SoftNote

White Paper

Transactionless Payment System

Powered by Superconductive Digital Environment

of Blockchain Tectum 3.0

Using Crypto and Digital Currencies as A Store of Value.

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INTRODUCTION

This paper is valid as long as the following assumptions are accepted to be truth:

* 1. Mission: Rebooting the Market of Microtransactions

FLASHBACK: BLOCKCHAIN-BASED PAYMENT SYSTEMS

Recently, Bitcoin as well as other Crypto and Digital currencies have been experiencing strong demand as a Store of Value, while its use as a Transport of Value has been slowly deteriorating; massive migration of Crypto assets into large institutional accounts has been taking place globally since BTC recovered its grounds by reaching and exceeding $20K historical benchmark last year. The remaining majority of micro-balances are sitting still on native network wallets, those that show good dynamics are normally located in Centralized exchanges pools and are moved around in Wrapped mode. All these events are accompanied by gradual and substantial increase of networks’ fees and transaction times.

This paper is valid as long as the following assumptions are accepted to be truth:

1. Most of blockchain based payment systems are not going to be willing, and/or able, to improve their network fee policies significantly enough to resurrect microtransactions’ market in a nearby future.
2. None of 1st generation blockchain based payment systems are going to be able to increase their network throughput capacity (transaction speed) in a nearby future.
3. Leaders of the 1st generation blockchain based payment systems are here to stay.
4. Early generation’s blockchains are limited to a preset number of transactions they are capable to include in a single Block. For example, Bitcoin network Block size limit for today is 2MB, which prevents it from processing more than 2000 transaction in a 10 minutes Block formation period.
5. Overtime advancements in networks’ speeds and decreasing of transactions’ costs are not going to fundamentally affect the industry landscape.

Further on, as time goes by, the block difficulty will grow driving miners’ overhead up thus pushing a market price of most Crypto assets up through the roof; as mass adoption grows, more and more transactions are going to be jammed in a single block slowing already congested networks even more down. The core components, able to change the game, such as network protocols, database search algorithms and Transaction Pool (txpool) softwares are beyond the associations’ control and unlikely to be architecturally improved overtime. Therefore, overtime advancements in networks’ speeds and decreasing of transactions’ costs are not going to fundamentally improve the classic mass adoption process since they are not going to open a feasible alternative to a cash money user. Therefore, it is highly unlikely that a conventional Bitcoin wallet user will be able to buy a $1.50 cup of coffee with Bitcoin any time soon, leaving the “Leaders of Crypto payments” with a property of a “Store of Value” with a “Transport of Value” properties largely disabled by high fees and latencies. Some newer networks, though being cheaper and faster, lack innovative mass adoption model while still utilizing legacy network protocols and database managing approaches.

Few enterprise level players have been able to successfully solve network cost’n’latency issue in a centralized manner by offering a Wrapped Bitcoin model, but by doing so they sacrificed the core advantages of Blockchain Networks: the transparency of transactions (wrapped BTC transactions can’t be tracked on Bitcoin Explorer) and anonymity thereof (centralized operators are bound by strict AML and KYC rules).

ABSTRACT: THE FUTURE OF TRANSACTIONLESS PAYMENTS IS HERE.

CrispMind team has been working hard on reducing the transaction costs using Tectum technology through recent several years. As a result, we have been able to reduce the costs and increase the speeds of processing legacy networks’ transactions by factors. Today we are able to transfer Bitcoin as cheap as $0.06 and publish a transaction in native network mempool in 1/8 of a second time period after the SEND button is pushed using our Tandem mode where the Bitcoin Node is controlled by the Tectum Node. However, no matter how small the network fee gets, it is still does not support our superconductive digital environment claim.

SOLUTION

SoftNote offers a disruptive solution

1. Payment: Handover instead of Transfer
2. Alternative to Cash Money
   1. Anonymity: SoftNote is as anonymous as a Bitcoin wallet is
   2. Complete independence from native Networks:
   3. Detachment from Banking and Crypto systems
3. Solution to network delays and high fees
   1. Superconductive Monetary Environment
   2. Mission: Rebooting the Market of Microtransactions
   3. Model of Operation: Handover instead of Transfer
4. Handover instead of Transfer

