



Daniel Wang  
Founder of Loopring Foundation  
Draft

## **Loopring Token on NEO & Qtum—Token Sale and Airdrop**

This post outlines our distribution plan for new Loopring tokens on additional target blockchains, and provides some details specific to the distribution of the Loopring token on NEO and Qtum.

We are scrapping the prior binding process for the airdrop, and creating a new smart contract to facilitate address binding in the coming weeks. Read more to get all the details.



The Protocol for Decentralized Token Exchange.

## About Loopring

Loopring is a blockchain agnostic protocol that enables people to trade tokens in a secure, anonymous, and trustless manner by using users' private-keys in order to authorize orders directly from their own wallets. Loopring's robust and progressive design aims to solve more than just the inherent problems that centralized exchanges experience. It is designed for the future "cyber-economy" where economic activities and value transfers and exchanges not only happen between humans,

but also between smart agents (robots) powered by artificial intelligence. These smart agents think, own, and trade, powering a new, AI economy. This type of value transfer will be instrumental in supporting innovations such as drone deliveries and self driving taxis.

The Loopring Protocol avoids the performance issues plaguing public blockchains. Loopring accomplishes this by managing, sharing, and ring-matching cryptographically signed orders, all within a consortium blockchain network. Loopring thus bypasses the scaling issues by only posting actual trades as transactions on public blockchains.

Version 1.0 of the Protocol has been deployed on top of Ethereum and Qtum; currently, we are implementing the protocol on the NEO blockchain. In addition, Protocol version 1.1 will introduce a better incentive model.

## Terminology

We are going to use the following terms in this post:

- **Target blockchain:** A public blockchain where the Loopring Protocol has been or will be deployed.
- **LRx:** One of the Loopring tokens. **LRC** stands for the Loopring token on Ethereum, **LRN** stands for the Loopring token on NEO, **LRQ** stands for the Loopring token on Qtum.
- **Fund:** The fiat money and/or cryptocurrencies we have raised or will raise e.g. via a token sale.

- **Reference Target Blockchain:** The target blockchain whose Loopring token's total cap (not the market cap on coinmarketcap) calculated as `tokenPrice(in USD) x tokenTotalSupply` has become the largest among all LRx tokens for a considerable amount of time. Ethereum is the current reference target blockchain.
- **Loopring's Reference Token (Reference Token):** The Loopring token on the reference target blockchain. LRC is the current reference token.
- **Initial Token Distribution Date (ITDD):** The date when we start to distribute LRx to token sale participants.
- **LEAF:** Loopring Ecosystem Advancement Fund, see our [2018 R&D roadmap](#) for more information.
- **Airdrop Block Height (ABH):** The block height at which a snapshot of the reference blockchain's account balances will be taken for calculating the amount of LRx to be airdropped to each target account. There can be multiple ABHs for each new Loopring token. Each airdrop has a corresponding ABH.

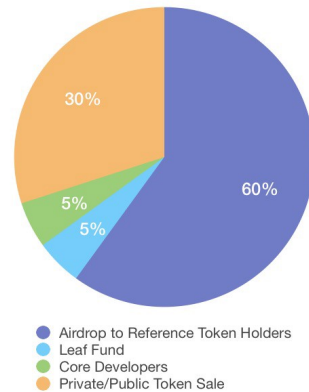
## Token Distribution

### General Principles

- 60% of the new LRx will be airdropped to the reference token holders.

- 5% of the new LRx will be put into the LEAF fund to incentivize partners and individual contributors who develop tools and services on top of the specific target blockchain using the Loopring Protocol and/or its token.
- 5% of the new LRx be reserved for rewarding core developers. These LRx will be gradually unlocked over a two-year period starting from the ITDD.
- Up to 30% of the new LRx will be sold to investors. If we end up selling less than 30%, the remaining balance will be put into LEAF.
- If the token sale is private, we may or may not disclose 1) the minimum amount of fund we plan to raise, and 2) the unit prices for LRx.
- Airdrop to reference token holders will happen only when token sale participants have obtained part of or all of their purchased tokens. We will explain the airdrop in a section that follows.
- All LRx delivered in a single airdrop will be kept in a **holding smart contract** on the target blockchain. These LRx will be partially locked for 2 years starting from the time of the airdrop. Each reference token holder will be able to withdraw  $1/(2 \times 365)$ , or 0.137%, of the LRx credited to his/her address each day.

