

Whitepaper, Operation Coined Watts

Work hard. Save energy. Coin your Watts.

Coined Watts Lab, LLC

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The Pitch

(Coined Watts, what the hell kind of name is that?)

Your money is losing energy.

(What??)

That's right. It doesn't hold value. It's literally leaking energy.

At the current rate of inflation 8.5% year-over-year, in 8 years your cash savings will be cut in half in "value"¹.

(How?)

Because the government keeps printing money, or "fiat" paper. It used to be backed by gold, but since 1971 it is now backed by nothing but thin air and a promise, diluting your purchasing power.²

(Isn't more money good?)

Not when there's more money for the same amount of goods and services, your money gets diluted. Like more water in your mixed drink, same amount of alcohol. It's just more money to throw at the same stuff.

(So how does money hold energy?)

Well, when you work you are exerting energy over time. Thinking, walking, lifting, and creating things. Your reward in exchange for work is money.

If you capture your hard **work** in money, you are capturing **time and energy** too. Money, or captured energy, to be saved and spent in the future.

(Weird, but okay ... So what should I do?)

Save in decentralized, digital hard money, or the following cryptocurrencies: bitcoin, ada, and erg. They have a fixed supply (scarce) and the money policy is governed by code, not people. It is digital money that is the separation of Money and the State.

(How do I get started?)

¹ [How to calculate future value with inflation in Excel - ExcelDemy](#); Inflation reference from BLS: [Consumer prices up 8.5 percent for year ended March 2022 : The Economics Daily](#)

² <https://wtfhappenedin1971.com/>

At Coined Watts, it is our moral obligation to help common folks, families, businesses, and local communities.

So we can have a follow up discussion on more education and next steps. Read our whitepaper and keep going down the rabbit hole my friend.

The Problem

Do you have any of these problems?

- Feel like you can't get ahead saving money.
- Everything is getting so expensive.
- Prices are rising, pay is staying flat.
- Living on thin margins, short term thinking.
- Stressed out.
- Business expenses are going up.
- Limited family time.

Why is this happening?

With all the technology innovations in the last decade, like fast internet, mobile phones, quick information, calls, video at your fingertips, information technology, supply chain logistics, code automation, shouldn't things be getting *better and cheaper*?³

(Why does it seem like it's getting worse, and suddenly?)

The Invisible Problem: Inflation

Inflation is the invisible problem, or the printing of paper fiat money by the government⁴. Did you know that ~85% of the US money supply was printed in the last 2 years⁵. Did you know that the US Dollar (USD) is backed by nothing but a promise that if you don't pay, the US military will kick your ass. It is called "fiat" paper money, which is fancy for, backed by decree or order, rather than gold⁶.

³ Question posed from [The Price of Tomorrow, by Jeff Booth, 2020](#)

⁴ Caveat, money is not issued or "printed" by the US Government, rather by the US Central Bank known as the Federal Reserve. It is not Federal, and it's not a Reserve, it's just a great marketing name. Read more here: [Understanding How the Federal Reserve Creates Money, Investopedia](#). Short summary interview explaining the origins of the Federal Reserve:

📺 BookTV: G. Edward Griffin, "The Creature from Jekyll Island" Long form book: [The Creature from Jekyll Island, by G. Edward Griffin, 2010](#)

⁵ As of Feb 2020 ~4 Trillion, to Feb 2022 ~20.7 Trillion, an increase of 575%, or 80% of the money supply printed in the last 2 years. [M1 \(M1SL\) | FRED | St. Louis Fed](#)

⁶ Definition: [FIAT | definition in the Cambridge English Dictionary](#); Etymology (origin of word): [fiat | Etymology, origin and meaning of fiat by etymonline](#)

The US dollar used to be backed by gold up until 1971⁷. But even before fiat paper money was introduced around the time of the Civil War Era, in the early US Colonial Days they used gold and silver species coins.

A popular one was the Spanish Silver Dollar, from which the term Dollar was adopted. Fiat paper money was largely introduced after the Civil War to help pay for the immense federal deficit⁸. Fiat money is a classic debt raising instrument⁹. Give us money to pay for this now, and we'll give you back the money with interest...only it rarely is ever paid back.

