Light Pay Coin

The Future is Here with Contactless Payment Technology

By

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Introduction

First and foremost, thank you for taking the time to read the documentation on Light Pay Coin (LPC). Our international team has given lots of effort in building this open-source, cryptocurrency project. We are pleased to provide this overview. Because of the ever-changing landscape of the cryptocurrency industry, this paper is a living document that will be updated from time to time as needed. However, in doing so, we will attempt to maintain the original objectives of this project. LPC is a next-generation, hybrid cryptocurrency based on proof-of-stake (POS) mining and masternodes. This project is a fork of the open-source project of PIVX (which is ultimately a fork of the open-source project, Bitcoin) and leverages the innovations of previous generations of cryptocurrencies.

LPC is distributed within a two-tier, hybrid network for securing the blockchain by (a) confirming transactions, (b) ensuring the privacy of transactions, and (c) facilitating instant transactions. As in other masternode networks, owners of LPC are compensated by the network through a dynamic allocation of rewards based upon LPC owner contributions to the network as confirmation nodes and masternodes. This incentive structure encourages LPC owners to utilize the digital currency for securing the LPC payment network; this is conceivably more profitable than selling the cryptocurrency on the open market. In addition to securing the network, the primary mission of the LPC project is to create an easy-to-use contactless payment system for peer-to-peer, retail, and government transactions worldwide. By creating the next generation of user-friendly wallets, point of sale devices, and automatic teller machines (ATMs), the LPC network will facilitate mass adoption of this innovative financial technology. A long-term goal of this project is to position the digital currency of LPC as a medium of exchange, store of value, and a unit of account, ultimately satisfying the defining characteristics of money in this digital age. This process is a natural evolution in Internet technology in which cryptocurrencies will disrupt the financial industry (based on

paper fiat currency) in a similar way as the digital transformation of the early 1990s Internet disrupted the traditional paper publishing industry.

Usage of Light Pay Coin

By creating Light Pay Coin (LPC), we made a cryptocurrency that would allow for the safe and secure storage of LPC in a cryptographic, digital wallet. Moreover, we have developed a financial model that would generate income for LPC owners while utilizing LPC itself for the security of the LPC blockchain. We have also inherited, through a selected fork of PIVX, the ability to provide for near instant payments through SwiftTX. This allows LPC owners the ability to transfer LPC within seconds across a global network of masternodes. This makes LPC ideal for worldwide cashless payments through contactless, point of sale devices. To address the issue of previous first-generation cryptocurrencies, the network provides the owner the option to ensure fungibility of LPC through the inherited functionality of PIVX's Zerocoin Protocol.

One of our main goals is to design, develop, and supply user-friendly point of sale devices, ATMs that utilize mobile phone near field communication (NFC) technology, and easy to use wallets. We will build the next generations of automatic teller machines (ATMs) for exchanging from one cryptocurrency to any other cryptocurrency and from one cryptocurrency to any government fiat currency. LPC will be the first cryptocurrency in the point of sale and ATM payment network. This will allow for mass adoption of LPC worldwide for both regular consumers and businesses to pay for goods and services. Thus, LPC will make it easier and safer than traditional payment solutions, which are susceptible to billions of dollars in fraud each year.

Blockchain Technology Overview

For those who are new to the cryptocurrency industry, a blockchain is a way of storing data or a digital record of transactions. This record is immutable and cannot be changed. Digital records are combined into blocks and then these blocks are cryptographically and chronologically linked together in a "chain" using complex mathematical algorithms. Each block is linked with the previous block and contains a complete set of all records that came before it. New blocks are always added to the end of the chain. Computers running on the same network perform the encryption process known as hashing. When all computers in the network complete their calculations and receive the same result, a confirmation is made. Then the block is given a unique digital signature. This block is then added to the digital register, which is updated across all computers in the network. Once this is complete, the block cannot be altered, and it is virtually impossible to fake or change once added to the blockchain. Only new entries or data can be added to subsequent blocks. This makes it impossible to hack the network - as each computer in the network would need to be hacked simultaneously.