ALLOCATION	PERCENTAGE
Airdrop to Reference Token Holders	60%
Leaf Fund	5%
Core Developers	5%
Private/Public Token Sale	30%



LRx Token Distribution

## Token Sale and Fund Allocation

*“What the ..., you greedy people want to raise more money again with additional token sales, why?”*

We want a dedicated team to focus on the research and development of Loopring within the Ethereum ecosystem, supported the Ether we raised—we believe that’s why people invested in us with Ether in the first place. The challenges of implementing Loopring on new blockchain infrastructures are best overcome by dedicated and specialized development teams. To enable this, we must raise dedicated project funding to develop a protocol and ecosystem for each

target blockchain. This will ensure success for both the LRx value chain, and the Loopring ecosystem as a whole.

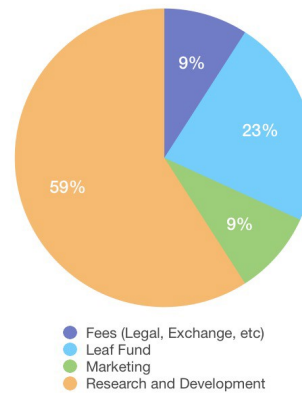
Deploying the Loopring Protocol on multiple top-tier public blockchains as early as possible is our strategy and will serve as a protection measure to discourage random teams from copying our idea and codebase under a different name. Those teams usually do not possess the understanding of the protocol nor share our vision. Investing in such copycat projects is a terrible idea.

With a token sale of LRx, we offer stakeholders in the new blockchain an opportunity to invest in the genuine Loopring Protocol and team.

We will manage the funds for each LRx separately in order to ensure that the Loopring Protocol on every target blockchain has the best chance of success, and any unsuccessful target blockchain will not affect the overall Loopring ecosystem.

Below is the proposed allocation of the fund:

ALLOCATION	PERCENTAGE
Fees (Legal, Exchange, etc)	10%
Leaf Fund	25%
Marketing	10%
Research and Development	65%



Fund Allocation

Token sale participants will get their LRx in 3 tranches, as illustrated in the table below.

ALLOCATION	PERCENTAGE
Initial Token Distribution Date (ITDD)	20%
ITDD + 2 month	40%
ITDD + 4 month	40%

Delivery of LRx in 3 Tranches

For each LRx, we will adjust the delivery strategy based on the market and feedback from our potential investors, as well as feedback from our



legal consultants. Token investors will receive part of their LRx before the first free LRx airdrop to reference token holders.

## Airdrop

For each LRx, there will be 3 airdrops, corresponding to 3 different ABHs. Each airdrop will deliver 20% of the total supply to a **holding smart contract** and credit the proportionate amount of LRx to each address. These LRx will be linearly unlocked and become withdrawable over a 2 year period.

These 3 airdrops and the multiple token sale tranches will be spread over a 12 month period starting from the ITDD. Please read the next section for more information regarding the timeline.

**We will announce the associated ABH at least two weeks prior to its corresponding airdrop.** We encourage all reference token holders to withdraw their tokens from exchanges to their personal wallets—wallets with their own private-keys before each ABI. We are not communicating with exchanges in regards to airdrop support.

