ckTokens for the underlying assets or to trade them in the open market at any time.

--- 7.3 Gas Saving

Acquiring and transferring multiple ERC-20 tokens requires paying transaction fees on transfers of each token. With Cook Protocol, users only need to pay transaction fees on a single transaction for the underlying assets they represent, thereby saving significantly on gas costs. In addition, pooling the assets into one fund lets investors share the gas fee incurred during the investment activities.
7.4 No Counter-party Risk

Cook Protocol is open source and functions only as programmed. Cook Protocol has been designed so that no owners or administrators can engage in foul play with relation to underlying assets. Traditional higher-level assets such as exchange traded funds often trade at a discount because these assets have counterparty risks. Since the underlying assets are held in custody by a trustless, autonomous smart contract in Cook Protocol, there is no third party that can fail to live up to its contractual agreements.
8. COOK Token

COOK token is a governance token that allows token holders to shape the future of COOK protocol. The token holders can submit proposals and vote to start incentive programs to grow the ecosystem, improve the governance structure, and upgrade the platform. More details about governance will be explained in the Governance section.

Apart from governance, COOK tokens can be used to pay platform fees on Cook Protocol. When investors decide to invest in a popular fund, they will need to pay COOK tokens in advance. When a fund manager initializes funds, they will also need to stake a certain amount of COOK tokens. In addition, when a fund manager decides to claim management fees, they need to pay 2% of the management fees as platform fees.

COOK token holders can potentially share the direct and indirect benefits derived from the platform fees. For instance, the token holders can collectively decide to adjust the platform fees and distribute them to token holders or use them to buy back COOK token in the open markets.
The above diagram describes the Cook ecosystem and how COOK token holders facilitate a community-led, flexible, and sustainable platform via governance.

8.1 Token Allocation

10 billion COOK tokens will be minted at genesis. The token allocation is as follows:

- 60% to the COOK community treasury with a six-year vesting schedule.  
  6,000,000,000 COOK

- 10% to community incentive & Airdrop. 1,000,000,000 COOK

- 10% to early community investors with a price-based and time-based unlocking schedule. 1,000,000,000 COOK

- 10% to business and media partners. 1,000,000,000 COOK
10% to team members, advisors and future employees with a price-based unlocking schedule after 90 days cliff. 1,000,000,000 COOK

A perpetual inflation rate of 2% per year will start after six years to ensure active participation and contribution to the COOK ecosystem at the expense of passive COOK holders.

8.2 Token Unlocking Mechanism

COOK tokens have two types of unlocking mechanisms: price-based and time-based.

In order to better balance between market supply and demand at the inception of COOK Protocol, the market price of the COOK token will determine how many COOK tokens will be unlocked. The design of the price-based unlocking mechanism is intended to promote supply and demand that tend towards equilibrium. 99% of COOK tokens will remain locked until the one-week simple moving average (SMA) of the COOK token crosses the following token price milestones:
Moreover, Cook Protocol also employs a time-based unlocking schedule to protect investors’ interest in the unlikely scenario that the token price does not reach the desirable state for a long time. The time-based unlocking will be triggered when the COOK token is first listed on Uniswap. Every month, 1/12 tokens will be unlocked to ensure that all tokens will eventually be unlocked for early community investors within 12 months. To align with the interests of the Cook community, the time-based unlocking schedule does not apply to the Cook team, which means the corresponding portion of tokens will never be unlocked if the price does not reach the corresponding price targets.

8.3 Community Treasury

Sixty percent of tokens (6,000,000,000 COOK) will be allocated to the COOK community treasury to incentivize the growth and development of the COOK ecosystem. COOK token holders can vote to use the community treasury to
encourage liquidity mining, ckTokens staking, community initiatives, and other programs.

COOK tokens will be vested to the community treasury on a continuous basis according to the following schedule. COOK governance will have access to vested COOK tokens after the platform launch.

<table>
<thead>
<tr>
<th>Year</th>
<th>Community Treasury</th>
<th>Distribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,500,000,000</td>
<td>15%</td>
</tr>
<tr>
<td>2022</td>
<td>1,300,000,000</td>
<td>13%</td>
</tr>
<tr>
<td>2023</td>
<td>1,100,000,000</td>
<td>11%</td>
</tr>
<tr>
<td>2024</td>
<td>900,000,000</td>
<td>9%</td>
</tr>
<tr>
<td>2025</td>
<td>700,000,000</td>
<td>7%</td>
</tr>
<tr>
<td>2026</td>
<td>500,000,000</td>
<td>5%</td>
</tr>
</tbody>
</table>

Community Treasury 6 Years Unlocking Schedule
— 8.4 Community Incentive Programs

Cook Protocol intends to list the ETH/COOK pool on Uniswap in Q1 2021. Cook Protocol envisions employing several community incentive programs to help bootstrap and sustain our ecosystem. These programs include but are not limited to liquidity mining, ckTokens staking, a referral program, contributor grants, and community initiatives.

