



REDEN

Consultation Whitepaper

April 2018

Version 0.3

Community Led Project

Fundamental to the Reden is that it be a community led project. In that logic the whitepaper will be enhanced and refined in ongoing regular consultation with the community.

This version “0.1” of the whitepaper takes the results of the community polls to date and translates them into a relatively high-level “straw-man” whitepaper proposal. As reflected in the roadmap, this whitepaper will be extended and advanced with further input from the community.

This **consultation draft is open for comment until [date time - see discord]**, and this consultation is one of the first next items on our draft roadmap. Roadmap items throughout this whitepaper **are flagged as bold text.**

Abstract

Reden coin is a community lead project, whose origins lie in the Eden coin that was taken over by a new team when the original developer abandoned the project.

The community voted that Reden's new purpose should be "De-Risking Alt-Coin", providing services to making it harder for scammers and unprofessional teams to undermine the enormous opportunity alt-coins offer genuine development teams, and their investors.

This consultative whitepaper describes the proposed services that will support this goal, they are:

- Project collateral services. Projects can deposit collateral in escrow with Reden and if the project folds, the collateral will be used to compensate coin holders.
- Escrow services. Reden can logically offer further escrow, for example of bitcoin listing proceeds, or non-token items such as source code repositories.
- Reputational services. Reden will develop community drive intelligence about and benchmarking of projects, under the banner of "Reden Ratings"



Reden team believes these services must be all be underpinned by sector leading governance standards that the project will continue to develop and formalize, but have started with extensive community consultation and disclosed core team member identity

Reden coins will have strong demand considering that a significant portion of coins will be tied up in collateral and be needed to pay for escrow and rating services. Supply is limited with low inflation. So the coins should grow in value and have trading volume.

Reden will focus on these services and be pragmatic in using existing technology where possible, as was already the case by launching the new coin chain using an upgraded version of the Proton coin code. The same pragmatism will apply to any service platform Reden develops.

Reden. A project by the community and for the community.

Introduction

On 1 April 2018 developer “iodev” launched Eden, and over four days sold an estimated 90 masternodes for an estimated 6+ BTC before disappearing. He deleted the discord channel and would have succeeded in deleting the github code repository had it not been for the speedy action of several community members.

Within minutes @AT-sONk had opened a new discord channel, most of the community found its way there within the next few hours, and over the next days recruited more volunteers to save the project, with the goal from the outset to establish a community driven re-purpose for the project.

