



White Paper for Bank Society Coin,

We'll be honest, we looked at a lot of white papers for Altcoins and they are really funky looking, but we would like be traditional in order to discuss in detail about Bank Society Coin, our thoughts, the technology and where we set our goals for Bank Society Coin. Additionally, we would like to set the stage for our current way of life including what currency is, the challenges and how we can create an Altcoin that meets everyone goals for the future.

Bank Society Coin was really born out of the existing state of crypto currency, where trust is not high, but failure of coins are on the increase. 2018 was a very destructive year for crypto investments with many losing money on their favourite projects that did not deliver. Initial Coin Offerings (ICO) mostly raised funds and disappeared.

Therefore, based on lessons learned from the past, Bank Society Coin is a long term project with no ICO and with the goal of monetising crypto currency for the masses with an interest payment mechanism for holders of SOCI... monetising means the Bank Society Coin or SOCI can be spent in 'real life' using electronic wallets or debit cards to allow payment by phone or by card.



We have a long journey ahead with many obstacles including the people who want to control us, mainly the 'Banking System'. Perhaps we can take a look at some banking history before we look at Bank Society Coin concepts...

Banking has been around for many millennia, the concept originally was about storing something valuable and the owner of the goods paying for this service, which could be grain, wine, silver even gold. The secure storage providers (aka bankers) provided a promissory note, which promised to pay the owner back on representation of the promissory note less storage fees.

In the good old days gold and silver was currency, so the banks had already converted gold and silver into a paper promissory note, which is sort of like the paper currency that we have in our wallets today. Take a quick look in your wallet "I promise to pay the bearer on demand the sum of xxx pounds", but it's the same on every currency note, as all banks worldwide have adopted the same idea. The Bankers also managed to loan the gold and silver to other investors and claimed an interest payment, win-win for the bankers.

The banking system went through many changes and of course the world went through many wars.

The Gold Standard was a standard that was developed to replace gold with paper promissory notes, after all who would want to carry their life savings in gold or silver, these metals are very heavy and very valuable. The banks would then have vast gold and silver stores based on these promissory notes, which they could loan to investors or even other countries.



The banking system took deposits in gold and silver and offered paper promissory notes promising that notes could be exchanged for gold, up to 1973. After this point the US government decided to

deleverage gold against the dollar. From this point forward FIAT became the currency for all with no backing, we all trusted then and still today that the paper money is actually worth something, but it's now only paper and relies upon our trust to use it to buy and sell our goods. If we want to change paper all we get is paper back in our hands with absolutely no value...

So where did all the gold go? That's another modern world dilemma, as the Federal Reserve will not allow anyone to inspect their vaults since the 1960's.

Another fact, the Federal Reserve, Bank of England the European Central Bank are not part of the government, they are the issuer of currency, but they are classified as private companies, their decisions are not affected by presidents or elected officials in any way.

<https://www.stlouisfed.org/in-plain-english/who-owns-the-federal-reserve-banks>

The bank industry since the last 10 years has been determined to introduce a cashless society simply because cash or FIAT currency is still trusted and represents a way to exchange goods, but there have been worries about FIAT as it's not controllable, people hoard cash stashes.

The banks would like to save money and remove FIAT cash forever, which would save millions in printing and circulation costs.

The end game of true cashless societies means that banks would have ABSOLUTE control of the money in our accounts and could actually charge us for managing our credits or digital dollars. These incentives are already implemented in a lot of accounts with travel insurance and a whole load of other services. However, with no paper they could charge negative interest rates and also a fee to manage accounts. Would you be happy with this scenario? It's already happened in Europe and governments are now using percentages of peoples savings to resolve financial crisis, just look at Cyprus a few years back.

<https://www.theguardian.com/world/2013/mar/25/cyprus-bailout-deal-eu-closes-bank>

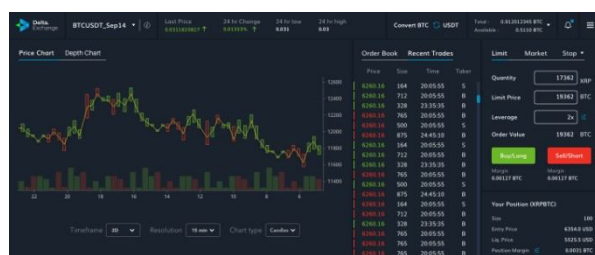
So why are banks so afraid of crypto currencies?

The big banks can see loss of control of our money, they cannot track the payment system introduced by block chain, as they cannot decrypt every message sent by every coin available.

However, as with Gold and Silver, they can classify them and manipulate their target prices by High Speed Trading Systems (HST), if they are tradable. Ever wonder why BitCoin went from \$20k to \$4K? You may look at the traders talking about highs and lows and breakouts, but the whole market is manipulated by the big banks, just look at Silver, it's now even more precious than Gold, but still trades between \$14-\$16 per ounce. In fact most years the federal reserve actually runs out of silver and cannot print any more coins.

<https://www.kitco.com/news/2018-09-06/Surge-In-Silver-Demand-Leaves-U-S-Mint-With-No-Eagle-Silver-Bullion-Coins.html>

It's a fact that more gold is produced than silver now, but silver is more widely used in solar panels, mobile phones and other electronic circuits. Can this situation continue much longer perhaps?



