lotto3

LOTTO 3 WHITEPAPER

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CeFi Jackpots

GEOGRAPHIC PREVALENCE

In North America every Canadian province, 45 U.S. states, the District of Columbia, Mexico, Puerto Rico, and the U.S. Virgin Islands all offer government-operated lotteries. Elsewhere in the world government-operated lotteries exist in at least 100 countries on every inhabited continent.

Africa	14 lotteries
Americas	77 lotteries
Asia	29 lotteries
Europe	82 lotteries
Oceania	9 lotteries

LOTTERY PARTICIPANTS

Who buys lottery tickets?

People from all walks of life and all income levels like to play lottery games. Across the United States, players bought more than $107.9 billion in lottery products in fiscal year 2022. Lotteries market games to society as a whole, just like any other business selling a product in a competitive marketplace. The result is that players come from across the income spectrum. A recent Virginia study found 55% of those who play lottery games at least once month have incomes of $55,000 or more. A third of those who play at least once a month have incomes of $85,000 or more. In Michigan, 43% of players have incomes of $50,000 or more and 75% have incomes of $25,000 or more. A national study (by Vision Critical) found 44% of lottery players have incomes of $55,000 or more and 77% have incomes of $25,000 or more.

Some lottery critics that want to "prove" otherwise often rely on "zip code studies." That's when you take a certain zip code, look at total lottery sales within that area, and then assume that everyone in it has the same income and refuses to play the lottery anywhere else. Of course, the reality is people don't always buy their lottery tickets in the neighborhoods where they live. They purchase them on their way to or from work, while shopping or running other errands, or even at the airport. Zip code studies fail to take that into account. It's like saying that gasoline purchases are made mostly by poor people, because there are few gas stations in wealthy neighborhoods.

CeFi Jackpots

But not all of these people play the same amount. Don't most lottery sales come from a relatively small number of people?
As with any product or service, some people are more enthusiastic consumers than others. Business schools teach marketing students the "pareto principle": the idea that no matter what the product, 80% of the sales will come from 20% of the customers. Lotteries are no different. A Minnesota study, for example, found that 20% of the lottery players account for 71% of lottery income. In Arizona, 24% of lottery players accounted for 70% of lottery spending, and in Pennsylvania 29% of the players accounted for 79% of the spending on the lottery.

What about the heaviest lottery players? Aren't they poor, undereducated, and desperate?
Again, no. Numerous studies conducted in a wide range of jurisdictions show that frequent or "heavy" lottery players closely resemble the overall population of that state or province. They are no more likely to be poor or have little formal education than a citizen selected at random.

REVENUE

During fiscal year 2022, U.S. lottery sales totaled over $107.9 billion. Canadian sales reached nearly C$8.9 billion (this number excludes Loto-Québec, which reports gross gaming revenue).

Florida led the U.S. (and North America) with fiscal 2022 sales of $9.3 billion, followed by California with sales of $8.9 billion. The Canadian leader was Ontario, with fiscal 2022 sales of more than C$4.6 billion.

PRIZES

A single ticket sold in California won a Powerball jackpot worth $2.04 billion after matching all six numbers in the Nov. 7, 2022, drawing. The Powerball jackpot that had eluded players for three months was finally hit on the 41st draw of the run. Final ticket sales had pushed the jackpot beyond its earlier estimate, making it the world's largest lottery prize ever won.

CeFi Jackpots

FUNDRAISING

Lotteries have raised more than $585.5 billion for government programs in the United States, and more than C$81 billion in Canada. In fiscal year 2022 U.S. lotteries transferred $28.6 billion to their beneficiaries, while Canadian lotteries turned over C$3.5 billion to theirs.

The Texas Lottery Supports Texas Education. Since 1997, the Texas Lottery has contributed $30.3 billion to the Foundation School Fund, which supports public education in Texas. In FY 2022, the Texas Lottery transferred $1.972 billion to the Foundation School Fund.

