



Scaling Lightning to Billions of People

L1 Bitcoin

L2 Lightning

L3 Deposits

Cryptographically validated ledger
Full reserves in a dedicated channel output
Operator collateral on top of reserves
Spending to a multisig of peer operators
Holding funds controlled by keys
Collecting ongoing maintenance fees

Each ledger update self-interested
Validated by the channel partner
Hash included in the commitment

Except inbound payments
Where preimage demonstrates dishonesty
Dishonesty is force closed

Peers return honest funds
Dishonest funds are reassigned
The ledger resumes on a new channel

