

Fair Token Presale White Paper (Speedball)

1. Executive Summary

The Fair Token Presale Tool is a permissionless and transparent platform designed to democratize the token presale process in the DeFi ecosystem. It eliminates insider manipulation by ensuring fair and open participation, redistributes liquidity provider (LP) fees to token holders, and leverages market volatility for collective benefit. This tool transforms traditional token launches, providing a secure and equitable way for all participants to engage in and benefit from the DeFi space.

Key Features:

- **Permissionless Token Launching:** Users can launch tokens without the need for centralized approval, promoting innovation and participation in the DeFi space.
- **Presale Mechanism:** A set presale window (48-hour initially) allows for initial funding to bootstrap a liquidity pool, provided a minimum goal of 3 ETH is met.
- **Permissionless Exit:** Participants receive non-transferable tokens during the presale, ensuring commitment to the project's initial phase, but can exit at any time through ragequit (burning tokens for their fair share of the raise)
- **Scheduled Launches:** Tokens can be scheduled to launch at future dates, allowing for strategic planning and marketing.
- **Liquidity Pool Formation:** Post presale, an equivalent amount of tokens is minted alongside pooled funds to form a transferable token liquidity pair on Uniswap V3.
- **Fee Structure:** Less than 1% fee on presales contributes to the protocol's treasury for ongoing open-source development. Additionally, a 9% fee acts as a deposit to ensure commitment. If a campaign does not meet its goal or a participant exits early, these fees are deposited into a rewards pool for future campaigns.
- **Built-in Volatility:** Reward funds are added into the LP at launch, creating a higher initial price than the presale. This rewards participants in the presale and introduces volatility into the market.

Second Order Effects:

- **Governance:** Each token has inherent governance over a shared treasury and DAO, aligning stakeholders' interests with the project's success.
- **Treasury and Fees:** 1% Liquidity pool fees are directed to the DAO treasury, funding community initiatives.
- **Lock-up Period:** A default two-week lock-up ensures stability in governance decisions.
- **Exit Mechanism:** Participants have the freedom to exit by burning tokens, receiving a proportional share of the accumulated LP fees. Alternatively, tokens can be sold into the LP and not burnt.

Additional Highlights:

- **On-Chain Functionality:** The entire process is executed on-chain, ensuring transparency and security.
- **Hyperstructure DAO:** The protocol itself will be governed by a DAO using the same launch mechanism. it's main role is managing reward distribution schedules

- **Cross-Platform Compatibility:** Designed for EVM-compatible chains with a focus on Layer 2 solutions for efficiency.
- **Minimal Dependencies:** Reduces points of failure and enhances security.
- **Initial Launch:** The MVP will be deployed on the Sepolia testnet to validate concepts before scaling to Base with Optimism and Arbitrum in future development.

The Fair Token Presale Tool represents a significant step forward in democratizing access to token presales, aligning incentives between project creators and participants, and fostering a sustainable, community-driven ecosystem in the DeFi space. Traditional token launches often devolve into pump and dump schemes, where insiders exploit participants, leaving many as bag holders. By making the process permissionless and transparent, this tool removes the insider rug pull risk. It leverages market momentum and volatility through LP fees, which are redirected back to collective ownership by the token holders. This mechanism ensures that, even in volatile markets, all participants benefit, providing a pathway for those who might otherwise be left behind to bootstrap purpose and contribute to the project's long-term success.

2. Introduction

Background and Context

The decentralized finance (DeFi) ecosystem has seen explosive growth in recent years, driven by innovative projects and an ever-expanding user base. However, the process of launching new tokens often remains opaque and prone to manipulation. Traditional token presales and launches can suffer from insider exploitation, lack of transparency, and significant risk for participants, ultimately undermining trust in the DeFi space.

Purpose of the White Paper

This white paper aims to introduce the Fair Token Presale Tool, a permissionless and transparent platform designed to democratize the token presale process. By removing centralized control and ensuring a fair mechanism for all participants, the tool seeks to educate and empower users in the DeFi ecosystem. This document will outline the problem the tool addresses, the innovative solution it offers, the technical architecture and mechanics, and the broader implications for governance and community engagement.

3. Problem Statement

Challenges in Current Token Presales

The current landscape of token presales in the decentralized finance (DeFi) space is fraught with several critical issues that hinder fair participation and long-term project success:

1. **Insider Exploitation:** Many token launches are manipulated by insiders who exploit their positions to gain undue advantages, often leading to "pump and dump" schemes. Insiders can rug the participants, resulting in significant losses for ordinary participants and undermining trust in the DeFi ecosystem.
2. **Lack of Transparency:** Traditional token presales often lack transparency in their operations. Participants are frequently left in the dark about the mechanics of token distribution, liquidity pooling, and overall project integrity, increasing the risk of fraud and mismanagement.

