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NO FALSE PROMISES

WHITEPAPER v 1.0

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Introduction

From the moment the Stim coin chain was made live we have been asked multiple times, what is the purpose of Stim? This has been a very difficult question to answer with an exact description. The best answer we can give without going into huge detail is a masternode coin that can be mined and isn't a scam. Far from being an excellent answer or reason to mine/invest/HODL the coin, those that read the announcements on bitcointalk.org and in our discord room will see how commited our team is and the theories behind Stim.

Mastenode's and their purpose.

When we first came across masternode's we were fairly new to mining and looking for that "new coin" to mine before it gained some value; a lot of crypto enthusiasts stated this was the best way to make money in crypto. Our first being back in late December 2017. We seemed to have stumbled upon a bit of a craze that initially made no sense to us. Why were people paying so much money for "masternodes" coins that even from a newbies point of view were soon going to have nowhere near the ROI's quoted or value they did at the "pump" stage. We didn't ask too many questions since we loved mining the coins. Eventually, we ended up with a cheap node of our own early on in the development of a project and decided to give it a go. We soon realized some coins had better potential than others but still there typically was a small time period to be "in and out" of the coin. If you remained in the coin for too long there was a good chance the coin would be dumped and the market flooded by a high reward/inflation type of system. As time went on knowledge was gained from many great individuals we met, research, trial and error, observation, and of course several losses. Many of the people we worked with were investors, all of which were well aware they were taking a short-term gamble with these coins, a bit of fun with large potential short-term gains. This is of course was not what master-nodes were intended to be back when first created for the dash blockchain.

What we now call "masternodes", were implemented on the dash network to solve 3 main issues. First and foremost they were to carry out services for the security and stability of the blockchain while offsetting the cost for the owner to host the node. Secondly to increase the value of the coin by locking 1000 coins in a masternode thus removing them from immediate circulation. They also offered a social technological breakthrough, the ability to be a decentralized autonomous organization (DAO) through Decentralized Governance by Blockchain or DGBB, by creating a democratic system of governance by which masternode holders and developers had the ability to create and vote on proposals through the blockchain.

As quoted by eduffeld, Dash Core Developer, Apr 7,2014 https://www.dash.org/forum/threads/darkco-in-update-masternode-requirements-masternode-payments.225/

„These nodes are the foundation of DarkSend, all transactions will be routed through these nodes. Each masternode requires that 1000DRK be kept on the node and each time that node is selected the network will dedicate 10% of that block to these nodes. If you are running a masternode you need to be fairly familiar with network administration and securing your host.

The point is to make it very expensive to acquire them. Imagine the following:

FeedbackLoop:

- User asks „Should I create a masternode?"

- it costs $XXX, they would earn $X.XX/day. That's X days till they earn 100% of their investment.

- User buys 1000 DRK, creates masternode

- Price goes higher, 1000DRK gets pulled out of the supply

- Go to FeedbackLoop

This is a feedback loop that this strategy is creating. We should add masternodes until the price finds equilibrium with the masternode capacity.

1x Masternode = 576 blocks * 10% of the reward = 1036DRK/day

8x Masternodes = (576/8) blocks * 10% of the reward = 129DRK/day

16x Masternodes = (576/32) blocks * 10% of the reward = 32DRK/day

128x Masternodes = (576/128) blocks * 10% of the reward = 8.1DRK/day

Let's say after the feedback loop completes the price of Darkcoin is $5 and we have 1200 nodes. At that point we have six million dollars in masternodes..."

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Decentralized Governance by Blockchain, solve's two important problems in cryptocurrency: governance and funding. Governance in a decentralized project is difficult, because by definition there are no central authorities to make decisions for the project. In Stim, such decisions will be made by the network, by the owners of masternodes. The Stim core allows each masternode to vote once (yes/no/abstain) for each proposal. If a proposal passes, it can then be implemented by Stim's developers. A key example is early in 2016, when Dash's Core Team submitted a proposal to the network asking whether the block size should be increased to 2 MB. Within 24 hours, the consensus had been reached to approve this change. Compare this to Bitcoin, where a debate on the block size can go on for years. The funding of the Stim budget system will be brought up to vote once the currency has validity. At that time we will have a community vote to decide on the funding structure and when it will be implemented, we are giving ourselves a 2-year window to gain traction on the markets.

Stim masternodes provide a level of service to the network (Proof of Service) and have a bond of collateral to participate. Collateral is never forfeit and is safe while the masternode is operating. This allows investors to provide a service to the network, earn interest on their investment and reduce the volatility of the currency. To run a masternode, the node must store 1,000 STM. When active, nodes provide services to clients on the network and in return are paid in the form of a portion of the block reward. This allows the users to pay for the services and earn a return on investment. Masternodes are all paid from the same pool of money, approximately 50% - 75% of the total block reward is dedicated to this program. The cost associated with running a Masternode creates a hard and soft limit of active nodes on the network. A hard limit by the total number of coins in circulation. The soft limit is imposed by the price it costs to acquire a node and the limited liquidity on exchanges.

