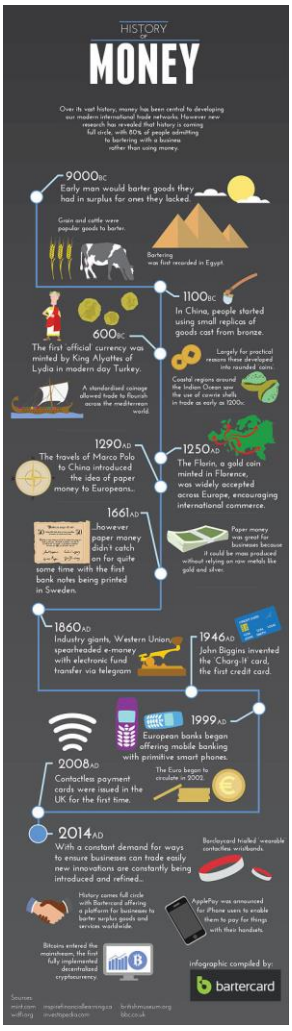
LOBITCOIN

A commission-free decentralized system

1. INTRODUCTION
1.1 Introduction

Lobitcoin is a decentralized cryptocurrency built on a commission-free, open source peer to peer electronic cash system. Transactions using lobitcoin are done without the need for a central server or trusted parties. Users hold crypto keys to their own money and transact directly with each other, with the help of a P2P network to check for double spending.

At the dawn of humanity, bartering was used in lieu of money. As man began to rear livestock and cultivate fruits and vegetables the earliest forms of barter included goats, cattle, sheep, camels, grains, fruits and vegetables. The earliest known currency was created by King Alyattes in Lydia (now in Turkey) in 600BC with the first coin being minted around that time. A standardized coinage allowed trading across the Mediterranean world. The Song Dynasty in China was the first to issue paper money, jiaozi, around the 10th century AD. Although the notes were valued at a certain exchange rate for gold, silver, or silk, conversion was never allowed in practice. Bank notes were made using paper and paper money was amazing for business transactions as this evolutionary stage came with it a reduced cost of currency production with less reliance on gold and silver. This particular advantage allowed for mass production. In 1846AD Western Union spearheaded the e-transaction with electronic transfer of funds through the telegram and in 1946 the first credit card was made by John Biggins. All these were soon followed by mobile banking on primitive smart phones in 1999 and soon contactless payments began to be made available.



Every single form and evolutionary stage of currency was always under a centralized system which only allowed for currency control under one singular authority, authorities that determined currency value, currency circulation and monetary policies. This all changed with the introduction of Bitcoin; a cryptocurrency created by Satoshi Nakamoto which is based on a decentralized system. Its arrival was and is still being met with lots of criticism and at the same

time acceptance. The first ever bitcoin block was mined in January of 2009 by Satoshi whose identity is yet to be known. Since its release bitcoin has grown exponentially in price and carved out the path for the thousands of coins and tokens in the world of cryptocurrency today.

Money has always been a basic necessity of living and this is evident as history makes us understand. The evolution of money stemmed largely from the increasing need for an easier means of financial transaction, with every stage of currency evolution solving a particular problem ranging from size of currency to ease of currency production to cost of transaction. The ever present hurdles of doing business makes us understand that the evolution of currency may never end with each problem requiring a different solution every time.

2. THE CRYPTOWORLD TODAY

2.1 The First of the Rest

On 18 August 2008, the domain name bitcoin.org was registered. Later that year on 31 October, a link to a paper authored by Satoshi Nakamoto titled Bitcoin: A Peer-to-Peer Electronic Cash System was posted to a cryptography mailing list.

The world was basically split in opinions in January, 2009 when the first ever currency based on the system of cryptography was later introduced. Bitcoin was the first cryptocurrency to be known and today is the strongest by a long mile. Bitcoin is a cryptocurrency, a digital asset designed to work as a medium of exchange that uses cryptography to control its creation and management, rather than relying on central authorities.

Nakamoto implemented the bitcoin software as open source code and released it in January 2009 on SourceForge. The identity of Nakamoto remains unknown. In January 2009, the bitcoin network came into existence after Satoshi Nakamoto mined the first ever block on the chain, known as the genesis block.

