WHITEPAPER

A decentralised crypto marketplace, owned by the community

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Public Release

PREPARED BY
LocalCoinSwap

LocalCoinSwap

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Abstract

LocalCoinSwap (LCS) is a decentralised marketplace which allows buyers and sellers to trade directly in any cryptocurrency using any method of payment. LocalCoinSwap provides a safe, uncomplicated and fast peer-to-peer (P2P) trading platform, allowing users to freely exchange without unnecessary verification requirements or waiting times. The platform utilises a secure escrow system that solves the inherent trust issues of online P2P trading.

LocalCoinSwap is holding a crowdsale event of LCS Cryptoshares. Cryptoshares are a digital asset which will be used to facilitate distribution of all profits made by the LocalCoinSwap platform, in addition to all profits made by new business ventures under the LocalCoinSwap umbrella. Cryptoshare holders will additionally receive airdrops of new ICO tokens listed on the LocalCoinSwap platform.

The platform implements a novel approach to traditional company ownership by utilising blockchain technology to distribute the entirety of the site's profits to holders of LCS Cryptoshares. This asset entitles investors to regular dividend payments denominated in all of the currencies traded on the platform. Holders of the Cryptoshare may also participate in the long run vision and decision making of the company itself through democratic voting in a proof-of-stake system. This replicates the dividend payments and shareholder voting of traditional companies, with the added benefits of blockchain technology and decentralisation.

Funds raised from this crowdsale event will be used to expand and speed up the development of the LocalCoinSwap platform and increase the number of cryptocurrencies which the platform is able to support on release.

Centralised cryptocurrency exchanges in their current form are fraught with inefficiencies, security risks, long wait times and unreasonable verification requirements. This results in high barriers to entry for a huge number of potential users. Commonplace also are unethical business practices including insider trading, front running, and deceptive pricing.

As long as these problems exist, there will always be a demand for P2P marketplaces. P2P marketplaces provide direct access between buyers and sellers, which represents the truest form of free market trading.

The future of the digital currency ecosystem relies on the development of a robust P2P exchange which supports a diverse choice of cryptocurrencies. The innovative distributed ownership model offered by LCS Cryptoshares will bridge this gap in the market, while delivering the profits of the platform back into the hands of its users. In addition, LocalCoinSwap will be the catalyst for expansion of the cryptocurrency market by enabling new users through the elimination of all barriers to entry.

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Problem Overview

Cryptocurrencies and other digital assets are revolutionising the financial ecosystem. In 2017 alone the market capitalizations of all digital currencies grew by 3171% to 700 billion ($700,000,000,000) USD (source: coinmarketcap.com) .

Unfortunately the growth of the cryptocurrency economy has been fraught with friction from the banking system. Hostile regulatory environments and conservative institutions have closed the accounts of traders and exchanges en-masse, spread contention in the media, and forced the implementation of onerous verification procedures which have transgressed the privacy of the community.

The rise of cryptocurrencies has created huge economic and investment opportunities. However, many people remain on the sidelines due to lack of patience or tech-savviness, inefficient and lengthy subscription processes, and security concerns. Opening up trading accounts on exchanges can be an especially difficult task for users. Many exchanges restrict the registration of new accounts or require users to expose themselves to identity fraud and theft by submitting pictures of their passports and personal documents online. Users are regularly asked to transfer funds overseas to companies in countries with no legal oversight.

Existing P2P markets are also highly fragmented and non-inclusive. Traders who wish to buy and sell outside the top few cryptocurrencies must access both a P2P exchange and a centralised mainstream exchange. At present there lacks a single mainstream P2P marketplace which allows more than one cryptocurrency to be traded for fiat currency simultaneously.

This has created additional onerous fees for users whose only desire is to purchase a non-mainstream cryptocurrency with fiat cash as their starting point, as they must utilise more than one exchange and pay all associated fees to complete their purchase. They must also pay the transaction fees involved in withdrawal from one marketplace to another. This increases not only user inconvenience and wallet software requirements, but also user exposure to platform failure or hacking.

In addition, the centralised ownership and clandestine company structure of mainstream exchanges allows little investment opportunity for the typical individual. Top exchanges have daily volumes in the billions of dollars, and investors have no mechanism through which they can share in the profits. Giant monopolies now dominate the cryptocurrency exchange market counterintuitively to the very fundamental global economic inefficiencies that blockchain technology has the ability to solve.

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Creating the Solution

The digital ecosystem is here to stay, and the mainstream economy is beginning to embrace the ideas of decentralisation and unrestricted trade.

LocalCoinSwap represents a return to the most fundamental system of asset exchange without reliance on mainstream institutions - the P2P trade. By enabling P2P trading of all digital currencies LocalCoinSwap will put the market back into the hands of its users, allowing them to directly trade any cryptocurrency using any conceivable payment method in any geographical location.

There is currently a gap in the cryptocurrency market creating an unserviced demand. Across community forums and social media sites in which traders participate, it is a common frustration that users are unable to quickly or easily purchase non-mainstream cryptocurrencies. Users also express repeated concerns about overseas banking transfers and onerous verification procedures.

The LocalCoinSwap infrastructure will close this gap in the market, not only by offering a P2P exchange for all cryptocurrencies, but by also **tokenizing ownership of the exchange itself** into the hands of its users through the world-first Cryptoshare system.

The LCS Cryptoshare system utilises blockchain technology to replicate traditional company ownership through shares in a more secure and decentralised manner. Much like the issuance of regular shares and profits distributed through dividends, LocalCoinSwap issues Cryptoshares which entitle holders to regular redeemable dividend tokens. Unlike a traditional financial organization the ownership and dividend structure of LocalCoinSwap is hosted entirely on the Blockchain, providing a publicly auditable and unforgeable ledger of the company's financial performance.

LCS Cryptoshares allow all traders on the exchange to take ownership in the platform they are trading on. Despite the straightforward nature of this concept, LocalCoinSwap is the first ever implementation of an exchange where the profits are distributed entirely through a smart contract Cryptoshare system, with the initial launch planned by August 2018.

