**Reward Distribution and Holding Incentives for the 1000 Project**

**1. Selection Methodology**

**Daily Random Selection of 10% of Wallets**:

* Each reward day, the smart contract will randomly select 10% of eligible wallets based on the total number of wallets holding tokens.
* **Example**: If 10,000 wallets hold **1000**, 1,000 wallets are selected for rewards.

**2. Eligibility Criteria**

To ensure fairness and prevent abuse:

**Minimum Holding Requirement**:

* Wallets must hold a minimum of X tokens (e.g., 100 tokens) to be eligible.
* Prevents dust wallets from participating.

**Exclusion of Blacklisted Wallets**:

* Team and contract wallets are excluded from selection.
* Known exploit wallets or bots are blacklisted.

**3. Distribution Method**

**Equal Distribution**:

* The 1% of the reward wallet allocated for the day is split equally among selected wallets.
* **Example**: If 1,000 wallets are selected, each receives 1/1000 of the reward amount for that day.

**Automated Transfers**:

* Rewards are distributed automatically via the smart contract, ensuring transparency and eliminating manual intervention.

**4. Randomization Mechanism**

**On-Chain Randomness**:

* Use a blockchain-based randomness oracle (e.g., Chainlink VRF) to ensure fair and tamper-proof random wallet selection.
* **Benefits**:
  + Prevents manipulation or bias in the selection process.
  + Verifiable randomness enhances trust in the system.

**Alternative Off-Chain Mechanism (if needed)**:

* A server-side script generates randomness and broadcasts the results on-chain for execution.
* **Drawback**: Less preferred due to centralization concerns but viable as a fallback.

**5. Transparency and Accountability**

**Public Logs**:

* Daily reward and burn transactions, along with selected wallet IDs, are publicly recorded on the blockchain.
* Participants can verify the process in real-time.

**Notification System**:

* Optional integration with Telegram, Discord, or email to notify holders of their rewards.

**6. Anti-Abuse Measures**

**Multi-Wallet Abuse Prevention**:

* Use snapshot timestamps to identify wallets created shortly before the reward day.
* Exclude wallets that engage in suspicious activity (e.g., rapid transfers in and out).

**Holding Period Incentive**:

* Bonus rewards for wallets that have held tokens continuously for a set number of days (e.g., 30 days).

**Selling Disqualifier Cooldown**

**How It Works:**

**Cooldown Period**:

* Any wallet that sells **1000** tokens will be temporarily disqualified from participating in rewards for a specific duration (e.g., 7 days).

**Trigger**:

* A sell transaction from the wallet, regardless of the amount sold, triggers the cooldown.

**Requalification**:

* After the cooldown period, the wallet becomes eligible for rewards again if no additional sales are made.

**Implementation Details:**

**Smart Contract Logic**:

* Add a "last sold timestamp" to the wallet data in the smart contract.
* Check the timestamp during the reward selection process:
  + If the time elapsed since the last sell is less than the cooldown period, the wallet is skipped.

**Transparent Tracking**:

* The cooldown status of each wallet can be publicly queried on the blockchain for full transparency.

**Benefits:**

* **Prevents Reward Gaming**: Stops wallets from selling and rebuying quickly to game the system.
* **Encourages Discipline**: Aligns with the project’s core value of teaching holding and trading discipline.
* **Fosters Long-Term Holding**: Reduces sell pressure, stabilizing the token price and increasing investor confidence.

**Dynamic Cooldown Mechanism**

**How It Works:**

**Trigger**:

* A wallet sells a portion of its **1000** tokens.

**Cooldown Calculation**:

* The cooldown period is based on the percentage of the wallet's total tokens sold:
  + **Small Sale (< 10% of holdings)**: Short cooldown (e.g., 3 days).
  + **Moderate Sale (10–25% of holdings)**: Medium cooldown (e.g., 7 days).
  + **Large Sale (25–50% of holdings)**: Long cooldown (e.g., 14 days).
  + **Very Large Sale (> 50% of holdings)**: Maximum cooldown (e.g., 30 days).

**Requalification**:

* The wallet becomes eligible for rewards after the cooldown period if no additional sales occur.

**Benefits of Dynamic Cooldown**

**Proportional Penalty**:

* Small sales are less penalized, allowing holders to take profits or cover expenses without heavy consequences.
* Large sales face stricter penalties, deterring sudden dumps.

**Encourages Gradual Selling**:

* Reduces the likelihood of massive sell-offs, protecting token value.

**Fairness**:

* Rewards holders who maintain the majority of their position while allowing flexibility for partial liquidations.

**Customizable**:

* Cooldown periods and thresholds can be adjusted as the project evolves.

**Bonuses for Holding Discipline**

**Bonus Reward Structure**

Bonuses are given to wallets that maintain specific holding patterns:

1. **No Sales for 30 Days**:
   * **Bonus**: 5% extra rewards during the next reward cycle.
2. **No Sales for 100 Days**:
   * **Bonus**: 10% extra rewards during the next reward cycle.
3. **No Sales for 250 Days**:
   * **Bonus**: 15% extra rewards, plus special recognition (e.g., leaderboard feature or NFT reward).
4. **No Sales for 1000 Days**:
   * **Bonus**: 20% extra rewards during the final reward cycle, plus a commemorative NFT and/or exclusive perks in future projects.

**Implementation Mechanics**

**Tracking Holding Periods**:

* Use blockchain snapshots to track the last sell transaction for each wallet.
* Calculate the number of continuous days the wallet has avoided selling.

**Reward Calculation**:

* The bonus percentage is applied to the wallet’s share of the daily reward pool.
* **Example**: If a wallet’s normal reward is 100 tokens and they qualify for a 10% bonus, they receive 110 tokens.

**Automated Distribution**:

* Bonus rewards are added automatically during the reward distribution phase.

**Bonus Perks Beyond Tokens**

**Exclusive NFTs**:

* Commemorate milestones (e.g., 100, 500, and 1000 days).
* NFTs could have utility in the project ecosystem or symbolic value for collectors.

**Leaderboard Recognition**:

* Showcase top holders in a "1000 Legends" leaderboard on the website or app.

**Future Privileges**:

* Early access to future projects, voting rights, or staking advantages.

**Benefits of Bonuses**

**Encourages Long-Term Holding**:

* Creates additional incentives for holders to maintain their position.

**Strengthens Community**:

* Builds a sense of achievement and camaraderie among disciplined holders.

**Reinforces Project Philosophy**:

* Aligns with the theme of teaching discipline and rewarding patience.