The TEK Protocol
$TEK

Redefining Yield

Abstract: A digital token backed by multiple treasury reserves provides individuals and organizations with a robust and decentralized process of Indirect Liquidity Farming which allows for significantly higher returns and no risk of Impermanent Loss. The Tek Process, powered by an algorithmically deployed lending system allows users to become an Indirect Liquidity Provider without the added hassle of close position monitoring. The TeK Protocol allows users to deposit fungible assets that will be loaned to the protocol for liquidity. The borrowing project can then deposit loaned assets into Automated Market Maker liquidity pools to provide the liquidity for a project to utilize. In doing so, they assume all the impermanent loss risk and share a percentage of their yields with you until the loan is repaid.

Introduction

The $TEK Protocol is a full ecosystem providing multiple benefits to holders. $TEK is a tokenized asset providing the benefits of an ERC Token, The Security of an NFT and the utility of several larger tokens by integrating the vast knowledge and code base of our developers. $TEK is a decentralized reserve currency protocol based on the $TEK token. Each $TEK token is backed by a basket of assets (e.g. ETH, NFY, BPT, DAI, USDC, USDT) in the $TEK treasury, giving it an intrinsic value that provides an unmatched level of stability and utility.

$TEK is able to provide a vast array of financial products for the benefit of holders that, because of the treasury backing, permit the usage of $TEK to leverage LP Tokens, provide a crowd funding platform for future products through the $TEK/BitAlliance DAO, create decentralized social media services and platforms backed by solid financial reserves and train new DEFI Developers and invest capital into new products through the $TEK apprenticeship and Venture Capital program. Additionally, $TEK Protocol, because of its association and interdependence on Non Fungible Yield (NFY) the $TEK protocol can produce revenue generating products which will help people launch, secure and promote new token projects with the benefit of auditing, security, functionality and growth programs through the NFY Diamond Store.

The initial launch of the Tek Protocol is offering holders the ability to become Indirect Liquidity Providers by depositing their valued assets as leverage to the $TEK Treasury, which puts up the initial collateral for the Indirect Liquidity Provider Loan Process, based on the Impermax System[1]. By offering the collateral to an initial loan on the system, the Treasury benefits from the gains made by providing those borrowers looking for LP Tokens to borrow and deposit into Liquidity with an Automated Market Maker. TEK Holders provide up to 20X the leverage needed to go into a particular loan cycle. In providing that leverage, the holders get to divide the profit reaped by each loan cycle on the leverage they provided. The Leverage of a loan is protected from loss by setting an automatic stop loss on each pair in the event of a drop in value of the loaned asset pair going down, and liquidates a loan before any loan becomes under collateralized through safety parameters set on the loan and determined by the volatility of the trading pair and the amount of leverage taken on the deposit. This way a loan can be liquidated when the collateral for the loan risks suffering impermanent loss of the borrowed asset such that it could not repay the principal and interest. On the opposing spectrum of this strategy, loans have a loan ceiling as well to ensure that if the value of the tokens in the pair increase to a predetermined ceiling, the position will be automatically liquidated to capture profit.
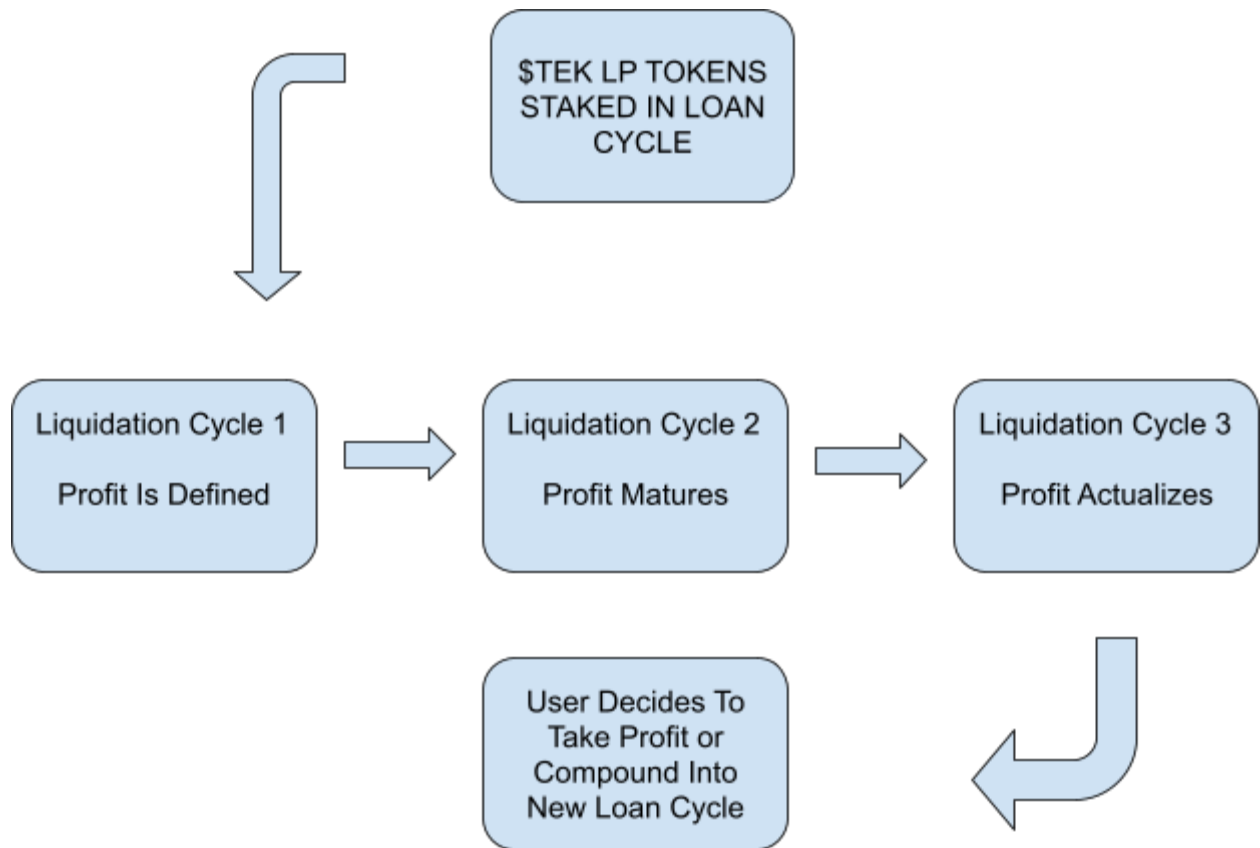
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[1] See Impermax White Paper, Appendix 1