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LocalCoinSwap Cryptoshares

Cryptoshare overview

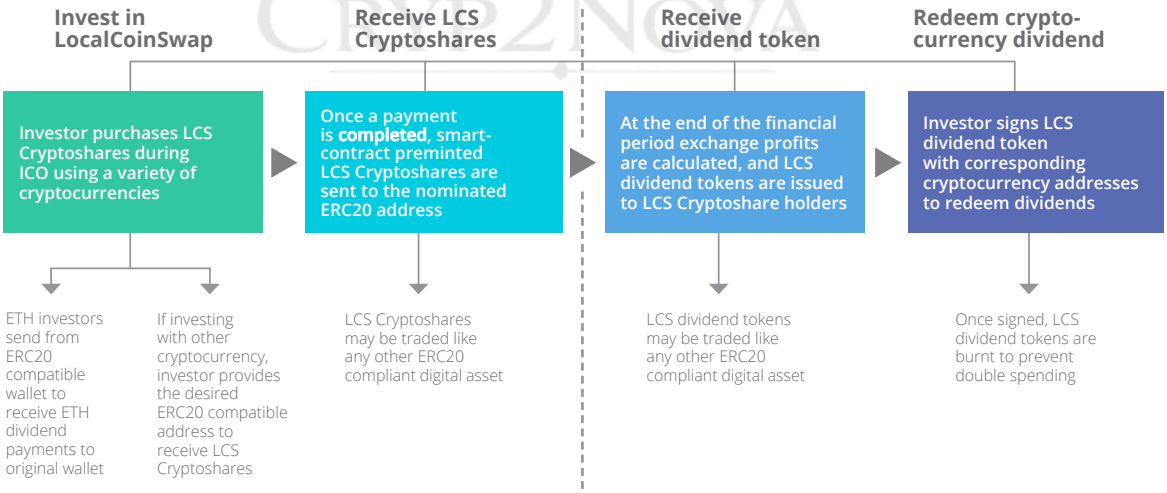
LCS Cryptoshares are not like traditional ICO tokens. Instead of a vague promise of possible future returns or idealistic visions which may never eventuate into product, Cryptoshares entitle the holders to guaranteed rights to 100% of the total profits from the Localcoinswap exchange through cryptocurrency dividends.

Cryptocurrency profits are paid to shareholders in the same cryptocurrencies in which they are made, allowing the investor to receive a regular stream of portfolio income. By holding a single Cryptoshare asset, the investor is entitled to a wide variety of cryptocurrency profits across the entire spectrum of the digital economy.

Cryptoshare holders are also entitled to receive airdrops of new tokens when ICO's are listed on the LocalCoinSwap platform.

In addition, LCS Cryptoshares entitle the holder to voting rights in the platform's decision-making process, such as the listing of new tokens on the exchange, the direction of new business ventures and design considerations or functionalities for the platform. Cryptoshares in LocalCoinSwap are more than just a stream of dividends, by investing you become an integral part of the future of the exchange itself.

How it works



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The protocol behind the LCS Cryptoshare, dividend distribution and voting token is provably achievable with existing technology and does not require any fundamental advances in Blockchain technology to implement. The development focus of the Cryptoshare is on the direct utility it provides for the user rather than aiming to be disruptive technology.

At the end of each financial period, profits for all cryptocurrencies are calculated and published publicly before being distributed back to LCS Cryptoshare holders. A dashboard is available on the LocalCoinSwap platform detailing the dates, amounts and distribution details for the current period.

To claim dividends such as ETH, BTC, BCH, DASH, ETC, or Monero, the holders of LCS Cryptoshares are automatically entitled to claim ERC20 dividend tokens on a 1-to-1 basis according to their holdings of Cryptoshares. After claiming the dividend tokens, holders can use the token to sign a message containing their wallet addresses for the currencies they wish to claim. They then broadcast the message and dividend tokens back to LocalCoinSwap's decentralised contract address, at which point the dividend currencies are transmitted automatically to their respective wallets. Alternatively, the dividend tokens can be redeemed directly into the wallet balances of user accounts on the LocalCoinSwap platform.

Because of this, there is no obligation to redeem the cryptocurrency portfolio income into the private wallets of LCS holders, and users may instead hold on to their dividend tokens, choose to redeem their funds at a later date, or even liquidate the token through an off-market sale. LCS dividend tokens can thus act as a placeholder for an entire cryptocurrency portfolio, without forcing the user to deal with the process of setting up multiple cryptocurrency wallets.

Dividend and voting tokens

Profits from the exchange are calculated and distributed at the end of each fiscal period. The total issuance of dividend and voting tokens will be the same as the total supply of LCS Cryptoshares. These tokens are then issued to holders of LCS Cryptoshares on a 1-to-1 ratio.

When dividend and voting tokens are redeemed they are destroyed by the contract they are broadcast to in order to prevent malicious attempts to claim extra funds or manipulate votes. LocalCoinSwap contracts holding non-issued Cryptoshares (such as the security bounty or venture-fund contract) automatically burn all voting tokens they are issued.

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Currencies offered as dividend payment

LocalCoinSwap will launch with as many of the most traded cryptocurrencies as development time allows. The initial launch aims for a minimum of the leading 10 cryptocurrencies. The platform will add new cryptocurrencies at a constant rate in order to encompass the majority of the cryptocurrency market.

LCS Cryptoshares will entitle users to a vote in the listing priority of new currencies through a direct democracy contract using their voting tokens.

LocalCoinSwap recognises that the cryptocurrency economy is a constantly changing environment with new assets emerging on a regular basis. By actively engaging with the holders of Cryptoshares, LocalCoinSwap will implement the coins which the community wishes to trade.

Airdrops of new ICO token listings

LocalCoinSwap provides a listing service for new ICO tokens to allow them to launch on the LocalCoinSwap platform or raise pre-ICO and presale funding.

The requirement for listing new ICO tokens is that holders of LCS Cryptoshares receive an airdrop of some proportion of the new tokens in advance. These airdrops are automatically distributed through the same mechanism as the dividend and voting tokens. The specific requirements for new ICO tokens to list on the LocalCoinSwap platform will be decided through the proof-of-stake voting system.

The requirement for new ICO tokens wishing to raise pre-ICO funding is that LocalCoinSwap users and Cryptoshare holders must be entitled to special discount offerings.

The expansion of LocalCoinSwap to provide a comprehensive listing service for new ventures to perform pre-ICO, presale and ICO is a fundamental priority for the platforms development after initial launch.

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Decentralisation of ownership

Cryptoshares owners are valuable members of the LocalCoinSwap community. As such, they are entitled to provide input in all facets of site development, new business ventures, as well as having complete ownership of their respective share of profits. These voting rights include uses of the sites revenue. No significant new ventures will be undertaken without a vote amongst holders of the public issuance.

All holders who wish to participate will vote in a proof-of-stake system handled by the issuance of a voting asset which can then be used in a public and transparent democracy contract. The democracy contract is open source and the outcome of votes publically tallied.

Transparency

LocalCoinSwap will provide an open and transparent exchange to its shareholders. The blockchain itself will provide an unforgeable record of all dividend payouts to Cryptoshare holders. LocalCoinSwap will have a continuous, transparent, and blockchain-based overview of all cryptocurrency revenues generated and to be distributed.

Each monthly Cryptoshare holder announcement will detail developments of the exchange and issues which will be voted on by Cryptoshare holders before the next announcement. These issues will include new-venture projects, new coins added to the exchange, design considerations, and more. Cryptoshare holders may submit questions to be voted on through the platform's integrated community forum.