2.2 A Growing System

By implementing the bitcoin software as an open source code Satoshi paved the way for the emanation of other cryptocurrencies. Other cryptocurrencies started to emerge based on bitcoin's open source code. Companies and group of individuals began to create their own different coins and tokens that were hosted on existing blockchains. The total number of cryptocurrencies present on the internet is over 1,600 and growing every day. With a bit of cautious optimism it is most likely that

cryptocurrencies with time will mark the end of Fiat and the centralized system.

3. BLOCKCHAIN AND DECENTRALIZATION

3.1 Decentralization

Decentralization describes the design of a network that isn't managed by a central party. Instead, peer-to-peer interaction drives the network, as no third party is needed. If a system is centralized on the other hand, there's a single point that does all of the work involved in any given action. A decentralized system makes room for multiple points that perform tasks. Decentralized platforms allow for far more privacy, because information doesn't have to go through one point, and can instead pass through a variety of points, it's much more difficult to track information across the network.

A decentralized network relies on a host of computers. As a result, blockchain technology resides on a P2P network. It physically cannot work with a single computer or point-of-connection. Instead, it requires a slew of other computers to join in, in order to complete a specific task on the network.

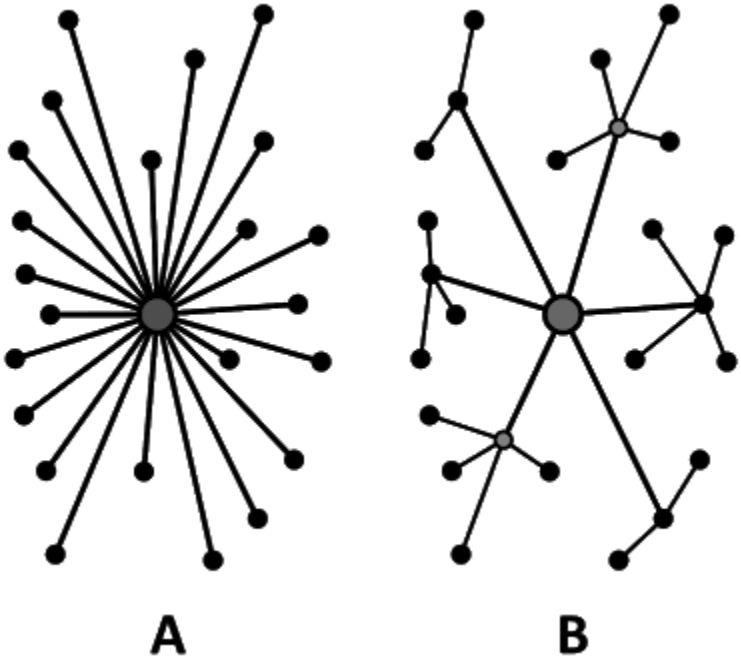


Fig 3: Pictorial depiction of Centralization (A) and Decentralization (B).

3.2 Blockchain

What is a blockchain? It's a constantly growing chain of ordered information (i.e. blocks). These blocks have a timestamp, and a link to the previous block. The great thing about these blocks is they're built in such a way that they cannot be modified once they've been recorded. What this means is that once information is there, it stays there. You cannot go back in and manipulate it somehow, post creation. In this way, blockchains are secure by design. This is because the information is not only time-stamped; it's also stored in such a way that you'd have to get into every single computer at the same time, to hack into the network.

Centralized networks have a single point of data collection, making them extremely susceptible to hacking. Blockchain technology, and in turn decentralization, is an effective way to work around this weakness. So, storing information and performing transactions on a peer-to-peer network is best in terms of security.

4. PROBLEM OVERVIEW

4.1 Centralization

This is basically the concentration of control of an activity or organization under a single authority. Essentially, if something is centralized, there's a single point that does all of the work involved in any given action. This makes it a lot easier for hackers, identity thieves and fraudsters to gain access into the system.

4.2 The Banking System

A banking system is a group or network of institutions that provide financial services for us. They are responsible for operating a payment system, providing loans, taking deposits and helping with investments. Banking in its modern sense evolved in the 14th century in the prosperous cities of Renaissance Italy but in many ways was a continuation of ideas and concepts of credit and lending that had their roots in the ancient world.

