

LIGHTCOIN WHITEPAPER

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INTRODUCTION

Cryptocurrency and blockchain technology have made it possible for individuals to send money virtually without any intermediaries. According to Michael Saylor, very soon, applications like smart contracts, Decentralized Autonomous Organizations (DAOs) and tokens would form the basis for the future digital economy. Bitcoin was the first application of blockchain technology and the first crypto-currency. There were prior attempts at digital cash before Bitcoin, but none were broadly adopted.

However, Bitcoin does have its limitations. The slow speed of Bitcoin transactions and the growing transaction fees, amongst other challenges, have bothered many cryptocurrency enthusiasts. Lightcoin is built on proof of stake consensus and prides itself on its community governance. It is meant to be used for peer-to-peer transactions in a payment processing system similar to Bitcoin. However, more emphasis is placed on usability.

Unlike US dollars, where when money is printed, the money in your pocket loses value, when Lightcoin is created, the coins are given directly to stakers. This offsets inflation by spreading the profits around.

Why Lightcoin Exists

With Bitcoin and many other cryptocurrencies, individuals experience slow transaction speed, high fees, and find it difficult to swap between layers. This is where the Lightcoin project comes in. Lightcoin offers greater cost efficiencies and reach wider adoption in an efficient, economically sound, and environmentally friendly manner at the protocol layer. The project does this while enhancing security and providing resistance to nefarious censorship or network exploitation of individual rights.

To solve these problems and gaps in the current cryptocurrency landscape, Lightcoin rewards every node in the network to be part of the block generation process through the implementation of a Proof of Stake consensus algorithm to decide which block will be chained next.

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Consensus Algorithm: Proof of Work or Proof of Stake?

For an emerging cryptocurrency project to thrive, there must be a conscious thought into the algorithm selected (proof of work vs. proof of stake), the underlying economic system, and a means of network participation. There has been an eternal debate between proof of work and proof of stake consensus algorithms. Often, at the center of the debate in any community is the issue of wealth concentration and inequality. Bitcoin and many of the original cryptocurrencies were born as proof of work systems.

The first project that pioneered Proof-of-stake was Peercoin, a project that still exists to this day. Ironically, the contribution of Peercoin to the popularity of PoS is dwarfed by Ethereum (ETH) and its goal to transition from PoW. In addition, projects like Cardano (ADA) decided on PoS after using a formal approach to assess consensus mechanisms.

In any blockchain, the consensus algorithm is designed to solve the issue of trust between participants in the network. The consensus algorithm is used for compensation or reward. It is the final piece in the cryptographic puzzle that makes cryptocurrency work. Therefore, the consensus algorithms exist to prevent double spending. Bitcoin's consensus is based on a simple rule- the longest chain of blocks is taken to be valid.

We see that more and more projects are adopting the proof-of-stake consensus algorithm rather than proof-of-work. With proof-of-stake, the network secures itself through the commitment of a stake. Staking means holding a certain amount of capital in the form of the network's tokens.

Masternodes

Another layer to the network contains Masternodes, that provide Level 2 networking functionalities such as governance mechanisms. Further characteristics are:

- Currency-flow balancing at the protocol level through novel inflationary/deflationary mechanisms incentivize decentralization and minimizes outside monetary policy involvement.
- Staking with static block reward emission and tail end inflation enables more efficient resource allocation.
- Low marginal costs for hardware/devices to stake or operate Masternodes reducing barriers to entry, allowing anyone to participate at any scale, and superior to other projects demanding wasteful energy requirements and hardware needs.

Lightcoin project has its own blockchain and is also on Ethereum blockchain (ERC-20), Tron Blockchain (TRC-20) and Binance blockchain. This offers users the flexibility of swapping between layers seamlessly.

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With Lightcoin, it is possible to store currencies in cold wallets. This accelerates, eases, simplifies protection for currencies issued on multiple levels of other blockchains. Moreover, you can preserve the maximum number of coins in the original blockchain while avoiding deflation since maximum supply would be the same.

Masternodes and Masternode Operators

Masternodes are a second layer of functionality for the network they determine governance voting consensus for proposals. We also had some stability to the number of coins available to be purchased in the market. Setting up a master node involves some effort. While a Masternode owner can unlock those coins staking instantly, relocking them or allocating them back to a Masternode takes effort. It also takes a number of days of waiting to get back to the top of the payment queue. As a result of this, Masternode owners tend to HODL.

Lightcoin is an index-based price utility token, which combines the benefits of a stable price token with a high interest staking and farming investment program. This gives Lightcoin the stability of a traditional investment vehicle and the high performance of a crypto asset.

We developed Lightcoin to suit a wide range of user profiles – from crypto enthusiasts from seasoned investors alike and everyone in between. It is accessible, affordable and suitable for people who want to use crypto without the challenges they face using other cryptocurrencies like Bitcoin. The unique mechanism behind Lightcoin lets users save on gas fees and enjoy fast transactions when it comes to high volume of transactions for trading, swapping and farming.

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CORE VALUES

Charity

We believe we can make a real impact for the greater good and not just ourselves by donating to charity through the Lightcoin Charity Foundation, we remind ourselves of our duty to make the world a better place for everyone. The battle against the impact of the global pandemic has forced the world to embrace digital initiatives. It has also caused untold hardship for the most vulnerable in society. The number of children who have been left hungry, anxious and isolated has increased. The education of millions of children has been disrupted. The mental health of many young people has been impacted.

It is true that there is no equitable distribution of resources therefore we take it upon ourselves to give to the less privileged in society. This has inspired individuals, investors, influencers and professionals to rally behind us and support our charity initiatives.