The Tek Treasury

The Tek Treasury will provide the collateral for the loans being placed by the Tek Protocol as well as assuring that all $TEK tokens in circulation are backed by additional assets. The Tek Treasury will also keep a reserve of additional investments and a diversified portfolio of tokens in order to provide the best level of stability possible for a crypto asset. Initially, the TEK Treasury will hold Ethereum, DAI, USDC, USDT, BPT and NFY. These diversified assets will be available to be loaned out to borrowers representing additional trading pairs outside of TEK (USDT/USDC, DAI/ETH and several others) and will also maintain reserves of tokens like NFY in order to stake them into revenue sharing pools and reward systems. The TEK Treasury will initially be seeded and charged for the release of the TEK Token through a presale, which will take place beginning September 8, 2021 and ending with the full launch of the $TEK Token on September 29, 2021. At this point the treasury will initiate one Loan Cycle[2] for those who participated in the presale, giving them access to the first Loan Cycle Proceeds of the TEK Lending Platform. At the conclusion of these three loan cycles, the entire community will be able to stake their TEK tokens into the loan program and reap their share of the rewards. Each loan cycle consists of three liquidation cycles of a particular loan, each liquidation cycle lasting no more than 1 week.

To simplify the process, see Chart Below:

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[2] A loan cycle consists of three loan liquidation events. A loan liquidation event can last up to a maximum of one week. The three cycles are defined as profit in the first liquidation cycle where a $TEK holder will know the profit made from that cycle. The second Liquidation Event is defined as Profit Maturity. The third liquidation cycle will be Loan Actualization, this is the point where a holder can decide to take their first liquidation cycle profits in $TEK or compound their stake in the next liquidation cycle.

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                    │          $TEK LP TOKENS
                    │          STAKED IN LOAN
                    ▼          CYCLE
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$TEK LP TOKENS STAKED IN LOAN CYCLE

Liquidation Cycle 1

Profit Is Defined → **Liquidation Cycle 2**

Profit Matures → **Liquidation Cycle 3**

Profit Actualizes

User Decides To Take Profit or Compound Into New Loan Cycle

The $TEK Presale

In Order to charge the treasury and enable the launch of generalized participation of $TEK holders in the Leveraged LP Loan Program, a Presale Will be initiated on September 8, 2021. Participants in the Presale will receive both a large reward when the $TEK Token gets released and participation in up to three exclusive Loan Cycles. The Parameters of the Presale are as follows.

The Exchange rate at launch is 1 $TEK = 1 $Etherium

Week 1
Participating Tokens: ETH, USDT, USDC, DAI and NFY
Percentage of Token Reward 100% (User will be given 2 $TEK per Etherium or equivalent value of other tokens)

Additionally, the first loan cycle will commence at the Launch of the $TEK Token. Only those who deposit during Week 1 of the Presale will be included. This will allow the participant to receive their 2 $TEK Tokens and their percentage of the profit from the first liquidation cycle available to them after 1 loan cycle.

Week 2
Participating Tokens: ETH, USDT, USDC, DAI, NFY, DEFO[3] and BPP
Percentage of Token Reward 50% (User will be given 1.50 $TEK per Etherium or equivalent value of other tokens)

Additionally, Participation in the second loan cycle will be exclusive to all participants in week 1 and week 2. This will allow the participant to receive their 1.5 $TEK Tokens and their percentage of the profit from the first liquidation cycle available to them after 1 loan cycle.

Week 3
Participating Tokens: ETH, USDC, USDT, DAI, NFY, DEFO, BPP, BPT[4], and IYF**
Percentage of Token Reward is 25% (User will be given 1.25 $TEK per Etherium or equivalent value of other tokens)

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[3] DEFO and BPP Accepted during this phase must be able to be liquidated on the Open Market. Those with DEFO, BPP, IYF and X stuck in staking pools must wait until week 3
[4] Those with DEFO, IYF and BPP that are non retrievable will be awarded a commensurate amount of BPT to be staked for $TEK
** IYF will not be accepted for TEK, TEK will be issued to IYF holders based off of an undisclosed previous snapshot to be announced.

Additionally, Participation in the third loan cycle will be exclusive to all participants in week 1, Week 2 and week 3. This will allow the participants to receive their 1.25 $TEK Tokens and their percentage of the profit from the first liquidation cycle available to them after 1 loan cycle.

Governance

Mimir Solutions will serve as the executor of the $TEK Protocol and will publish the roadmap for the $TEK Protocol and its relationship with the rest of the Mimir Ecosystem. The Team will not hold a percentage of $TEK tokens at launch and will be compensated through profits of the $TEK Treasury.