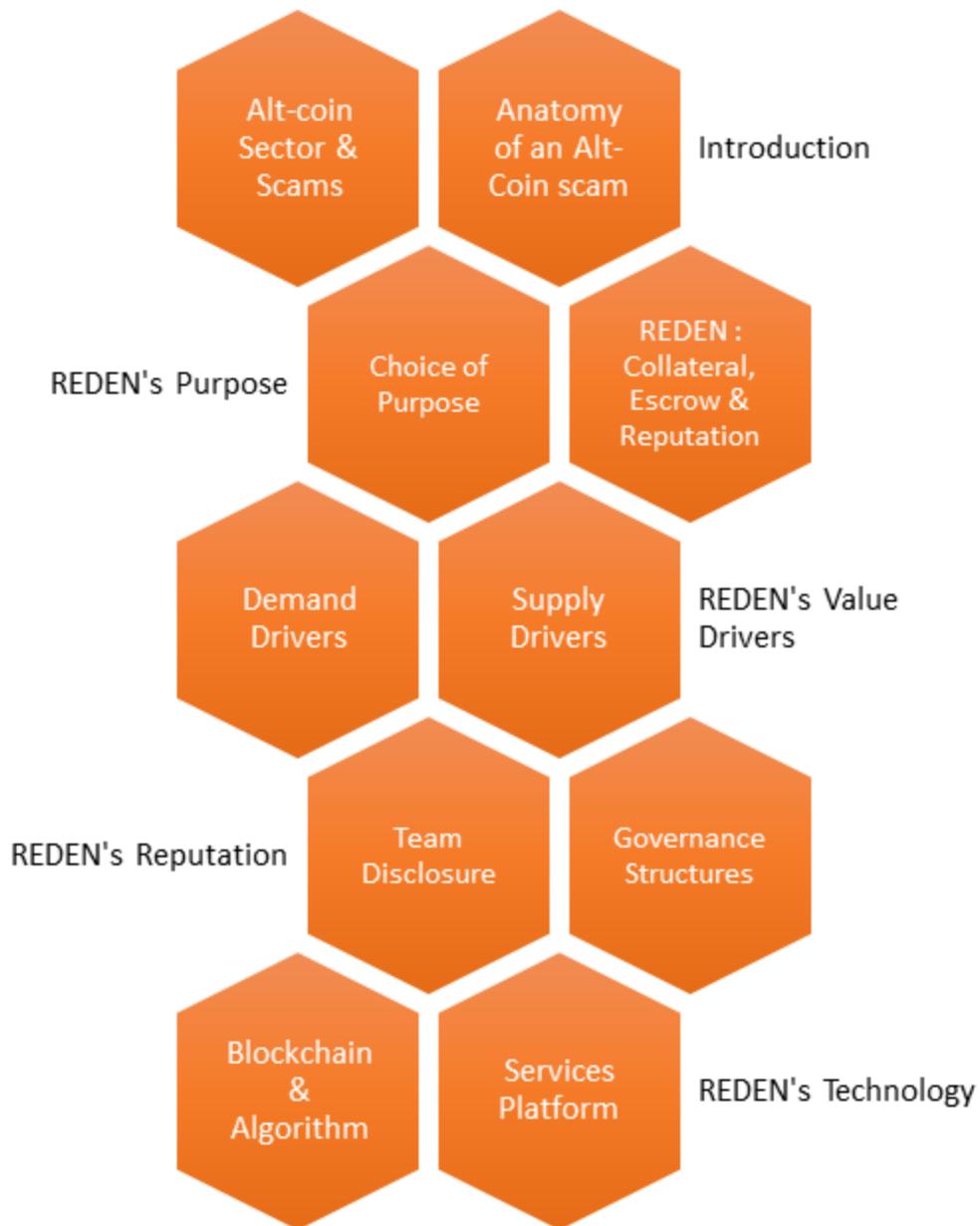
The first community votes chose to rename the project Reden, and an overwhelming majority of votes were cast for the following new purpose:

#1. REDEN - De-Risking Alt-Coin

Reden was born of a scam. Alt-Coins allow for the rapid launch of new use cases for blockchains, and investors to access projects in an unprecedented way. Scammers are putting this whole new sector at risk. REden will develop blockchain based tools for investors to “de-risk” their participation in the market against scammers, and genuine developers to “underwrite” their projects. Ideas include community intelligence sharing, and wallets used for example for project collateral, escrow of listing-funds and mn purchases, and other insurance/assurance objectives.

Reden’s whitepaper lays out the proposed approach for Reden to de-risk alt-coin.

Whitepaper Structure



Alt-Coin Sector & Scams

Since the launch of BitCoin in 2009, its open source code has been used as the basis for literally hundreds of new “alt-coin” projects. Some have gained global attention and very significant market capitalizations in their own right; Ethereum, Ripple for example. At the time of writing about 25 coins have valuations of more than USD 1 billion.

Many of these projects were backed by significant initial coins offerings (ICO) or private fiat currency financing, but it is also possible to start a project with little more than a decent concept and some appropriate development skills. This represents an unprecedented opportunity for teams with little capital and big ideas to “crowdfund” their projects with community support. This support can be as little as some electricity to pay for cpu and gpu time to mine the coin under “proof of work” mining, or with a bit more investment access to a “masternode” that will generate additional coins under “proof of stake” mining.

The growing awareness of alt-coins, and crypto and blockchain in general, has attracted many miners, often looking for little more than a quick daily return, and flocking from one project to the next in the hope of getting in early on the next big thing before the nice-hash cloud miners and asics can turn their hash-cannons on the project.

Combined with the ease of starting a project and anonymous philosophy of crypto, this has created a perfect opportunity for professional fraudsters to take advantage. Projects are easy to start so even some genuine projects are abandoned by their teams just as quickly as they started them, but these teams have still cheated their supporters.

Apart from their inherent dishonesty, these scam projects are undermining the ability of bona-fide teams to develop unique new blockchain applications. Reden will make its purpose to reduce the risk and consequences of scam projects on the sector as a whole.