Community

Lightcoin is a community of individuals who believe in the future of decentralized finance. Our community is united around a common goal. We see the possibilities achievable through DeFi. Members of the community have experienced the struggles and challenges with the present finance system. We are passionate and unified in our quest for a more effective system. We take pride in our collective mission. We support one another and other communities and we derive joy while doing so.

Clarity

We share transparent information with one another and with other members of the community at large. We are organized and cohesive. We all push in the same direction. We therefore eliminate distractions and focus on our common objectives.

Sustainability

The future is here and we are ready for it. We make every decision considering the consequences on society. For example, energy and environmental sustainability are part of our core principles. We know that every action has consequences and every choice has a price and gains, or otherwise that follow. Therefore, we are committed to a long-term vision and the choices we make are in line with our long-term goals.

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We operate a governance structure that is based on competencies. We now have dedicated teams working in development, strategy, marketing and PR. Our teams are constantly expanding as the vision is greater than any of us.

HIGH-LEVEL ROADMAP

Sustainable operations management is Central to Lightcoin's core values. Building on this pillar, the leadership team will be executing our long-term vision through the strength of the team and our community.

From the high level and condensed goals outlined below, various action items with a focus on q1 and Q2 goals are currently being addressed by her different teams. We believe that the community will do what is best for the team and the team will do what is best for Lightcoin.

Q1 Overview

Launch of our website and social media channels. Creation of a marketing strategy. Going into partnerships with high-profile personnel forged. Establishment of our community's corporate social responsibility commitment to charitable initiatives through the Lightcoin Charity Foundation.

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Q1 Status

The leadership of Lightcoin is proud to announce that we have made tremendous progress since inception.

In order to ensure that our operations are sustainable we are taking a pragmatic approach to address the issues we have identified. For our Q1 goals:

- Our website is being set up by a team of dedicated and talented web designers. We will communicate further details about our branding activities through the appropriate channels as time goes on.

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- Marketing and PR activities are going on supervised by the head of the marketing team. Our team is constantly evolving and we are currently recruiting dedicated marketers and skilled developers to help us achieve the features we need the objectives and features will need to be able to carry out those products and services we want to be able to offer.

For general information concerning the progress of Lightcoin, the community members are encouraged to engage with the publicity manager.

Q2 overview

- Launch of our official whitepaper.
- Establishment of a corporate entity in order to fortify our public relations strategy and to represent our global community.
- Execution of a corporate social responsibility including donations action against hunger as well as other initiatives highlighted by the management.
- Listing on coingecko and coinmarketcap. Registration and listing on major exchanges

Q2 status

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The launch of our whitepaper provides a shared compass for the team and for our community to be able to understand the progress we have made and to understand the key areas on the roadmap that we still have to cover.

We are committed to the community and compassionate about the project of Lightcoin therefore we are following guidelines for a more corporate approach.

The following are some of the details of where we are with regards to our Q2 goals:

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The Lightcoin leadership team is currently formalizing a recruitment process to on-board professionals including developers and marketers to help spread the word about our community and to help build the platform we are going to use.

For the rest of 2021 we expect to achieve the following objectives:

Q3

- Going into corporate partnerships for collaboration.
- A global press release outlining our lunches in major exchanges.
- Joining mycontiner.com platform to facilitate staking of Lightcoin.
- Linking to indacoin.com to ease purchase and exchange of Lightcoin.

- Launching trivia games where you can buy and sell houses on Mars virtually.

Q4

- Creation of DeFi applications
- Creation of Smart contracts
- Finalization and release of NFT launchpad. Overarching activities in the NFT space which includes drops, auctions, and competitions
- Publicly accessible tools for exchanging currencies between all levels.

MONETARY POLICY

The monetary policy of Lightcoin will be dictated by the way its primary economic levers are adjusted overtime with the mandate to ensure long-term stability, sustainability and accessibility of Lightcoin.

The monetary policy is governed by the block chain code base it is also indirectly governed by using the use of the network by users (as burnt transaction fees play a role in the deflationary lifecycle aspect of the monetary policy), and indirectly able to be controlled by the Lightcoin DAO and its participants through protocol level governance anonymous voting.

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TOKENOMICS

The token's utility can be summarized in to three fundamentals: earn, burn (through token extraction), and charity. These would be further explained in subsequent parts of the document.

Earn

The earn aspect of Lightcoin is backed by a 10% tax for all transactions. 5% of this is redistributed to the community proportional to be Tokens They Hold. this system saves as an incentive to our community of holders who support Lightcoin to make it a sustainable movement.

Further details are outlined below:

- Five percent of the tax is redistributed to our community of holders of the Lightcoin in proportion to the coins they hold.

- The remaining 5% is transferred as liquidity provider tokens to the Liquidity Pool. On a biweekly basis, 60% of newly accumulated liquidity pool tokens would be removed from the liquidity pool and a majority of this will be appropriated as proceeds to the Lightcoin Charity Foundation.

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Token Extraction

In the interest of the community, the burn process has been instituted as part of a manual extraction process that occurs every 14 days. There are cases in which the burn process increases the floor price. in Litecoin born has been integrated into a charity burn system. This is our current approach to Lightcoin's tokenomics to ensure that we are able to operate sustainably.

Going forward there will be assessments of the system and the community is involved in decision-making process. We also have a wallet set up to hold manual buyback of funds to ensure liquidity. We have also put security measures in place to ensure long-term sustainability and growth.

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The Lightcoin Charity Foundation

As a community built around Corporate Social Responsibility (CSR), Lightcoin would constantly integrate the charity aspect in all our tangible and intangible offerings and use cases. Moving forward, The Lightcoin Charity Foundation would continue to evolve as we get more input from the community.

A proper forum and voting system would be instituted. We aim to educate the world about crypto as well as guide them in this journey to bridge the real world and digital aspect of charity.

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