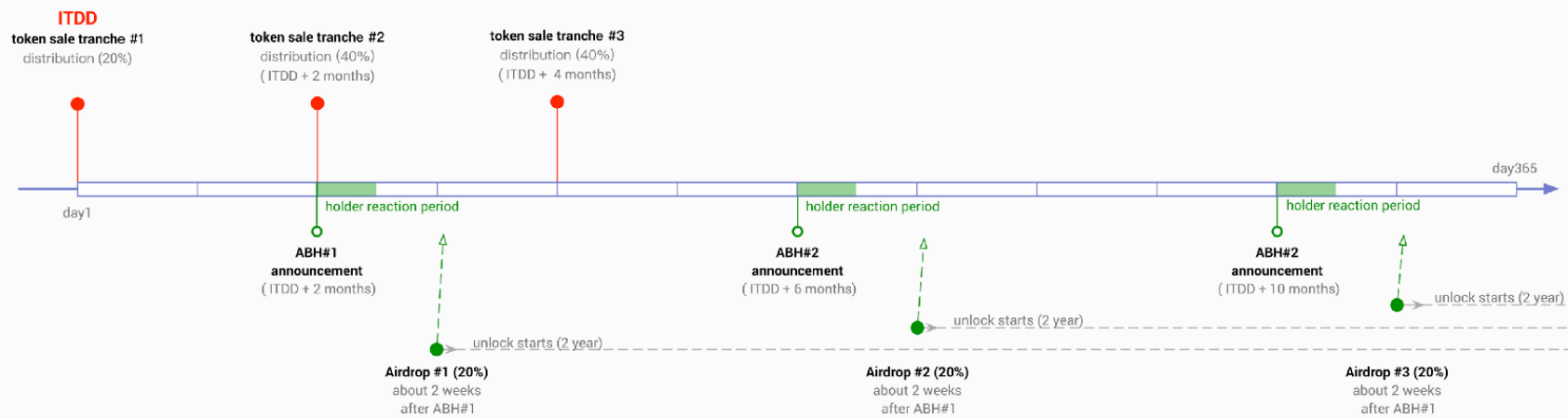
Depending on the target blockchain's transaction fee model, we may potentially charge a fee for the airdrop transactions by deducting a very small portion of LRx (for example 1 LRx) before sending them to each target address.

## Timeline

Everything starts with a successful token sale. After concluding the token sale, we will immediately choose an ITDD and start distributing

the first tranche of LRx to token holders. This will be publicized via a blog announcement.

The overall token sale delivery and airdrop timeline is as follows, with a higher quality image available [here](#).



Token Sale & Airdrop Timeline

## Claim Your Airdrop

### 1. Bind Addresses

**We will provide you with a source-code verified smart contracts for binding the targeted blockchain address to your relevant address on the reference blockchain.** Note that the previous binding tool on loopring.io is now obsolete. You will need to bind addresses (again) using the smart contract, which will be deployed in a couple of weeks.

We will take a snapshot of the address-binding state from the reference blockchain at exactly each ABH and use it to airdrop LRx (instead of using other binding states).

We will try to validate the target addresses you provide but it is your sole responsibility to ensure that the addresses are correct and valid. If the airdrop fails, the LRx will be either locked in those mismatched/bad addresses or put into our LEAF fund—both will result in the forfeit of your LRx.

**BE ADVISED: We will make an additional blog post once the smart contracts become available for binding and will include a tutorial detailing how to proceed.**

## **2. Transfer LRC to Your Own Address**

To claim your airdrop, you will need to ensure that all your LRC is held in your own Ethereum address and bound (as described in Step 1) at each ABH. You can transfer LRC from that address immediately after the ABH.

Keeping your LRC on an exchange will result in the relevant LRx being airdropped to the exchange. Under this circumstance, it is at the

exchange's discretion to determine whether you receive the LRx. Loopring has made no agreements with exchanges for LRx airdrop support. Effectively, tokens airdropped to exchanges belong to exchanges.

