ADIRIZE DAO

WHITEPAPER

INTRODUCTION

Innovative blockchain projects alongside Decentralized Finance, or DeFi, are springing up by the day. As a result of their decentralized core features, these innovative projects have positively altered and inspired the financial industry, although they have also disrupted other niches and industries.

Decentralization removes the middleman and reclaims financial authority from centralized authorities and governmental entities, handing it over and allowing everyone with an Internet connection to participate in the financial system.

In DeFi, traditional financial services like asset exchange, staking, stable coin issuance, lending/ borrowing, trading, peer-to-peer payments, and wealth management are governed by Decentralized Applications (DApps) or protocols built on the blockchain (chiefly on Ethereum blockchain, but now expanding to other blockchain networks).

This creates a peer-to-peer network form of exchange faster and doesn't involve paperwork or a third party. According to Defillama.com, the total value locked (TVL) in DeFi protocols has followed an exponential trend and is now at $209.2billion. The plethora of decentralized exchange projects and infrastructure service providers such as liquidity pools or Staking Providers maintain validation nodes for Decentralized protocols on behalf of users and account for a significant portion of the DeFi market.

Furthermore, the volume of trade on decentralized exchanges has soared to an all-time high of more than a trillion dollar in 2021, a massive 858% increase compared to 2020 DEX trading volumes. As more investors and entrepreneurs resort to the DeFi ecosystem in search of viable business models with cost-effective returns, this demonstrates that there are still plenty of opportunities in the industry.

Apart from DeFi, Stablecoins are another core innovative use case built on the blockchain. Stablecoin technology fosters innovation, provides an entry point into the crypto ecosystem, and connects traditional and DeFi financing. In a simpler term, a stable coin is a cryptocurrency whose value is connected to an external asset, such as the US dollar or gold, to maintain price stability.

Bitcoin (BTC: USD), which initiated the origin of all cryptocurrencies, despite being the most popular, suffers from high volatility. For example, it peaked as high as $67,000 last year in November 2021 before plummeting by more than half to around $35,000 in February 2022 and presently consolidating around $45,000. Owing to this, Bitcoin and other prominent cryptocurrencies are unsuitable for everyday use due to their volatility.

A currency should essentially serve as a medium of monetary exchange and a means of storing monetary value, with its value remaining relatively stable over extended periods. Users will be hesitant to accept it if they are unsure about its purchasing power in the future. Stablecoins attempt to mitigate this price volatility by connecting the value of cryptocurrencies to more stable assets, such as fiat currencies. Fiat currency, such as dollars or euros, is a government-issued currency that we all use daily.

Typically, the entity behind a stable coin will set up a "reserve" where the asset backing the stable coin is securely stored — for example, $1 million in a traditional bank to back up one million stable coin units. Users are comfortable transacting with stable coins compared to cryptocurrencies because they know they will have the same purchasing power today as they will tomorrow.

However, this claim is a misbelief. The US government and the Federal Reserve are in charge of these dollar assets pegged to stable coins, which directly means that if the dollar falls in value, so will the stable coins - a limitation.

“With the continued growth and development of the blockchain-DeFi niche, as well as an urgent need to address the limitation, there is a need for a decentralized protocol to see to this, a decentralized reserve protocol that will change centralized USD (prone to depreciate) as an assets to be pegged to stable coin to a more reserve asset not apt to depreciate. Hence, the birth of ADIRIZE DAO.”

Understanding Reserve Currency

According to Investopedia, a reserve currency is a large quantity of currency maintained by central banks and other major financial institutions to prepare for investments, transactions, and international debt obligations or influence their domestic exchange rate. A large percentage of commodities, such as gold and oil, are priced in the reserve currency, causing other countries to hold this currency to pay for these goods.

Gold and silver were the most common reserves before the mid-twentieth century. The majority of modern reserves are made up of strong foreign currencies. The International Monetary Fund has designated a number of them as reserve currencies (IMF). Foreign currency assets, deposits, and loans can all be used as reserve currencies. In the mid-twentieth century, the United States dollar was designated as the international reserve currency.