In modern day, the economic functions include

1. Issue of money, in the form of banknotes and current accounts subject to cheque or payment at the customer's order.
2. Netting and settlement of payments.
3. Credit intermediation.
4. Asset liability mismatch/Maturity transformation.

5. Credit quality improvement.
6. Money creation/destruction.

Banks are susceptible to many forms of risk which have triggered occasional systemic crisis. These include:

1. Credit risk: risk of loss arising from a borrower who does not make payments as promised.
2. Liquidity risk: risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss (or make the required profit).
3. Market risk: risk that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in value of the market risk factors.
4. Operational risk: risk arising from execution of a company's business functions.
5. Macroeconomic risk: risks related to the aggregate economy the bank is operating in.
6. Interest rate risk: the possibility that the bank will become unprofitable, if rising interest rates force it to pay relatively more on its deposits than it receives on its loans.

Banking crisis have developed many times throughout history when one or more risks have emerged for a banking sector as a whole. Prominent examples include the bank run that occurred during the Great Depression, the U.S. Savings and Loan crisis in the 1980s and early 1990s, the Japanese banking crisis during the 1990s, and the sub-prime mortgage crisis in the 2000s.

The most dangerous and prominent risk to banks and financial institutions remains the cyber risks. Fears of a major cyber-attack on banks have been rising since hackers successfully stole nearly $100 million from Bangladesh's central bank in February 2016. Shortly after that incident, Russian central bank officials disclosed that hackers stole more than $31 million (two billion rubles) from the country's central bank and commercial banks. SWIFT – the predominant messaging network used by banks – warned that these kinds of cyber-attacks are set to rise.

4.2.1 Technological Vulnerabilities

The financial industry has struggled to keep pace with technological innovation, particularly given the extensive regulation governing its operation. While legacy technology may seem like just an inconvenience to consumers, it has become a major security risk for commercial banks, insurance companies and their consumers.

At the same time, hackers have benefited from new technologies that make it easier to hack into these legacy banking systems.

For example, so-called two-factor authentication is a nearly bullet-proof way to secure consumer bank accounts. Banks send a temporary code to the consumer's cell phone before allowing them to login, which means hackers would need access to both the computer and the cell phone to gain access to the account. Despite the effectiveness of the method, several major banks don't use two-factor authentication to protect consumer bank accounts.

4.2.2 Impact of Cyber Attacks on Banks

Consumers have relatively little to lose from cyber-attacks on banks, provided they weren't lax about safeguarding their information and quickly notify the bank if funds are missing. U.S. federal law requires banks refund customers if someone takes money from their account without authorization and they notify the bank within 60 days of the transactions appearing on their bank statement. Business accounts, however, have fewer protections and could be subject to greater losses. On the other hand, solvency of banks is threatened by cyber-attacks depending on the severity of the attacks and the number of times they occur. These attacks could target bank processing systems and disrupt critical financial transactions needed to avoid margin calls, for example, triggering a default.

5. CRYPTOCURRENCY

5.1 An improving system

With the advent of cryptocurrency also came better, not so stable but lot more secure ways of transactions and even now that Its concept is still unknown to many people, for those who have taken a bite off of the big Apple that is the exponentially growing world of cryptocurrency, it has yet again become clear that even the decentralized system needs to improve.

The first coin being the bitcoin was released 2009 and since then the amount of daily transactions carried out using cryptocurrencies has and is still growing at a phenomenal rate. Exchange trading volumes continue to increase, In March 2017, the number of GitHub projects related to bitcoin passed 10,000, and around the same time, Mexican exchange Bitso saw trading volume increase 1500%. Between January and May 2017 Poloniex saw an increase of more than 600% active traders online and regularly processed 640% more transactions. This massive growth in

traders requires an improving system so as to accommodate the demands required of it and an insignificant or total failure to grow brings about problems in transaction, with the most popular being slow transaction times and high transaction fees.