But this is the US, this time it's different, it can't happen here.

That's what they always say. If you're a fish, do you know you're in water, or only when you are taken out?¹⁰

Inflation has happened many times in history, this is not a unique case. You may be suffering from recency bias (it hasn't happened recently, so it won't happen). Inflation bubbles have happened often in the early United States History.

- Roman Empire Denarius Silver Denomination, lead to fall of the empire¹¹
- Weimar Republic Germany, hyper inflation between WWI and WWII¹²
- US Colonies such as Rhode Island, and "Greenbacks" to pay for Civil War Deficits¹³.

However, maybe it hasn't been on this scale and magnitude, and fiats are used in every country now.

For regular people

Bringing it back down to Earth, the net result is that as inflation increases, prices for things will go up because your purchasing power goes down.

Your savings erode because your purchasing power is effectively diluted and you are forced to buy more expensive things to live.

You are then forced into investing your money to keep value. Most begin looking at entering the Stock Market and purchasing speculative assets (e.g. GameStop or Dogecoin). Your time horizons get shorter and risk tolerance gets higher.

⁷ [WTF Happened In 1971?](#)

⁸ [A History of Money and Banking in the United States: The Colonial Era to World War II, Murray N. Rothbard, 2002](#)

⁹ [The Fiat Standard: The Debt Slavery Alternative to Human Civilization, By Saifedean Ammous, 2021](#)

¹⁰ Classic [Jim Rickards \(@JamesGRickards\) | Twitter](#) euphemism.

¹¹ [Denarius - Wikipedia](#)

¹² [When Money Dies: The Nightmare of Deficit Spending, Devaluation, and Hyperinflation in Weimar Germany: Fergusson, Adam: 9781586489946](#)

¹³

The bottom line, saving money during rampant inflation is destroying the savings of the working class everyday people and small businesses.

For businesses

Inflation for business means that material costs go up, and the costs increases are then passed right back to the customer. Eventually this circles back to you too.

People have no clue why things are getting more expensive. Governments think they can just print their way out of problems, and have no accountability. The current financial system is a pyramid scheme, enriching the top, and screwing the bottom currently.

The Solution

The solution is to get on hard money and scarce assets. Gold and Silver used to be the staples, and are still great options, but they can't be transferred across space easily¹⁴.

Specifically, **decentralized, digital, hard money cryptocurrencies** are a store of value across space *and* time, and can have smart contracts features.

The next generation of Gold and Silver, the ideal separation of Money and State.

With decentralized, digital hard money cryptocurrencies, or "hard money crypto" for short, you can't print your way out of a problem. The Code is Law. It stores value across space and time. Smart contracts and decentralized applications, or Decentralized Finance (DeFi) replace Traditional Financial (TradFi) services.

With hard money crypto, the common people benefit, and the money gets stronger over time with code upgrades¹⁵.

So the solution is to adopt and use hard money crypto, but how do you get started? That's what Coined Watts Lab seeks to solve, getting off zero knowledge. We seek to be the educator and plain speak translator to get off zero, adopt crypto, show you have to practically use crypto.

¹⁴ <https://saifedean.com/the-fiat-standard/> for more on gold and silver limited transferability over space, which is why paper fiat, now digital money, was created. However, fiat paper money has trouble storing value over time, because of the temptation to create more than the gold supply. Printing more happens every time, and the pay-back-buck is passed to the next generation.

¹⁵ But you cannot change the base layer code "monetary policy", which makes the money incorruptible and immutable. This is fundamentally important because the human temptation will always be there.

Introducing Coined Watts

Coined Watts Lab (Coined Watts, or CW) is an innovation lab that aims to be an educational onboarding service to common people and small businesses to adopt hard money crypto, and thus enrich their lives through wealth preservation and fully controlled finances and property.

We will also seek and develop products and solutions to foster ease-of-use, adoption, and utility for common people and small businesses where there are gaps, friction, or lack of product.

The goal is to become a consulting service for small business and education hubs, as well as an in-house development company working on innovative products, services, dApps, etc in this target market.