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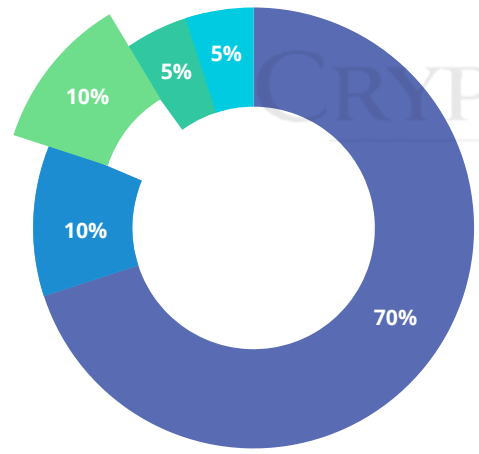
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Cryptoshare ICO Issuance

General overview

Token code	LCS
Price per LCS	0.40 USD
LCS maximum total supply	100,000,000
Available through pre-ICO/presale/ICO	70,000,000
Token freeze	20,000,000
Token burn	All unsold
Payment currencies	ETH, BTC, USDT, BCH, XRP, USD, EUR, GBP, AUD, NZD, CAD & more
Soft cap	500,000 USD
Absolute hard cap	20,000,000 USD *(remaining tokens destroyed)*
Bonus structure	Community based
Transparency	Open source (public Github)

Allocation of Cryptoshares



70%: maximum allocation to investors through entire crowdsale with burn of unsold

10%: allocated to a community venture fund, the use of which is voted on by investors

10%: allocated to the development team (frozen by contract for 1 year)

5%: allocated to bounty program for community engagement

5%: allocated to reward program for users who increase security of the platform

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Allocation breakdown

100,000,000: Total supply of Cryptoshares which are minted in advance of presale. The contract for the Cryptoshare locks this limit as unchangeable so no more Cryptoshares can ever be created. This limit was chosen to give higher possible future values to individual Cryptoshares. This contract is open source and publically available on the LocalCoinSwap Github repository.

70,000,000: Maximum issuance of the Cryptoshares through the pre-ICO, presale and ICO period. At the end of the crowdsale period all unsold Cryptoshares from this portion of the issuance are destroyed to increase the value of remaining Cryptoshares.

10,000,000: Reserved for special community venture fund. These Cryptoshares and associated dividends are frozen for 1 year. After the end of the freeze LCS Cryptoshare holders may vote on the use of these funds and dividends for the purposes of developing the company. Staff members are ineligible from voting on the use of these funds. This fund provides incentive for holders of Cryptoshares to participate in the community aspect of the platform..

10,000,000: Reserved for equal share between the core development team. These Cryptoshares are frozen for 1 year to incentivise staff to grow their value.

5,000,000: Allocated to security reward program. This will increase the security of the platform by incentivising malicious actors to report any exploits found rather than taking advantage of them.

5,000,000: Reserved for the bounty program. This program will assist with the promotion and marketing of the platform users. These bounties will be paid out for services such as translation, content creation and brand development.

Hard and soft capitalisation

The minimum cryptocurrencies available for purchase of Cryptoshares during the crowdsale are: *Ethereum (ETH), Bitcoin (BTC), Bitcoin Cash (BCH), Ripple (XRP) & Tether (USDT).*

Purchase via SWIFT transfer in fiat currency may also be made directly using: *US Dollar (USD), Euro (EUR), British Pound (GBP), Australian Dollar (AUD), Canadian Dollar (CAD) & New Zealand Dollar (NZD).*

SWIFT transfer can be made in other currencies however this is subject to a standard exchange rate fee. Cryptoshares paid for via SWIFT transfer are released upon settlement of the transaction by our corresponding bank. Additional crowdsale cryptocurrencies may also be available if development time allows.

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Initial pricing for the Cryptoshares is currently set at 0.4 USD per LCS. Other payment currencies are set at equivalent ETH value. This is subject to change should there be a large shift in the price of ETH/USD to ensure the hard cap is maintained.

The soft cap for the Cryptoshare crowdsale event is $500,000 USD in total value of all sale currencies. Should this soft cap not be reached all funds will be returned to investors.

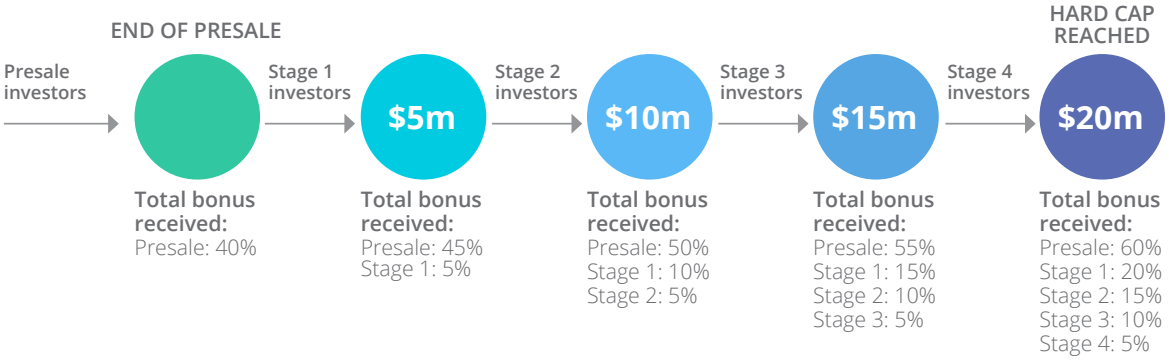
The hard cap for the Cryptoshare crowdsale event is $20,000,000 USD in total value of all sale currencies. Should this hard cap be reached the crowdsale will be closed and all remaining Cryptoshares on offer destroyed. This limit was chosen to give investors confidence in the maximum amount their equity in the site can be diluted, and to increase the value of the investment for all holders of Cryptoshares.

Crowdsale bonus structure

The presale period will run with a bonus allocation of 40%. The presale will be closed immediately if 10,000,000 Cryptoshares are distributed. During the crowdsale period funding milestones have been set at each $5,000,000 increment.

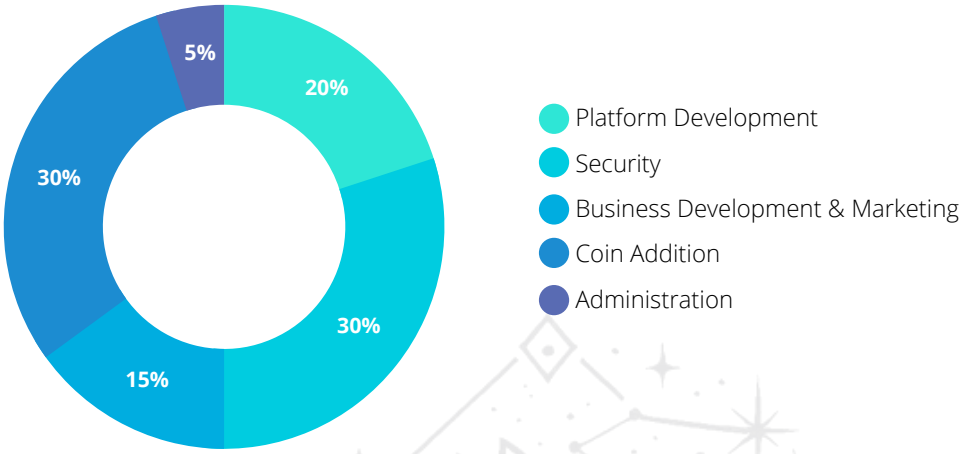
As each increment is reached all existing purchasers of the crowdsale event receive an additional 5% airdrop of Cryptoshares to be distributed once the crowdsale closes. These airdrops are also distributed to presale purchasers, **but not to Cryptoshares held by the development team**, security/bounty fund & new venture fund.