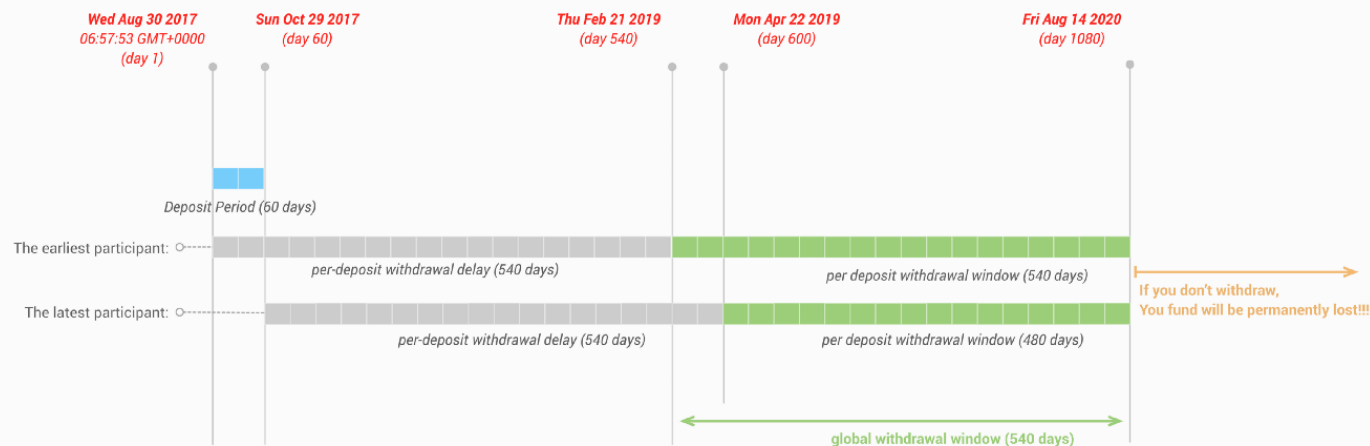
## Special Cases

### LRC Long-term Incentive Plan

*If you haven't heard of this plan or haven't participated, feel free to skip this section.*

Some of our early LRC investors participated in our long-term incentive plan which was closed in the Fall of 2017.. They collectively deposited a total of 65,144,894 LRC (the contribution) and will share a reward of 50,177,628 LRC (the reward) nonlinearly. This implies a 177%+ ROI.

The timeline of this plan is illustrated as follows (find a high quality image here):



Timeline for LRC Long-term Incentive Plan (Each Block Represents 30 Days)

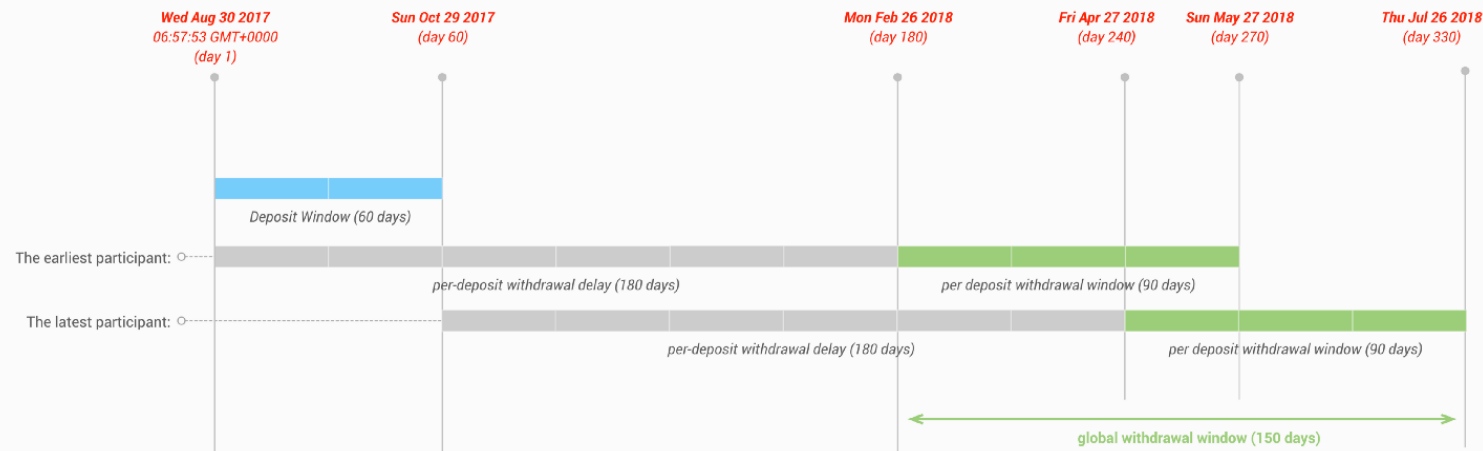
At each airdrop, we will calculate how much LRC contribution remains in the plan for each participating address and airdrop LRx to the addresses proportionally as per the remaining contribution. Once withdrawn before an airdrop, the reward will be treated as a normal LRC balance and eligible to receive future LRx airdrops.