“Countries keep reserve currency for a variety of reasons. They're a good measure of a country's ability to pay back foreign debt and can also defend a country's currency.”

Reserve currencies are frequently used in international transactions rather than the currencies of the two countries involved. Instead of using the local currencies of the countries involved, these transactions used the US dollar as a reserve currency, which was acknowledged internationally.

UNDERSTANDING ADIRIZE DAO ECOSYSTEM

Stablecoins have grown in popularity over the years, bringing about much scrutiny likewise. This pattern is unlikely to change as cryptocurrencies become more widespread and adoption keeps soaring. Furthermore, the fact that the most widely utilized stable coins are centralized appears to contradict the cryptocurrency value proposition of decentralization.

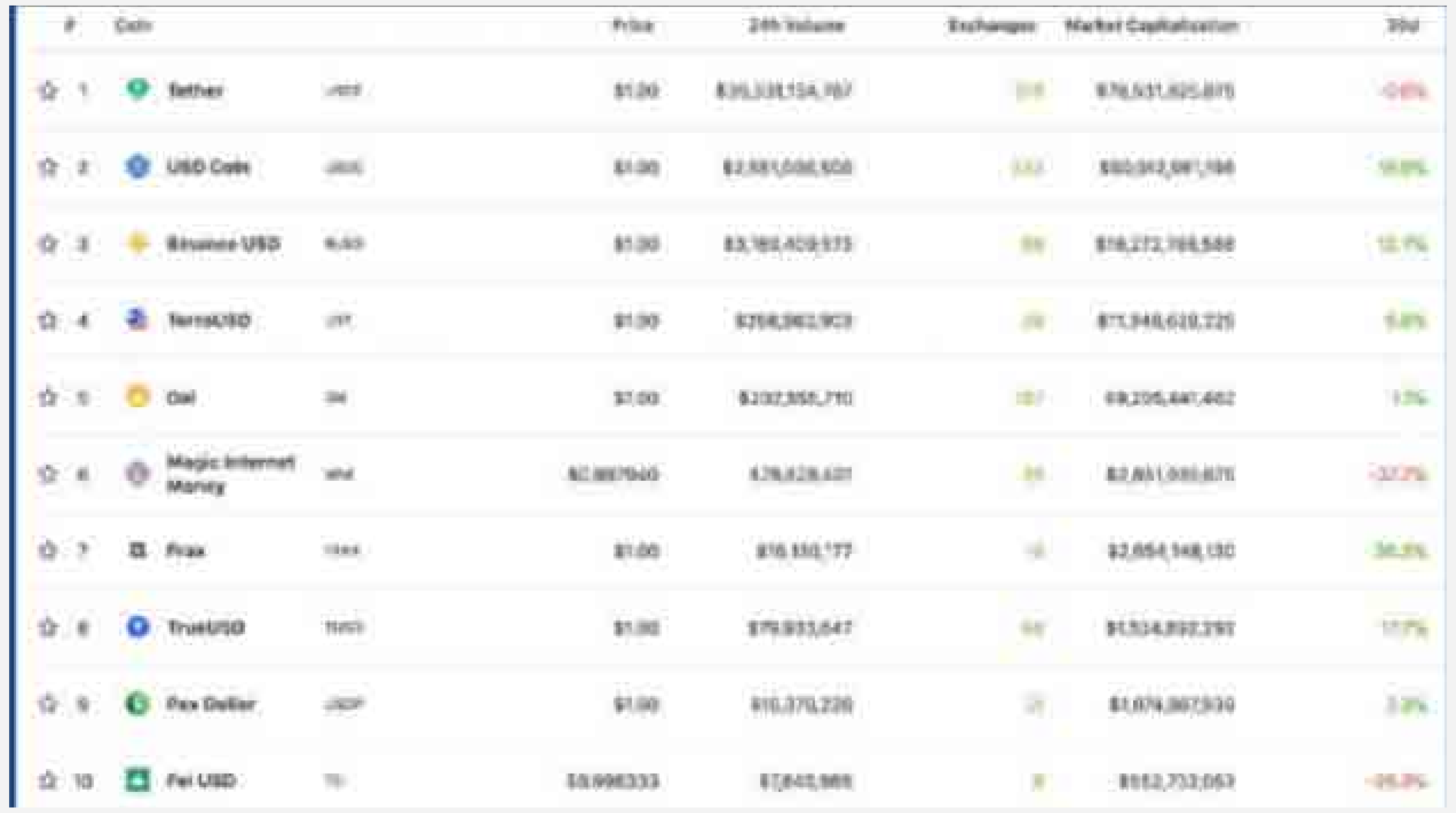
The latest wave of algorithmic stable coins aims to alleviate most of these difficulties by backing their stable coins with algorithms rather than reserves. These projects don't need to be audited on a regular basis and can be decentralized if they don't have reserves. However, these coins have one major flaw: they are still tied to a fiat currency controlled by a central authority.

