WHITE PAPER

LOVELY FINANCE

Making DeFi Lovely to Use
for Global Adoption

AUGUST 2023

SUMMARY

EXECUTIVE SUMMARY

This paper is the official whitepaper of Lovely Finance Incorporation, a company with product suites on decentralized finance and blockchain technology.

The first aspect of the paper gives a gentle introduction to the essence of DeFi and the problem it is solving in the problems of humanity. This led to the appraisal of Lovely Finance as one of the blue-chip companies set to break the barriers to financial inclusion through blockchain technology.

The paper did not avoid the obvious truth that DeFi has four major challenges: lack of user-friendliness, instability of regulations, lack of mainstream appeal, ignorance, and questionable security. As a panacea, the author highlighted the product suites of Lovely Finance to the current issues of DeFi; wallet, exchange, chain, security leaderboard, and swap.

Beyond the product, the paper exegesized the Lovely ecosystem, emphasizing the DAO, Developers community, accelerator, and research labs. The author moved a step further into addressing security concerns that users and investors might have concerning the protocol.

Last but not least, the paper expounded on the tokenomics of the LOVELY token, along with some technical details.

INTRODUCTION

For a long time, the systems that are the helms of finance have always been centralized. Within the scope of the paper, centralization suggests the concentration of institutional decision-making power in the hands of a few people at the top.

The centralization conundrum has two sides to it.

First, the government forms the most visible side of centralization. Most times, they determine monetary and fiscal policies, some of which might not always favor the common or marginalized people in society.

Second, big financial companies also control people's finances, whether directly or not. Some big centralized financial companies often manipulate people's data or clearly show them they are not in the actual custody of their funds.

There have been several issues of people complaining about how companies like PayPal and Stripe allegedly withhold their funds.

Beyond these issues, the issue of accessibility is hitting the global financial landscape at its grassroots. Zooming out of the Western world, where most banks are based, data proves inaccessibility to personal banking infrastructure in some banks of the world.

Centralized banking or financial systems have obviously failed the elites and the marginalized demography. Undoubtedly, traditional banks or governments are never a panacea to the financial problems of the globe. There has to be a solution.

There has to be a way financial power can be taken from the governments and big companies and given back to the hands of the people. It is fair that everyone should be in control of their funds, and make their financial decisions by themselves without any undue external interference.

After years of research across finance, governance, and tech, the idea of Decentralized Finance was borne. Decentralized Finance, which we shall subsequently call DeFi in the rest of this paper, is a system without any concentrated entity or government in its control.

DeFi has been the age-long dream of man to achieve systemic financial freedom and stability. With the advent of DeFi, the proposed dream of centralized finance—which is financial inclusion and security—is finally met.

Now, anyone can access financial services regardless of where they are in the world, their race, and what they believe in. Unlike the current biased financial system, DeFi respects and gives a welcoming hand to everyone equally without any form of prejudice.

According to **statistics** ⧉ , only about 1,000 people adopted DeFi around 2017. The number has spiked up to over 6 million in 2023. This radical jump in adoption is not surprising as it further stamps the fact that technology is solving a significant problem in the history of humanity.

That said, a giant company is on track to redefining DeFi, making it accessible and user-friendly to everyone world-wide. This company is known as The Lovely Finance Incorporation, which we can refer to as The Company subsequently in this paper.

ABOUT LOVELY FINANCE INCORPORATION

The present DeFi landscape is far from perfect. It does not seem like the industry is achieving its goal of absolute financial inclusion and security.

Hence, why the team at Lovely Finance came together to radically change the implementation of DeFi and blockchain technology vis-a-vis real-world use cases.

Lovely Finance Incorporation is a legal entity registered under the United Arab Emirates and a few other national governments for expansion and compliance.

Our team is full of excellent professionals across all genres of work, including software engineering, cryptography, blockchain engineering, smart contract security, marketing, banking and finance, and politics, to mention a few.

The technical experience of some of our founding members was why the company is building an astonishing technical infrastructure to effectively power what we envision.

While we are hacking technical problems, we also have a parallel strategy for marketing, branding, and communications.

This rich background conglomeration is a motivation for the problem we are solving. Everyone in the core team is contributing to the company's growth and fine-tuning a product market fit.

An important philosophy we hold dear to us is not to be so much into what we are building that we lose touch with the reality of the people we provide solutions for.