5.2 Transaction Time

In temporal databases, transaction time (TT) is the time period during which a fact stored in the database is considered to be true. When it comes to trading in cryptocurrencies, transaction speed refers to the time it takes for the system to complete one transaction. With better transaction speed, the process will be faster and higher customer satisfaction can be achieved. The average transaction times for some cryptocurrencies are:

1. Bitcoin: 70 minutes
2. Bitcoin cash: 60 minutes
3. Litecoin: 30 minutes
4. Monero: 30 minutes
5. Dash: 15 minutes
6. Augur: 6 minutes
7. Electroneum: 75 minutes
8. Stratis: 1 minute
9. Golem: 5 minutes

It quickly becomes clear that one would prefer coins with faster transaction times because obviously time is money and who really wants to sit around for hours waiting for a payment confirmation?.

In reality, the speed of any given cryptocurrency keeps on varying all the time with some real-time factors bearing responsibility for that such as: current average fee, transaction volume, network conditions and transaction type being included in each block's creation.

Traders of cryptocurrency bear in mind speed when deciding which coin to invest in or which to adopt in paying parties and carrying out transactions.

5.3 Unstable Transaction Fees

On 6 December 2017 the software marketplace Steam announced that it would no longer accept bitcoin as payment for its products, citing slow transactions speeds, price volatility, and high fees for transactions. On 24 January 2018, the online payment firm Stripe announced that it would phase out its support for bitcoin

payments by late April 2018, citing declining demand, rising fees and longer transaction times as the reasons.

These are few examples of situations where high and unstable transaction fees have been deterrents from cryptocurrency adoption. The issue of transaction fees is especially discouraging to new crypto-enthusiasts and traders who have no idea on which have lower fees, which exchanges provide the best transaction atmosphere and how to still make profits while dealing with large fees.

Below is a list of some cryptocurrencies and their transaction fees:

1. Monero: $2.587
2. Bitcoin: $1.184
3. Dash: $0.363
4. Ethereum: $0.347
5. Litecoin: $0.198
6. Bitcoin Cash: $0.097
7. EOS: $0.0105
8. Ripple: $0.0037
9. TRON: $0.0000901

5.4 Privacy Concerns

A lot of traders and cryptocurrency investors place high value on their privacy and anonymity. On 22 January 2018, South Korea brought in a regulation that requires all the bitcoin traders to reveal their identity, thus putting a ban on anonymous trading of bitcoins.

Privacy is an important part of trading especially in the world of cryptocurrency and this is evident from the encrypted wallets to the private keys to the anonymity of members of different groups and communities such as telegram, github etcetera. A lot of traders prefer anonymity for many reasons but whatever the reason it's best to make sure the trader makes that choice of wanting to reveal their identity or not.

6. LOBITCOIN

6.1 Main Objective

The Lobitcoin project was embarked on with the sole purpose of building on an existing but slightly flawed system while yet carving out new paths in the world of cryptocurrency.

Lobitcoin is a decentralized cryptocurrency that is commission-free and is built on an open source peer-to-peer electronic cash system. Transactions done using lobitcoin are executed without the help of a central server or trusted parties.

Lobitcoin is a hard fork of the litecoin cryptocurrency and is built on the litecoin blockchain. It was created bearing in mind the present problems facing cryptocurrencies which include; transaction time and fee, privacy, central parties, micropayments etcetera.

6.2 Technical Section
Specs

Max Coin Supply = 50000000
Max Block Size = 1000000
Max Block Size Gen = Max Block Size/4

Block Reward: 100
Block Time: 60 Seconds
Max Scriptcheck Threads = 16

Difficulty reset: 1 Day
Halving time: 4 years
Coinbase Maturity = 20 blocks

6.3 Distribution & Supply

Coin total supply = 50 million LBT coins.

Locked: 50% of the total supply of 50million LBT coins will be locked and redistributed at the rate of 20% each year for the next 5 years with the same allocation pattern baring any change that may be made.

Private Sale: 10% of LBT coins will be sold in private sales to investors; any unsold part will be reallocated to be airdropped to the community or distributed among voluntary donors to the project.

Mining: 20% of LBT coins will be distributed to miners via various mining activities.

Team: 10% of LBT coins will be allocated to the team, the distribution will be made pre-launch and over 2-3 months post launch.