- **$5,000,000 of funding reached:** All existing Cryptoshare crowdsale investors receive 5% additional Cryptoshares.
- **$10,000,000 of funding reached:** All existing Cryptoshare crowdsale investors receive 5% additional Cryptoshares.
- **$15,000,000 of funding reached:** All existing Cryptoshare crowdsale investors receive 5% additional Cryptoshares.
- **$20,000,000 of funding reached:** All existing Cryptoshare crowdsale investors receive 5% additional Cryptoshares. Residual tokens are then destroyed to increase total value to all investors.



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Use of funds raised from Cryptoshare issuance



The primary use of all funds raised from the crowdsale is to expand the features of the platform and support addition of new coins. The exact allocation of funds between platform development, security and coin addition will depend on the amount of investment made. Primary consideration is always given to increases to security of the platform during budgeting considerations.

30%: Allocated to increase the security of the platform. LocalCoinSwap offers trading in a large variety of digital assets. To protect against all possible threats multiple layers of redundancy have been implemented in wallet systems, and security critical processes abstracted to separate servers. A large allocation of crowdsale revenue towards security will provide users assurance that LocalCoinSwap is a safe platform on which to trade.

30%: Allocated exclusively for the addition of new coins. LocalCoinSwap aims to provide the maximum diversity of trading options upon launch and will hire dedicated staff solely to investigate and implement new cryptocurrencies.

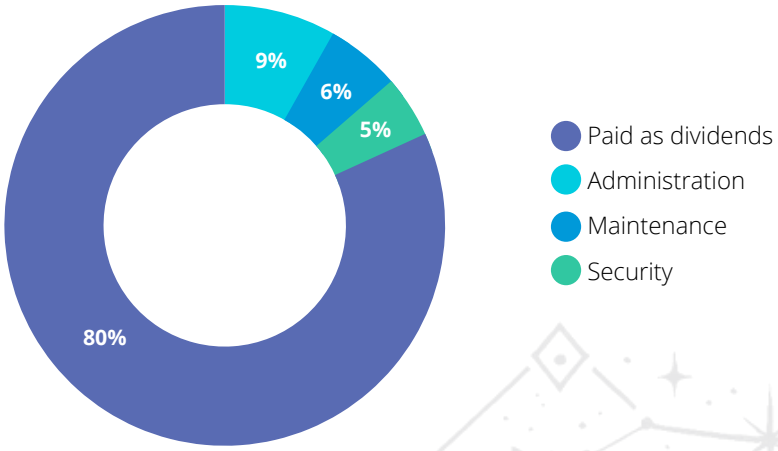
20%: Used for further development and expansion of the platform. This will enhance scalability and the number of features which will be offered on initial launch.

15%: For business development, marketing & advertising. LocalCoinSwap will implement broad marketing & advertising strategies to increase the user base of the platform upon launch. These strategies are refined and focused campaigns based on the data and analytics gathered during the Cryptoshare issuance.

5%: Allocated for administration costs incurred during the final development of the platform.

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Use of revenue on the LocalCoinSwap platform



LocalCoinSwap will detail a breakdown of all expenses each financial period, to provide full transparency to its investors. The figures above provide an estimate that will depend on the exact amount of revenue made by the platform. In exceedingly profitable financial periods a lower percentage of site revenue will be used for administration and maintenance expenses.

80%: Distributed through the dividend system equally to all holders of LCS Cryptoshares.

9%: Used for administration costs which consists primarily of staff wages and fees paid to contracted workers. LocalCoinSwap staff are paid a maximum of a market wage in line with their relevant qualifications and experience. All salaries and contracted rates will be detailed in LocalCoinSwap's financial announcements to increase the transparency of the platform.

6%: For maintenance of the exchange platform. This includes costs of servers, replacement of physical equipment and fees paid to technical services.

5%: Allocated to enhance security of the platform. These expenses include security audits, penetrations testing and costs of implementing additional protection measures.

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Technical information

All digital assets issued by LocalCoinSwap will be ERC20 compliant and will include other mainstream standards where possible. This will enable LocalCoinSwap derived assets to be transacted by as many Ethereum wallet programs as possible and be accessible across a wide variety of secondary exchanges.

All reasonable efforts will be undertaken to conform to industry standards where possible in smart contract development. This will include independent auditing if necessary to increase security.

Contracts used by LocalCoinSwap in the Cryptoshare issuance, dividend tokens and voting tokens are open source and all code is publicly viewable on the LocalCoinSwap Github.

The contract development process is modulated where technically possible, with extensive white-box and black-box testing of all individual units on private testnet before public deployment. Because the security of financial systems is critical to the company, all code additions are independently reviewed by all technical members of the development team.

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LocalCoinSwap Trading Platform

Platform overview

Development on the LocalCoinSwap platform began in August 2017 and is estimated to be ready for initial release by the end of August 2018. The platform borrows the best elements and features of existing platforms but has been redesigned with an enhanced focus on user experience, coin additions and incorporation of social media interactivity.

The core development philosophy for the LocalCoinSwap platform is: safe, easy, enjoyable.

Primarily the platform has been developed with the security of the user in mind. Careful attention has been taken to implement intrusion detection mechanisms and segregation of critical components. Extensive research was conducted on previous hacks and the security models of comparable exchanges before development began.

The ease of use of the platform was the second most important design consideration. It is important that the user has a smooth experience, can quickly find and use the features they need, and is not burdened by excessive pages or complicated interfaces. Where possible the focus has been on offering as many features as possible while maintaining visual simplicity.

The signup process has been streamlined with no identity verification required for registration. Users are able to quickly access the platform and begin trading immediately with no restrictions.

The final consideration, and of equal importance, is that the platform is enjoyable for the user. The development team is integrating several social media aspects to the site designed to enhance the community element of the experience. This includes trending coins, interactive charts & graphs, achievement badges, custom profile pictures, and a fully integrated forum.

Coins offered

LocalCoinSwap aims to offer trading on the majority of cryptocurrencies and digital assets to benefit the greatest number of users. The platform will open in stages due to development budget, opening with the widest possible selection of coins and continuously integrating more. When there is uncertainty as to whether certain crypto assets should be implemented, or the order in which cryptocurrencies should be implemented, a vote amongst Cryptoshare holders will take place.

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LocalCoinSwap has a non-discriminatory attitude towards coin coverage. The platform's focus is on servicing the needs of the greatest number of users possible, rather than providing preferential treatment to any single cryptocurrency.

Escrow system

The LocalCoinSwap escrow system acts as an intermediary between buyers and sellers to create a trustless solution to the inherit trust issue which hampers P2P transactions. LocalCoinSwap will implement a multi-signature transaction option for users in currencies where this is possible. This will allow users to exchange with zero platform risk.