As a result, we constantly communicate and interact with people, especially the underrepresented or marginalized ones, to provide a one-for-all ecosystem.

We are a legal entity on track to break the current barriers to understanding and using DeFi products.

This explains the reason our team is heavy on DeFi education. We believe people cannot adopt what they don't understand.

As a company, we have mapped out plans to reach people and teach them about DeFi. We believe everyone will eventually embrace DeFi once they know it beyond the surface level.

In addition, the team is on track to building actual product market fit that everyone will find useful. We plan to make our products what people want and what they can intuitively operate.

As a team, we have assembled to innovate and make financial services open to everyone.

DEFI, AT THE MOMENT, IS FACING SOME CHALLENGES

One of the core motivations behind the founding of the Lovely Finance company is to address the bottlenecks in DeFi and make it as simple as possible for everyone to access.

To make the end goal of our company clearer, it is apposite we highlight some major current bottlenecks of the DeFi space:

USER-FRIENDLINESS

Most Decentralized Applications, otherwise called dApps, are not friendly to the general users. We believe that if we must import people from Web2 to Web3, then create seamless onboarding solutions.

Not a UX-deficient product, which will leave them with no other option than to return to their Web2 apps. We made this huge discovery after some thorough and candid product surveys and feedback.

While many projects are so heavy on the technical and development side of things, we have built interest equally in building intuitive designs of market-fit products.

From the survey, we also discovered many users do not care to know intricate details about nonces, hashes, smart contract events, and some other technical jargon. Quoting an anonymous potential user, «*I simply wanna send money. That's all. Save me the jargon.*»

This is one of the current problems with Web3 products and we are ready to do the hard work of breaking those barriers.

Our engineers, designers, and product managers work hand-in-hand to ensure our products are simple. This aligns with the current wave of Account Abstraction in Web3.

We want to simplify DeFi for everyone, and handle all the heavy technicalities from behind. Thus, lack of user-friendliness is our first problem in Web3.

REGULATION

The main ethos of Web3 is decentralization. That is, the efficient distribution of power to everyone without concentrating on the governments or some selected few.

It also means access to financial products regardless of location, race, color, gender, or unfair laws.

Most Web3 companies kicked off with this philosophy. However, it was only a matter of time before regulatory backlashes frustrated their efforts.

At the moment, most of the companies that were anti-regulations now submit to be regulated. This is a heated debate within the Web3 ecosystem.

From the regulatory point of view, many Web3 projects and companies that rose in the past had fraudulent intents and natures; from NFT projects to exchanges, and even decentralized protocols.

At this point in human history, most governments—some of which do not even understand the technology to start with—are not ready to jeopardize their citizens at the hands of potential geeky frauds.

This intent is understandable. Hence, the reason behind regulation.

At Lovely Finance, we believe we cannot reach a country's underrepresented and marginalized populations if we do not partner with their leadership.

Decentralized is relative, not absolute.

On this note, we are on track to getting licensed in a lot of countries so our company can operate there, and we can connect better with the locales for true adoption.

We believe this is not the time to get hindered from taking crypto to the masses and lose contact with the people who need DeFi.

Therefore, we are maintaining the subtle equilibrium between regulation and the decentralization underpinning of blockchain technology.

MAINSTREAM USE CASES

Currently, Web3 is still on a journey to discovering actual market-fit products. There have been projects displaying solely owning their NFTs as utilities with no other use cases other than joining the community on Discord.

There was a time the Medata illustrations were on the high. However, this was short-circuited as most people did not see the need for it. Similarly, some targeted audiences could not afford an Oculus or the current Google Vision Pro.

Large businesses, firms, and banks are not yet included within the Web3 landscape because there is yet to be a use case that will be enticing enough for them.

On another note, Web3 is mainly targeting the youth in practice, which is not on par with the goal of decentralization. We believe Web3 should be attractive enough to everyone irrespective of their age or social class.

That is the road to mainstream adoption due to product market fit use cases.

This is the goal at Lovely Finance Incorporation as well. We intend to execute the Ocean Blue Strategy by onboarding those not yet within decentralized finance's perimeters.

After critical research, we discovered this goal is only achievable if we have products that solve the actual mainstream problems. On this note, we decided to take DeFi beyond the confines of the degens and into the nooks and cranny.

Our research team is constantly in touch with people from all spheres of life to build product suites they would use without hesitation.

