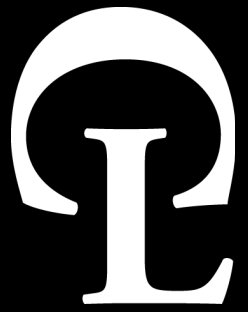

# Introduction to Cryptium Labs

By @awasunyin

Tezos Toronto Meetup, October 2018

# Cryptium Labs

Validation

Development
Research

Community

# Introduction to Liquid PoS

By Awa Sun Yin

@awasunyin

# What is Proof-of-Stake?

- Alternative to Proof-of-Work
- There are many variants: e.g. Liquid Proof-of-Stake (Tezos)
- Some of them suffer from **Nothing-at-Stake Problem** (e.g. DPoS)
- Requirements for Participating as a Validating Node (Baker)

# The Role of Token Holders

- *Hodling* is economically discouraged
- PoS Networks introduce two new stakeholders into the ecosystem:
  - **Validators**: participate directly in consensus
  - **Delegators**: participate indirectly
- On-Chain Governance
  - In some networks only validators will have voting power proportional to their total stake
  - In others, delegators have the power to overwrite the vote of the validators

The **security** & **decentralisation** of these networks rely on the decisions of token holders, be it **by validating or delegating**

– *Letter to Current & Future Delegators* (Link)

# LPoS: Rewards and Penalties

**REWARDS**

- **16 XTZ** / block + fees
- **2 XTZ** / endorsement
- Voting for future protocol upgrades

**PENALTIES**

- **512 XTZ** per double-baked block
- **64 XTZ** per double-endorsed block

# How do Baking & Endorsing Slots Get Assigned?

- 10,000 XTZ = 1 Roll
- Baker A Rolls / Total Rolls

  = Likelihood of receiving a

  slot

# Recommended Reads

I. Letter to Current and Future Delegators

II. The Hitchhiker's Guide to Tezos (English | Chinese | Spanish)

III. Understanding Overdelegation

IV. Introduction to Proof-of-Stake and Rewards

V. Understanding Inflation

VI. Expected Rewards from Solo Baking

# Reach Out

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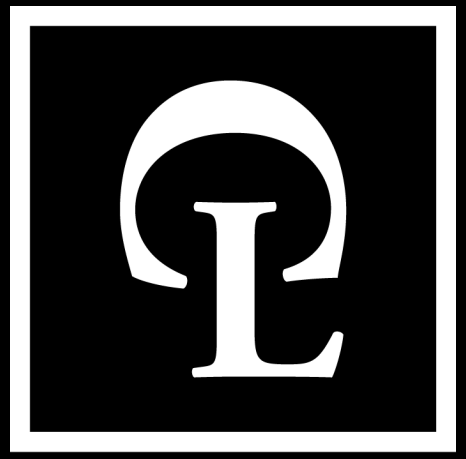
- **Twitter**:

  https://twitter.com/cryptiumlabs
- **Blog**: https://medium.com/cryptium
- **Telegram**: https://t.me/cryptiumlabs
- **LinkedIn**:

  https://www.linkedin.com/company/cryptiumlabs/
- **Website**: http://tezos.cryptium.ch/
- **GitHub**:

  https://github.com/cryptiumlabs



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