Scam alt-coin projects are putting the whole sector at risk. The community needs solutions to help combat this.

Anatomy of an Alt-Coin Scam

The typical components of any new small alt-coin launch are as basic as:

- An announcement post “the ANN” on bitcointalk.org. These announcements are the go to place for miners to find new projects. Often the announcement will be timed to get many miners on-board quickly in the hope of mining coins early on when the mining difficulty is lowest.
- A channel in the discord messaging app for the dev to interact with the community. The developer will typically use this channel to raise btc funds through donation or the sale of coins and/or masternodes. These funds are generally to be used to pay for listing the coin on a reputable exchange or to pay other external suppliers.
- A github repository with the code and binaries for the wallet, chain and masternodes. The open source code is critical for the community to be able to confirm the project is free of malware and the code reflects the published specs of the coin.
- Perhaps some presence on facebook, telegram and/or twitter for example.

The components of the typical fraudulent alt-coin scam include:

- Creating enough buzz for the project to attract miners and in particular coins buyers willing to pay BitCoin to buy enough coins for a masternode. Selling more coins and masternodes than are strictly necessary for the project, often in a non transparent way
- In the most basic frauds, simply disappearing with these funds, but more likely stringing the community along to maintain demand for the coins, for example actually applying for an exchange listing
- “Pre-mining” more coins than strictly needed for the project with a view to selling these for other more established alt-coins, either OTC in discord or on the exchange paid for by others!

Some scams are very basic and the warning signs are obvious (eg unknown developer, unknown team (if any), poor communication, self-moderated BTCP thread, banning users on social media who ask awkward questions) but often simply ignored by many. However, the sophistication of the “better” scams continues to evolve rapidly.

One common feature of all scams is that the team have little or no transparency, and no “skin in the game” beyond the investment of their own time.

Shared intelligence on projects and best practice combined with collateral and escrow services can help de-risk alt-coin investment

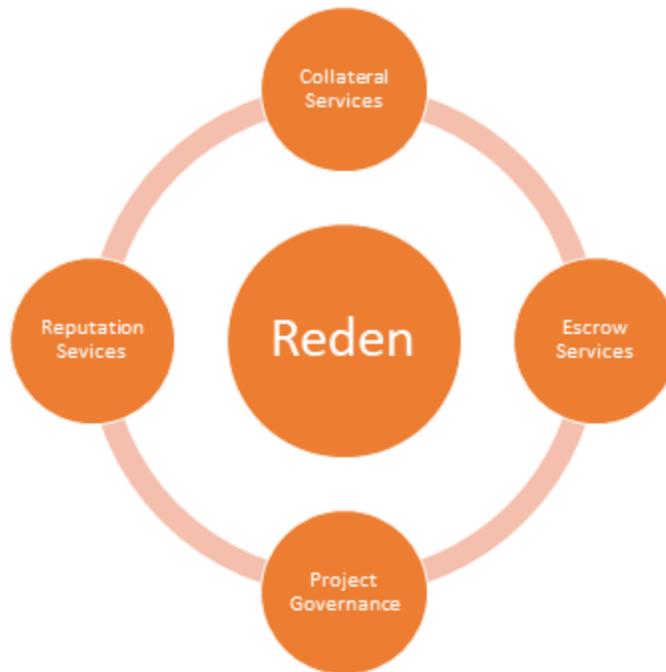
Community Choice of Purpose

Reden's goal from the outset was to establish a community driven re-purpose for the project. Ideas were put forward in a dedicated discord channel and three ideas put to vote. Overwhelmingly, with 100+ out of c.140 votes, the following purpose was selected:

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Below the Reden core team have fleshed out how that purpose could translate into some distinct but interrelated service offerings for the coin. As this is a consultation whitepaper the team are looking forward to refine and debate this proposal with the community before voting on the retained whitepaper and roadmap.



Collateral Services

New and existing projects buy Reden and place them in collateral, in the event of a scam or abandoned project, these Reden can be distributed amongst stakeholders in the projects.

The mechanisms for this will be developed as in the next whitepaper versions, to ensure that the process is fair, transparent and itself scam proof. Reden will need to develop a strong reputation, and appropriate governance structures so that stakeholders trust their collateral to Reden.