Marketing/Development: 6% of LBT coins will be allocated for marketing, developing and community building.

Airdrop/Bounty: 4% of LBT coins will be allocated for airdrop/bounty distribution.

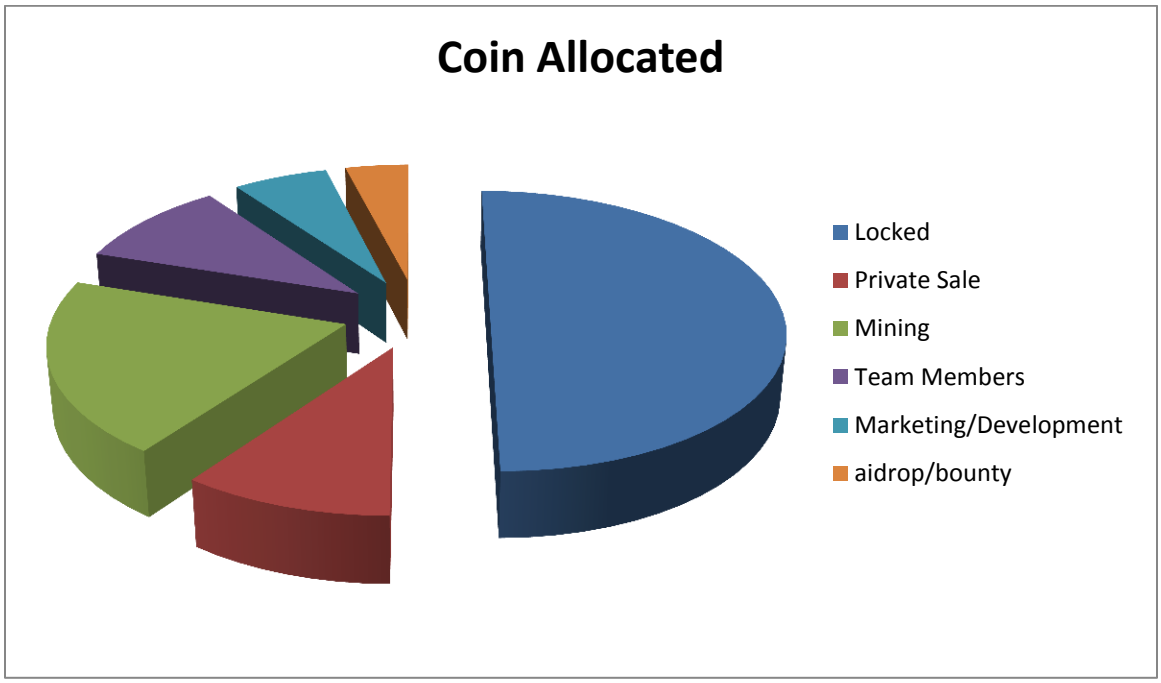


Fig 6: Lobitcoin allocation summary

6.4 Mass Adaptation

A project or product is massively adopted when its pros greatly outweigh its cons, when its arrival solves lingering problems in the sector of focus. The lobitcoin team has not just developed another cryptocurrency; they have created an opportunity for the everyday trader. A few advantages the Lobit coin brings to the crypto-world is as follows:

1. Scalability: this is the capability of a system, network, or process to handle a growing amount of work, or its potential to be enlarged to accommodate that growth. Scalability of payment network is the ability to process a large number of transactions simultaneously without degradation of performance. The lobitcoin development team expects a massive adoption of the lobitcoin and as such have developed algos to accommodate for an increasing number

of daily transactions, wallet and coin holders.

