

# **LunaChow**

## **The People's Token**

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### **Abstract**

The rise of blockchain technology has resulted in the greatest chance for human freedom and financial inclusion that the world has ever seen. However, the difficulties in interfacing with and understanding this often-complicated technology means that most people have yet to grasp the implications of its power. With celebrities like Elon Musk drawing new attention to this emerging technology, the time for bringing blockchain to the masses draws near. For this reason, Dogecoin and other highly accessible cryptocurrencies have entered the mainstream.

Not all these projects have their communities at heart. As one of the first meme cryptocurrencies, Dogecoin exists as a powerful relic of the past and maintains strong brand integrity. The growing Dogecoin family represents the dawn of a new era in crypto in which emerging projects can band together for the good of the entire ecosystem. However, the Dogecoin network cannot support mass adoption and will likely buckle under the weight of billions of people using it as a payment network.

Alternatively, some nefarious tokens utilize an approach that enriches the few at the expense of the many – as with any family, there are always some rebel siblings causing a bit of trouble along the way. While the attention drawn to the cryptocurrency industry provides new promise for mass adoption, many individuals are left with a bad experience due to incapable infrastructure or malicious industry actors.

LunaChow is the first cryptocurrency built not only for the masses but by the masses. With an unprecedented burn schedule, the LunaChow model empowers users with the ability to easily transact in the network's native token while also benefiting holders over the long term. By partnering with existing industry payment providers, LunaChow's global applicability and true fair launch make it the perfect cryptocurrency for the future. Energy-efficient, fairly launched, and governed exclusively by the community, LunaChow helps to usher in a new era of cryptocurrency fairness and adoption!

## 1. Industry Challenges

Global interest in cryptocurrency skyrocketed throughout the first half of 2021. Reminiscent of the enthusiasm of 2017, the global public has clearly signaled their desire for a more equitable financial landscape. Thankfully, the maturity of blockchain technology now presents willing participants with much more functional nuance than ever before. The promise of this growing functionality has lured many into this nascent industry with promises of financial freedom and inclusion. Nevertheless, both veteran and amateur industry participants still grapple with significant industry inefficiencies.

Unfortunately, many of the most popular blockchain projects have roots that reach back for several years. The core functionality of these projects grows increasingly dated as time passes. While the importance of networks like Bitcoin and Ethereum cannot be overstated, less functional, dated projects like Bitcoin Cash and Litecoin still retain some of the top ranks in the industry. While familiarity offers a partial explanation for these project's continued resilience, the consequences of this habitual attraction are grave.

New users often interface with difficult-to-use and confusing infrastructure. For example, the most popular Litecoin wallet client hasn't received a UI update for over five years. While functional, the lack of nuanced and deep consideration for user interface means that the public's first experience with sending and receiving cryptocurrency often entails a frustrating and confusing experience. Additionally, unexpectedly high network fees can ruin a newcomer's comparatively small portfolio. A new user with under \$100 of Ethereum will likely end up with a 20% loss after sending just a handful of transactions! Ironically, such a framework stands as a firm argument *against* the decentralized networks so badly needed on the global stage.

Worse still, a patient and well-researched user might still fall prey to the many scams which now inhabit the crypto industry. These dubious schemes range from amateur to incredibly elaborate. The Bitconnect debacle of 2017 demonstrates that some shady projects can persist in a seemingly indefinite manner before blowing up in a spectacular fashion, unfortunately sinking countless individual savings along with it. While no individual can tell the future, to think that the crypto industry has rid itself of nefarious activity in its entirety is a practice of naivety. There exists a significant need to protect new users from these dubious actors lest the entire crypto industry receives a reputation as fundamentally unreliable.

While nowhere near as detrimental to the industry as outright scammers, unfair launches nonetheless hamper blockchain's ability to facilitate financial inclusion. Many new projects now opt for large allocations to private sale rounds, effectively locking the individuals that most require financial access out of the investment process. The private entities which receive these disproportionate allocations often receive preferable rates due to their outsized shares of the project. Subsequently, these entities can sell their tokens at a lower price while remaining in profit. This situation benefits the few at the expense of the many. This process is akin to the current Wall Street environment and does little to convince individuals of the powerful differentiating force of blockchain.