Reden will also need to demonstrate that it is a valuable and stable coin with strong demand and adequate supply, but critically we are expecting a significant portion of coins to be tied up in project collateral and Reden masternodes, this will be virtuous for both the stability and value of the coin.

Reden should be the primary denomination of collateral, but we will also evaluate initially to accept collateral in the form of Bitcoin and other established alt-coin.



Escrow Services

Project collateral will be stored in escrow, in dedicated multi-signature wallets, and with appropriate controls and procedures in place over any release and distribution of collateral.

It is a logical extension for Reden to **offer escrow services not just of project collateral, but also proceeds from ico, masternode sales, donations** and similar crowd funded value. Reden would ensure proceeds were paid in line with their purpose, eg transfer monies directly to an exchange for a listing.

Escrow services can also extend to non-token items, to secure important elements of an alt-coins "DNA", for example the original announcement text, major versions of the github code. Items that scammers often destroy

Escrow services will be payable in Reden, thus creating a further source of demand for Reden coins in the market.



Reputational Services

An obvious by-product of Reden's collateral and escrow services is the ability to monitor the alt-coin sector, interact with development teams, and the community in general. Reden will **developing tools for the community to crowd-source intelligence on projects, and rank projects** based on a code of good practice.

Basic forms of these services have already been initiated via the #possible-scams and #scam-stories channels in the Reden discord community.

Contributors can be paid in Reden, and investors can purchase intelligence in Reden, thus developing a further active supply and demand for the coin.



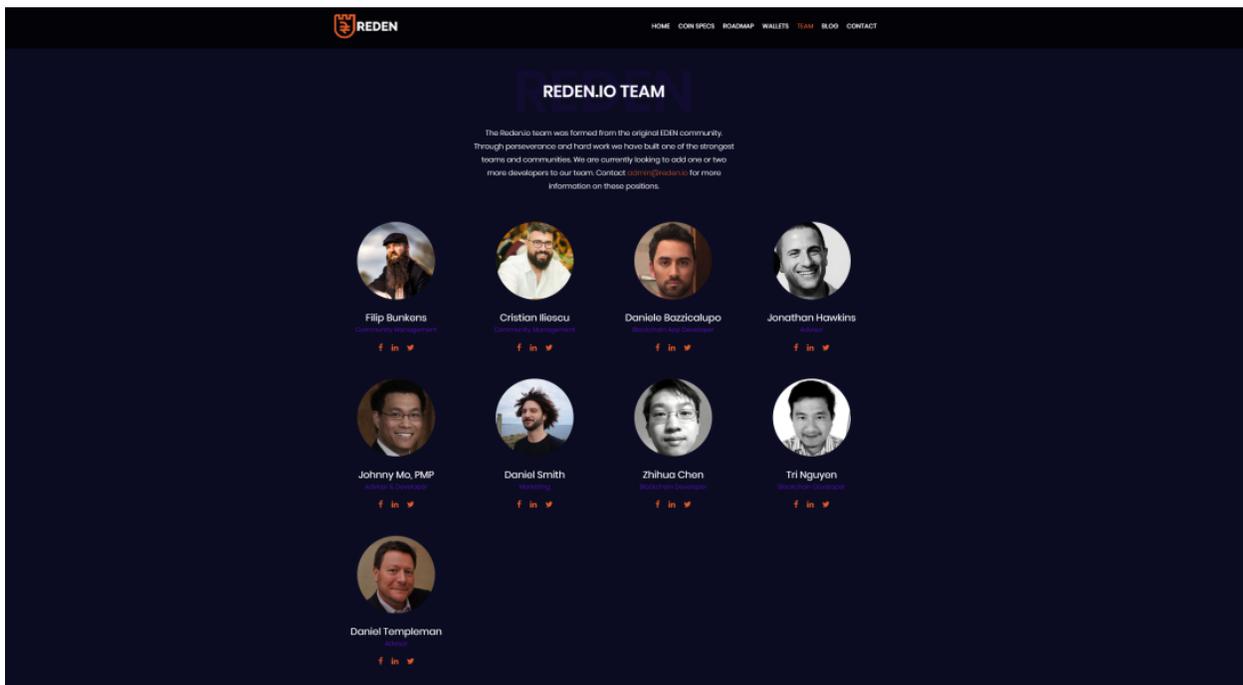
Reden proposes a coherent set of related services that will provide core purpose, and generate demand for the token.

