Libertum Project:
Bridge and tool between the traditional economy and Web3.0

Libertum Project by Luis Leon

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Abstract

Libertum Project is the intermediate bridge between traditional economics and Web3.0 economics. Each LBM can be used in one every BEP20 to access a decentralized financial service. Libertum smart contracts and libraries make it easy to publish P2P lending services (lending and borrowing SLBM and other cryptocurrencies) and using DeFi-specific services such as Liquidity Pools and Swap. Libertum contracts are executed on the main network of Binance SmartChain to start and in the future it is expected to have its own blockchain that allows us to have even more decentralization. The Roadmap that Libertum plans in the future is not only limited to providing DeFi financial services and loans with crypto collateral, but also seeks to broaden the horizons of the credit market, connecting the real estate market along with decentralized finance. That means that we will be a MarketPlace for the real estate market (purchase-sell-investment) and a secondary market for all projects and platforms that ally with the Libertum launchpad which seek to incur cryptographic loans with real collateral.

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1. Overview

1.1. Introduction

"*What the cryptographic ecosystem lacks is the usability of the potential of this technology for people's daily lives*" (Luis Leon, 2020) and among them one of the difficulties / challenges of Libertum is to be able to legalize loans with material collateral to further expand the crypto economy that is associated with reality.

The objective of Libertum is to provide fully decentralized and anonymous financial services in which both Fiat currencies and cryptocurrencies can be used (even eventually the Libertum cryptocurrency itself), this will provide people with the opportunity to choose those options in which they have greater confidence or that provide them with greater benefits for their current situation. In the first instance, two technological structures will be implemented, the DeFi services (Swap – Borrowing) and the real estate Marketplace, and in the medium long term it is to create the launchpad that will promote other projects to incur within the credit market with real collateral. The implementation of these technologies will promote the evolution of the market, generating better products, processes, technologies and new business models, which will result in greater benefits for the consumer of the products or services, promoting an even more productive and sustained economy over time. These will be the necessary tools for the construction of a broader, decentralized system attached to the physical world for the long-term growth of a stable economy.

1.2. Problem

Thanks to smart contracts, the evolution of decentralized finance has created a highly diverse, transparent and verifiable financial ecosystem. Libertum did not reinvent the wheel, as it is not the first protocol that helps close these gaps between traditional financial lending and decentralized protocols on blockchain. In the past and present we can see many protocols that achieved this with billions in assets locked in their protocols, all from a Fiat or Crypto provenance. What if someone wants to take out a loan with real collateral? As an example a good and real estate without having the need to sell it? Current protocols do not solve this demand/problem, since it is difficult to liquidate something of that magnitude without leaving behind the legal part.

1.3. Solution

So what's the solution? Correct, incur in the creation of a real estate Marketplace that allows quick settlements of loan protocols. The objective of Libertum is to solve and simplify the legal process of property and real estate when connecting to web3.0; standardizing the process to be replicable and useful for other platforms, kicking off the Libertum Launchpad that would allow new protocols to use the Libertum Marketplace by expanding the offering portfolio while these new projects focus their efforts on solving tomorrow's problems.

2. Libertum Protocol

2. 1. Volatility

As we can analyze the volatility of cryptocurrencies is a worrying case for the purpose of Libertum which is to bring economic stability; we can see that Bitcoin is a clear example of

this since it suffers from a strong speculative demand which contributes to extreme fluctuations in price; This becomes a strong obstacle to its adoption as a medium of exchange or store of value. Obviously no one wants to get paid or pay with a currency that has the potential to double in value in a few days or significantly decrease in value over time.

That is why what Libertum proposes is to solve the problems of economic stability of people through our protocol of economic policies or entitled as "Libertum Protocol".

2.2. What is a stablecoin?

Stablecoins are the bridge between the world of cryptocurrencies and the money we use every day as their value is pegged to a reserve asset like the US dollar in a 1:1 ratio. Thus, it significantly reduces its volatility compared to something like Bitcoin. The result is a digital currency that is best suited for everyone from daily exchanges to transferring funds between exchange offices. Combining the stability of traditional assets with the flexibility of digital assets has proven to be an extremely attractive idea; But because they are pegged to the U.S. dollar, they remain vulnerable to the Fed's inflationary policies.