The Lottery has given California public schools more than $39 billion since it began in 1985. It gave more than $1.8 billion to public schools in Fiscal Year 2020-21, which is about 1% of the state's annual budget for public schools.

REGULATION AND TAXES

Lotteries are regulated by their state or provincial governments. Federal regulation in the U.S. is limited to interstate distribution of tickets and interstate advertising.

Taxation varies by geography, but lottery winners can expect the local, state, and federal governments to take anywhere from 35% - 60% off the top before award. Winners are then taxed on their quarterly or annual returns based on their tax bracket.

DeFi Jackpots

DECENTRALIZED

Community rewards jackpots are decentralized. The daily and monthly jackpot winners will be selected using Chainlink VRF (Verifiable Random Function), and distribution to winners is done using Chainlink Automation.

The process will be managed on chain, fully transparent, and utilize DeFi tools and smart contracts to select winners and distribute winnings.

GLOBAL ACCESS

DeFi knows no borders. Self-custody wallets are the only requirement to access and participate in Lotto3.

PRIVACY AND ANONYMITY

Privacy is a human right. Cryptographic guarantees and Confidentiality Preservation through trust minimized applications define the Lotto3 ethos.

REGULATION AND TAX

Winners are responsible for personal tax liabilities. Lotto3 will follow standard accepted accounting practices for managing project business liabilities.

DEVELOPMENT ELEMENTS

The Lotto3 ecosystem utilizes Chainlink VRF, automation, and other decentralized services. The Stage 2 Lotto3 roadmap will be built on Modulus, utilizing ERC-4337 smart contracts.

ERC-4337 is a massive UX update that was needed in Web3 and will enable the next billion users to Web3. Modulus is an L2 zkEVM solution in development.

The most important enhancement with ERC-4337 is critical from a commercial innovation and adoption perspective, that is gasless and sponsored transactions. Gasless transactions and sponsored transactions allow the Lotto3 community to play without the additional burden and fees of gas.

Lotto3

OVERVIEW

Welcome to DeFi's only daily and monthly mega jackpots!

Lotto3 Jackpots are the only DeFi Community Rewards Program designed to give back directly to the community, and reward members for actively buying and selling project tokens and NFTs.

Strategic Vision: By developing and sustaining an ethos that makes DeFi fun, creates a blended family of token and NFT friends, Lotto3 is poised to become a Top 50 project by the end of 2023.

Ethos: Lotto3 is a fun community driven project, with daily and monthly jackpots, nightly community spaces and giveaways, that actively fosters a community that is inclusive to both NFT and token focused Web3-ites.

PROGRAM ELEMENTS

Lotto3 will utilize the following programmatic elements to community build and to promote innovation and DeFi advocacy.

DeFi Monthly Mega Jackpot
Lotto3 will award a monthly mega jackpot each month to a single community member. The monthly jackpot award will be selected using Chainlink Verifiable Random Function (VRF), and distribution is done using Chainlink Automation.

All wallets that have been white and blacklisted are ineligible to receive daily jackpot distribution.

Mega Jackpot Prize Pool
The Lotto3 Monthly Mega Jackpot will build its rewards pool from two sources. One percent of daily token volume will be distributed into the monthly jackpot pool. Additionally, 75% of Mega Monthly Mint will be distributed into the monthly jackpot pool.

Lotto3 expects to award monthly jackpots to single winners in excess of 1,000 ETH.

Lotto3

Daily DeFi Jackpot

Community members must purchase and hold project tokens during the period between Daily DeFi Jackpot drawings. Two wallets that purchased and held $LOTTO prior to the Daily Jackpot drawing will each receive 1% of total volume.

One winner will be chosen from the buys at random, no minimum purchase required.

To incentivize whale buys, the second winner will be chosen from the pool of buys of 0.5 ETH or greater.
The daily jackpot winners will be selected using Chainlink Verifiable Random Function (VRF). Distribution to winners will be done using Chainlink Automation.

All wallets that have been white and blacklisted are ineligible to receive daily jackpot distribution.