Even if algorithmic stable coins can maintain a perfect peg to their fiat currencies, which has previously proven challenging, they are still subject to the power of centralized authorities such as the governments.

The market's response to this problem is the relatively new category of "non-pegged stable coins." What if you could have a stable coin that was less volatile than other cryptocurrencies and hence better suited to everyday transactions, but didn't rely on any fiat currencies?

"With its ADI token, Adirize hopes to achieve this."

The bulk of stable coins, with a market valuation of $186.4 billion, is backed by the US dollar. However, the United States controls the dollar, and the Federal Reserve is in charge of its monetary policy. As a result, cryptocurrency prices are heavily influenced by weakening fiat currencies, raising the question of whether stable coins live true to their name.



#	Coin	Price	24h Volume	Exchanges	Market Capitalization	30d
1	Tether	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
2	USD Coin	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
3	Binance USD	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
4	TerraUSD	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
5	Dai	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Magic Internet Money	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	Frax	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
8	TrueUSD	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
9	Pax Dollar	$1.00	[illegible]	[illegible]	[illegible]	[illegible]
10	Fei USD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Adirize DAO's decentralized reserve ADI currency aims to wean crypto markets away from their unhealthy dependence on US dollars. The purpose of ADI is to operate as a store of value, rather than a currency tied to the dollar like USDT, USDC, and others.

Instead, Adirize DAO backs the issuance and value of ADI tokens with a protocol-owned reserve of cryptocurrency assets. Instead of renting liquidity, Adirize DAO owns it.

Adirize's long-term goal is to become a stable currency to be utilized in daily transactions with the reasonable expectation that values will remain the same over time without relying on a traditional peg, using a treasury of assets.

Adirize got its name from a crater on one of Saturn's moons called Titan with a vision to create a policy-controlled currency system in which the DAO has complete control over ADI Token's behaviour.

In the long run, we believe that this system can be optimized for stability and consistency, allowing ADI to serve as a global unit of account and medium of exchange. We intend to optimize the system for growth and wealth creation in the short term.

Why Do We Need Adirize DAO?

Because they are less volatile than tokens like Bitcoin, Ether, and other Altcoins, United States dollar-pegged stable coins have become an important aspect of the crypto world. Users are comfortable transacting with stable coins because they know they will have the same purchasing power today as they will tomorrow. However, this is a fallacy. The US government and the Federal Reserve are in charge of the currency, which indirectly means that if the dollar falls in value, so will these stable coins.

ADIRIZE DAO intends to address this by introducing ADI, free-floating reserve money backed by a basket of assets. ADIRIZE DAO hopes that by focusing on supply expansion rather than price appreciation, ADI would maintain its purchasing power regardless of market volatility.

Is ADI a Stable Coin?

ADI isn't a semi-centralized stable coin like USDT or USDC. Instead, ADI intends to be a decentralized algorithmic reserve currency. Like the gold standard, ADI gives free-floating value to its users that they can always rely on, thanks to the fractional reserves from which it derives its inherent value.

How Does it Work?

ADI’s protocol-managed treasury, protocol-owned liquidity (POL), bond mechanism, and staking rewards are all geared to regulate supply expansion to a high degree. The protocol makes money from bond sales, and the treasury uses the print to mint ADI and distributes them to stakers. The protocol can accumulate its liquidity by using liquidity bonds.