We strongly recommend you to bind addresses that have participated in the long-term plan.

## LRC Mid-term Incentive Plan

*If you haven't heard of this plan or haven't participated, feel free to skip this section.*

Some LRC investors have also participated in our mid-term incentive plan by depositing LRC in exchange of Ether. The timeline of the plan is illustrated in the diagram below (an image of higher quality is also [available](#)). The plan will terminate on July 26th 2018, after which the participants can no longer get their LRC back, though they can keep the Ether they borrowed. Please set up a reminder for yourself if you are part of the plan.



Timeline for LRC Mid-term Incentive Plan (Each Block Represents 30 Days)

We are NOT airdropping LRx to the participating addresses, neither do we request participants to return the cryptocurrencies from any Ethereum forks back to us.

## **LRC Held by Contracts and Special Addresses**

We will not airdrop LRx to any contract addresses or special addresses such as 0x00..00. The corresponding LRx will be put into the LEAF fund.

## **Bad Addresses**

If you bind an invalid or incorrectly formatted target blockchain address to the address of the reference target blockchain, we will be unable to correct the binding or attempt another airdrop. We want to make it very clear that, 1) any LRx airdropped to such addresses will be essentially burned; and 2) if the LRx have not been transferred to the target addresses, we will put them into the LEAF fund and they will NOT be yours to claim. Instead, they will officially belong to the foundation.

Again, be aware: we do not guarantee that the addresses you bind using our tools are valid. It is your responsibility, not ours, to make sure your addresses are valid addresses on the target blockchains.

## **About NEO and Qtum**

## NEO

NEO was founded in 2014 and was open source on GitHub in June 2015. Since its inception, the NEO team has experienced the upsurge and boom of the blockchain industry and the frenzy and cooling of the digital money market. With the belief that technology drives progress, NEO was created to shift the traditional economy into the new era of the “Smart Economy” where, 1) digital assets; 2) digital identity; and 3) smart contracts fuse into a solution that has been previously unavailable.

NEO has a market cap of 9+ billion USD and now the 8th largest blockchain project as of this writing.

## Loopring on NEO (LRN)

We are working on the Loopring Protocol for NEO. The token, LRN, is therefore a future token. We will use SAFT as our compliant framework for the LRN token sale. We anticipate that LRN will be delivered to investors in one tranche, which is different from our previously stated schedule.

The total supply of LRN will be 139,507,605.45, 1/10 of the total supply of LRC on Ethereum. LRN will be a utility token, as it will be used by the Loopring Protocol on NEO as trading fees and as a means of decentralized protocol governance.

For every 100 LRC, you will receive a total of 6 LRN after all 3 LRN airdrops.



## Qtum

Combining a modified Bitcoin Core infrastructure with an intercompatible version of the Ethereum Virtual Machine (EVM), Qtum merges the reliability of Bitcoin's unfailing blockchain with the endless possibilities provided by smart contracts.

Designed with stability, modularity and interoperability in mind, Qtum is the foremost toolkit for building trusted decentralized applications, suited for real-world, business-oriented use cases. Its hybrid nature, in combination with a first-of-its-kind PoS consensus protocol, allow Qtum applications to be compatible with major blockchain ecosystems, while providing native support for mobile devices and IoT appliances.

With a 3+ billion USD market cap, Qtum is the 18th-ranked blockchain project on coinmarketcap as of this writing.

## Loopring on Qtum (LRQ)

We have deployed LRQ (as a QRC-20 token) and the Loopring Protocol v1.0 on top of Qtum mainnet. The total supply of LRQ is 139,507,605.45 (a little more than 139.5 million), which is exactly 1/10 of the total supply of LRC on Ethereum.

LRQ is a utility token and is used by the Loopring Protocol on Qtum as trading fees for now and a means of decentralized protocol governance in the future.

The source code of LRQ and the protocol on Qtum can be found [here](#); LRQ's smart contract address is `00RuCwurjS9Nqy5PGmdSNrALhRsbZCeWvK` ;

and the protocol's smart contract addresses can be find [here](#).