3. **High Risk for Participants:** Participants in token presales face high risks due to the potential for project failure, manipulation, and illiquid markets. Without protective mechanisms, participants who believe in the project's potential can end up as "bag holders" when prices plummet or liquidity dries up.
4. **Centralized Control:** Many presale platforms require centralized approval, limiting accessibility and innovation. This centralization can lead to biased decision-making, favoritism, and reduced trust in the fairness of the token launch process.

Impact on Stakeholders

These challenges have a broad impact on various stakeholders within the DeFi ecosystem:

- **Retail Investors:** Retail investors face significant financial risks and often end up as "bag holders" when projects fail or are manipulated. The lack of transparency and protection mechanisms exacerbates their vulnerability.
- **Project Creators:** Genuine project creators struggle to build trust and attract long-term participants due to the negative reputation of token presales. The risk of being associated with failed or fraudulent projects makes it difficult to secure necessary funding and community support.
- **The DeFi Community:** The broader DeFi community suffers as trust in token presales erodes. This environment stifles innovation and discourages new participants from entering the space, limiting the potential for growth and development.

The Fair Token Presale Tool addresses these challenges by introducing a transparent, permissionless, and equitable mechanism for token presales. By aligning incentives and ensuring fair participation, it seeks to restore trust and foster sustainable growth in the DeFi ecosystem.

4. Technology and Mechanics

4.1 Technical Architecture

The Fair Token Presale Tool is built on a robust and scalable technical stack designed to ensure decentralization, transparency, and efficiency. Key components include:

- **Smart Contracts:** Core functionality is implemented via smart contracts on the Ethereum blockchain, ensuring automated and trustless operations.
 - MolochV3 Baal
 - Safe
 - UniV3 position manager
 - Yeeter
- **Decentralized Indexer:** Data is indexed using TheGraphs decentralized node network.
- **Uniswap V3 Integration:** The tool integrates with Uniswap V3 for liquidity pooling, enabling efficient and decentralized token trading.
- **DAOhaus Moloch Factory:** Utilized for creating and managing DAOs, providing governance and treasury management capabilities.
- **Yeeter:** Fair crowdfunding
- **Poster:** Events emitter for comments and profile systems
- **Web3 Interface:** Open source, static react site can be ran local and/or redeployed on any host. The front-end has minimal dependencies to build and a user-friendly web interface allows participants to

easily engage with the presale tool, monitor progress, and manage their tokens. Integrating with current DAOHaus and Univ3 interfaces.

4.2. Presale Mechanism

The presale mechanism of the Fair Token Presale Tool is designed to be flexible and participant-friendly, addressing the common issues in traditional token launches. It leverages the Yeeter protocol and key aspects include:

```
st=>start: Lunch Token
e=>end: Fully dilluted token
op=>operation: Presale Begins
op2=>operation: Short Raise Window
op3=>operation: Exit funds
op4=>operation: Mint tokens and Create LP
cond=>condition: Reached Goal?

st->op->op2->cond
cond(yes)->op4->e
cond(no)->op3
```

- **Customizable Presale Parameters:** Project creators can set the duration and funding goals for their presales. While the initial front end configuration includes a 48-hour window and a minimum threshold of 3 ETH, these values are adjustable to meet different project needs.
- **Presale Window:** This initial setup is designed to balance urgency and feasibility, encouraging quick participation while ensuring that the project attracts sufficient initial funding.
- **Non-transferable Tokens:** During the presale, participants receive non-transferable tokens. This ensures their commitment to the project's early stages and prevents early market speculation and manipulation.
- **Participant Flexibility:** The customizable nature of the presale parameters allows for strategic planning and marketing, enabling project creators to build anticipation and coordinate well-timed launches.
- **Fee Splits:** A fee of approximately 10% is collected upfront during the presale. This includes:
 - **Development Fee:** Less than 1% of the presale amount is directed towards the protocol's treasury to support ongoing open-source development and maintenance.
 - **Commitment Deposit:** A 9% fee acts as a deposit to ensure participant commitment. If the campaign does not meet its goal or a participant exits early, these fees are deposited into a rewards pool for future campaigns. This structure incentivizes serious participation and helps mitigate the risks associated with speculative involvement.
 - **Flexibility:** these fees can be changed to meet the needs of future experiments

4.3 Liquidity Pool Formation

The liquidity pool formation process is a critical component of the Fair Token Presale Tool, ensuring that the tokens have immediate and sufficient liquidity post-presale. This process is designed to be transparent, secure, and beneficial for all participants.