THOROUGH EDUCATION

Unlike some other technologies like cloud computing and nuclear physics, Web3 is still at its early stage. There are arguments that cryptography has existed for a while, and thus, Web3 is a relatively old technology. These arguments are quite inaccurate because cryptography is not the only technology that powers Web3, but the rest of the discussion can be left for intellectual calisthenics.

There are stories of people who live in some parts of the world and, due to that reason, cannot use some FinTech software and are left with no other option. If these people were not to have the right education and exposure to the power of DeFi, they would have gladly embraced it.

According to a **Consensys survey** ↗, about 37% of a random population does not know about Web3, while only 8% are familiar with it. This depicts a perfect data illustration of the current state of crypto awareness.

We believe people cannot adopt what they do not understand; it is not only illogical but also imprudent. This explains the reason we are heavy on crypto education at Lovely Finance.

If we can break the problem of ignorance, then Web3 is on its sail to being embraced by everyone. We have mapped out more details and strategies for achieving this goal on our roadmap.

SECURITY

Since drafting this paper, hackers have taken away about **$7 billion** ⎘ from Web3. Even though Web3 has much to offer the masses, the insecurity in the space can scare off potential users. Compound Finance, Curve Finance, Euler Finance, and Wormhole Bridge have all been victims of fatal attacks in the past.

There must be an enviable level of security if more people embrace Web3. We believe if Web3 saves people from the ugly hands of decentralization, we should offer them a better option that will make their minds at rest.

This is why we are particular about the quality audit at Lovely Finance Incorporation. Quality audits and penetration testing can prevent cases of hacks. This high level of security consciousness will prevent threat actors from ever exploiting our products.

We shall elaborate more about this under the "**Security Consideration**" of this whitepaper.

DIVING INTO THE LOVELY PRODUCT SUITES

Achieving holistic crypto adoption is impossible without the right product suites. We develop these products, so Lovely Finance will be a one-stop solution for all DeFi use cases. Subsequently, we will publish whitepapers for each product for in-depth insight into our offerings. At the moment, this is a panoramic overview of what our users will enjoy:

LOVELY WALLET

Having a safe and secure wallet is one of the key determinants of a quality crypto trading or investment experience. Wallets are the first dApp users install on their devices to get into the crypto space. According to our survey, a not-too-good wallet experience has been why some users have abandoned crypto.

On this note, we want the industry to put its best foot forward by giving people access to friendly and secure wallets. The name of our wallet will be Lovely Wallet. It can receive any time of on-chain digital asset. It is also decentralized, as our users will have access to their private keys and manage their wallets by themselves.

In our bid to make it simple to use, our wallet has an on-ramp solution, meaning our users can easily buy crypto with the card of their regular banks. Alternatively, they can buy crypto from peers.

Variety, they say, is the spice of life. Offering these two funding options, we believe, will give each user the opportuning to stick with an option that they prefer per time.

Of course, Lovely Wallet has native integration with Lovely Swap so that users can exchange their assets within the twinkle of an eye.
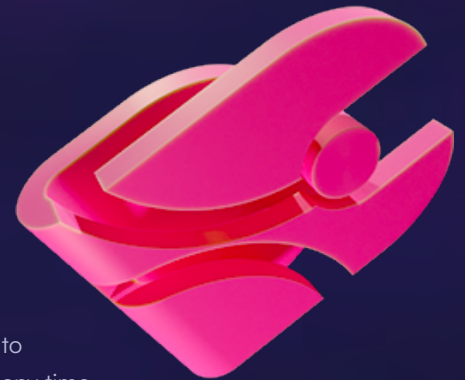
LOVELY EXCHANGE

As much as decentralized exchanges are good, the industry needs centralized exchanges to thrive. Research shows that centralized exchanges are the best meeting point for everyone to receive, keep, or trade crypto, both the newbies and pros.

Our exchange gives a wide range of crypto for our users to trade. At the same time, we do thorough due diligence concerning every token we are to list. This process is important to shield our users from dubious projects; thus making the industry safer.

Our platform supports both spot and futures trading, so our users can trade without any restraint. There are also real-time and accurate market charts for our users to make more accurate market trading decisions.

In consonance with our education ethos, we create high-quality educational content for our user to be more knowledgeable about trading. More importantly, they become profitable traders.