If you own 100 LRC at one of the 3 LRQ ABH, the number of LRQ you will receive is:  $(100/10)*20\% = 2\text{LRQ}$  . If you hold 100 LRC at each and every of the 3 LRQ airdrops, you will get a total of 6 LRQ.

Don't allow the QUANTITY of the distributed LRQ to deceive you. The total received is proportionate to the total supply—it's all about the percentage of the total supply, not the absolute quantity, and price will ultimately reflect this.

## LRN/LRQ Token Sale

Following our token distribution principles, we will sell up to 30% LRN/LRQ tokens to accredited investors. Residents of USA, Canada, Cuba, Iran, Iraq, Syria, North Korea, Singapore and China will not be allowed to participate in the token sale due to national legal regulations. All applications will need to go through our KYC and AML process.

The legal documents related to the token sale will be available upon inquiry for people who we think may qualify. We also recommend you verify the identity of any brokers who approached you regarding the LRN/LRQ token sale.

**There will be no discount or bonus!**

The ITDD for LRN and LRQ will be different and will be announced separately after we conclude the token sale. [Follow us on Twitter](#) for the most up-to-date information.

## We Reserve All Rights

It shall be made clear that all LRx are owned by the Loopring Foundation prior to being airdropped. The LRx airdrop schedule to reference token holders does not grant them the right to claim LRx other than the way we have specified in this article. Additionally, we, the Loopring Foundation, reserve the right to interpret, modify, and/or cancel the airdrop at anytime, with or without any prior notification or explanation.

## FAQ

- **Should I participate in LRx token sale or simply buy LRC to receive free LRx airdrop?**

*It depends on the valuation of the the new LRx. If we sell 30% of LRX for 20 million USD, the total cap of the LRx will be 66.67 million USD. The current LRC total cap is 1.485 billion USD (1LRC = 1.08USD). If you invest 1 million USD to buy LRC, you'll own 0.067% of all LRC and 0.04% of all that LRx; if you participate in the token sale and buy 1 million USD worth of LRx, you'll own 1.5% of all that LRx. The question you need to ask yourself is: given all the knowledge regarding the potential of the target*

*blockchain's ecosystem, what's the expected valuation of that LRx in the near future.*

- **All my LRC are stored in a hardware wallet, how can I bind addresses using loopring.io?**

*Binding address using loopring.io has been obsolete to avoid storing the binding in a centralized database that LRC holders have to trust.*

*Now binding address should be done by using a designated smart with normal Ethereum transactions. If your hardware wallet can sign transactions, you are good to go. We recommend using [myetherwallet.com](https://myetherwallet.com) to access the smart contract. A tutorial will be available soon.*

- **“Sorry, I missed your update and didn’t bind address, can you help me out and give me the honor to own ‘my’ LRx? I’m a big fan of Loopring, a long-term holder, I’ve put tens of thousand of LRC in the long-term incentive plan, and I’ve always been active in your community, helping you manage your channels, answering questions..., please give me my LRx, please! ”**

*Sorry, but NO. You missed it, then those LRx are not yours to claim. You should have followed us on twitter: [twitter.com/loopringorg](https://twitter.com/loopringorg).*

*Please do not bombard our social media or group chats with messages like above —your messages will be ignored/deleted and you will be removed.*

- **Can we use LRC for all other blockchains that the Loopring Protocol will be deployed onto?**

*We wish we could, but Loopring is not a cross-chain trading protocol, at least for now. We need one token for each target blockchain.*

- **I have bound addresses using the smart contract but I want to change my target addresses, can I do a rebinding?**

*Yes, the smart contract will allow you to update the bound addresses.*

- **When will LRQ or LRN be listed, on which exchanges?**

*They will eventually be listed; but, we cannot tell you when or which exchanges will list them. Be part of our community (see below) to get the most up-to-date information.*

. . .

For more up-to-date information, join us on social media:

★ Twitter: [twitter.com/loopring.org](https://twitter.com/loopring.org)

★ Rocket Chat: [loopring.rocket.chat](https://loopring.rocket.chat)

★ Telegram: [t.me/loopringfans](https://t.me/loopringfans) & [t.me/loopringinternational](https://t.me/loopringinternational)