1x Masternode = 720 blocks * 50% of the reward = 720 STM/day

8x Masternodes = (720/8) blocks * 50% of the reward = 90 STM/day

32x Masternodes = (720/32) blocks * 50% of the reward = 22.5 STM/day

128x Masternodes = (720/128) blocks * 75% of the reward = 16 STM/day

*We also tried to offset the decreased reward per day as the number of masternodes rises.

With the unsustainable rewards of some of these coins ignored, another nasty fact was starting to emerge, more and more frequently as time went on. Most projects, even the well-written ones with a flashy website were often being abandoned shortly afterpresale before making an exchange. It soon became a big risk to mine a coin at this stage let alone enough for the full collateral needed to run a masternode. To add to the dilemma those that did make it to one of the smaller exchanges often saw the market full of an illogical volume, being sold at prices so low we couldn't see the sense. After learning some more and looking into all we could, we unfortunately realized that was what their "premine" was all about. With x amount of blocks and y being the total possible amount of mined coins, why are there y+z amount of coins on the exchange at 50% less than the cost per coin associated with the presale or auction. It seems the coins were not created to be fair, sustainable, or practical in any way.

This in a nutshell is where Stim was born. We feel that perhaps there is a better way. If basic honesty and fairness from miner to node-holder and those building the project is adopted as the main goal, without false promises and outright lies as selling points, what would happen? Could we bring back the excitement there once was when a new coin appeared on the masternode listing pages. Could we create something that's good to mine, worth Hodling or even owning a full master-node for over a week. The seed was set, and without realizing it this soon became a goal, we were going to give it all we could to prove that it is possible. We would like to invite you to join us with this.

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We will take on board every voice, with not only votes but constantly requesting suggestions and ideas regardless of how insignificant they seem to begin with. We need you, as many positive thinkers with views to share to work with us and together make something special.

It is fairly obvious that thought needs to initially be placed on the basics, the beginning of a coin. Coins with POW are initially mined, the choice of algorithms countless and growing by the day, ASIC resistant, Nicehash resistant, some even anti GPU and aimed at CPU miners only. In our experience a lot of these choices are personal preference. If you have scrypt mining ASIC's the chances are you will like the scrypt algorithm If you have a GPU farm you will seek GPU coins and generally hate nicehash. The basic value of each algorithm's hash rate being set by the demand and what people are prepared to sell it at. Of course there are many varying factors between each but the basic goal shared by all being to provide security and consensus to the blockchain with the reward of new coin/s being the incentive and birthplace of future coins.

With such huge variation in reward structures across the altcoin scene it is fairly obvious that Coin A, which has a block time of 120 seconds and 1000 coin per block is going to be far more abundant/easier to gain than Coin D with the same block time but only 1 coin reward per block. To look at this fairly we will assume both Coin A and Coin D are on the same algorithm and launched at the same time. If both coins had the same interest and an equal number of miners worked on each chain simultaneously we could make some assumptions. For argument's sake each network has 10ghs exactly. If 1ghs costs X amount per day via a rental/cloud mining service, X amount would be expected to receive 1000 times the reward if it was mining Coin A than Coin D. From this we can make a reasonable conclusion that Coin D has a greater cost to mine than Coin A and would thus expect a greater value.

	Coin A	Coin D
Block time	120 sec	120 sec
Coins per block	1000	1
Nethash	10 ghs	10 ghs
MN reward	1000	1
ROI with 1 MN on the network (in blocks)	1	1000
ROI with 10 MN on the network (in blocks)	10	10000
Amount of coins produced per day / 1 BTC investment per day	0.000000694 BTC per coin	0.000694000 BTC per coin

This is however only 1 factor controlling the supply of both coins if masternodes are a part of the system. Masternodes act in a similar way to how a miner does in the sense that they earn a reward from each block. Let us assume for now both Coin A and Coin D work on a 50%MN-50%POW structure. When a miner finds a block on Coin A's chain one masternode will receive 1000 coin also. In theory with 1 master-node only on a network that masternode will receive 1000 coin every block, as the number of masterno-des increases the frequency of rewards drops. With 10 master nodes on the network you would expect on average to win the reward 1/10 blocks. This explains the large demand for those very first nodes based on ROI figures. If the masternode collateral was 1000 coins the first masternode on Coin A would receive 100% ROI in just one block. Once there are 10 others it will take x10 longer. At this point the figures are looking considerably less desirable, people seeking profit from the coin that hold many times more now than they first started with looking to sell out and re-coop some BTC are running out of keen buyers. The ROI that was minutes is now days. The value being dropped as many 1000's of new coins hit the market every hour.