Project Buy And Burn

Buy and burn allocations will be used to purchase select project tokens off the open market. Proposals must be submitted by community members to determine which project's tokens will be purchased and burned. Projects will be selected by through community engagement measures.

Lotto3 will burn 50% of the tokens and retain 50% of the tokens in the community treasury.

Lotto3 community can choose to "buy and burn" $LOTTO tokens. If $LOTTO tokens are selected and purchased, 50% of $LOTTO purchased off the open market will be locked in one and two year staking pools. This will serve to remove $LOTTO from the DEX float and incentivize long-term staking pools with higher APYs.

The project buys will be unannounced and done with multiple buys to protect the charts of the projects chosen for buy and burn.

Example: Community proposal to use 1% allocation to buy $CULT. If 50B $CULT are purchased, 25B $CULT will be burned and 25B $CULT will be held in the community treasury.

Community Proposals

Community proposal for grants and investments are limited to organizations, individuals, and content creators that promote innovation and adoption of Web3, support sensible regulation and policy, decentralization, and are aligned with the values and mission of the community.

Proposals will be submitted through a link on the Lotto3 Dapp.
Example: Protocol A is building a decentralized ride sharing app. Protocol A would submit their team info, pitch deck, and funding request for community consideration.

Second Chance Drawings

Second chance eligibility is limited to Lotto3 NFT holders. Lotto3 second chance drawings will leverage operations and marketing funds, partnerships, collaborations, and project buy and burn allocations to create worthwhile prize pools, whitelist spots, and unique utility for monthly NFT mints after the monthly draw closes.

Planned Second Chance Drawings:
Mutant March: March 2023, Mutant Ape giveaway in April
BAYC-ril: April 2023, BAYC giveaway in May
TBD: May 2023

TOKEN UTILITY

Lotto3 tokens are high utility and provide holders with access and opportunities within the Lotto3 ecosystem, with additional utility to be added as the community and ecosystem, our partners, and global footprint grows.

1. Native tokens can be staked in variable periods for variable APYs.
2. Entries for Special Lotto3 prizes can only be minted using native tokens.
3. $LOTTO is a Governance token for voting on community grants, proposals, and Lotto3 community business.

Staking Rewards

Lotto3 has allocated 5%, 50 million prelaunch $LOTTO tokens for staking rewards. Native tokens can be staked in variable periods for variable APYs.

Lotto3

Lotto3 community can choose to "buy and burn" $LOTTO tokens. If $LOTTO tokens are selected and purchased, 100% of $LOTTO purchased off the open market will be locked in one and two year staking pools. This will serve to remove $LOTTO from the DEX float and incentivize long-term staking pools with higher APYs.

NFT UTILITY

Lotto3 NFTs act as a community membership card, and monthly mega jackpot entries are the potential door prize. Beyond the monthly drawings, NFTs grant exclusive eligibility for second chance drawings, partner whitelist spots, and community governance voting. Additional utility will be added as the community and ecosystem, our partners, and global footprint grows.

1. Community governance voting for community grants, proposals, and Lotto3 community business
2. Entry into monthly mega jackpot drawings
3. Exclusive eligibility for second chance drawings
4. Exclusive eligibility for partner whitelist spots

DEVELOPMENT: MODULUS CHAIN AND ERC-4337

Lotto3 would like to form a development partnership with CULT DAO to develop the elements of the stage 2 roadmap on Modulus chain, using ERC-4337.

Concept Development

1. Parlay P2P sports wagering will be built on Modulus
2. L3 Scrattch will be built on Modulus
3. Parlay P2P and L3 Scrattch will utilize ERC-4337 smart contracts, including features for gasless and sponsored transactions, etc.
4. The house margin (10%) will be allocated as follows:
   a. 5% will be used for operational costs
   b. 5% will be used to purchase $CULT for transactional gas

Go To Market

NIGHTLY ENGAGEMENT

Content creators, degens, and beloved influencers AshleyDCan and D Hype will join Lotto3 and host Lotto3 community spaces Monday – Friday. Spaces will take place before, during, and after Daily Lotto3 drawings, run time of 60 minutes.