Additionally, many of the projects inspired by Elon Musk's recent entrance into the industry fail to sustain their ecosystems for the long term adequately. Periodic burn schedules ensure some benefit to existing token holders but ultimately aren't enough to comprise a viable project in and of itself. Many of these tokens have unfortunately shed most of their market value, leaving individuals who purchased too late licking their financial wounds. While any investment vehicle entails some level of financial risk, the

sheer lack of sustainable functionality of many of these projects results in new market entrants having a bad experience with blockchain overall.

These forces ultimately compound into a negative feedback loop. With many major crypto projects offering comparatively small returns and boasting dated technology, new market entrants feel enticed to invest in up-and-coming projects. While some of these projects maintain a level of integrity and ideological consistency intrinsic to the ethos of crypto, many ultimately fall short of that end. Poorly designed incentive mechanisms, short-lived pumps and dumps, and outright scams all threaten the finances of new users. After dealing with the often painful unknowns associated with these emerging projects, many users end up investing in the major crypto projects they originally ignored! At best, these individuals settle for outdated and confusing functionality. At worst, these users may evolve into toxic maximalists, which boast their own methods of driving new and interested individuals away from the industry.

While these glaring issues in the crypto industry should give anyone pause for concern, it is always darkest before the dawn. Blockchain scalability and interoperability grow more nuanced with each passing day, affording a greater number of individuals access to this growing financial revolution. While malicious activity still exists in the industry, the overall trend suggests a slow move towards greater levels of integrity, useability, and, most importantly, financial inclusion. In the spirit of this trend, LunaChow redeems the entire Dogecoin family by introducing a true fair launch, community-driven governance, and an ecosystem founded entirely on integrity and transparency.

## 2. The LunaChow Difference

### Growing Family and Name

The creators of LunaChow have watched the growing Dogecoin family closely. They realized something had to be done to ensure that this growing network of tokens maintained the robust integrity that remains so crucial to the crypto industry. Familiarity fosters trust in brand identity, and by being a part of this growing network of tokens, LunaChow strives to be the big brother of the pack. Our thoughtful tokenomics and incentive structures demonstrate to newcomers that while celebrities might flip-flop on their endorsement of the Dogecoin family, there remains a strength in numbers!

Named for the famed dog breed of Northern China, the chow chow exists as one of the most recognizable and lovable of the canine family. Chow chows are incredibly affectionate, loyal, and friendly with other dogs, representing their robust nature and versatility. These characteristics have aided the breed in maintaining a soft spot in its homeland, serving as one of the most popular breeds of dogs. As one of the cleanest breeds in the canine family, LunaChow found this lovable friend to be the perfect representation of our project goals. The project strives to work well with other projects in the ecosystem, stand by our principles of integrity and fairness, and ensure that the project always keeps the community front and center. In this way, LunaChow will stand the test of time, like how the chow chow breed has persisted for centuries. The LunaChow core values derive from these reliable characteristics: **Transparency, Commitment, and Collaboration** stand at the heart of every action in the LunaChow network.

### Network Selection and Good Faith

LunaChow chose the Ethereum network as our blockchain of choice due to the longevity of the network. The growing regulatory crackdown against other blockchains like Binance represents that growing sense of favoritism for the world's second-largest cryptocurrency by market cap. To ensure that the LunaChow network does not experience any negative impact arising from necessary chain migration, the team selected Ethereum as the most reliable and proven network on the market today. As cross-chain swaps and interoperability continue to serve as the primary concerns for all blockchains in the ecosystem, we plan to bridge to several existing and emerging blockchain networks in the near future. The ultimate decision regarding which blockchains receive cross-chain capability with the LunaChow network depends entirely on community governance.