Reden's Reputation

It is clear that with Reden's purpose, Reden and its team must lead by example and be at the forefront of best practice. The roadmap will include **developing a full set of governance principles that will both be used to manage Reden, and benchmark other alt-coin projects**. Nevertheless, some basic principles are already clear.

Team

Core team members will disclose their actual identity and provide links to referenceable material such as their Linked-In profiles. **The Reden website is at www.reden.io and was launched on 21 April 2018.**



Community Governance

Reden has already begun regular community votes and consultation on important decisions affecting the coin. The roadmap will include **improved tools (versus discord now) for fair and efficient community votes and consultation.**

```
#There have been requests to raise collateral for masternodes? To avoid having too much MN's what would your preferred method be?

1. No way don't touch it 2500 coins should stay - rewards stay the same
2. Double it to 5000 coins - rewards stay the same
3. Make it 10 000 coins - rewards stay the same
4. Keep it at 2500 - but make tiered MN's see example below
5. Make it 7500 coins - rewards stay the same <- added after start of poll on community request ->

* Specifics on how the tiered MN will be implemented will be voted on if this option gets chosen,
However this is an EXAMPLE of how it could work:

Imagine 3 blocks:
Block 1: 2500 coins MN gets reward
Block 2: 5000 coins MN gets reward
Block 3: 10 000 coins MN gets reward

The rewards would look like:
block 1: 4.5 MN - 44.5 miner
block 2: 11 MN - 39 Miner
block 3: 25 MN - 25 Miner

#poll open from april 16 - 0:00 UTC till april 17 - 12:00 UTC

(edit)
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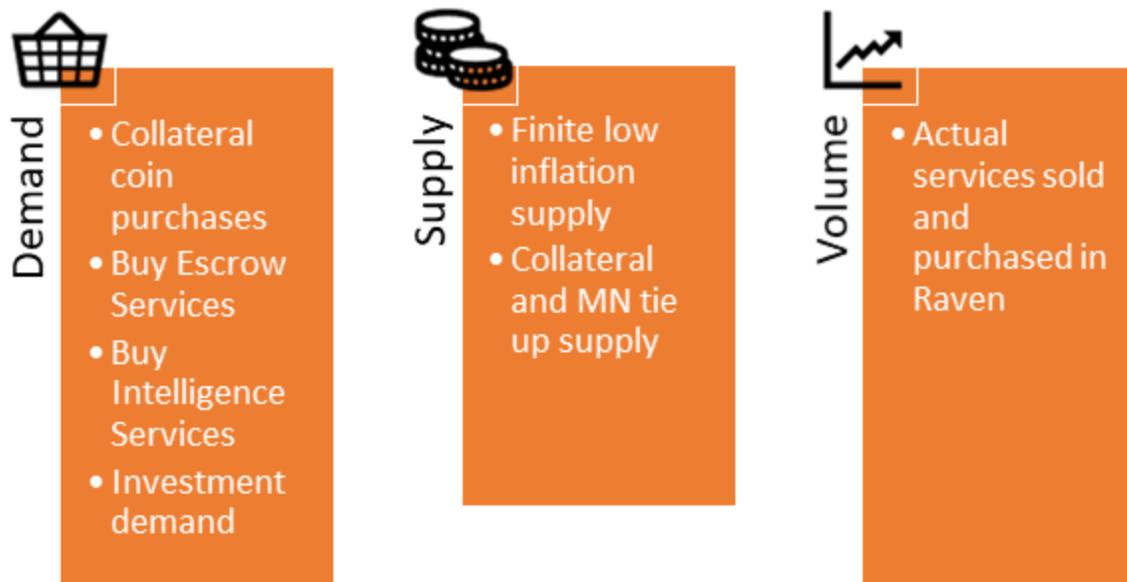
Other

Reden will likely need to **develop other governance structures, for example a committee to review collateral release and distributions.** These structures and their activity will be made transparent.

Reden will lead by example by developing and applying best standards of project governance and transparency.

Coin Value, Supply and Demand

Besides trust in the project, Reden understands that the long term value and stability of the Reden token, which is key to support its purpose, is dependant on usage and demand that go beyond speculation, and supply which is adequate for the growing use of the coin and avoids excessive inflation. **The roadmap will include implementation of effective marketing strategies and plans.**



Drivers of Demand

The purpose of Reden coin will ensure that there is demand for Reden in the following key areas:

- Reden to be deposited as collateral or otherwise in escrow, and which we anticipate will tie up a meaningful proportion of the coins circulation in due course
- Reden used to pay for escrow services and to purchase community crowd-sourced intelligence on projects

Supply Side Management

The Reden coin specification are detailed in the next section. One key point that differentiates Reden from other coins is the amount of coins that are expected to be tied up in project collaterals, which will both drive volume of trading in the coin and progressively increase the coin’s scarcity.

Reden Coin Specs

Algorithm: X16S

60% PoW :: 40% Masternode

Block Retargeting: Every block :: Dark Gravity Wave v3

Coins per Block: 50

Block Time: 120 seconds

Max supply: 11,756,000 Reden mineable on the new chain, 400,000 Reden for coin development, 3,000,000 Reden to swap old chain coins issued by block 37,050.