2.3. Algorithmic stablecoin

An algorithmic stablecoin is designed to achieve price stability as well as to balance the outstanding supply of an asset by pegging it to a reserve asset such as the US dollar, for example, gold or any foreign currency. In other words, an algorithmic stablecoin actually uses an algorithm below, which can issue more coins when their price rises and buy them on the market when the price falls.

2.4. Operation of Libertum's algorithmic reserve currency: "StableLIbertum" (SLBM)

SLBM will be the default stablecoin of the Libertum protocol, it will allow users to mint SLBM, a synthetic stablecoin based on the price of $1 USD, by using the auTokens of the underlying collateral they have pre-supplied to the protocol. These stablecoins will not have yield curves that determine their interest rates, which in other protocols are known as stability fees. Interest rates will be determined by the Governance process within the Libertum Protocol.

2.5. Supply of assets

Users of the Libertum Protocol can provide various cryptocurrencies or compatible digital assets on the platform, which can be used as collateral for loans, providing liquidity and earning an APY, or for synthetic meta stablecoins. Supplying assets such as cryptocurrencies or digital assets to Libertum gives users the ability to participate as a lender while maintaining the security of collateral in the protocol. Users will get an interest rate based on variables depending on the utilization of the yield curve of that specific market. All user assets are grouped into smart contracts so that users can withdraw their supply at any time, given that the balance of the protocol is positive. Users who supply their cryptocurrency or digital asset to Libertum will receive an auToken, such as auBTC, which is the only token that can be used to redeem. the underlying warranty provided. This will allow users to use these tokens to hedge against other assets or move them to cold storage wallets that supportthe Binance Smart Chain.

2.6. Debt assets

Users who want to borrow any of Libertum's compatible cryptocurrencies, stablecoins or digital assets must participate in the protocol by investing in smart contracts and must also commit to a payment guarantee based on cryptocurrencies or stablecoins which will be blocked in the protocol. These assets must be over-secured and will allow up to 75% of that collateral value to be borrowed. Once these assets are supplied, you can borrow based on the asset's collateral relationship. Typically, the guarantee ratios are set between 40% and 75%. For example, if Bitcoin has a collateral value of 75%, that means you can borrow up to 75% of the value of your BTC. If the user has $100,000 worth of BTC supplied to the Libertum protocol, that means they can borrow up to 75% of the value. However, if a user's collateral value falls below 75%, or any percentage of collateral ratio that a certain asset has, it could cause a settlement event, which will be discussed later.

2.7. Game theory 3-3

	Stake	Bond	Sell
Stake	(3, 3)	(1, 3)	(−1, 1)
Bond	(3, 1)	(1, 1)	(−1, 1)
Sell	(1,−1)	(1,−1)	(−3,−3)

What is game theory? How does it apply to Libertum? and What is 3-3? Game theory studies interactive decision-making on which the outcome of each participant or player depends, on the actions of everyone if you are a player in such a game when choosing your course of action or strategy you must take into account the choices of others a common example is the prisoner's dilemma two thieves have been arrested and are being interrogated in separate rooms if both They cooperate and remain silent, each will serve one year in jail, but if a prisoner deserts betraying his companion, he will go free, while his companion will serve three years. If both drop out, each will serve two years. The paradox of the prisoner's dilemma. Is this that both thieves can minimize total jail time if they both cooperate and remain silent, but the incentives they face each are separated? And it will always lead them to defect, which leads to the worst possible outcome of serving the maximum total jail time.