To keep with an emerging tradition in the Dogecoin family, the LunaChow team sent one billion tokens to Ethereum founder Vitalik Buterin as a gesture of good faith. While this approach does centralize a small portion of the LunaChow supply into the hands of one individual, we can think of no more worthy individual than the creator of the second largest crypto in the world. Vitalik demonstrated his altruism and care for the growing Dogecoin family with the thoughtful handling of his Shiba Inu token allocation, donating the amount to India's Covid-19 relief program. Now, Vitalik exists as a caring uncle to the Dogecoin family, offering a watchful eye on the growing communities within. By allocating this portion of LunaChow tokens to Vitalik, we extend a demonstration of good faith and reliance on the Ethereum founder to allocate these tokens in any amount and when he sees the best fit.

### Partnerships and Fees

Astute readers of this paper may well wonder why LunaChow selected the Ethereum network despite the currently high gas fees associated with the ecosystem. In addition to the previously mentioned proven network functionality, significant layer two solutions have started to ease the cost of transacting on the network. Certain versions of these solutions exist as quasi-independent blockchains such as Polygon. In contrast, other solutions serve as third-party interfaces helping to bundle transactions and minimize costs for individual users. Rather than opt for relatively unproven layer two solutions, the LunaChow team opted to partner with existing payment providers to facilitate the most seamless possible transaction experience for our users.

By partnering with existing payment providers, LunaChow empowers our users with both ultra-low transaction fees and the security of the world's second-largest crypto. Payment providers such as this aggregate user transactions into bundles, submitting them to the main Ethereum blockchain at their discretion. In the meantime, users can enjoy payment finality and near-instant transaction speed. The results of this process are hard to overstate. Lightning fast payments allow individuals to use LunaChow as a day-to-day payment mechanism. Rather than deal with long wait times for block confirmation or struggle with difficult user interfaces, LunaChow users enjoy an experience comparable to using a debit card.

In addition to point-of-sale functionality, LunaChow's emerging partnerships allow network users to schedule payments in advance. While a familiar tool for users of centralized finance, pre-planning payments in a decentralized network entails unique and complex considerations. Partnering with third-party payment providers allows LunaChow to enjoy the best of both worlds in terms of payment scheduling and decentralized architecture. These partnerships fully display the power of collaboration, one of LunaChow's core tenants. By networking with existing entities, we serve to move the entire crypto industry in a positive direction towards adoption, understanding, and elevated functionality.

### **Tokenomics**

LunaChow's tokenomic structure stands as one of the most defining elements of the project. As previously mentioned, other projects utilize an aggressive burn schedule that seeks to benefit the stakeholders. However, these incentive structures often fail to account for the long-term implications of their methodologies, resulting in unforeseen circumstances later down the road. The LunaChow team carefully experimented with potential incentive models before arriving at a surprising conclusion – the inevitable amount of tokens burned factors ultimately into how the market forward prices the token's value.

The reality of this situation deserves careful consideration. The value of a token burn accrues in the token market price more rapidly than the burn itself occurs. This process occurs due to rational human action and incentive – users understand that a future burn will increase the value of their tokens are preset future point and, as that point approaches, the price reflects this burn. Subsequently, the token price falls slightly after the burn due to the price discovery associated with the expected price impact of the burn versus the actual price impact. The results of this analysis surprised the entire team: **burn now, not later.**

LunaChow serves as the first member of the Dogecoin family to undertake extensive analysis of the existing burn structures on the market today. Our results led us to establish a revolutionary burn schedule: **99.9% of LunaChow tokens undertake a unique burn approach upon project launch.** The

results of this intense burn schedule allow the value of the initial burn to inject an elevated value to token holders immediately. Rather than spreading the burn mechanism over a longer period, forcing users to deal with esoteric forward pricing mechanisms and a high likelihood of market uncertainty, LunaChow delivers the latent value of a burn schedule to our users all at once.

### **Sale Parameters**

Beyond conducting rigorous tokenomic analysis to ensure the best possible burn model for the community, the LunaChow team also stands on our core value of transparency. As such, no private sale for LunaChow tokens will occur now nor at any point in the future. In fact, the LunaChow team opted to forego any traditional private sale and public sale allocation model. Instead, every single LunaChow token releases via an open public sale, thereby allowing all individuals unfettered access to and participation in the project. This configuration stands in stark contrast to the currently popular model of allocating a significant portion of outstanding tokens to private sale investors.