Mission

The mission, dubbed “Operation Coined Watts”, is to help the working class regular people not get screwed over, preserve their wealth, and prosper on hard money crypto.

We seek to educate and encourage folks to save in hard money crypto, and help small businesses use crypto and run seamlessly in a circular, sharing economy.

We aim for straight talk, plain speak, breaking down the technology to practical terms, use cases, utility and application.

Through our knowledge and experience, we will take a security first, low-risk management approach to onboarding the populous.

Vision

Our vision of success is to create a sovereign individual and business.

To help small businesses have an even playing field with big businesses, and restore the middle class prosperity.

To help families and communities prosper and be self-sufficient.

To educate and create prosperity on sound money, and restore American Ideals of Life, Liberty, and the Pursuit of Happiness.

To foster an environment of equality for all, with hard money crypto that is indifferent, has no judgment, other than code and math.

That will be our success.

Our Philosophy & Principles

The following are our core principles and philosophy:

- Decentralization (Separation of Money and the State)
- Equality
- Permissionless and inclusive
- Open source
- A circular sharing economy (not a pyramid economy)
- Privacy
- Care about your neighbor
- Abundance mindset
- Agile and Lean
- Long time horizon
- Innovative and creative

Noteworthy to define is the circular sharing economy versus a pyramid economy (present day) is the following. In a circular economy, profits are earned by the many, and shared by the many within the community by buying and selling amongst each other. Profits are yes kept, but most are spent within the closed circular system¹⁶. In a pyramid economy, profits are extracted from the populous, and kept for the few. In the circular, many prosper, and in the pyramid, only a few prosper.

A few pertinent quotes below:

“Principles matter.”

“Kill the middleman of necessity, push power to the edges and build systems that are equally fair for the least amongst us.”

- Charles Hoskinson, Founder of Cardano

“Imagine a world where the currency is sound, the price of everything goes down every year, and the people are rewarded for working & saving rather than owning & borrowing¹⁷.”

- Michael Saylor, CEO of Microstrategy and Bitcoin Gigachad.

“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.”

- The Declaration of Independence, July 4th, 1776

¹⁶ <https://worldmobile.io/blog/post/what-is-the-sharing-economy/>

¹⁷ [Michael Saylor Quote. Twitter](#)

Crypto Ecosystem

Coined Watts is primarily part of the Cardano¹⁸ and Ergo Platform¹⁹ Ecosystem because both can be considered first and foremost decentralized, a financial operating system, built on a fixed scarce supply, safety-first high design assurance code, and research driven.

In addition, both Cardano and Ergo core-philosophies align with our core principles and philosophy, and their core principles are built into the code.

Aside from emotional attachments, the most compelling and primary reasons to use the Cardano-Ergo ecosystem is because they are built on the safest, solid foundations, and have a building community that is for the people, by the people. The solutions and tools being build in this ecosystem is nascent, ripe for innovation, and can benefit small businesses the most, all the while inoperating with bitcoin, being decentralized, and leaving the user in control of decisions.

All three of the below are hard money cryptocurrencies used for store of value savings like gold, can be used as cash for business, can enhanced savings and investing in DeFi, and can have smart systems for business, like transparent profit and multiple wallet employee payment systems.

Bitcoin

Bitcoin is the immaculate conception of hard money crypto. It was invented by Satoshi Nakamoto, has a fixed supply of 21 million, and the deflationary issuance from reserves is cut in half every 4 years. By 2140 the bitcoin supply will be fully issued.

It is novel in that it is simply pure digital gold, property, and has an extra layer of digital cash. Its main and only function is to be hard money, and it is very good at that. Code wars were fought over putting decentralization first.

The consensus mechanism, how blocks are selected without a third party, is Proof-of-Work. Application Specific Integrated Circuits, or ASICs, are specialized and very fast computers whose main function is to perform very fast math and crunching numbers. The first machine, or “miner” to find the solution under the given block difficulty level, based on and adjusted to collective network hash power, wins the rights to mint the block, and collects its bitcoin reward.