When a new trade is initiated between traders, LocalCoinSwap takes possession of the cryptocurrency portion of the transaction, while the fiat currency payment is made directly from the buyer to the seller. Once the payment has been made, and the seller can verify the fiat currency transaction has been received, the cryptocurrency is released to the buyer.

To prevent users funds from being locked up during volatile market periods, time limits for each step of the contract process can be specified by the buyer or seller and are agreed to in advance.

Dispute resolution

If a dispute occurs, the escrow release is paused and supporting documentation is requested from each party to mediate the settlement. LocalCoinSwap has scenario-tested all reasonably foreseeable instances where disputes may be initiated and has created stringent processes to fairly deal with each individual case. A global support team will ensure that staff members are available to mediate trading issues at all times.

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User feedback

User feedback about buyers and sellers is an important component to maintain a community of reliable traders. Both parties have the opportunity to leave feedback and respond to it after the transaction is complete. Traders additionally may view feedback before deciding whether or not to accept incoming trades.

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Community engagement

A key catalyst to user disenchantment of many cryptocurrency exchanges has been the lack of active community engagement. To ensure LocalCoinSwap users are fully aware of all important changes or news regarding the platform, regular contact will be disseminated through front-page updates and announcements from the operations team.

Additionally, LocalCoinSwap will engage with the trading community through its public Telegram groups, Slack channel, social media accounts, and integrated forum.

Security

A full-time dedicated security team has been enlisted to safeguard all vulnerable information at all times. 95% of cryptocurrency deposits will be stored in offline wallets to minimise potential loss due to hacking. Regular security audits by penetration specialists have been scheduled to ensure the security system is fully up to date. In addition, third party monitoring systems have been implemented for all servers with automatic shutdown mechanisms in cases of detected intrusion.

Simplified fee structure

LocalCoinSwap only charges commission to the market maker of the transaction (the trader advertising their services on the platform). The price advertised is the price paid, without withdrawal or deposit fees, and no other hidden charges.

For sellers who regularly engage in high volume trades, a special pro-trader status will be awarded, conferring lower trading fees and an official 'trusted' banner on their profile.

Fees for trading will be set based on comparable exchanges, with the aim to match or beat the fees offered by any competitors (currently this is 1%).

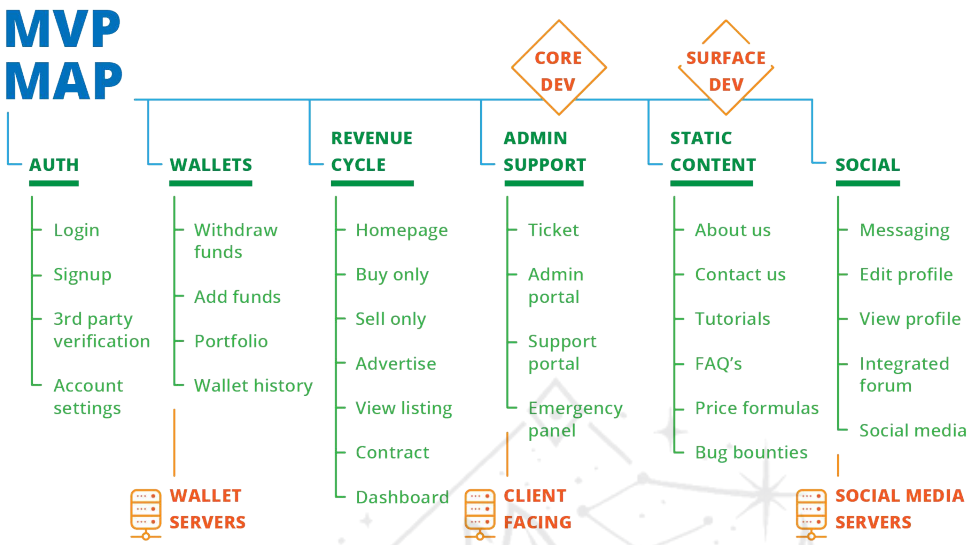
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Development overview

The LocalCoinSwap platform is developed using a modular process. The platform's development has been divided into 5 core systems and approximately 350 features. Each feature is developed individually and then reviewed by the entire development team before integration into the master branch of the project repository. Unit tests have been implemented to ensure that no element of the website is compromised by the addition of a new feature.

The LocalCoinSwap non-technical staff work independently as bug finders on the development website. Additionally, an independent contractor with experience in penetration testing continuously attempts to find vulnerabilities in the websites security.

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All critical components of the website are server-isolated with different software architecture to reduce the risk of zero-day attacks. Software used in the project is kept up-to-date and development conforms to industry standards of best security practices. These processes ensure there are multiple layers of redundancy in the LocalCoinSwap platform development.

New business ventures

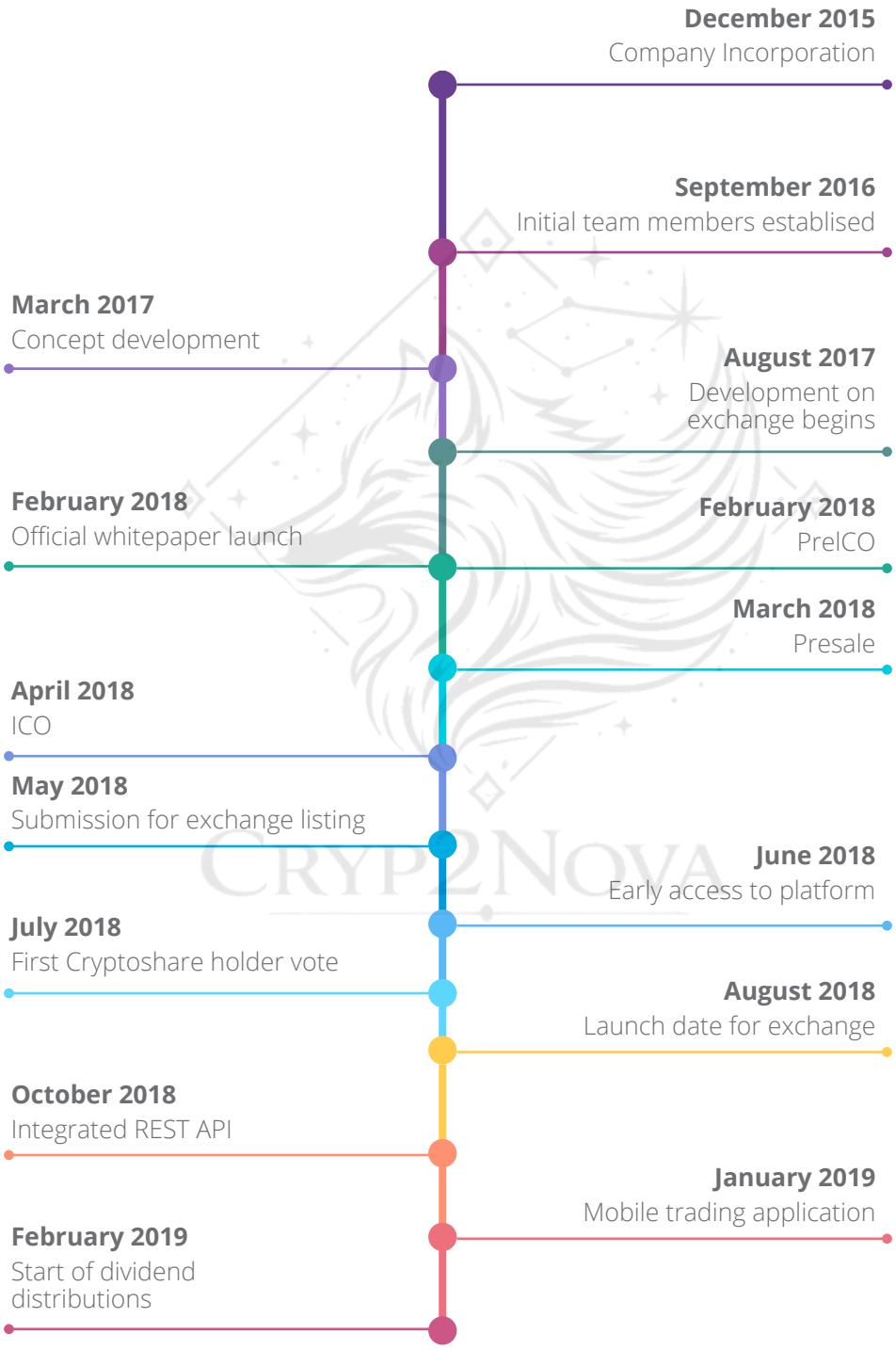
In the event of a highly successful crowdsale there will be several new community ventures immediately available for a vote by LocalCoinSwap Cryptoshare holders. In the event of a less successful crowdsale the votes will be undertaken as soon as sufficient revenue has been made by the platform to expand.