In this way, LunaChow removes the concentration of financial interest from the hands of the few and places efficacy back in the hands of the community. The public sale price stands as the price which all LunaChow investors pay. This process ensures that no disproportionate allocation purchased at a discount price ends up dumped on most shareholders at the expense of the wider community. Any whale wishing to gain a LunaChow allocation must either purchase their tokens via the public sale like everyone else or purchase them on the open market after the sale concludes.

### **Liquidity**

The unique burn mechanism used by LunaChow provides an additional benefit of serving as an unprecedentedly deep pool of liquidity at the initial launch of the protocol. The 99.9% of the burned LunaChow token supply is sent to an address to which no single user controls the private key. This reality means that nobody can access the wallet containing the burned LunaChow tokens. Nevertheless, these tokens interact with a smart contract upon burning, allocating this supermajority of the supply as liquidity on Uniswap.

By burning 99.9% of LunaChow tokens in this manner, the protocol ensures the maximum amount of liquidity at the protocol launch. The fixed supply of LunaChow tokens means that this supermajority of tokens will act as a powerful price floor for the LunaChow token, immediately rewarding holders and ensuring a bright future for the protocol. While we cannot entirely rule out downward price movements resulting from natural market dynamics, the strategy outlined by the LunaChow team serves to maximize the probability of long-term protocol success. Our proprietary burn-to-liquidity approach allows the community not only to reap the immediate rewards of a massive token burn at the launch of the protocol but additionally ensures a strong price floor.

Users who stake their LunaChow tokens on Uniswap will receive rewards in exchange for providing their tokens as liquidity. Rewards accrue in the form of trading fees in the LunaChow/Ethereum pool. Stakers receive rewards proportionally to their total share of staked LunaChow tokens. This approach rewards larger stakers of tokens without establishing a minimum token amount for staking rights. In this way, LunaChow affords financial access to community members with any size portfolio, fulfilling our core value of commitment to the community.

## **Community and Charity**

With the large amounts of capital flowing through the crypto industry, teams can easily lose track of the most important aspect of any project: the community. Some projects in the industry serve as simple money-making schemes for their creators and largest bag holders, enriching the few at the expense of the many. This approach is both unethical and serves to hamper the wider adoption of blockchain technology. To fulfill the ethos of decentralized technology, collaboration, and community-centric development must remain fully in focus.

The advent of decentralized autonomous organizations (DAOs) has given rise to a new era of community-driven projects. However, implementing such a nuanced governance structure commands a unique set of challenges relative to a project's subjective parameters. As such, for the early life of the LunaChow platform, the project will forego a DAO in favor of community governance in the form of round table discussion via established communication channels. While this proved a difficult decision, the complications associated with such a massive token burn and proportional voting resulted in a potential error too great to overlook. Should the burned tokens inadvertently comprise voting power within a DAO, then the remaining 0.1% of unburned tokens would not comprise a majority sufficient to enact a proposal.

This difficult decision highlights LunaChow's commitment to transparency and our commitment to the project's success over the long term. At one time, Dogecoin was seen as the lovable meme currency of the crypto industry, meriting nothing more than a good laugh. Now, the aging network represents a symbol of financial freedom. It offers well-meaning communities like ours the ability to make a difference in the lives of others. Ensuring that each step of the protocol launch process entails thoughtful consideration, the LunaChow team values our beloved community above all else.

In addition to keeping the community front and center, the LunaChow team recognizes that willing participants may not have sufficient access to the necessary resources. Reflecting on the fact that those most in need of LunaChow's unfettered financial access cannot interact with the network in its entirety, the LunaChow team came up with a solution. A portion of token sale proceeds is dedicated to social good, focusing primarily on financial inclusion and education for marginalized children in the developing world. The best time to plant a tree was twenty years ago – the second-best time to plant a tree is today. By planting the seeds of financial freedom and inclusion in the minds of marginalized young people today, the LunaChow platform sews the seeds of tomorrow's financial success for those who need it most.