Bitcoin invented the unspent transaction model UTxO, which enables global statelessness. Bitcoin is only transacted at the local state level between wallets.

It's the first and most well known hard money crypto, and therefore is the first recommended entry point. If customers don't want more than bitcoin, then that is totally fine and their opinion and prerogative.

¹⁸ <https://cardano.org/>

¹⁹ <https://cardano.org/>

Cardano

Cardano is an open platform that seeks to provide economic identity to the billions who lack it by providing decentralized applications to manage identity, value and governance.

Cardano is a 3rd generation blockchain, a financial operating system, built on research first peer-review, and high design assurance code (haskell) and safety first mentality.

Cardano's monetary policy is fixed supply at 45 billion and issues more Ada every epoch (73 in a year) until the reserve supply runs out. So just like Bitcoin, it's a fixed supply monetary policy with deflationary issuance every few days. The difference is, Cardano uses an extended unspent transaction eUTxO and Proof-of-Stake.

Cardano's consensus mechanism is unique. Ouroboros is a Proof-of-Stake protocol that is energy efficient, provably secure with math, and has the same safety features of Bitcoin's PoW Nakamoto consensus.

Ergo

Ergo is a next-generation smart contract platform that ensures the economic freedom of ordinary people through secure, accessible, and decentralized financial tools.

Ergo is the spirit animal of Bitcoin, or Bitcoin 2.0 if you will. It is still nascent in development and relatively unknown, but one of the best research based and innovative projects in the crypto space. It has a GPU Proof-of-Work, really a Non-Invasive Proof-Of Proof-Of-Work (NiPoPoW), which means the full node is lightweight and has checkpoints in the blockchain, rather than download the entire blockchain (full node).

In addition to fixed supply, and ubiquitous and common GPU mining, it has smart contracts and a novel storage rent, where old wallets and lost Erg can be mined and put back into circulation.

Business model

Coined Watts' core business model is to generate revenue thru the following models. It is a mix of active and passive income, and encourages a viral, circular sharing economy.

1. Cardano stake pool
2. Ergo mining
3. Services, such as education, adoption, and onboarding
4. Contracting, developing, coding, project management for new goods and services
5. Project income, from launched goods and services
6. Consulting
7. Angel investing and incubators

Near term business

Focus on zero to little start up capital and quick launch. This is the business' minimal viable product.

Cardano Stake Pool

Coined Watts aspires to run, or partner with a Cardano Stake Pool, to generate income for providing services of education and onboarding. The stake pool community will also build an education community, or “think tank”, with the target of onboarding working class small business and personal education.

In short, Coined Watts would like to build a stake pool education community hub²⁰.

This can also spool off into listening to real people who use hard money crypto and represent them in future governance, Cardano Advisory, Decentralized Representation, or just input into future products and consulting.

The goal of this education community is to formalize a Cardano-Ergo Business School.

In crowd sourcing information, discussions, and feedback, the collective stake pool community would “hivemind” best practical working practices, systems, and products. This would be documented and open source. For any ideas, open-source whitepapers can be drafted as Elon Musk did with Hyperloop, and Charles Hoskinson and IOD with Djed and COTI. The open market developers can pursue the best ones for the benefit of all.

The stake pool would also sponsor learning Haskell and Plutus. This would in turn result in more work to develop products and services to meet real world use cases for the Cardano-Ergo ecosystem.

The stake pool would also be used as a tool to provide “proof-of-staking” or “staking-as-a-service”.

People and businesses would need to prove delegation to the stake pool in order to unlock next-level products and services. The entry point would be very low to coincide with our equality principle, but enough to be non-trivial.

The stake pool would also be used for donations, community service, and potential scholarships, such as high school students working in school crypto labs or clubs. This percent is to be determined, or on a case by case basis.

All stake pool monetary policy is to be developed and voted on with staking percentages ideally. This may be a future tool.

²⁰ Much inspiration from BLADE stake pool by Conrad: [Blade Stake Pool Twitter Contact](#)

It is worth noting that delegating to the stake pool does not take any customer money, rather a wallet “points” to the stake pool and delegates their staking power/voting power. Delegators still earn rewards from the stake pool as blocks are won in their own self-custody wallet. Delegators still own their Ada and it is liquid, which is crucial to understand.