Halving: 25% every 60K blocks

90% supply: 24 months, 100% supply: 5.7 years

Masternode collateral: 5000 Reden

Reden's coin specification and drivers of demand and supply should lead to stable and steady volume and value growth.

Technology

Blockchain and Algorithm

The original Eden code was based on a rather “low pedigree” fork of a fork of 2014 litecoin, and included a developer premine of some 700,000 Eden, of which some 428,000 remain in a wallet controlled by iodev.

The community voted that the new project should retain 400,000 of these coins for the benefit of the Reden project going forwards, and symbolically burn the remaining iodev coins. To achieve this and to ensure that Reden was running on current chain technology it was decided to launch a new chain and swap Eden for Reden.

The chain powering the Proton coin was selected, with the blessing of Proton’s developer, and adapted to the X16S algorithm and Reden’s other coins specs. The X16S algorithm was first used by Pigeon coin and uses the last sixteen digits of the previous block hash to reorder a list containing all sixteen algorithms. It employs the same individual algorithms found in X16R (blake, luffa, fugue, bmw, cubehash, shabal, groestl, shavite, whirlpool, jh, simd, sha512, keccak, echo, skein and hamsi). **The new chain will be launched on 21 April 2018 at 22:00 UTC.**

Services Platform Web Front End

We anticipate that to run the Reden service offerings efficiently once volumes start to grow a dedicated web-based front-end will be required, together with the related back-end functionality.

As Reden is focussed on the services, and it not a technology play, we will in the first phase **evaluate the availability of existing, preferably blockchain based solutions already exist in full or in part.**

In a second phase we will then **design, develop and launch the retained services platform.**

Pragmatic technology choices will allow Reden to focus on its purpose and the services offered to support that purpose.

Initial Draft Roadmap

Q2 2018

- Regain control of the coin following iodev departure ✓
- Build strong team with depth and breadth of skills and experience ✓
- Agree with community new coins purpose and specs ✓
- Issue consultative white paper and roadmap ✓
- Launch new chain and swap old coins for new coins (21 April 22:00 UTC) ✓
- Marketing to grow community and building trust to provide services
- Secure a listing on a mid-market exchange selected by community
- Develop rules for collateral, escrow, release and distribution
- Begin “Reden Rating” using simple tools eg discord channels

Q3 2018

- Provide first collateral and escrow services, manual processing
- Finalize whitepaper with community consultation and more detail on services
- Develop detailed roadmap based on final whitepaper
- Implement more robust community debate and voting system
- Develop alt-coin best practice guidelines and rating system
- Minimal viable product for the collateral and coin profile platform

Q4 2018

- Extend escrow services to non-token items such as code repository
- Develop platform to offer full services based on mvp feedback
- Shift marketing focus towards establishing Reden as anti-scam leader
- Further exchange listings as appropriate voted by community

Q1 2019 and Beyond

- Detail beyond the next 9 months will be added in the next iterations of the whitepaper.

Reden a coin by the community for the community. We look forward to the road ahead with your support. Please join the debate on this whitepaper in our [discord channel](#)