- **Token Minting:** Once the presale successfully concludes and the minimum funding threshold is met, the protocol mints an equivalent amount of tokens relative to the pooled funds. This ensures that the total supply of tokens is fully diluted and proportional to the contributions made during the presale. This is accomplished through a MolochV3 Manager Shaman contract
- **Liquidity Pool Creation:** The newly minted tokens and the pooled ETH are then used to create a liquidity pool on Uniswap V3. This step involves pairing the tokens with the ETH in a liquidity position, making the tokens immediately available for trading on the decentralized exchange. This is accomplished through a Safe Module contract that is approved on deploy of the raise treasury.
- **Initial Liquidity Provision:** By providing initial liquidity, the protocol ensures that there is a healthy market for the tokens right from the start. This helps in stabilizing the token price and providing participants with the ability to trade their tokens without significant slippage.
- **Built-in Volatility:** Reward funds are added into the liquidity pool at launch, potentially creating a higher initial price than the presale. This mechanism not only rewards early participants but also introduces market volatility that can attract traders and investors, enhancing the token's visibility and trading volume.
- **Transparency and Security:** The entire liquidity pool formation process is executed on-chain, ensuring transparency and security. Participants can verify the creation and allocation of liquidity through the blockchain, fostering trust and confidence in the process.

4.4 More on Fee Structure

The Fair Token Presale Tool implements a fee structure designed to ensure the sustainability of the protocol and incentivize participant commitment. The fees are split into two primary components:

- **Presale Fee:** A fee of less than 1% is collected on all presale transactions. This fee is directed towards the protocol's treasury and is used to fund ongoing open-source development, maintenance, and enhancements of the tool. This ensures the long-term viability and continuous improvement of the platform.
- **Commitment Deposit:** A 9% fee acts as a deposit to ensure participant commitment. This deposit is collected upfront during the presale. If the campaign does not meet its goal or if a participant exits early, these fees are deposited into a rewards pool for future campaigns. This mechanism serves multiple purposes:
 - **Incentivizing Serious Participation:** The commitment deposit discourages frivolous participation and ensures that only serious contributors take part in the presale.
 - **Supporting Future Campaigns:** Fees collected from failed campaigns or early exits are recycled into a rewards pool, providing additional resources for future projects and encouraging continuous engagement with the platform.

4.5. Exit Mechanism

The Fair Token Presale Tool provides a flexible exit mechanism to ensure participants can make informed decisions based on market conditions and personal preferences. This mechanism is designed to maintain fairness and provide liquidity options for all participants.

- **Pre-Launch Ragequit:** Participants have the option to exit the presale by burning their non-transferable tokens. By doing so, they receive a proportional share of the accumulated presale raise. This option allows participants to withdraw their contributions if they decide not to proceed with the project before the launch.
- **Selling into the Liquidity Pool:** Alternatively, after launch, participants can sell their tokens into the liquidity pool instead of burning them. This option allows participants to liquidate their holdings while contributing to the liquidity of the token, benefiting the overall market. The ability to sell into the liquidity pool provides an immediate exit strategy and enhances market stability by maintaining liquidity.
- **Post-Launch Ragequit:** Since all funds have been added to the liquidity pool, burning tokens for a fair share of the treasury may not always be practical. However, if the treasury becomes more valuable than the token on the exchange, due to LP fees or other collective actions, participants can ragequit at any time. This mechanism creates a price floor for holders and when tokens are burnt it will reduce the supply potentially enhancing the token value on the DEX.
- **Transparency and Security:** The exit mechanism is executed on-chain, ensuring that all transactions are transparent and secure. Participants can verify the burning and selling processes through the blockchain, fostering trust in the system.
- **Participant Flexibility:** By offering multiple exit options, the tool ensures that participants are not locked into their initial decisions. This flexibility is crucial for adapting to market dynamics and personal circumstances, promoting a more inclusive and responsive ecosystem.

The exit mechanism is a key component of the Fair Token Presale Tool, providing participants with the confidence and flexibility to engage in the presale process securely and equitably.

4.6. Token Governance Model

The governance model of the Fair Token Presale Tool is designed to ensure that token holders have a meaningful and democratic say in the direction and management of the treasury. This decentralized approach aligns the interests of all stakeholders and fosters a community-driven ecosystem.