Spaces will host a regular panel that includes previous winners, project devs, collaboration partners, and fun conversations about anything and everything going on in the world of DeFi and Web3.

COLLABORATIONS

Lotto3 and its community will actively work to collaborate with the top Web3 communities and provide select NFT, PTE, MTE, DeFi, and Token communities with limited whitelist spots for special prize mints.

CENTRALIZED EXCHANGES

Lotto3 will work with Gotbit Venture team to develop a right-sized strategy for Centralized Exchanges engagement. Centralized Exchanges offer advantages for marketing, community growth, market making, payment aggregation, and liquidation.

INFLUENCERS

Lotto3 will work with two top influencers as Ambassadors, and three mid-tier influencers to conduct AMAs prior to launch. Influencer marketing will be a central tenet of Lotto3's early marketing strategy.

Go To Market

ROADMAP FOR GROWTH

Lotto3 has a detailed road map for growth and market penetration throughout the US, EU, and Asia. The initial focus is on the US and EU, but Q2 – Q4 will be primarily focused on penetration and rapid expansion throughout Asia, starting with South Korea in April, followed by China and Japan.

Southeast Asia has also quickly become a global hotspot for digital assets, NFTs, and metaverse. To support Asian marketing, Lotto3 has started interface with three different media and marketing companies with regional specialization, including turnkey services for local community moderation for Telegram, WeChat, and Weibo, Press Releases, translations, and dubbing.

Token Economy

TRANSACTION FEE

Each transaction will be taxed 5% and distributed as outlined below.

$LOTTO TOKENOMICS

The Lotto3 token symbol is $LOTTO. $LOTTO is an ERC20 token-based governance instrument for the Lotto3 Community, with economic utility within the Lotto3 ecosystem.

Daily DeFi Jackpot

2% of daily volume will be distributed in jackpot fashion. Two wallets that purchased and held $LOTTO prior to the Daily Jackpot drawing will each receive 1% of total volume

DeFi Monthly Mega (M2) Jackpot

1% of daily volume will be distributed to a prize pool and awarded monthly to a single winner jackpot.

Operations

2% of volume will be allocated for marketing, including paid community moderators and admins, influencer marketing, AMAs, and opportunities to promote the mission and the community.

NFT TOKENOMICS

Lotto3 Mega Monthly Mint will mint monthly using ERC 1155 contract.

DeFi Monthly Mega Jackpot

75% of mint will be distributed to a prize pool and awarded monthly to a single winner jackpot.

Token Economy

Project Buy And Burn
10% of mint will be allocated to buy and burn selected project tokens off the open market. Proposals must be submitted by community members to determine which project's tokens will be purchased and burned.

The community will burn 50% of the tokens and retain 50% of the tokens in the DAO's treasury.

Lotto3 community can choose to "buy and burn" $LOTTO tokens. If $LOTTO tokens are selected and purchased, 100% of $LOTTO purchased off the open market will be locked in one and two year staking pools. This will serve to remove $LOTTO from the DEX float and incentivize long-term staking pools with higher APYs.

Community Proposals
5% of mint will be allocated to community proposals for grants and investments. Proposal awards are limited to organizations, individuals, and content creators that promote innovation and adoption of Web3, support sensible regulation and policy, decentralization, and are aligned with the values and mission of the DAO.

Operations
10% of mint will be allocated for operations, including paid community moderators and admins, influencer marketing, AMAs, second chance drawings, and opportunities to promote the mission and the community.