Holders of Cryptoshares are encouraged to submit ideas for new ventures to be taken to a vote. These could include but are not limited to

- Full integration of all ERC20 tokens through a dedicated development team.
- Translation, marketing, and support staff for the platform in new geographical locations where English is not a primary language.
- Enhanced token listing services for new ICO's including rating systems and seed funding.
- Customizable themes and trading interfaces
- Secondary atomic-swap marketplace built on top of P2P platform.
- Strategic partnerships within the cryptocurrency community.

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Roadmap



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Value Proposition

Value overview

Of significant interest to investors in this project is both the potential returns and initial valuation of the company.

The exact valuation of the company will be decided by the public through the crowdsale event. As 70% of the Cryptoshares are available on market, and the hard cap for the crowdsale event is 20 million ($20,000,000) USD, the maximum initial valuation of LCS through the token generation is 28.57 million ($28,570,000) USD.

This limit was primarily chosen so that Cryptoshare holders could be assured of attractive potential dividend return on their initial investment, and also because it is unnecessary to raise further funding for initial platform development.

This initial evaluation also allows room for the market capitalisation of the company to rise naturally, through demand for Cryptoshares on secondary markets.

The following research has been conducted so that investors may have some idea of potential dividend returns of their Cryptoshares. All research is speculative so the following projections should be considered optimistic (though still reasonable) as a good-case scenario.

Cryptocurrency markets - Sector analysis

The cryptocurrency market is fast approaching a 1 trillion ($1,000,000,000,000) USD market cap, with a total capitalisation that has peaked over 700 billion ($700,000,000,000) USD. This growth has been exponential in nature. This trend is expected to continue, as cryptocurrency adoption becomes increasingly mainstream.

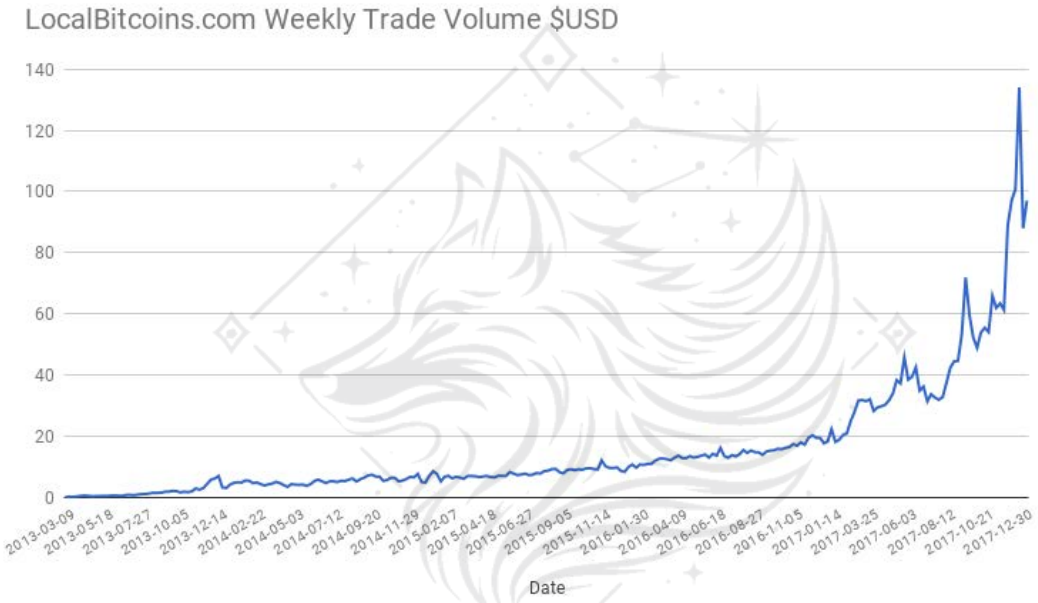
As of writing there are 1426 cryptocurrencies in circulation, with an average of more than one cryptocurrency being created each day.

The increases in market capitalisation are also reflected in trading volume across major exchanges. In 2017 the average 24 hour trading volume across the entire market was 120 million ($120,000,000) USD. In early 2018 the average 24 trading volume was already approaching 50 billion ($50,000,000,000) USD, the same as the New York Stock Exchange.

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P2P markets - Industry analysis

Since Bitcoin's inception in 2009, P2P exchanges have been a key instrument in its dissemination and popularity. Trade volume for Bitcoin has increased exponentially alongside the overall cryptocurrency economy. The week starting 23rd of December 2017 saw over 130 million ($130,000,000) USD worth of Bitcoin change hands via Localbitcoins.com – comprising the largest week of P2P trade in Bitcoin's history. LocalBitcoins.com currently hold the title of the world's largest P2P Bitcoin exchange. LocalBitcoins.com has no plans as of writing to support additional cryptocurrencies.



