



Initial Coin Allocations

Truthcoin Project

Paul Sztorc

truthcoin@gmail.com

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Overview

One Slide Each (5 Total):

1. Text: Goals for Allocations
2. Text: CashCoins – 100% Giveaway to Bitcoin Users
3. Text: VoteCoins – A Trickier Problem
4. Graphic: The VoteCoin / CashCoin Proposal
5. Text: Benefits of the Proposal

Goals (Tricky...)

1. Obtain **critical mass** of users.
2. **Allocate** VoteCoins efficiently (“usefully”).
 - Those who value this specific endeavor the most.
 - Those who can prove their interest in voting honestly.
3. At some point reliably **raise** an influx of \$\$.
4. Hardest: Initial allocations must be in **strategic equilibrium**.
 - Must be infeasible for others to implement a different allocation, (“Aethereum”).
 - However, individuals must have opportunities to make informed changes to their allocation.

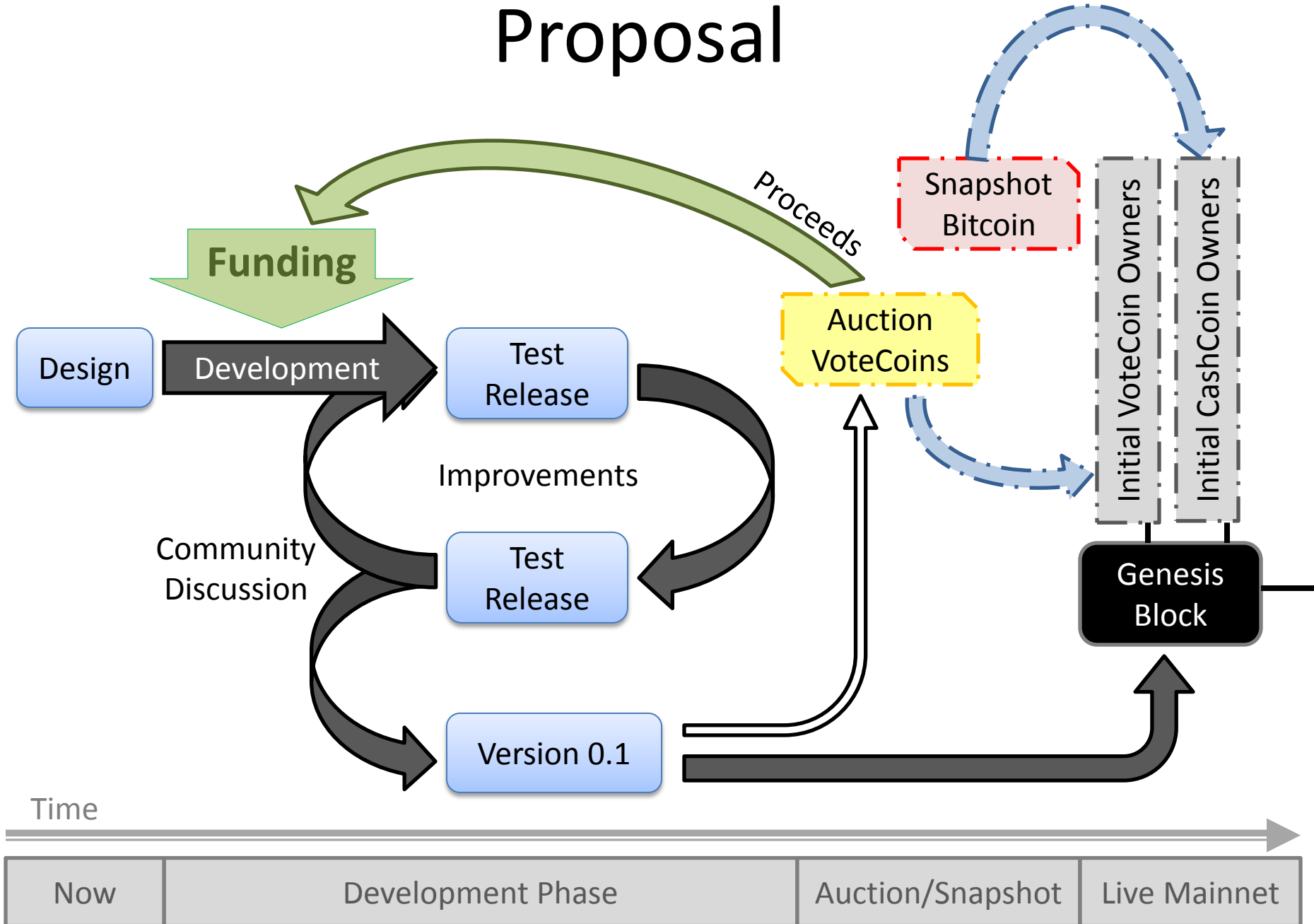
CashCoins 1:1 for Bitcoins

- Give 100% of CashCoins away to Bitcoin users.
 - Clearly in **strategic equilibrium**.
- Pre-emptive (might happen anyway).
 - Only fair (premier **network effect**).
 - Can try to design software to be backwards compatible with all existing Bitcoin hardware/software.
 - Doesn't "break" Bitcoin (mkt cap; $0.5 + 0.5 = 1$).
- Future integration with sidechains/whatever.
- Super-marketing: provides **critical mass**.
- Differentiation: Truthcoin (improve tech) from ScamCoins ('obtain' coins, then cash out).

VoteCoins

- Trickier Allocation Problem
 - VoteCoins essentially represent an investment, or **ongoing commitment**, vs. a store-of-value.
 - User misses votes: VTC are lost (no “option to switch later”).
 - New-VTC-owners who don’t care: can attack for free.
 - Design implies VTC are “100% premined”.
 - Cannot “give away” to arbitrary groups (founders):
 - Not in **strategic equilibrium** (other versions which differ only by the initial giveaway, “AltTruthCoins”).
 - Leaves no opportunity for the **raise** (as we would then be giving everything away).
 - VoteCoins also represent the **marginal benefits of Truthcoin** over Bitcoin. This implies that they should be directly related to the **raise**.

Proposal



Benefits

1. **VoteCoins are allocated efficiently** (to those who value them the most) and usefully (to those who plan to use them to actually vote).
2. Skeptical users **can wait for actual software** before purchasing VTC at auction.
 1. Unlike other auction-allocations, with this post-development auction-scheme the **community can be reassured** that this is not a scam.
 2. Users can avoid purchasing VTC altogether, BTC and CashCoin can co-exist, users retain **free option to switch later** “if everyone else does”.
3. Higher quality product implies a higher yielding auction. (Incentive for high-quality product).