Ergo Mining

Coined Watts aspires to run an Ergo Platform mining rig operation as passive income and further revenue for goods and services performed.

Mining will also add to the network security, inspire further creative development, testing, and innovation.

The mining and voting mechanism with embedded token distribution is also very nascent in PoW eUTXO and can inspire future work.

In addition, Ergo is a great platform for light weight full nodes, decentralized apps (dApps), Decentralized Autonomous Organizations (DAOs), and much more. It is fertile ground, and a very powerful chain. It could also yield very big rewards for early adopters as it gains worldwide utility. Last but not least, it is hard money built for hard times, as well documented in the Ergo Manifesto²¹.

Services

The focus will be on educating and onboarding **new** users into the ecosystem.

The first discussions will be education purely, but further more in-depth support help will require staking in stake pool. Then, further support and access to the community can be found in the continued education community hub.

Access to advanced education, community support, live demos, interviews, will require staking to the pool.

There will also be boots on the ground meetups, help, and support. There is nothing like in-person discussion and answering common FAQ and needs.

There will be walking into stores and “cold-calling” to gauge interest. It will also be good business development and relationship building. After all, jumping into the crypto world starts with an element of trust.

All situations will revolve around security, transparency, full disclosures, and basic tax information. Basically, enough to get them started and up and running with minimal viable tools and education. Drive future business to consulting or community support.

²¹ [The Ergo Manifesto](#)

The core of the Services will be based on a business case that benefits the user and business case proposition. This will be a work in progress as capabilities come online.

All continued support and education materials after initial onboard will be funneled into the Stake Pool and join the education community think tank.

Onboarding Strategy

Social media attraction will be thru the primary services

- Twitter
- YouTube
- Blog \ email
- Gab

The focus is on in-person meetings, or recorded conversations, and storytelling. It will revolve around education and following a personal or business's journey. Discussions can be followed up with live Q&A an hivemind on problem solving. Start with well known bitcoin store of value, and follow up with passive income and Cardano and Ergo Financial Operating System (FOS), Decentralized Apps (dApps), and Decentralized Finance (DeFi). Also, when the time is ready, decentralized, self-custody, digital identity (dID) (different than the State centralized digital identity).

Education Strategy

The education and adoption will revolve around the following process:

- Bitcoin first
- Cardano second
- Ergo third

The rationale is that, if they at least hear and adopt Bitcoin, currently the most popular, as a store of value, that's at least a win. Second, Cardano is still second most popular, but will be passive income pitched (as well as store of value) and the majority of dApps and DeFi to enable easy use-cases. Third, Ergo, still growing, not as much available and harder to get, will be a power user testbed with big upside for early adoption.

Growth Strategy

Newly educated and social media success stories will have a closed loop feedback effect on growth. Coined Watts will look to have power user, ambassador, referral, branding, and most especially community support for all new adopters.

Success will grow on community self help, natural compounding growth, and continual business development. Real world swag and grassroots discussion will be a focus.

Obviously, growth is dependent on success. Thus the Cardano Business School and Models will need to be successful, robust, safe, and easy. These topics and strategies will be covered separately, as they will surely change with agile iterations.

With growth and success hopefully follows Stake Pool grassroots growth. While services and consulting will require staking. Growth may also attract folks who may want to invest in the Stake Pool pledge as Stake Pool Managers/Owners (separate from Operators).

The entire business model will center around the stake pool growth at first to benefit all members. Then, we will explore becoming a DAO and issuing tokens to the community to benefit in any goods and services they help with to contribute. Our success is the delegator success.

Mid Term Business

The mid term business requires medium capital raising and significant time investment.

If the near term business is successful and there's significant interest, it would probably require a full time job to follow thru with the mid-term business. At this point, there's probably obvious problems, improvements, and use-cases. It would be a judgment call to leap into this next level of effort. But this would be the path forward.