Libertum applies game theory using a similar model with values assigned for different actions performed by its users or players for LBM holders there are three stocks that can be taken a participation bonus or sold the stake provides high yield returns and the peg provides discounted SLBM "bonds" to users because the share takes SLBMs out of the market and helps stabilize the price of LBM while the peg helps Libertum accumulate liquidity these two shares also benefit the protocol in it. On the other hand, the sale has a detrimental effect on both users and the protocol. It causes the price to go down, which reduces the value of SLBM everyone has and reduces users' trust in the protocol. With cooperation, Libertum users can create the greatest benefit for the entire participation network. Now, let's take a closer look. Each axis represents a player. The X-axis is player 1 and the Y-axis is player 2. When both players act within the green boxes, you get a positive result for both the player and the

protocol when both players. It acts inside the yellow squares, gets a neutral net result, since the selling player would push the price down, which denies the benefit of the other player who bets or links when both players act inside the red square, gets a negative result for both. The player and protocol, depending on how users choose to play the Libertum game, several outcomes are possible, as you can see, eight of the nine options are either net positive or net neutral, but with both players selling, they produce the least desirable negative and net negative result. 3 negative 3. On the other hand, if both players are betting, they produce the most desirable and highest positive net outcome for them and the 3-3 protocol this clearly demonstrates the positive-sum environment created through Libertum game theory by rewarding players when they collaborate and cooperate regardless of when they join the game and that is the origin of our mantra in Libertum 3-3.

2.8. Pricing mechanisms

Market forces, the basket of guarantees and security mechanisms guarantee the value of the synthetic stablecoin in the Libertum Protocol maintaining a peg and parity of 1:1 per SLBM:USD. The market is encouraged to maintain this parity so that programmatic mechanisms designed to protect the peg are not initiated by the protocol. If it reaches a point where SLBM or another synthetic stablecoin loses its parity value, the protocol can use the governance process to trigger the price adjustment module, which will create a change in supply and demand to return stability to its original peg.

3. Protocol architecture

3.1. Guarantee value

When a user supplies, borrows or mints the Libertum protocol, they are using an underlying asset to the first auTokens bond. These underlying assets held as collateral on the platform have dollar values that are also pegged to auTokens. For this system to work properly, collateral values are drawn from market rates. To get these market rates efficiently, we will use Band Oracles to get market prices and update the protocol.

3.2. Settlements

A user's collateral can be liquidated if it falls below the thresholds required for the loan or stablecoin side of a specific coin market. These settlements are subject to a settlement fee and to satisfy the outstanding debt. The remaining collateral material, if any, is returned to the user. A liquidator may benefit from the liquidation of a secured position.

3.3. Interest rates

The protocol has interest rates that are designated by market from both the supply side and the loan side. The interest rates provided for markets that can be lent or supplied are dynamic and have a yield curve that varies depending on utilizations. These interest rates are also set from a minimum ceiling based on the protocol's governance process. For synthetic stablecoins, interest rates for minting are based on the governance process of the protocol.

## 3.4. Jurisdiction of loans with legal collateral for the future

Once the terms of the loan are established, the user must choose a jurisdiction to transfer the money. This, in turn, may affect some parameters of the loan based on usury laws in the jurisdiction. In addition, there may be specific usury or licensing laws that Libertum must have.

3.5. Loan maintenance

Due to the nature of crypto asset price fluctuations, maintaining loans from the user's perspective is of paramount importance. Users who decide to deposit their crypto to open a secured debt position open the door to a variety of new risks that could result in loan settlement, forcing the sale of the deposited crypto asset to pay off the debt. Tracking the price of the underlying deposited crypto asset and the LTV ratio are key metrics to reduce risk. Users may wish to deposit more than one crypto asset to decrease their LTV ratio. On the other hand, if the underlying asset appreciates in price, the user may be inclined to withdraw more Fiat.