LocalBitcoins.com Yearly Revenue

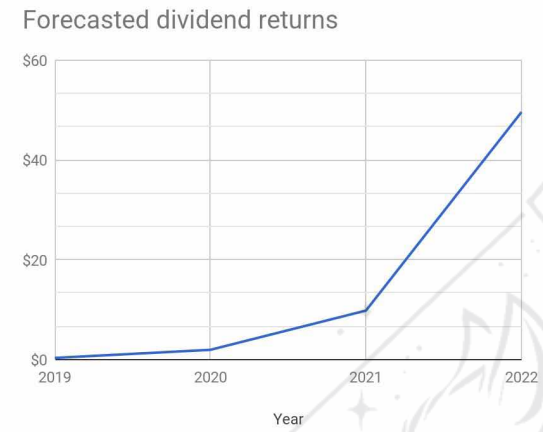
	2013	2014	2015	2016	2017
Volume $USD	$68,438,277	$271,865,628	$412,561,009	$742,237,090	$2,135,864,172
Site Revenue	$684,383	$2,718,656	$4,125,610	$7,422,371	$21,358,642

Comparable exponential growth has occurred in startup P2P exchanges for other cryptocurrencies. The P2P market for cryptocurrencies other than Bitcoin, Ethereum or Monero is virtually non-existent, representing a lucrative source of untapped revenue.

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Revenue projection

The following revenue projection is based on current trading volume data taken primarily from "Coinmarketcap.com. Bitcoin P2P market share was calculated using LocalBitcoins.com data taken from Coindance.com. A full breakdown of calculations is contained in the appendix to this whitepaper. Care has been taken to base the following analysis on justifiable and realistic assumptions.



2019	2020	2021	2022
$0.34	$1.96	$9.83	$49.62

Note that the preceding graph was made under the assumption that the hard cap has been reached. In the event that the hard cap is not reached dividend returns per Cryptoshare will be higher, due to the burning of unsold tokens.

LocalCoinSwap has developed the Cryptoshare model with the goal of maximizing investor value. The selection of the total issuance amount, token freeze and hard capitalisation were chosen with the view that it provides the best long term value to the investor if the company has room to grow.

While the preceding projections can be considered a good case scenario, the presumptions underlying them are reasonable. A dividend per $1 USD invested of $49.62 in 2022 still requires the total revenue of LocalCoinSwap to be less than half of the current revenue of some of the top exchanges in 2018. A poorer outcome scenario of $0.34 annual dividends per $1 USD invested only requires LocalCoinSwap to capture a small fraction of the current market share for any of the leading 10 cryptocurrencies.

Additional value for LCS Cryptoshares comes in the form of air-dropped tokens from new listings on the LocalCoinSwap exchange. Though hard to forecast, this will provide a potentially lucrative source of additional income for investors.

LocalCoinSwap will also be a catalyst for expansion of the cryptocurrency market by eliminating barriers to entry for non-mainstream cryptocurrencies. The preceeding analysis is based only on the leading cryptocurrencies and justification can thus be made that the estimates are conservative in respect to potential market size.

The Cryptoshare model values the input of investors in the project, and all holders of Cryptoshares are encouraged to submit feedback and suggestions to grow the total valuation and profits of the enterprise.

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About the team and company

LocalCoinSwap was started by a team of qualified cryptocurrency experts and enthusiasts frustrated by their inability to quickly or easily buy and sell new digital assets. While plenty of mechanisms exist to purchase cryptocurrencies with other cryptocurrencies, there is little support for those who wish to enter the market with fiat currency and quickly purchase using a variety of traditional payment methods. The idea for LocalCoinSwap was born from our own needs and wants.

Together our team draws on a wealth of experience from a wide range of fields, including Economics, Computer Science, Commerce, Marketing, Maths & even Molecular Genetics.

The decision-making process in the development team is democratic and based on the vision shared by all members of the team.

LocalCoinSwap operates under a corporate entity in Hong Kong, which was first incorporated in 2015. It originally operated as a private hedge fund owned by two of the staff members before development of the exchange began. Geographically the staff of LocalCoinSwap reside in Hong Kong, Australia, Canada & New Zealand.

We strongly believe in the success of our company and look forward to partnering with the cryptocurrency community as we work together to strengthen the digital economy.

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Core development team

Aapeli Vuorinen

Lead Security Engineer

Bachelor of Mathematics (Major in Pure Maths)

Data analyst, white-hat hacker and full-stack developer. Over 10 years of experience in software development and systems administration. Experienced with a wide variety of technologies including Python, Java, C++, Javascript, Pandas, HTML5/CSS/Javascript, Go, Matlab, Git, Linux, and SQL. Exceptionally talented at understanding and utilizing network and software protocols.

Nathan Worsley

Chief Technical Officer

Bachelor of Economics (Major in Econometrics)

Early investor in Bitcoin and Ethereum. Developer of a series of successful trading algorithms based on Triangular Arbitrage between cryptocurrencies. Original founder of company as a cryptocurrency investment fund based in Hong Kong: Digital Assets Management Ltd. Experienced high volume P2P trader on LocalBitcoins.com. Development experience includes C/C++, Python, R, Matlab, PostgreSQL, Git, Bash & Linux.

Thomas Underwood

Chief Financial Officer

Bachelor of Commerce (Major in Accounting and Finance)

Experienced business development manager and financial expert. Managing director of a successful private equity company with a diverse portfolio across several asset classes. Customer acquisitions regional manager at TradingView.com.

Valéri Natanelov

Chief Marketing Officer

PhD, Commodity Futures Markets

Entrepreneur. Founder and CEO of growAbric (knowledge brokering and design thinking company). Lifelong blockchain enthusiast. Extensive international business experience with a strong passion for design thinking and solving complex problems. Has lived on every (habitable) continent. Fluent in four languages.

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Taylor Scheel

Blockchain Developer

Bachelor of Science

A clinical molecular genetic scientist working in a laboratory before a passion for the Blockchain and disruptive technologies led to him becoming a digital nomad and full-time solidity developer. Experienced in Solidity, Javascript, Matlab, Git and Linux.

Kevin Sparks

Lead Developer

Developer degree in Computer Science

Experienced full-stack Python and JavaScript engineer with a bias for action and proven experience in delivering reliable software. Over 13 years of experience across a wide variety of web-development and software projects. Passionate about learning and is particularly fascinated with collecting and analyzing data. Values people, relationships, communication, and Vim.

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Questions & answers

How I can I take part in the crowdsale offering of LCS Cryptoshares?
Cryptoshare assets in the company can be purchased for ETH, BTC and others through our website sale portal, up until the close of the crowdsale or the reaching of the hard cap target.

Which countries may participate in the Cryptoshare offering?
Citizens of all countries may participate with the exception of Democratic People's Republic of Korea (North Korea), Iran, Sudan and Syria.

Will LCS Cryptoshares and other assets be tradeable on mainstream exchanges?
All digital assets created by LocalCoinSwap will be compliant with ERC20 and other mainstream standards where possible, and can thus be traded on secondary exchanges. We are in the process of reaching out to several exchanges to ensure liquidity on secondary markets is available before the launch of the exchange platform.