MARKET ANALISYS

* 1. Market Potential

The mass adoption model is based on a premise of

* 1. SWOT Analysis
     1. Strengths
        + Absolute Anonymity: payment is not registered in the native network ledger, while the handed over balance
        + Literally zero-commission payment procedure: 1% commission is applied only in case of retail or commercial nature of payment to the account of receiving party.
        + Instant payment: payment is deemed received as fast as the receiving party able to verify and unlock the SoftNote
        + Network-independent payment procedure: the payment can be handed over personally in device-to-device mode or sent through any network capable to transfer picture format files.
        + Cash Money Property: SoftNote can be handed over in a paper form and received by another party as long as they are connected to a Node or Internet.
        + Good level of product maturity: all low-level development is successfully completed.
        + Proprietary Software: in-house designed and built
        + Agile development process
        + Security: besides base pincode protection the SoftNote can be tied to the ID of the receiving party;
     2. Weaknesses
        + Ddd
        + Proprietary Software: Help from open-source community is not expected
     3. Opportunities
        + Ddd
        + Entire market of microtransactions: Any transaction which amount represents less than 95% of the current Bitcoin network fee is the SoftNote natural user.
        + Crypto-friendly Jurisdictions
        + Crossplatform settlements
     4. Threats
        + Dd
        + Strong potential opposition from Mining community
  2. Dddd

TECHNOLOGY OVERVIEW

1. Overlay Network Capabilities

First generation networks do not want and are unable to change their ways due to their genetics; their survival model revolves around the assumptive symbiosis between miner and an end user. Our model relieves them of the necessity to seek fundamental changes.

1. Network Protocol:
2. NoSQL Search Engine:

PROCESS DESCRIPTION

1. Licensing
2. Minting/DeMinting Services:
3. Note Change:
4. Cross-currency conversion:
5. Merchant Fee

ECONOMICS

1. Base Economical Model
2. Revenue Streams

Since the actual SoftNote is designed to become a frictionless transport of value and change hands at zero fees, the choices of revenue streams are limited to

* + 1. Minting/DeMinting Services:
    2. Note Change:
    3. Cross-currency conversion:
    4. Merchant Fee

1. Revenue Distributions
2. Investment Opportunity

Individual Node Sales: Sale of Future Income from

1. Presale

The presale of 100,000,000 SoftNotes at $0.10 is on till the end of the year 2021. One time setup fee applies. The packages vary from 1,000 to 10,000,000 SoftNotes.

1. Use Case

Individ

TERMINOLOGY

1. Gateway Node: Tectum Node that connects two Clusters together; Clusters interconnect with a purpose to form a symbiotic relationship. For example, one Cluster handles decentralized database, another one is responsible for managing Side Chains.
2. Native Network: A Crypto or Digital payment system that processes its own transactions using its own protocols and recourses. Bitcoin is an example of Native Network or Side Chain.
3. Proof of Pai (PoP): A coop-principle based blockchain protocol designed to divide and the proceeds from the commercial activity of SoftNote users and distribute them among SoftNote Nodes withing SoftNote Cluster proportionally to the number of SoftNotes each Node is licensed to mint (Pai). The PoP based SoftNote Cluster is functionally a Digital Cooperative.
4. Side Chain: See Native Network.
5. SoftNote: A frictionless transport of value designed to replace physical money through an adoption of all the properties thereof. SoftNote is minted by SoftNote Node using Minting Smart Contract upon the request of an end user.
6. SoftNote Cluster: A private blockchain powered by Tectum technology and comprised of SoftNote Nodes; managed by Proof of Pai (PoP) consensus. SoftNote Cluster is connected to public blockchain Tectum through a Getaway Node.
7. SoftNote License: A right to mint a SoftNote with a zero balance with a purpose to distribute it among an end user base. A SoftNote can only be acquired from an authorised (licensed) SoftNote Node; an end user Wallet is not enabled to mint SoftNotes. Please see the detailed description of the process in ECONOMICS chapter.
8. SoftNote Node: A Tectum blockchain Node, a part of a SoftNote Cluster, dedicated to minting SoftNotes and processing payments conducted via SoftNotes. SoftNote Node software can operate as a Cloud Node or run independently on client’s resources as an App.
9. SoftNote user: An end user who conducts SoftNote payments. There are 3 types of SoftNote users: Mass (regular) user, Merchant user and Enterprise user. SoftNote is free to use for non-commercial purposes, an Entity that receives SoftNote payments in retail or commercial amounts is subject to a commission fee of 1% per transaction. Please see ECOMONICS chapter for detailed description.

REFERENCES

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5. Instagram page: <https://www.instagram.com/softnote.app/>
6. Twitter page: <https://twitter.com/transactionless>
7. Telegram group: <https://t.me/transactionless>
8. SoftNote Beta: <https://tectum.io/softnote/> (release in October 2021)
9. SoftNote Live: <https://softnote.app/> (launching in November 2021)