— 8.4.1 Initial Liquidity Mining

Cook Protocol will launch an initial liquidity mining program in Q1 2021, shortly after the Uniswap listing. The goal is to use liquidity mining rewards to kickstart our ecosystem and attract more participants. The initial program intends to target the ETH/COOK pool on Uniswap v2.

If deemed necessary, additional liquidity mining programs will be launched based on ecosystem development needs. COOK token holders will decide when and how liquidity mining programs will be launched through protocol-level governance. All the tokens in subsequent liquidity mining programs come from reserves in the community treasury.

— 8.4.2 ckTokens Staking

Once Cook Protocol is launched, investors can stake their own fund-specific ckTokens (Fund LP tokens). Locked ckTokens will help Cook Protocol reserve liquidity and attract more fund managers. In return, investors are rewarded with COOK tokens. The value of the rewards will be determined by COOK token holders through protocol-level governance according to several factors, such as the market
conditions, ecosystem development needs, and overall locked asset value in Cook Protocol.

— 8.4.3 Referral Program

A referral program will be implemented to encourage existing ecosystem participants to recommend joining the Cook Protocol ecosystem to their friends, family, and colleagues. COOK tokens will be distributed to referees based on the number and quality of investors and fund managers they are able to introduce to the ecosystem.

— 8.4.4 Contributor Grants & Community Initiatives

Cook Protocol will also periodically launch contributor grants to reward individuals and teams for actively participating and contributing to our ecosystem. Community initiatives such as bug bounty will be launched to ensure the quality of our code and the robustness of our ecosystem. After protocol-level governance is launched, COOK token holders will decide together when and how to launch contributor grants and community initiatives.
9. Governance

A protocol governed by the community unlocks a realm of unlimited possibilities. We expect a range of exciting innovations, including development incentives and ecosystem grants, which can encourage further growth of the Cook ecosystem.

There are two levels of governance on the Cook Protocol platform: (1) the overall protocol level, governed by all COOK token holders; and (2) the fund level, governed by the fund manager and their respective investors (ckToken holders).

9.1 Protocol-level Governance

The governance process is fueled by governance forums and ratified through on-chain COOK Improvement Proposals (CIPs) using Cook Protocol. COOK holders will have immediate ownership of:

- COOK protocol governance
- COOK community treasury
- Platform fee
- Initial governance parameters are as follows:
  - 1% of COOK total supply (delegated) to submit a governance proposal
  - 5% of COOK supply required to vote 'yes' to reach quorum
  - 7 day voting period
  - 2 day timelock delay on execution

The following diagram explains how the governance process works, from inception to actual implementation:
At the overall Cook Protocol level, decentralized on-chain governance initiates once the number of COOK token holders becomes substantial; in this case, token holders can propose and vote on protocol-level decisions, which include but are not limited to:

- Updating the default DeFi protocol whitelist
- Adding new features
- Modifying the governance model
- Changing the pricing oracle
- Adjusting the platform fee
- Adjusting the tokens in the community treasury for tasks that include but are not limited to:
  - Liquidity mining
  - Community initiatives
  - Contributor grants
  - COOK token staking
  - ckTokens staking

It is the responsibility of COOK token holders to ensure that governance decisions are taken in accordance with relevant laws and regulations. Before executing any proposal, the community is encouraged to consult professional legal and regulatory experts.
9.2 Fund-level Governance

In order to meet the requirements of different fund managers and investors, fund-level governance is required in addition to protocol-level governance. For example, some investors are more aggressive and would like to allow fund managers to take risks in the yield mining of a brand-new DeFi protocol to earn higher returns. Conservative investors, on the other hand, would like to further limit the DeFi protocol’s whitelist to include only established platforms like Compound and Uniswap.

The fund manager and investors collectively control the operations of the fund. Generally, the fund manager or investors (ckTokens holders) will recommend adjustment plans, and investors vote to determine whether to implement the plans, as indicated in the following diagram:

![Diagram showing the process of fund-level governance]

Some of the changes that can be proposed include the following:

- Update fund management fees
- Add new DeFi protocols to fund-level whitelist
- Add or remove accepted tokens
- Change fund managers
10. Team

Cook Protocol development is being led by a team of talented individuals from world-class universities and cutting-edge companies with experience in both technical and business development. The technical team has a wide variety of skills and decades of experience in UI design, frontend programming, backend programming, blockchain programming, Artificial Intelligence, and cloud infrastructure. The business team has over seven years of experience in the blockchain area and is well connected in the industry. The team members all have a proven track record of management or technical lead experience in big corporations as well as high-growth startups.

**Adrian Peng, Chief Executive Officer:** Graduated from UC Berkeley and has four years of experience in the blockchain space. Early investor in crypto projects such as Ethereum, Polkadot, Filecoin. Tech lead at Google and Oracle. Leading the entire team while overseeing the overall product roadmap.