3. 6. Treasury Confidence Check

Proof of creditworthiness, which is a scheme by which consumers can verify the integrity of their funds held by VASPs (Virtual Asset Service Providers), without relying on a trusted third party, such as an auditor. This approach allows consumers to directly check whether their balances are represented in an intermediary's general assets through a mapping known as a Merkle tree. This mechanism effectively serves as a decentralized audit, decreasing the degree of trust that consumers have to place in a digital custodian.
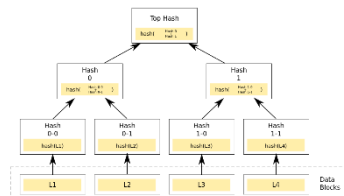
4. Our market

4. 1. Market we are targeting

User to whom the Libertum message arrives

Once we have defined what Libertum is, we must focus on our users to understand them. That's why we work based on three people: Robert, Alba and Fred.

Roberto: investor (regular/crypto)

Roberto is 45 years old and owns a small IT business. In parallel to his work, he seeks to invest in new projects. It has short times.

Alba: entrepreneur.

Alba is a young adult of 25 years who is looking for various sources of savings in which to invest savings for the near future. He is passionate about technology and, in his spare time, pursues IT projects independently.

Fred: normal person of the population

Fred is a normal 35-year-old who likes technology and innovative ideas. He has a regular job in a tech factory and in his spare time fixes computers.

Our users are investors, business entrepreneurs and future members of the crypto community. As a value proposition, we offer a cryptographic platform that differentiates itself from the rest by interconnecting these three users.

Empathy map

Let's keep working on our users. For this section, we made an empathy map to track how our users feel, what motivates and frustrates them.

1. <u>Robert</u>:
   - **What he thinks and feels:** He thinks that today's generation is the future, he believes that technological innovations should not be neglected.
   - **What it says and does:** Invest in startups with a viable future. He says contributing innovative ideas can help and do business at the same time.
   - **What frustrates you:** Small innovative systems within IT industries.
   - **What motivates him:** new technologies on the market.

2. <u>Alba</u>:
   - **What you think and feel:** Think about your future and how to progress in your career. He feels that, in a world full of opportunities, there is no need to sit still.
   - **What she says and does:** She has too many ideas for her startup project, but not a lot of money. She says that with an investor great things can be achieved.
   - **What frustrates her:** Being so young, adult people sometimes don't take him seriously on important issues related to new technologies.
   - **What motivates her:** the advancement of technology.

3. **Fred:**

- **What he thinks and feels:** Fred believes technology has a lot to offer and shouldn't be neglected.
- **What he says and does:** He prefers to research new forms of investment and learn about new technologies.
- **What frustrates him: He** doesn't like not feeling included in technological innovations. He wants to be a part of it!
- **What motivates you:** You feel motivated to learn new things

4. 2. Customer Categories

Primary

Our main customer focus at Libertum is to provide innovative lending solutions such as what we propose, crypto mortgages; to this we add the Libertum launchpad which will be responsible for supporting other crypto projects.

Real Estate inverters

Libertum al create crypto mortgages gives birth to the Marketplace of real estate where we will have 2 types of clients, the institutional investor (investment funds and construction companies) and the regular investor; within the category of investments of real estate and real estate.

Cryptocurrency Investors

The adoption of cryptocurrencies in the market has expanded at an increasing rate since the summer of 2020. The appreciation of cryptocurrency assets in recent years has resulted in investors gaining a significant amount of value, and they see this increase continuing over the next 10 years. As a result, cryptocurrency investors are unwilling to spend or sell their cryptocurrency positions. This attitude in the market creates the need for investors to unlock some of the value of their investments without triggering a tax event or liquidating their positions. Cryptocurrency-based loans and lines of credit are a more efficient and cost-effective way to realize your earnings on Fiat so you can use them in events in your everyday life.

Miners

Cryptocurrency miners are a key player in the cryptocurrency ecosystem. Experts validate transactions on various blockchains like Bitcoin and Ethereum to earn rewards for their service. As a result, a great deal of wealth is accumulating among the miners. Like investors, miners are not willing to spend their cryptocurrency due to the bullish attitude towards the market.

Businesses that dabble in crypto assets

Crypto businesses need fiat capital to be able to operate and handle day-to-day expenses. These companies usually have large balances which will gradually become crypto balances, and Libertum provides a bridge to make this switch from Fiat to crypto without affecting your profits, expenses or investments.