## **Connecting Old and New**

The LunaChow team understands that Rome was not built in a day. Most financial transactions in the world today involve fiat currency. This trend is likely to persist well into the future, at least for the next few decades, as cryptocurrencies slowly erode the hegemony of the grossly outdated existing financial regime. Rather than basing the LunaChow protocol functionality on a hopeful future, the team additionally focuses on ensuring a fiat portal for LunaChow tokens, maximizing their financial applicability for users globally.

This process is especially true for emerging financial markets, in which mobile payments stand out as the norm. When taken in conjunction with the LunaChow bill pay feature, the network serves as the first

cryptocurrency network to boats global applicability with the same core features as existing traditional financial tools. Users of the LunaChow network don't even need to know they're using a cryptocurrency when interacting with the network – the seamless nature of the applications and user interface allows anyone to utilize blockchain technology for day-to-day payments.

## **Roadmap**

The LunaChow roadmap outlines where we started, where we stand, and where we plan to go as a community. The ultimate direction of the LunaChow platform rests firmly in the hands of the community – the existing roadmap serves as an initial guide for early features and protocol development. After completing the fourth and final phase of the roadmap, subsequent developments must go through the formal community governance and consensus process. The existing roadmap is as follows:

- **Phase I**
  - LunaChow MainNet Launch
  - Website Release
  - Whitepaper Release
  - 99.9% Token Burn Event
- **Phase II**
  - CoinMarketCap listing
  - CoinGecko listing
  - Social Media Marketing Campaign
  - Charity Drive Launch
- **Phase III**
  - Third-Party Smart Contract Audit
  - Website Redesign
  - Merchandise Store Launch
  - Unified Multimodal Wallet (Stage I)
- **Phase IV**
  - Exchange App Development (Stage I)
  - Partnership with Payment Systems Provider
  - Global Multimedia Marketing Campaign

### 3. Conclusion

The world stands ready for a new form of decentralized payment network. Rather than interface with the rapidly aging technology associated with the world's first decentralized blockchains, LunaChow delivers the most cutting-edge industry innovations to a global audience. Allowing individuals to interact with a cryptocurrency network with ease and without foregoing any of the traditional financial tools with which they are likely familiar significantly increases the rate of global blockchain adoption. While the development of the LunaChow platform continues well into the future, its core functionality remains applicable to billions of people globally.

The LunaChow network serves as the perfect ecosystem for new crypto users who want to avoid scams, shady projects, and potential loss of funds due to malicious or poorly designed contracts. In this manner, LunaChow serves to elevate the public perception of the entire Dogecoin family, allowing the platform to benefit from the increasing presence of celebrity endorsement. Our thoughtful tokenomics also protect users as much as possible from loss of principal due to the 99.9% of the LunaChow token supply allocated to initial liquidity in Uniswap. Additionally, these burned tokens immediately accrue a significant amount of additional value for any token holders at the time of protocol launch. This process ensures that the forward pricing of LunaTokens does not complicate the market dynamics, and the subsequent benefit arising from the token burn immediately impacts the community and platform in a positive way.

As the crypto industry continues to grow in both size and nuance, the demand for a turnkey, decentralized payment network grows in tandem. By selecting the Ethereum network as our network of choice, the LunaChow team demonstrates our commitment to the project's long-term success. As the second-largest crypto network in existence, the Ethereum network has stood the test of time more resiliently than any of its counterparts thus far. Nevertheless, the growing applicability of cross-chain swaps means that LunaChow does not remain intrinsically tied to the Ethereum network – the only unwavering allegiance the platform has is to the LunaChow community, who fundamentally govern the protocol.

The future remains bright as the adoption of decentralized networks continues to accelerate. LunaChow helps move the needle of adoption that much further by presenting an easily accessible payment network to a global audience with functionality nearly identical to that of centralized financial tools. We're incredibly excited and humbled to be a part of this growing financial revolution and will continue to serve the LunaChow community, developing the protocol in ways that best meet the needs and demands of our users. LunaChow will stand the test of time – just as our namesake, the chow chow dog, has persisted for centuries.