Development & Contracting

The goal is also to learn and become sufficiently knowledgeable in Haskell, Plutus, and ErgoScript development that one could go full time into the Cardano-Ergo ecosystem as a developer, or contract for development work.

One could help build new projects, test, or audit. All categories have strong growth metrics. These skills will be highly valuable and can full circle benefit the Cardano and Ergo ecosystem with new goods and services..

Projects

Upon crowdsourcing projects and complaints, projects and dApp services will most likely become apparent. The goal will be to bring projects that benefit the customer with self-sovereignty, decentralization, and most importantly make their life's easier and bring in income.

Coined Watts Lab will whitepaper and open-source projects problems and solutions that we can't tackle, but the community could. For projects we find more important and high priority, we can start developing in-house.

The goal will be to produce core small business solution products and have active and passive income from said projects that enable adoption, decentralization, and lowers friction. If a project has significant demand and utility, we will seek further funding, else, we will drop.

Since the community will help with input, it will be rewarded with early access, tokens, or some collectively rewarding mechanism.

Test out ideas on community. Get real world feedback. Give them early access opportunities. Develop and execute. Community prospers.

Long Term Business

At this stage, significant capital and time has been invested. It would be a full time career, multiple employees, recognition, and working capital. After being battle tested and proving worth, the following are logical career evolving paths.

Consulting

Paid for expert help to get started, or be an advisor or consultant to anyone in the ecosystem.

The focus will still be on small business and self sovereign specialization. Those who would benefit from our Company's input will be well accepted.

Angel Investing

If successful and busy, Coined Watts will also seek to start investing in early projects for equity positions and foster additional ecosystem growth and benefit. We could potentially run an incubator, expand the innovation lab and facilities, or directly angel invest (potentially in our own open-sourced whitepapers).

Challenges

Tax and accounting

- Staking rewards income (taxable income) or created property (not taxable until spent)
- Crypto tax laws are currently difficult, unfair, and a lot of work.

Legal crypto regulations and laws

- USA Federal level may make adverse crypto laws. Might need to seek "crypto safe" States.

Legal business setup

- Need help setting up proper legal structure for many employees for customers.
- Multisig and security a big priority, also tax compliant.

Roadmap

2022

[x] Start LLC

- ☒ Whitepaper business plan
- ☒ Start socials
- ☐ Start website
- ☐ Launch announcement
- ☐ Cardano stake pool feasibility research
- ☐ Start stake pool
- ☐ Start erg mining
- ☐ Start blog
- ☐ Start personal and small business interviews on broaching crypto
- ☐ Start meetups
- ☐ Create learning community hub
- ☐ Identify early small business pioneers and adopters, document their story
- ☐ Propose solutions or work on relevant cardano projects to meet needs
- ☐ Agile iteration to have solid foundation of onboarding and implementation

2023+

- ☐ Learn haskell and plutus development by working on relevant projects and tools
- ☐ Propose new projects or solutions, find funding streams
- ☐ Scale up and expand. Empower community members to teach for fly-wheel effect
- ☐ Participate in launch pads and early investing

Sources of Inspiration

1. Ben Franklin, Poor Richard's Almanac

Intro to Poor Richard's Almanac (By Ben Franklin)

"COURTEOUS READER,

*"I might in this place attempt to gain thy favor by declaring that I write almanacks with no other view than that of the public good, but in this I should not be sincere; and men are now-a-days too wise to be deceived by pretences, how specious soever. The plain truth of the matter is, I am excessive poor, and my wife, good woman, is, I tell her, excessive proud; she cannot bear, she says, to sit spinning in her shift of tow, while I do nothing but gaze at the stars; and has threatened more than once to bum all my books and rattling traps (as she calls my instruments) if I do not make some profitable use of them for the good of my family. The printer has offered me some considerable share of the profits, and I have thus begun to comply with my dame's desire."*²²

2. Satoshi Nakamoto, creator of Bitcoin
3. Charles Hoskinson, founder of Cardano
4. Kushti and the Ergo Manifesto, founder of Ergo Platform

²² [Poor Richard's. 1733. Introduction](#)

5. Growing up in working class Philadelphia, and seeing the decline of my old neighborhood and the American middle class.