Cryptocurrency Exchanges
Currently there are multiple cryptocurrency exchange options which do not become intuitive or fast and for that Libertum offers a simple and fast interface to be able to change Fiat to crypto and from crypto to crypto.

Secondary
Institutional Investors for DeFi 2.0
An institutional investor is an entity that pools money from clients, or partners, to buy investment assets or originate loans. Institutional investors include banks, credit syndicates, insurance companies, REITs, investment advisors, endowments and mutual funds. These include operating companies that invest excess capital in these types of assets. Libertum can offer these investors greater capital efficiency and attractive interest returns from fiat liquidity, providing a solution for excess capital.

Banking of the unbanked
One of the reasons we are building the Libertum protocol is to expand our market to a population that currently does not have access to cryptocurrency-backed loans. This population is the "unbanked" and comprises approximately 2 billion people. The "unbanked" is a term that describes those who do not have access to a bank account. In addition, this population may not have access to other financial services such as credit cards or loans. According to a World Bank report in Latin America in recent years approximately 60% of the population is still unbanked, yielding alarming data that speak a lot about the low quality of life and its percentage to improve it.

4. 3. Customer Acquisition
Libertum will not only recruit customers from existing crypto holders, but will also take an active role in acquiring new players to the crypto/blockchain ecosystem by giving them an outlet for their financial concerns. Our strategy consists of 4 main components:

Building a strong community
Building a strong community will be paramount to creating the first layer of ready-to-use customers at Libertum once it is operable and, secondly, as ambassadors and cheerleaders in spreading the word of freedom. Community building will be spearheaded by us from the (ICO) stage.

Strategic Partners
Expanding the growth of Libertum will require partnerships with both decentralized and centralized companies. A partnership with Visa will allow Libertum to be able to grant its customers debit cards instantly and improve access to liquidity. On the other hand, Binance is a long-term strategic partner to which being able to work together will allow us to grow and expand the voice of Libertum without counting advice.

Influencer and Content Marketing
We will use both Influencer and Content Marketing to first create attention about the ICO, build the community and acquire more customers. Our Influencer Marketing approach will

cover both the use of Crypto Influencers and ensure Crypto Thought leaders and Celebrity Endorsements. This includes sponsorships of podcasts and YouTube channels and cooperations with Twitter, YouTube and TikTok influencers. In addition, we will focus on the line of influence with personal finance operating outside the crypto sphere. Our Content Marketing will also focus on both specialized Crypto Media and the conventional press. It will also be boosted through SEO linking to our own domain, ensuring that we attract customers who actively search the network for crypto loans.

Democratization of financial tools

As part of our mission to turn the general public into cryptocurrency holders, we will conduct more traditional marketing campaigns to educate them about the benefits of blockchain for their financial situation. In the way mass adoption of the internet came about when people understood, not how it worked, but why it was a benefit to them, we will highlight how blockchain and its financial benefits can change people's lives.

5. Product & Services

5. 1. Canvas Business Model

We need to have our value proposition divided, as well as the benefits and activities for our users. That's why, for this instance, we made a business model canvas: recognized as a strategic template for our project process.

5. 2. Fee structure

The Libertum protocol charges fees for various types of utilization. For enveloped assets, the fee charged is 0.2% for each transactional address. Fees are also assumed as a 3% margin on loan interest rates. Finally, the completion of swaps charges a commission of 0.2% where 0.15% goes to liquidity providers and 0.05% to the protocol. Our protocol highlights fare or below-price prices compared to the competition.