Look a little bit further and you will see that both Gold and Silver are traded as Exchange Traded Funds. However, they have always been classified as currencies or commodities, as they are mined and have limited mining outputs every year. ETF's have been adopted to allow

manipulation. Do you see other ETF's that do not make sense? A lot of investors are betting on crypto currencies using Spread Betting (Exchanged traded funds), where the investors are betting on price movements.

Are the banks involved here in the BTC price movements, you bet they are, it represents control!!!



So let's look at **Bank Society Coin** fundamentals, which was initially created to provide a swap facility for holders of the Banknotes coin, a large amount had to be pre-mined quickly to provide an initial swap for Banknotes holders. This went ahead successfully, Bank Society Coin is now moving to Banknotes swap stage 2 to recover older **BANK** coin holders.

Pre-mine this is bad right? Well yes and no, but we needed a way to convert BANK coins into SOCI coins, this was the quickest way to achieve the goal of **Bank Society Coin** and the stranded Banknotes community.

There was no way to use the source base of BankNotes coin, as the source was lacking technology and the **PoS** staking seemed way too optimistic for a long term coin, where maximum supply would be fulfilled in a few years.

We looked at the crypto industry and determined that Bank Society Coin needed a code base that would allow the following features:

- **Proof of Work** (PoW)
- **Proof of Stake** (PoS)
- **Masternode** (MN)

But why, what are these stages of an Altcoin?

Proof of Work or **PoW** is the traditional method to increase the block chain by mining, where each block resolved by mining equipment provides a reward for mining. Bitcoin or **BTC** and many other coins require this stage to increase the block chain until the final target maximum money supply target is reached, then Proof of Work or PoW ends, with no more mining activity. At this point money supply is maximised, no more coins can be produced. However, if we look at Bitcoin, the very last coins will take an infinite amount of time to mine (based on our average life expectancy) and costs the miners so much money in machinery and electricity, but the price dropped to below \$4000 and incentives to mine stopped.

We see Proof of Work as necessary, but there must be other ways to mine coins, right?

Proof of Stake or **PoS** is the next key technology allowing coins stored in wallets to be used to mine newer coins, the coins stake is a base limit of coins to be staked against the mining algorithm, which generates new coins. The key principles for new coins like **Bank Society Coin** is to base the **PoS** rewards directly on the current block height, higher block heights can return larger staking rewards. So unlike PoW the maximum coin supply can be reached much quicker using **PoW** and **PoS** at the same time.

The **Masternode** or **MN** is the next generation of the coin algorithm to allow remote Masternodes that are effectively full nodes that maintain a real time blockchain for the Bank Society network. The Masternode requirement is for a wallet to provide 20k SOCI and remote control the MN, which has a requirement to be hosted on a separate domain, such as a VPS node. The Bank Society Masternode is similar to the DASH MN, where the MN reward is a share of all PoS stake mined coins, approximately 75% of the reward. (*DASH MN is around 45%*)

Masternodes provide network security with privacy of transactions along with MN voting for share of the block rewards, which ensures that random MNs are used to distribute the block processing and rewards.

Masternodes are a great way to earn SOCI without running heavy ASIC based miners, MN has a finite costs based on the VPS that is chosen to host the Masternode.

Dynamic Block Rewards is a new and necessary feature to ensure that big ASIC miners do not get all of the share of the coins, leaving CPU, GPU and smaller ASIC miners high and dry... for example you may join a mining pool where the network difficulty is high and net hashrate is low, causing the block reward to increase in size. However, if miner with a lot of hashing power joins where the difficulty is low, then the coin rewards will reduce dynamically.

There are pools that switch miners to the most profitable coin, in this case dynamic rewards will benefit small miners consistently mining SOCI.

Bitcoin Firewall is implemented within Bank Society Coin to ensure a number of attacks are protected against, such as blockchain DDoS Flooding, hard fork chain attacks and of course 51% or greater distributed hashing attacks (aka double spend or Sybil attack).

Our next white paper will examine Bitcoin Firewall with a view to the next generation firewall or even next generation Check Point Server implementation.

Bank Society Coin is the perfect cryptocurrency platform for the future, guaranteeing interest payments using the PoS staking method and ROI via Masternode activities, but first let's talk about cryptocurrency of our dreams and aspirations and of course the issues along the way.

Crypto is a nightmare, people are here to rip off honest people or to launder their wares through a cryptocurrency medium.

Bank Society recognises all of these facts, but we cannot police the crypto industry and we cannot resolve many years of abuse, but we can police what is happening in our blockchain and evolve to keep Bank Society what it was designed to be! A **secure honest** medium for investment with **user anonymity**, coin transfer (**payment**) and exchange (**financial investment**) with an eye on how to make everything transferrable from crypto to cash, but with a twist... Imagine holding SOCI in a debit card format and spending your investment of goods that we all need daily like food, gas, online stores or even renting a car. Even paying for goods using SOCI Pay, on your phone. We have a vision for creating not just a cryptocurrency, but a real currency or medium of exchange, which may even turn into a Bank Society, as a real bank in the world, but with security, honesty and trust as our fundament mission.

Time is the enemy, people are impatient, but Bank Society Coin will come through on it's promises to holders and investors alike, but it will take time...

R G Pickles

Bank Society Coin founder and Dev.

<http://banksociety.co>

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<http://Profithunterscoin.com>