**Cage Chen, Chief Technology Officer:** Top 1% graduate from Carnegie Mellon university and Silicon Valley engineering veteran. Lead engineer at several top Silicon Valley companies such as DropBox and C3.AI. Currently serving as tech lead on both frontend and backend development.

**Michael Bader, Chief Financial Officer:** Serial entrepreneur with an MBA from Stanford University. Over 10 years of experience in fintech and three years in
blockchain. Former VP at Bank of America. Very passionate about DeFi and how it can revolutionize the finance sector. Currently serving as the business strategy lead.

**Ace Yin, Chief Operating Officer:** UPenn CS graduate. Product manager from Youtube. Over five years of experience in technology operations. Highly familiar with the operations in big tech companies and high-growth startups.

**Matias Dominguez, Chief Marketing Officer:** Graduated from Macquarie University. Over five years of experience in marketing, community management, and growth hacking in English and Spanish contexts. Over three years in the blockchain industry.

**Antonio Wong, VP of Blockchain Development:** Senior developer from Wayfair and graduate of Cornell University. Mined first bitcoin in 2013 and has seven years of experience in blockchain. Currently working as senior blockchain developer focused on smart contract development.

**Rahul Rodrigues, Chief Architect:** Over 15 years of experience in software development, especially in distributed systems. Former architect at several fintech companies such as Fidelity Investments. Currently focused on smart contract architecture design.
11. Roadmap

- **2020 Q2**: Cook Protocol team assembled
- **2020 Q3**: Cook Protocol concept finalized
- **2020 Q4**: White Paper released
- **2021 Q1**: Cook Protocol architecture & UI design release
- **2021 Q1**: Uniswap Listing
- **2021 Q1**: Cook Leverage release
- **2021 Q2**: Cook DeFi index release
- **2021 Q2**: Cook Protocol integration testing
- **2021 Q2**: Cook Protocol third party audit
- **2021 Q2**: Cook Protocol 1.0 release on Ethereum mainnet
- **2021 Q3**: Cook Protocol Ecosystem Development
- **2021 Q4**: Cook Protocol 2.0 release on Ethereum mainnet
Disclaimers

Licenses and approvals are not assured in all jurisdictions

Cook Protocol aims to operate in full compliance with applicable laws and regulations and use its best endeavors to obtain the necessary licenses and approvals. The initiatives described in this whitepaper are not guaranteed for development and roll-out. As such, in certain jurisdictions, or at all, the initiatives described in this whitepaper may not be available. This could require the restructuring and/or unavailability of such initiatives in all or in certain respects.

No advice

This whitepaper does not constitute any investment advice, financial advice, trading advice or recommendation by Cook Protocol team.

Not a sale of security

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Product updates
The Cook Protocol and COOK tokens, as envisaged in this whitepaper, are under development and are being constantly updated, including but not limited to key governance and technical features. If and when the Cook Protocol and COOK tokens, are completed, they may differ from the description set out in this whitepaper. No warranty is given as to the achievement of any plans, future projections or prospects in this document. To the fullest extent possible, all liability for any loss or damage of whatsoever kind which may arise from any person acting on any information and opinions contained in this whitepaper or any information which is made available in connection with any further enquiries, notwithstanding any negligence, default or lack of care, is disclaimed.

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Risk statements

Purchasing COOK tokens involves substantial risk and may lead to a loss of a substantial or entire amount of the money involved. Prior to purchasing COOK tokens, you should carefully assess and take into account the risks, including those listed in any other documentation.

The regulatory status of cryptographic tokens and digital assets is currently unsettled, varies among jurisdictions and subject to significant uncertainty. It is possible that in the future, certain laws, regulations, policies or rules relating to cryptographic tokens, digital assets, blockchain technology, or blockchain applications may be implemented which may directly or indirectly affect or restrict cryptographic token holders' right to acquire, own, hold, sell, convert, trade, or use cryptographic tokens.

The uncertainty in tax legislation relating to cryptographic tokens and digital assets may expose cryptographic token holders to tax consequences associated with the use or trading of cryptographic token.

Digital assets and related products and services carry significant risks. Potential purchasers should take into account all of the above and assess the nature of, and their own appetite for, relevant risks independently and consult their advisers before making any decisions.

Caution Regarding Forward-Looking Statements
This whitepaper contains certain forward-looking statements regarding the business we operate that are based on the belief of Cook Protocol as well as certain assumptions made by and information available to Cook Protocol. Forward-looking statements, by their nature, are subject to significant risks and uncertainties.

Forward-looking statements may involve estimates and assumptions and are subject to risks, uncertainties and other factors beyond our control and prediction. Accordingly, these factors could cause actual results or outcomes that differ materially from those expressed in the forward-looking statements.

Any forward-looking statement speaks only as of the date of which such statement is made, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.