LOVELY CHAIN

Due to the peculiarities of our goal, none of the existing blockchains exactly meet our specifications, which necessitated the need for a more native chain.

Lovely Chain will power the Lovely ecosystem, where most projects will be deployed and governance decisions will be made.

It will be a Layer-2 blockchain leveraging the technical infrastructure, innovations, and security of Ethereum. As an EVM-compatible blockchain, it becomes easier for developers to build on our chain as they can build with Solidity and Vyper.

LOVELY INSPECTOR

As mentioned earlier, security is a big issue in Web3, and we do not undermine it at Lovely Finance. People often invest in potential rug projects because they are unaware of their smart contract security, whether it has some potential backdoors or loopholes.

On this note, the Lovely Inspector is the Web3 security leaderboard where crypto traders and investors can check the rating of a project or protocol before deciding of aping to it. Degens made it for degens.

We believe this candid technical rating of the project and protocol will usher in a new level of serenity into the crypto ecosystem.

Concurrently with the leaderboard, Lovely Inspector also accepts audit requests. We break the code of client protocols, bridges, and projects. Then we submit findings of vulnerabilities alongside recommendations for fixes.

LOVELY SWAP

The beauty of DeFi is the ability to hold and trade any token at any time. Lovely Swap is a decentralized trading protocol in the Lovely ecosystem.

It is a dApp where our users can exchange one asset for the other. The users of Lovely Wallet can seamlessly swap on Lovely Swap because both platforms are integrated.

The swap has a lot of pools where users can lock or stake their tokens to get rewards on them. There is also a launchpad where investors can spot and invest in new ground-breaking projects.

DIVING INTO THE LOVELY ECOSYSTEM ARCHITECTURE

It is important to set up a structure in achieving a goal, which explains why we carved out a robust ecosystem to ensure the achievement of our overall mission and vision.

DAO AND GOVERNANCE

The core message of blockchain technology is decentralization, and we will never undermine this. Even though we have centralized products, the underlying architecture is still decentralized.

The Lovely DAO is the decentralized governance structure for the Lovely ecosystem. While the core team members are making decisions for the ecosystem when drafting the whitepaper, the power will switch to the DAO once it is launched.

This is important to give everyone a say in the leadership of the decentralized autonomous organization.

On this note, participants will have to own some LOVELY tokens so they can stake them during DAO decision-making moments.

Our research team discovered one of the main weaknesses of major DAOs at the moment is the undue influence of the whales. For context, whales buy and hold a large amount of a DAO's token.

We agree the whales might eventually have some form of veto power over the decisions of other community members. The team is working on a working model to ensure fairness among all community

DEV COMMUNITY

Developers is the backbone of any blockchain or major protocol. As much as builders want to build projects and protocols, they need developers to handle the technical side of the business.

We aim to foster a formidable community of developers who are neck-deep into the Lovely ecosystem and vision.

From the start, our Developer Relations team is consciously onboarding junior and senior developers to build projects on the Lovely blockchain.

Since Lovely Chain is compatible with the Ethereum Virtual Machine, there is no learning curve for Ethereum developers to build on Lovely. They can use their existing knowledge of Solidity, Vyper, Yul, and Huff knowledge to build secure and gas-efficient smart contracts on Lovely.

Developers can use popular dev tools such as Thirdweb for faster building processes. In addition, we also support existing testing frameworks such as Foundry and Hardhat.

Moving on, we also plan to consistently hold laser-focused hackathons and give grants to developers to build ingenious products on the Lovely Chain.

LOVELY INCUBATOR AND ACCELERATOR

There is no thriving ecosystem without an avenue to groom founders into building market-fit products.

Our philosophy at Lovely is never to leave founders, especially the new and young ones, without appropriate guidance and support.

Building Web3 products is a case of doing the hard things; the least the community can do is provide shoulders of support to courageous founders.

This led to the founding of our incubator program. The main duty of this program is to guide founders on how to build sustainable and profitable Web3 startups and, ultimately how to scale.

We also have an accelerator program to help founding teams get the right mentorship and funding to execute their business ideas within the Lovely ecosystem.

LOVELY RESEARCH LABS

Research is the bedrock of any flourishing establishment, and we believe this so much at Lovely Finance. Other prominent blockchains, such as Ethereum and StarkNet, have solid research teams, which helps them be at the cutting edge of innovations.

