



USDG:

A Stablecoin Backed by ETH Staking and Staking Rewards

What is USDG:

USDG is a stablecoin cryptocurrency 1:1 pegged to USD. Each USDG is mined from a collateralized ETH. Users who deposit \$1000 worth ETH can mint the 1000 USDG. The value of USDG is backed by deposited ETH and the new ETH rewarded from ETH2.0 staking program.

Among various stablecoins available in the crypto market, USDG has a special feature called "mining while holding". Addresses holding USDG will automatically generate more USDG as interests, and the new USDG is fully backed by the ETH2 staking rewards.

How does USDG keep its price stable:

Ethereum core developer team is upgrading ETH to make it more scalable, more secure and more sustainable. The Beacon Chain is the first addition to ETH2.0 network, transferring from PoW to PoS. The official ETH2.0 staking reward is 8.1%, and produces new ETH every 6 minutes. The staked ETH and newly produced ETH become the value backing USDG.

Minting of USDG:

Whenever there is new ETH staked in the ETH2.0 staking program, or new ETH staking rewards claimed, there will be the same dollar worth of USDG minted.

Mining of USDG:

In the traditional financial world, newly issued currencies create inflation, which results in the reduction of purchasing power per unit of money. Every holder of that currency suffers from a loss of real value.

Instead of reducing purchasing power, whenever a new USDG is minted, previous holders could get reward. Different from the traditional money fund which is centralized to a certain account, every 0x address is part of a distributed money fund pool, which generates interests as defined in the protocol. Again, the rewards are backed by new

ETH generated from ETH2.0 staking program. USDG team also creates a model of FTC to further accomplish the goal.

First Transfer Contract (FTC):

When you receive USDG, which is very much like USDT, you can transfer to any address with any wallets. After the transfer is broadcasted, the mutual relationship between you and your recipient is forever locked on the blockchain by FTC.

Take the following as an example:

When you transfer USDG to 100 new addresses, you will become the upper level of these addresses in the hierarchy.

You will get bonus rewards from every one USDG they hold, currently at 1% APY.

If these 100 addresses hold 1 USDG on average, your income is 1 USDG/year

If these 100 addresses hold 1000 USDG on average, your income is 1000 USDG/year

If these 100 addresses hold 10000 USDG on average, your income is 10000 USDG/year

Through involving more people in USDG, you could take the bonus in minting every additional USDG, and can exchange USDG to ETH at any time in major exchanges.

The exchange mechanism of USDG:

As a stablecoin, USDG is designed as an USD peg. You can exchange USDG like any other stablecoins like USDT, USDC or DAI in all major exchanges.

The official way to burn USDG is to exchange USDG to ETH through the official website.

There are two exchange options.

Option 1: exchange immediately, and there will be a 10% fee.

Option 2: Be in the line, and there will be 0 fee.

Through the queuing system, it will make sure every USDG is backed by the newly minted ETH rewards from ETH staking program.

If ETH price goes up, there will be a shorter line of exchange, and vice versa.

USDG's ETH reserve

50% of USDG's ETH reserve will be used to stake in ETH2.0 staking program.