If we take a figure, let's say 1btc per day of new investment coming into each coin we could have a rough look and estimate for the future value of the coin. Coin A with the system mentioned above would be outputting 2000 coin each block 30 blocks/hr x 24 = 1,440,000 new coin per day. So we could dived that 1btc / 1,440,000 = 0.000000694btc per coin if supply = demand without any other factors taken into account. Coin D however releasing 2 coins per block 2 x 30 block/hr x 24 = 1440 new coin with the same 1 BTC would equalise at 0.000694 in the same situation. If only that was all that needed to be considered, however it appeared to be very much overlooked in too many places and to us seemed a good starting point.

So we have a value based on our examples. We have masternodes becoming less rewarding in terms of ROI which usually, unless something special is going on, results in demand/new investment money decreasing. This results in a lower price as people fight each other for sales on the exchange. Miners see less if any profit and move on, those who remain to continue mining the coin receive a greater reward and thus happy to sell even cheaper until the coin has little to no value and kept alive only by a core community contemplating how to fix what has nigh-on died. Of course this reward/pricing structure can only ever be looked at as a small part of the picture. We feel its crucial to get these formulas as fair and realistic as possible to form a foundation for everything else. Supply and demand balancing being vital.

We have put a great deal of time and calculation into the specification we feel has the best chance of being sustainable and rewarding to all as possible, our decision ultimately based on many observations of mostly failed projects but a very small few that we feel worked. Let's face it, where did Satoshi Nakamoto get the bitcoin supply figures from? As I'm sure most are aware bitcoin is based on gold supply.

To us some scarcity and demand for the coin was a far more important than many 1000% ROI per masternode being advertised. Keeping the supply reasonable was key to sustainability.

To achieve this we decided to reduce the reward initially and increase incrementally to allow a more stable ROI in the early stages and reduce the negative impact of a growing number of masternodes, while keeping the POW reward consistently low throughout. We believe this will leave the market truly up to the miners and investors of master nodes firmly in control of the value and overall supply of Stim, provided the other numerous factors are also on target. The exact specification and current reward structure is explained below:

Coin Specifications	
Coin Name	**Stim**
Ticker	**STM**
Algorithm	**Lyra2z**
Total Supply	**21,000,000 STM**
Premine	**1%**
Masternode Requirement	**1000 STM per node**
Block Time	**120 seconds**

Block Reward		
1 STM	2 - 500	**50% PoW/ 50%MN**
2 STM	501 - 10 000	**50% PoW/ 50%MN**
4 STM	10 001 - Block halving	**25% PoW/ 75%MN**

The total possible block reward amount is 5 STM. This means that there is 1 STM still available for reward. We will let the community decide how it will be split. Since the block halving is not set to occur until block 418400 which is approximately 2 years from launch.

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Moving on

Although vital, the specification is only a very small part of a coin in our eyes. To have a purpose, use case or something different is almost more important to avoid being "just another."   We have many ideas, none of which have put out there as a goal or selling point. To us, it has been far more important to simply be honest from the beginning and work as a community team shaping what Stim stands for together. We would very much like to integrate other reasons/things to do with Stim however not focusing on one aspect alone. A few things we would like aim towards can be:

Integrating a means of helping those who need it. Be it through a charity in existence or even form our own system.

Other reasons to buy. We currently have a partnership with one company manufacturing and supplying auto temperature gauges. We aim to integrate this into something unique with regards to a product for the mining community, however, this is a Works in Progress.

Some form of entertainment. Be it something competitive or a treat there are many options.

A way of removing/burning any oversupply.

As we have already started to form a strong and very decent community we would like to build upon our foundation as a team. Involving anyone who shares interest from the miners and all stages above, very little has been decided nor ruled out for the future but anything is possible.

So What's the point? What's the purpose?

We are aware that this is not what is expected of a cryptocurrency project and people will continue to ask these questions for some time to come. We are all in this space we call cryptocurrency for different reasons, some similar and shared by many, some more individual. We have found its amazing how well things can take off if people work together, honestly with different views yet similar goals, combining skills. A miner generally is trying to build while the trader fighting this to see crashes and gains, often burning the house down. We have seen first hand how well things work if everyone is fair and helps one another.

This, of course, leaves the next part of this whitepaper somewhat vague with regards to the future plan and exact direction we will take. Governance features are currently sat at a far later date but we would hope to be able to implement such features and community control. This is something we will aim to bring forward as soon as the initial launch plan is complete and some general stability has been confirmed.

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Next steps

One of the most important things to us currently is to reach the exchanges chosen by the community. All too often we have seen projects abandoned with no actual intention from the developers to go beyond a usually quite large presale. At this time we feel a project is always untrusted by most who have been bitten by such cons. Once the community and those watching from sidelines gain confidence in the project as a whole we will see the true potential of what we can all build upon.

Most elements of development will be subject to change and should be viewed at this time as a work in progress, not a final product. This being especially true for the more visual aspects.

We are, or should I say a team is forming from the community. We will be delegating roles more specifically as time goes by. If you feel you have something you would like to offer please contact one of the team members through our website or on our discord chat.

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https://stimco.in/