The existence of blockchain today was due to years of research across several fields. As a result, we plan to found the Lovely Research Labs, where we will have dedicated researchers working on solving the hard problems around engineering, data, product, and cryptography.

The research team will comprise cryptographers, mathematicians, computer scientists, data analysts, blockchain engineers, security researchers, documentation engineers, and a couple of other related fields.

We believe if there are people working on core infrastructural problems, Lovely Finance will be on top of technical discoveries.

SECURITY CONSIDERATIONS

The Web3 landscape is endangered by various news of security threats. Blackhats have drained quite several blockchains, protocols, exchanges, wallets, and crypto projects. There are a plethora of cases.

During market research, we got feedback that users wondered whether threat actors could take away their hard-earned funds.

Lovely Finance is a company that is in touch with the people. As a result, we deem it fit to address this dilemma so our users can have a heightened trust in our ecosystem.

In lieu of this, Certik—one of the most brilliant auditing firms in Web3—has audited our protocol, smart contracts, and dApps.

In addition, we have also carried out penetration testing on our applications, which gave us insights into what we have to improve. With this due diligence on our part, it is safe to say all our products are safe and secure for anyone to use them confidently.

TOKENOMICS

The LOVELY token is the native token of the Lovely ecosystem. The community can use it to settle transaction fees and vote in the LOVELY DAO. Besides that, they can lock them within the protocol to earn rewards.

It has a total supply of and a circulating supply of.

A standing rule of economics reads The more the commodity, the lower the price. But the fewer the commodity, the higher the price.

This principle is a long-standing one.

Therefore, we adopt a **BuyBack & Burn tokenomics method using revenue from our platforms at Lovely Finance.** Our tokens will have more value when we burn them out of the market.

The total supply of LOVELY is **75,000,000,000,000**.

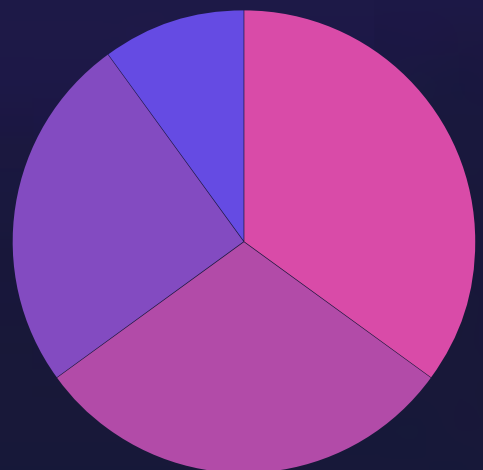Here is the panoramic token allocation plan:

35% — public token sale

30% — the company

25% — ecosystem growth
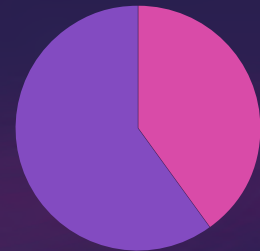
10% — the node operators

This is the protocol for the buy-out over the next couple of years:

2023 PROTOCOL

40% — revenue for buyback LOVELY from the market to burn it

60% — of revenue is used for marketing

2024 PROTOCOL

50% — revenue for buyback LOVELY from the market to burn it
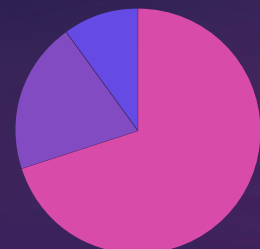
50% — revenue for marketing

2025 PROTOCOL

70% — revenue for buyback LOVELY from the market to burn it

20% — for marketing

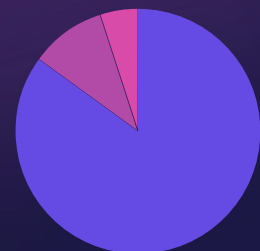**10%** — for the Team

FROM 2026 UPWARD

85% — revenue for buyback LOVELY from the market to burn it

10% — for the Team

5% — for Donations

CONCLUDING REMARKS —
BACKING UP OUR WORDS
WITH ACTION

There is a saying, "Action speaks louder than voice." We have researched, mapped out our strategy, and pushed some of our products to production.

The job is not yet done. We are responsible for holding on to the core of our belief: making DeFi simple and accessible to everyone.

We need all the partnerships and support to make this dream a reality. Together, let us take DeFi to the next level of global adoption!

WHITE PAPER

THANKS FOR READING

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