ADIRIZE’S MONETARY POLICYTOOLS

Adirize DAO's protocol employs two important techniques to achieve its monetary policy goals: staking and bonding.

Staking

The most important thing to know about ADI is that it's meant to be a store of value, not just a stable coin. A store of value should retain or improve in value. Adirize leverages staking as the main resource for accruing value to ADI to acquire a store of value status.

The process of staking ADI tokens is simple. You can either buy ADI on the open market or trade your liquidity for ADI. Then you use the Adirize app to stake your ADI in exchange for benefits, such as extra ADI, which the Treasury gets through bond sales. At Adirize, the staking rewards will be high.

The price difference between market ADI and backing per ADI allows for such a significant reward for staking ADI. This will provide ADI plenty of allowance to dilute supply by increasing issuance. As a result, ADI price volatility is reduced, and stakeholders benefit from higher incentives, which encourages participants to expand their ADI holdings.

Staking is a passive, long-term strategy. The increase in your stake of ADI translates into a constantly falling cost basis converging on zero. This means even if the market price of ADI drops below your initial purchase price, given a long enough staking period, the increase in your stakedADI balance should eventually outpace the fall in price.

When you stake, you lock ADI and receive an equal amount of sADI. Your sADI balance rebases automatically at the end of every epoch. sADI is transferable and therefore composable with other DeFi protocols. When you unstake, you burn sADI and receive an equal amount of ADI.

Bonding

Although ADI staking is the protocol's primary method of accumulating value, staking relies on bonding to generate incentives and lock up liquidity. Bonding accomplishes the process of accumulating value into the Adirize treasury, whilst staking makes ADI tokens scarce by locking them up.

As additional money comes into the Treasury through bond sales:

- ☑ Adirize has the ability to create extra ADI tokens.
- ☑ Participants' APY increases through staking.
- ☑ The value of the Treasury is being increasingly safeguarded.

Bonding is Adirize's secondary approach for accumulating value. Anyone who possesses liquidity provider tokens or certain stable coins can sell them to Adirize in exchange for discounted ADI tokens in order to bond.

Bonding is an active, short-term strategy. The price discovery mechanism of the secondary bond market renders bond discounts more or less unpredictable. Therefore, bonding is considered a more active investment strategy that has to be monitored constantly to be more profitable than staking.

Adirize uses bonding for a variety of purposes. For starters, it acts as a funnel via which the protocol can gather new assets and expand its treasury. As a result, it is able to expand its RVF, allowing it to increase the quantity of ADI that can be issued while also maintaining high staker yields.

Bonding is important because it also aids in the long-term security of ADI's liquidity in addition to assisting with expansion. As we all know, the capital in DeFi is mercenary, shifting continuously in quest of the best return. As a result, many protocols have a sour relationship with their liquidity providers and are frequently obliged to "pay" them with token incentives in order to keep them on board, de-capitalizing themselves in the process.

Adirize is able to flip this dynamic on its head by using LP bonding. That's because it allows the protocol to own and control its own liquidity, thanks to Adirize’s LP tokens, which are dubbed Protocol Owned Liquidity (POL).

Inverse Bonds

What are inverse bonds?

- ☑ They buy your ADI and sell you a backing asset from the treasury.
- ☑ They buy your ADI at a premium (slightly above market price) and then burn it.
- ☑ They have no vesting and the asset exchange is instant.
- ☑ They are only available while the ADI market price is below the backing per ADI.
- ☑ They are launched by the policy team.
- ☑ Their price is determined by the market.

Why are these bonds being introduced?

- ☑ The policy team enacts monetary policy to support the health of the protocol.
- ☑ Inverse bonds are an additional tool for the policy team to do that effectively.

- ☑ They allow ADI to be sold without directly affecting its market price. Their purpose is
- ☑ To absorb some selling pressure for ADI.
- ☑ To increase the backing per ADI.

They mirror the properties of regular bonds that have been incredibly effective.

ECOSYSTEM

Adirize Liquidity

Instead of renting its liquidity, Adirize owns it. Most decentralized finance protocols rely heavily on users to provide liquidity. This reliance is good for keeping markets efficient and distributing liquidity, but it's bad for protecting the protocol's long-term value from market whims.