- **Token-Based Governance:** Each token grants voting power to its holder, allowing them to participate in key decision-making processes. This ensures that governance is proportionate to the stake each participant has in the project.
- **DAO Structure:** The new token is governed by a Decentralized Autonomous Organization (DAO) created using the DAOhaus Moloch Factory. This structure facilitates transparent and efficient governance, leveraging smart contracts to automate decision-making and execution.
- **Proposal System:** Token holders can submit and vote on proposals related to various aspects of the token holder community, such as development priorities, LP fee adjustments, and treasury management. This inclusive approach ensures that all voices are heard and that the community can collectively guide the project's evolution.
- **Treasury Management:** The DAO is responsible for managing the LP treasury, which includes funds collected from liquidity pool fees, the liquidity position NFT, and any other assets in the shared treasury. Transparent and accountable management of these resources ensures that they are used effectively.
- **Lock-up Period:** A default two-week lock-up period for new proposals ensures stability in governance decisions. This period allows for thorough discussion and consideration of each proposal before a vote is finalized, preventing rash or hasty decisions.

4.7. Protocol Governance Model

The protocol uses the same mechanics to manage the rewards pool, ensuring consistent application of governance principles across the ecosystem.

- **Incentivizing Use:** Launches will receive bonuses from the rewards pool to increase the launch price and foster volatility. This creates additional incentives for new projects to use the platform and for participants to engage actively.
- **Incentivizing Participation:** Governance participation is incentivized through mechanisms such as staking rewards and participation bonuses. This encourages active engagement from token holders, ensuring that governance remains robust and representative of the community's interests.

The governance model is a cornerstone of the Fair Token Presale Tool, providing a decentralized, transparent, and inclusive framework for managing the protocol. By empowering token holders and fostering community-driven decision-making, the tool ensures that its development and operations remain aligned with the interests of its users.

4.8 Examples

Presale Mechanism

The Fair Token Presale Tool features a customizable presale mechanism. For instance, if the pooled funds (F_p) amount to 4.2 ETH and the number of tokens minted (T_m) the price per token at launch (P_{pre}) can be calculated as:

$$[T_m = \frac{F_p}{P_{pre}} = \frac{4.2 \text{ ETH}}{0.01 \text{ ETH/token}} = 420 \text{ tokens}]$$

Liquidity Pool Formation

Once the presale concludes, the liquidity pool value (LP) is determined by the number of tokens minted (T_m) and the presale price per token (P_{pre}) :

$$[LP = T_m \times P_{pre} = 420 \text{ tokens} \times 0.01 \text{ ETH/token} = 4.2 \text{ ETH}]$$

Exit Mechanism

Participants can exit the presale by burning tokens. The share received upon burning tokens (S_{burn}) is proportional to the tokens burned (T_b) relative to the total tokens in circulation (T_t) and the liquidity pool value (LP) :

$$[S_{burn} = \frac{T_b}{T_t} \times LP]$$

Governance Model

Voting power (V_p) for governance decisions is based on the proportion of tokens held (T_h) to the total tokens in circulation (T_t) :

$$[V_p = \frac{T_h}{T_t} \times 100]$$

Fee Structure

The total fees collected (F_{total}) are split between development fees (F_{dev}) and commitment deposit (F_{commit}) . For example, if the development fee percentage (α) is 1% and the commitment deposit percentage (β) is 9%, then:

$$F_{\text{dev}} = F_{\text{total}} \times \alpha$$

$$F_{\text{commit}} = F_{\text{total}} \times \beta$$

5. Use Cases

The Fair Token Presale Tool offers versatile applications across various scenarios in the DeFi ecosystem. Its flexibility and transparent mechanics make it suitable for a range of stakeholders and purposes.

5.1. New Project Launches

- **Objective:** Facilitate the launch of new projects with fair and transparent presale mechanisms.
- **Example:** A new DeFi protocol seeks to raise funds and distribute tokens fairly among early supporters. The Fair Token Presale Tool allows the project to set customizable presale parameters, ensuring that funds are raised efficiently and participants are committed to the project's success.

5.2. Community-Driven Initiatives

- **Objective:** Support community-driven projects and DAOs by providing a decentralized fundraising mechanism.
- **Example:** A community DAO wants to launch a token to fund a series of community projects. Using the Fair Token Presale Tool, the DAO can conduct a presale with predefined goals and timeframes, ensuring transparent allocation of funds and active community participation in governance decisions.