Tokenomics	$LOTTO Token	M2 NFTs
Daily DeFi Jackpot	2%	
Monthly Mega (M2) Jackpot	1%	75%
Operations	2%	10%
Buy and Burn		10%
Community Proposals		5%

Distribution

Total Supply: 1,000,000,000; 1B

Pool	%	$Token	Vesting
Private sale	15%	150,000,000	6
Presale	15%	150,000,000	6
Rewards	10%	100,000,000	24
Liquidity	20%	200,000,000	12
Staking	5%	50,000,000	24
Marketing	5%	50,000,000	12
Ecosystem	20%	200,000,000	12
Team & Advisors	10%	100,000,000	12

FDV	**$2,000,000**
Liquidity	**$100,000**
IMC	**$64,000**
Hard Cap	**$440,000**

Governance

OVERVIEW

The DAO is governed by the $LOTTO Token. The DAO will manage a treasury and portfolio that enables the DAO's mission to promote innovation and adoption, effectively support and influence sensible policy and regulation, and to foster DeFi education around the world.

PRIORITIZATION COUNCIL

The Prioritization Council is a group of seven and meets on a weekly basis to review DAO proposals, opportunities, and community concerns. The Prioritization Council is responsible for identifying proposals consistent with the values and mission of the DAO, and for managing the day-to-day DAO community.

The Prioritization Council serves as a screening and endorsement mechanism for proposal votes to the DAO community. In order for a proposal to not receive a community vote, the Prioritization Council must reject the proposal with a five vote majority.

PROPOSALS AND VOTING

The Prioritization Council will screen and endorse proposals submitted through the DAO proposal process that are consistent with the values and mission of the DAO, business and treasury objectives, and long-term roadmap for the Lotto3 community.

PROPOSERS

Proposals can be put to the Prioritization Council by DAO members under the following circumstances:
- Top 25 $LOTTO Holder, or
- Workshop an idea with the community in Discord, endorsed and co-signed by 10 other $LOTTO Holders
- Request agenda spot at Weekly Prioritization Council Meeting, provide pre-read of proposal 7 days in advance

Governance

Note: Prioritization Council members can submit proposals for treasury funding only with unanimous approval from the Prioritization Council membership.

ACTION CHOICES

Voting Mechanism

Lotto3 community will oversee voting for proposals as appropriate and endorsed by the Prioritization Council based on tabled proposals and available treasury funds. Funding will be allocated to approved proposals based on the amount of funding available in the DAO.

Opportunities

Lotto3 anticipates a wide range of initiatives and proposals to accomplish the goals and mission of the community and to foster international growth, partnerships, and value-added collaborations with Web3 stakeholders. The types of activities include, not intended to be exhaustive or limited to:

- Web3 advocacy and policy support
- Gig opportunities to support DAO services and the DAO ecosystem
- Collaborations and partnerships
- New international and regional opportunities
- Real estate opportunities
- Venture capital opportunities

Project Roadmap And Milestones

PHASE 1: EARLY INVESTMENT

⇒ Entity Formation and Registration

⇒ Tokenomics, Distribution, and Whitepaper

⇒ Social Presence: ENS, Web2 and Web3 Domains, Twitter and Telegram

⇒ Branding Framework and Company Website

PHASE 2: FUNDAMENTALS

⇒ Smart Contract Development

⇒ Press Release: CoinTelegraph, Yahoo! Finance

⇒ Asia Socials and Community: Telegram, Twitter, WeChat, and Weibo Community Start-Up and Moderation

⇒ Token Launch

⇒ Daily DeFi Drawings Commence

⇒ Initial Monthly NFT Mint

⇒ Monthly Mega Jackpot Commences

⇒ Complete Techrate Audit

⇒ CoinMarketCap and CoinGecko

PHASE 3: GROW AND EVOLVE

⇒ Stage 2 Development on Modulus

⇒ Launch Stage 2 Lotto3 Gaming Features

    ⇒ Parlay p2p Sports Wagering

    ⇒ Scrattch

⇒ Formalize Partnerships and Collaborations Plan

⇒ Successfully list $LOTTO on MEXC centralized exchange

⇒ Community Proposals Commence

⇒ Project Buy and Burns Commence

⇒ Second Chance Drawings Commence

⇒ Community Engagement and Growth Strategy

⇒ Formal Asian Market Strategy Execution

Addendum A: References

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