- Wrapped assets - 0.2% commission
- Margin loans - 3% commission
- Swaps - 0.2%

Rate distribution

Legend: Foundation, Foundation reserves, Research, Grants, Development, Maintenance, Stake Pools, Treasury
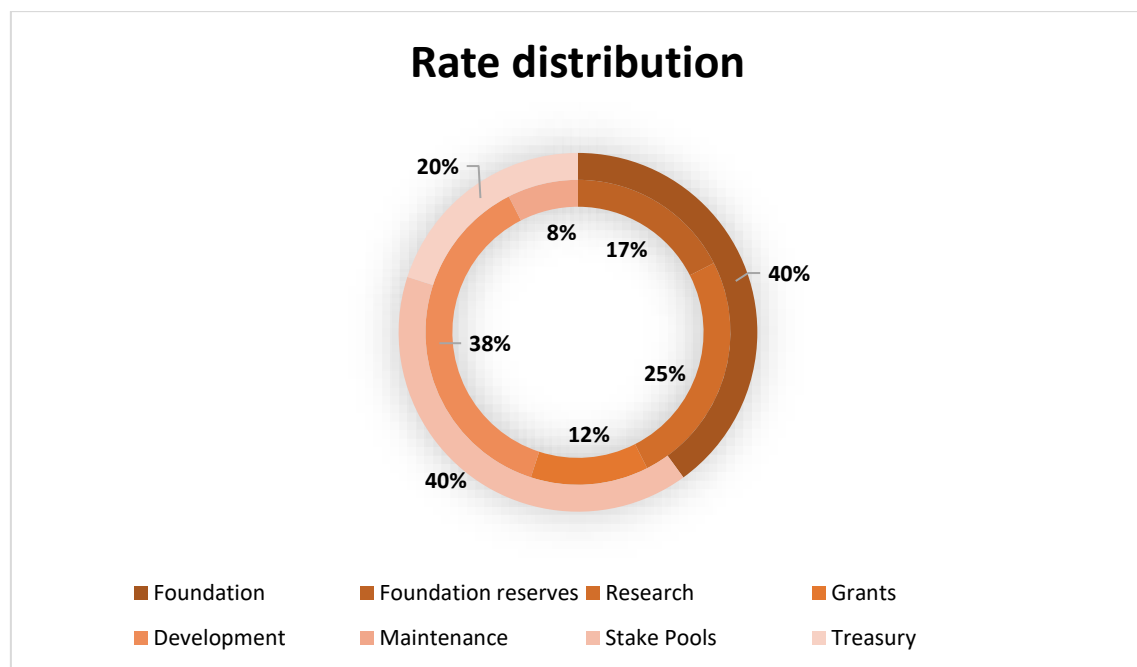
5.3. Tokenomics

Token Information
Token name: LBM
Policy ID (contract address):
9a96sd5sds5d4s5d4s5d4s54d5s4ds5s4d5s4d5s4dfew5fwe4f5xxxxaa144d77.53554e444145
 Total allocation**: 1,000,000 lbm**
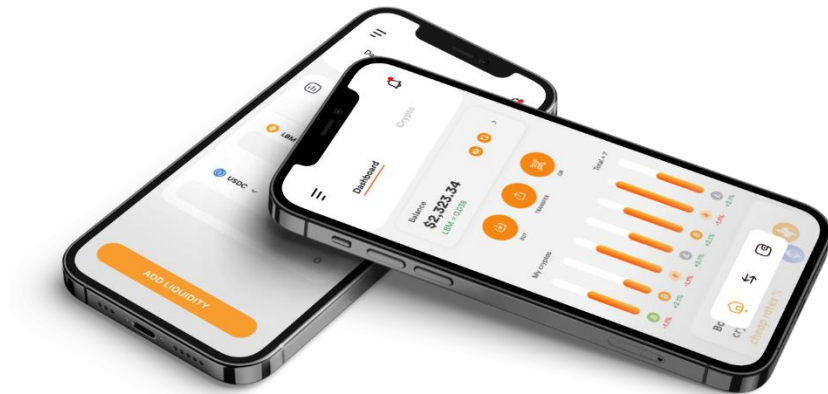**Public: 60** % (600,000 tokens)
Team: 12% (120000 tokens)
Investors: 20 % (200,000 tokens)
Future hires: 5% (50,000 tokens)
Advisors: 3% (30,000 tokens)

5.4. Benefits of using the App

Libertum Services:

Means of payment: The possibility of buying and selling goods and services through the currencies available within Libertum.