There's also the issue of incentives to consider. Protocols must pay liquidity providers with larger returns to keep them on board, otherwise, they will exit and move to another platform if high returns are not paid.

By holding its liquidity, Adirize eliminates the problem of liquidity migration. In a mechanism known as bonding, it buys liquidity from its customers in exchange for discountedADI tokens. Adirize safeguards the value of the reserve-backed ADI tokens and keeps the protocol liquid by holding the vast majority of its liquidity.

This allows Adirize to increase its treasury by reaping the benefits of its LP tokens, raising the reserve's floor value as well asADI's. When the price ofADI exceeds the reserve's floor value, which is the market value of the assets in reserve, the protocol issues ADI to dilute supply and lower the price. If the price of ADI falls below $1, the protocol will burn ADI from the supply to increase its value.

Free Floating

Although Adirize operates on an open market, the price of ADI is mostly permitted to "float." This means that the value of ADI is determined by the free market rather than being tethered to the price of another asset, such as USD. As a result, its price in dollars can and has been volatile, as it is susceptible to the whims of supply and demand, just like any other non-pegged asset.

Despite this, ADI is thought to have a "floor price" or "risk-free value (RFV)" equal to the value of the assets that back each token. The protocol treasury's current RFV is equivalent to stable coins, with a discounted value of the LP tokens in it to account for risk.

TOKENOMICS

The Adirize protocol has created a reserve cryptocurrency called ADI. However,

ADI should not be confused with Tether or USDC, which are both stable coins. Consider the Adirize system to be analogous to the gold standard in that it issues and backsADI tokens with a reserve of precious assets.

The ADI coin acts as both a stable currency and a governance token for the protocol. Users who purchase ADI have three options:

- ☑ Hold it
- ☑ Stake it
- ☑ Contribute liquidity to the ADI LP.

When compared to holding any other token, users who simply hold it will see no benefits.

Users who stake ADI will receive sADI in exchange, which is always 1:1. The protocol distributes 90% of ADI to stakers and 10% to the DAO when it mints it.

Because there is now more ADI than sADI and sADI should be 1:1 to ADI, sADI rebases to restore balance. This enables you to compound yield just by holding the sADI token. Finally, users can link their ADI and fund theADI- LP with liquidity.

The liquidity provider will receive LP tokens, which they can bond (i.e. sell to the protocol) to obtain ADI at a discounted rate on a vesting timetable. In the long run, the ADI token will function similarly to a standard stable coin and will be used to quote product prices and conduct routine transactions.

Adirize is DAO-governed. All decisions are formed by community members on the forum and made by token holders through voting.ADI token is utilized to control the decentralizedAdirize protocol in addition to being a treasury-backed reserve currency.

Adirize goal is to become a completely decentralized, community-driven system. ADI has a vote function for this reason. Holders of the token will have voting rights and power proportional to their token holdings and will be able to debate, propose, and vote on all modifications to the Adirize ecosystem platform.

This will allow anyone with a decent idea of how the platform can function better to upgrade the network, and they will be compensated accordingly.

Users commonly delegate their voting privileges or cast votes on proposals by calling the required functions directly, according to accessible protocols. A proposal must receive a majority of the votes cast in order to pass. If there are more than two selections, the one with the most votes wins, and the person who votes must hold $ADI tokens and keep them locked in the platform until the voting time is through.

There will be at least a 2 month vesting period.

Token Details:

Ticker: ADI

Total Supply: 100,000,000

Token Distribution:

PARTICULAR	ALLOCATION	TOKENS
Public Sale	30%	30,000,000
Community Pool	30%	30,000,000
Capital Reserve	20%	20,000,000
Ecosystem Grants	10%	10,000,000
Staking Rewards	10%	10,000,000
TOTAL	**100%**	**100 Million**

“DAO- Decentralized Autonomous Organization is a governance structure that allows for more collaborative and trustless decision-making. A governance token is frequently linked to voting rights. The governance token in ADIRIZE DAO is ADI. Only ADI on the Ethereum chain can be used to vote at this moment.”