How can I get in contact?
You can contact any members of our team individually, or the project in general through: community@localcoinswap.com

A LocalCoinSwap telegram is available at: t.me/localcoinswap

Closer to the initial launch a dedicated forum will be made available. Other social media contacts are available on the LocalCoinSwap website: www.localcoinswap.com

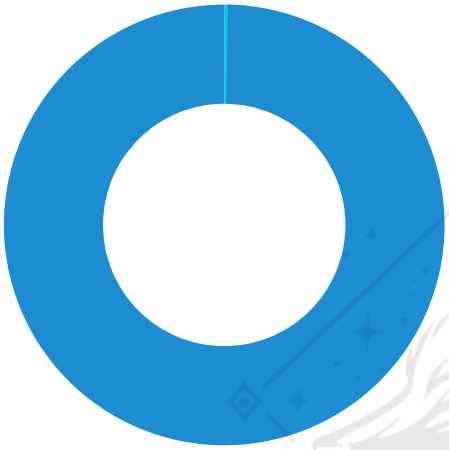
I love your idea, can I be part of the team?
If you have relevant development experience and believe you might be a valuable part of our team, send your resume and an example of your work to hiring@localcoinswap.com and we will be in touch.

Updates to this whitepaper will feature additional questions & answers based on community feedback.

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Appendix

During the year 2017 LocalBitcoins.com accounted for only a tiny fraction of total Bitcoins traded, despite making an average revenue peaking over almost $800,000 USD each week.



- **Total BTC traded ($USD):** 869,746,425,900
- **Traded on LocalBitcoins.com ($USD):** 2,335,376,575
- **LocalBitcoins.com market share 2017:** 0.2685%

This percentage was used in the following calculations to estimate the scale of P2P trading in the next top 10 cryptocurrencies. Revenue forecasting was performed using the assumption that LocalCoinSwap is able to capture:

- 20% of LocalBitcoins.com market share within 5 years (starting at 5% in the first year and increasing at a linear rate).
- 20% of the total P2P trading in ETH.
- 50% of P2P trading for the next 8 most popular cryptocurrencies. These markets contain no major competitors for LocalCoinSwap.

To make the estimations increasingly conservative the average monthly growth rate for each cryptocurrency during 2017 was used as the growth rate for each entire following year. This was to account for a slowdown in recent exponential growth.

The percentage of trading revenue taken as fees was calculated to match fees offered on LocalBitcoins.com and LocalEthereum.com (1% at the time of writing). These calculations are considered an estimate of a good-case scenario in which the exchange is successfully able to capture significant market share, and should not be taken as a statement of fact. Efforts have been taken to make the figures conservative, however it is impossible to predict the future in a volatile and new market.

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LocalCoinSwap Potential Revenue Projection (all currency data in Millions)

Crypto-currency	Trade Volume 2017 $USD	Average Monthly Growth Rate 2017	2019	2020	2021	2022
Bitcoin (BTC)	$869,746.43	0.7290	$2,600,177.54	$4,495,812.37	$7,773,441.82	$13,440,596.01
Ethereum (ETH)	$271,295.46	1.3651	$1,517,500.02	$3,588,986.25	$8,488,185.91	$20,075,111.77
Ripple (XRP)	$99,612.39	2.1956	$1,017,215.43	$3,250,594.01	$10,387,535.51	$33,194,208.08
Bitcoin Cash (BCH)	$168,821.33	1.1498	$780,213.39	$1,677,283.37	$3,605,782.13	$7,751,620.86
Cardano (ADA)	$6,439.21	3.5523	$133,439.99	$607,453.15	$2,765,283.05	$12,588,279.91
Litecoin (LTC)	$121,617.87	1.3134	$650,868.42	$1,505,709.21	$3,483,285.01	$8,058,179.10
Nem (XEM)	$5,034.24	1.8271	$40,235.89	$113,750.57	$321,583.34	$909,145.71
Stellar (XLM)	$11,058.16	4.2382	$303,419.32	$1,589,364.14	$8,325,370.88	$43,609,767.17
Iota (IOTA)	$22,236.10	3.0012	$355,994.14	$1,424,409.86	$5,699,373.17	$22,804,429.64
NEO (NEO)	$18,731.00	3.9620	$461,185.09	$2,288,402.68	$11,355,065.39	$56,343,890.39
“Portion of final user base acquired”			0.25	0.50	0.75	1.00
“LCS trade volume”			1808.98	10532.99	52810.94	266721.11
"LCS Revenue $USD"			18.09	105.33	528.11	2667.21
"Earning Per Cryptoshare $USD"			0.18	1.05	5.28	26.67

	2019	2020	2021	2022
"Site revenue per Cryptoshare"	0.18	1.05	5.28	26.67
"Revenue per $1 USD invested"	0.42	2.45	12.28	62.03
"Dividends per $1 USD invested"	0.34	1.96	9.83	49.62

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Terms and conditions

This document is for information purposes only, and is not an offer or a call to sell stocks or securities on the LocalCoinSwap platform, or that of any other related or associated company.

The English version of this Whitepaper is the official version for LocalCoinSwap policy
LocalCoinSwap takes no responsibility for errors in translation in non-English versions of this document.

LocalCoinSwap tokens are not government recognized securities
User acknowledges, understands, and agrees that LocalCoinSwap LCS Cryptoshares are not physical securities and are not registered with any government entity as a security, and shall not be considered as such.

LCS Cryptoshares and other tokens derived from LocalCoinSwap do not provide a guarantee of future returns
The LCS Cryptoshare tokens will facilitate distribution of all profits made by the exchange. However LocalCoinSwap cannot guarantee the profitability of the exchange. Changes in market conditions and unforeseen circumstances may change the profitability of the venture.

Risks associated with Ethereum
LocalCoinSwap Cryptoshares and other tokens will be issued on the Ethereum blockchain. Therefore, any failure or malfunctioning of the Ethereum protocol may lead to the trading network of LocalCoinSwap tokens not working as expected.

Regulatory uncertainty
Blockchain technologies are subject to supervision and control by various regulatory bodies around the world. LocalCoinSwap tokens may fall under one or more requests or actions on their part, including but not limited to restrictions imposed on the use or possession of digital tokens such as LCS Cryptoshares, which may slow or limit the functionality or repurchase of Cryptoshares or other tokens in the future.

Quantum computers
Technical innovations, like the development of quantum computers, may pose a danger to cryptocurrencies, including LocalCoinSwap tokens.

Risk of losing funds
Funds collected in fundraising are in no way insured. If they are lost or lose their value, there is no private or public insurance representative that buyers can reach out to.

Returning funds
If a campaign does not end successfully, or is canceled by its creator, or by moderators, the funds are returned to the wallets of those users who transferred funds to the wallet of the campaign.

Risks of new technologies
LocalCoinSwap Cryptoshares and other tokens are a new and relatively untested technology. In addition to the risks mentioned in this document, there are certain additional risks that the team of the LocalCoinSwap platform cannot foresee. These risks may manifest themselves in other forms of risk than those specified herein.

Integration
All information contained within this Whitepaper is provided for general information purposes only, and is intended to present a guide to the decentralised services which may be provided by LocalCoinSwap in future. Nothing published in this document is intended to be

(i) legal, financial, professional, tax or other advice;

(ii) a recommendation to undertake (or to cease undertaking) any action whatsoever;

(iii) an advertisement, solicitation or legal offer;

(iv) an offer or a call to buy

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