Buying and selling crypto: **The opportunity to buy and sell crypto on decentralized exchanges.**

Staking: Passive investments for all people who start buying and selling or holding crypto.

Bonding: Investments for a more specialized public in crypto investments which knows its risks.

Loans with crypto collateral: Simplified p2p loan service for all types of clients to grow their investments.

A Future is expected loans with real collateral: As a differentiating service of Libertum it is proposed to have legality of being able to grant loans with real collateral, example as house. cars and etc.

Marketplace Real Estate: One of the first real estate markets where you can buy, sell and invest in cryptocurrencies

Launchpad Crypto: Libertum promotes startups and startups that want adventures in the DeFi world and need an immediate liquidity market

6. Future Goals

1. Enhance job creation, wealth production and market competitiveness;

2. Securing the transactions of monetary activities

3. Ensure the sustainability of the decentralized system to ensure compliance with the obligations of each of the sectors and entities that comprise them;

4. Cushion and minimize systemic risks and reduce economic fluctuations;

5. Deepen the process of constitution of a liberal economic system, in which the work of the next is the center of everything;

6. Provide new alternatives and services to people, different from traditional methods.

6. 1. Roadmap

1T 2022

March

- [x] ~~Economic study~~
  - [x] ~~Make the project known to economists~~

April

- [x] ~~Create Networking~~
- [x] ~~Branding/Iconography~~
- [x] ~~Website creation~~

May

- [x] ~~Drafting of the first Libertum document~~
- [x] ~~Create a team~~

2T 2022

June

- [x] ~~Start of development~~
  - [x] ~~UI/UX dev~~
- [x] ~~Create the application architecture~~
- [x] ~~First prototype in sketch~~
- [x] ~~Rain of ideas in the style of the app~~

July

- [x] ~~MVP creation in UX / UI~~
- [x] ~~Official Discord launch~~

August

- [x] ~~Creation of smart contracts~~
- [x] ~~Test Token Creation~~
  - [x] ~~Creation of the LBM token~~
  - [x] ~~Creation of the USDL stable token~~
- [x] ~~Starting the MVP front-end~~

3T 2022

September

- [x] Website update
- [x] Finish the MVP
- [x] Finalize Libertum White Paper
- [x] Search for potential investors

October

- [x] Talk with investors
- [ ] Get private investment to start scaling the project
- [ ] Start procedure to have licenses
- [ ] Use the investment to invest in advertising
- [ ] Create community
- [ ] Ico sale
- [ ] Use investment to improve MVP

November

- [ ] Publication of the app in AppStore and PlayStore
- [ ] Activation of the Liquidity Pool
- [ ] Activation of the P2P market
- [ ] Activation of decentralized Exchange
- [ ] Airdrop for 72h

4T 2022

- [ ] Buying and selling treasury bonds
- [ ] Loan Pool Activation

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8. What do I hope to get as a result?

Finalize the tools that will lead us to create a better, freer and fairer world, where everyone knows about respect for private property and the free market, where truth and ideas prevail, above all, where we work for our neighbors to be even more united and be able to prosper in life without anyone or anything stopping us, to fulfill the dream of freedom in all its essence and the dream of thousands of people who struggle every day, Libertum will set us free. The result I hope for is an economic and social impact in countries where freedom does not exist or is limited.

9. Disclaimer

Nothing contained in this Technical Report shall be deemed to be a prospecting of any kind or an investment requisition, nor is it in any way an offer or requisition of an offer to buy securities in any jurisdiction. This document is not composed of agreement and is not subject to the laws or provisions of any jurisdiction that are designed to protect investors.

10. Forward-Looking Statements

Except for historical information, there may be matters in this Technical Report that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainties. Future predictions, which are based on assumptions and estimates and describe the company's future plans, strategies, and expectations, are typically identified by the use of the words "anticipate," "do," "believe," "estimate," "plan," "expect," "intend," or similar expressions. Participants are cautioned not to rely on future projections. Future projections reflect views held only as of the date of this report.

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