2. Fast transaction: Buying and selling LBT must be free, quick, easy and as frictionless as possible. Traders must be able to instantly convert a wide range of cryptocurrencies into LBT and back again with little to no spread and with zero transaction fees. Lobitcoin boasts of a transaction time of 5 seconds during which a given request or order placed or transaction carried out using LBT is received, executed and confirmed.
3. Transaction fee: There are no transaction fees on the lobitcoin and traders can send and receive LBT while paying zero on commissions. With the LBT, traders have a unique opportunity of having to pay no commission on transactions. This also makes for high liquidity while trading with LBT as traders can convert assets, money and other cryptocurrencies without altering the price.
4. Micropayment: It's all fun and cool being able to use your cryptocurrencies to buy a car, clothes, phones, electrical devices and services. Making large payments using cryptocurrencies with transaction fees is possible and reasonable as paying a fee of $2 on a $300 transaction can be rationalized. This is not the case with micropayments such as paying for a doughnut or coffee as it becomes difficult to justify a $2 fee on a $3 or $4 transaction. The high and unstable transaction fees of some cryptocurrencies make micropayments difficult and unfair to carry out. LBT makes micropayments worth it because with zero transaction fees, traders pay for exactly what they are buying.
5. Customer Support: The lobitcoin team is made of up crypto professionals from different time zones in the world. This makes for a 24/7 support system and ensures that no matter when a complaint or need for help arises, there will be a member of the team available to handle said complaints or requests.
6. Privacy: Lobitcoin is all about the traders, crypto-enthusiasts and creating a system that makes transactions a lot more secure and comfortable as possible. Privacy is an increasing concern in the world of cryptocurrency. One would think with a decentralized system the issue of privacy wouldn't be, no matter, lobitcoin is able to be used anonymously. Traders hold crypto keys to their own money and Wallets and trade directly with each other. Buying, mining and trading using lobitcoin require no proof of identity or documentation. Lobitcoin is not bound by KYC (know your customer) and AML (anti-money laundering) regulations that enforce collection of users' information and intrude on their privacy. This also makes sure users are not a target for hackers and identity thieves.

6.5 Use Case

Lobitcoin is used for payment transactions such as buying and paying for goods bought. The development team has been working round the clock securing, partnerships, deals, game integrations and merchant collaborations. Lobitcoin game integration is particularly exciting, LBT will be integrated into and be part of popular crypto games, mobile and PC games that accept cryptocurrencies as forms of payments for online game purchases. A Lobit exchange platform with lobitcoin as its base currency will also be built in the future.

Many of the lobitcoin collaborations will be announced pre-launch and others post-launch. Keeping up with the different announcement channels and community channels for lobitcoin is essential as information and updates of immense importance will be made known as the project goes forward. A proper look at the road map of this project shows the plan and direction that the lobitcoin team is working with.

6.6 Mining, Buying, Storing

Lobitcoin is a minable coin with 20% of LBT awarded to miners and will be given through different mining activities. Storing, sending and receiving of the lobitcoin is in the LBT custom wallet which will be made available for download.

Mining is not a very popular topic amongst crypto-enthusiasts as they immediately think programming, complicated computer softwares, coding, and algos etcetera. The development team of lobitcoin understands these concerns and a mobile miner is in the works. This will be integrated into the LBT mobile wallet which will also be developed.

6.7 Future Development

A lot of developments will be made post-launch including the making of a mobile wallet and will include in it a mobile miner which will be easy to use. A Lobitcoin-based Lobit exchange platform will be built. Game integrations, payment merchant integration and partnerships with app developers is being worked on presently with announcements to be made. Rest assured LBT is not just another useless coin on an exchange.

Support

Lobitcoin team provide support chat across different platforms where traders and users can ask questions regarding the cryptocurrency and block chain technology of LBT and get instant help and support. Join our growing community on the following mediums, platforms and official channels.

Website: https://lobitcoin.io

Telegram: https://t.me/lobitcoin

Twitter: https://twitter.com/lobitcoin

Facebook Page: https://www.facebook.com/lobitcoin/

Instagram: https://www.instagram.com/lobitcoin/

Medium: https://medium.com/@lobitcoin

YouTube: https://www.youtube.com/channel/UCJWWjFyx_gmAw2-TNRvHsQQ

Summary

The world of cryptocurrency is a fast growing and improving system whose growth can only be stunted by its own self-created problems. Lobitcoin is built and developed to tackle the modern day problems of cryptocurrency by offering a decentralized peer to peer electrical system that brings ease, speed and transparency to its users. The long term mission of lobitcoin is to create an ecosystem where it's all about the traders allowing for them to make safe, secure, private transactions within seconds be it buying, selling, sending, receiving or mining without the fear of commissions.

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