5.3. Educational Purposes

- **Objective:** Educate new users about DeFi mechanisms, DAOs and tokenomics through hands-on participation.
- **Example:** An educational platform aims to teach users about the processes involved in token creation, presale, and liquidity provision. By utilizing the Fair Token Presale Tool, users can engage in a controlled environment, learning about the intricacies of DeFi operations and governance.

5.4. Incentivized Participation and Rewards

- **Objective:** Leverage the tool's reward mechanisms to incentivize participation in various DeFi activities.
- **Example:** A DeFi project wants to boost engagement and liquidity by offering additional rewards to presale participants. The Fair Token Presale Tool's built-in volatility and reward distribution mechanisms ensure that early participants are adequately incentivized, creating a dynamic and active market.

5.5. MEMES

- Why so serious
- ok lets be serious... "Memes? Always has been!"

- Just launch a fully diluted token with enough liquidity and lots of volatility
- DEGAN love
- Bag holders get a second life

6. Roadmap

The development of the Fair Token Presale Tool is planned in several phases, each focusing on critical aspects of the platform to ensure a robust, secure, and user-friendly experience.

6.1. Phase 1: Initial Development and Testing

- **Timeline:** Q3 2024
- **Key Milestones:**
 - Finalize the core smart contract architecture.
 - Develop the presale mechanism and customizable parameters.
 - Integrate the DAOhaus Moloch Factory for DAO creation and management.
 - Conduct initial testing on the Sepolia testnet to validate concepts and identify potential issues.

6.2. Phase 2: Beta Launch and Community Feedback

- **Timeline:** Q4 2024
- **Key Milestones:**
 - Deploy the MVP on the Base for broader testing and feedback.
 - Collect and analyze community feedback to refine the platform.
 - Implement additional features such as the exit mechanism and built-in volatility.
 - Conduct security audits to ensure the integrity and safety of the platform.
 - Create and automate rewards pool mechanics

6.3. Phase 3: L2 Deployment and Scaling

- **Timeline:** Q1 2025
- **Key Milestones:**
 - Deploy the Fair Token Presale Tool on other mainnet L2s (Optimism, Arbitrum).
 - Launch marketing campaigns to attract projects and participants.
 - Monitor and support initial token launches to ensure smooth operation.
 - Establish the protocol's treasury and governance structures.

6.4. Phase 4: Expansion and Ecosystem Growth

- **Timeline:** Q2 2025 and Beyond
- **Key Milestones:**
 - Expand to additional EVM-compatible chains and Layer 2 solutions.
 - Introduce advanced features such as cross-chain compatibility and enhanced governance tools.

- Foster partnerships with other DeFi projects and platforms to integrate the Fair Token Presale Tool.
- Continuously improve the platform based on user feedback and evolving market needs.

The roadmap provides a clear and structured plan for the development and growth of the Fair Token Presale Tool, ensuring a systematic approach to building a robust and sustainable platform.

7. Team

The success of the Fair Token Presale Tool is driven by a diverse team of experienced professionals with deep expertise in decentralized finance, blockchain technology, and software development. Our team is committed to building a transparent, secure, and user-friendly platform for token presales.

7.1. Core Team

- **Skullman**, Developer
- **DekanBro**, Developer
- **Santiago**, Developer
- **Jarryingnaut**, Developer

7.2. Advisors

- **DrewH**, Degan Meme Advisor

8. Conclusion

The Fair Token Presale Tool represents a transformative approach to token presales within the decentralized finance (DeFi) ecosystem. By addressing key challenges such as insider exploitation, lack of transparency, and high participant risk, this platform provides a fair, transparent, and customizable solution for launching and managing token presales.

Through its permissionless architecture, flexible presale parameters, and innovative exit mechanisms, the Fair Token Presale Tool empowers both project creators and participants. The integration of a robust governance model ensures that all stakeholders have a meaningful voice in the platform's direction and management, fostering a community-driven ecosystem.

With a clear roadmap, a dedicated and experienced team, and a commitment to ongoing development and improvement, the Fair Token Presale Tool is poised to set new standards in the DeFi space. It democratizes access to token launches, aligns incentives between creators and participants, and leverages market mechanics to create a sustainable and dynamic environment for all involved.

We invite you to join us on this journey to revolutionize token presales. Whether you are a project creator looking to launch a new token, a participant seeking fair and transparent investment opportunities, or a community member interested in shaping the future of DeFi, the Fair Token Presale Tool offers the tools and framework to achieve your goals.