With traditional relational database systems, data can be Created, Read, Updated, and Deleted (i.e., CRUD). With respect to a blockchain database, data can only be Created, Read, Appended, and Burned (CRAB). This is what distinguishes traditional databases from blockchain-based databases. Moreover, traditional databases are usually centralized. However, blockchain databases are decentralized and can be distributed on a global scale, which ensures that the network is always available. This technology also allows the potential to store personal data securely as the hashing process is irreversible. If a malicious actor attempts to change the registry, it will not match the registries held by other computers. This builds consensus within the network as the longest chain in the network is the one that is used and results in any altered registries or any other shorter chains in the network being disregarded.

Proof-of-Stake

At the heart of the proof-of-stake algorithm is the storage of all the operations in the LPC wallet with the distributed database. Synchronization of the wallet nodes of LPC running on proof-of-stake is carried out through the peer-to-peer network, P2P. Thanks to proof-of-stake, it is possible to implement cryptocurrency with high security conditions to avoid hacker attacks and fraudulent actions. Moreover, it is more efficient and environmentally friendlier than proof-of-work, which utilizes lots of energy with application specific integrated circuit (ASIC) machines.

The system using the proof-of-stake method is based on the principles of decentralized management in the absence of a single controlling authority, which does not allow a malicious actor to know exactly which version of the block is valid. In simple terms, the definition of the principle of the proof-of-stake algorithm can be given as follows: The more LPC possessed in a wallet, the more credibility that wallet node will be given in the permission-less network. Thus, the wallet will likely receive a block reward because of the relative weight that wallet contributes to the protection of the network. The amount of time a wallet participates in protecting the network is also a factor. From a security standpoint, proof-of-stake is not only mining, but the wallet also stakes the LPC amount to ensure against the validity of the transactions placed in blocks. By having a wallet with a large amount of LPC and staking that amount, this decreases the probability that the owner of the wallet is acting in a malicious manner to harm the network. Thus, wallets with high LPC amounts are given a greater preference in confirming transactions than wallets with smaller LPC amounts. An LPC wallet node serves in the first layer of the hybrid cryptocurrency network by confirming transactions on the blockchain, selecting a network masternode for instant transactions, and creating the next block for storing future transactions. A discussion of the second layer LPC network is described next.

Masternodes

Masternodes play an important part of the LPC network. A masternode network is the second layer of the LPC network that donates processing power to confirm transactions instantly utilizing the SwiftTx technology inherited from PIVX. A masternode then receives a reward for the work performed – one reward per block every 60 seconds. These rewards are directly paid to an LPC wallet that is linked to the masternode. Using masternodes also ensures the stability and security of the entire network. These nodes serve a special purpose within the network to mix various transaction amounts to increase fungibility and anonymity of transactions. This is done by the process of obfuscation, which is also inherited through the open source PIVX codebase.

Obfuscation

The LPC network has a focus on the anonymity of payments through the implementation of PIVX's Zerocoin Protocol. This provides a level of privacy by mixing various amounts of LPC within the masternode network. This protocol consumes sent funds through a special algorithm and goes through several iterations, thus providing a high level of anonymity. The implementation of the preliminary algorithm makes the transactions completely unknown to everyone except the sender and the receiver of funds. This makes attacks on the network increasingly difficult. Here is a brief description of how the technology works: A user determines through the wallet the depth of anonymization and the amount of funds s/he wishes to send. The wallet then "shreds" the transaction into predetermined smaller amounts. These smaller amounts are then sent across the masternode network and intermixed with other users' coin transactions also being anonymized, using the master registry for coordination. These coins are not processed but will be mixed in again with another round of transactions, depending on how many mixes the LPC user has selected. The maximum amount of mixes the wallet can generate is eight; however, LPC can be mixed again by following the same procedure. These mixed coins will show up on a separate balance sheet for the anonymous payment to be made.

SwiftTX

LPC uses SwiftTX technology, which allows users to conduct a transaction without waiting for traditional confirmations on the blockchain. The technology uses a network of second-level master logs, which detects transactions marked as “SwiftTX”. These master logs then lock the transaction input and sends a confirmed transaction message to the network. As a result, the transaction takes about 2-5 seconds, while ensuring that no double spending can occur. After sending a confirmation message, the transaction is recorded in the network, as usual. This means that LPC can compete with the ease, convenience, and speed of traditional debit or credit card payments today.

Roadmap

The following is the Roadmap for 2018 and 2019

* Updated as of Sept ’18. *Italicized and shaded* cells represent completed milestones.

Stage 1
▪ *Project inception and team formation*
▪ *Recruiting core team members*
▪ *Initial whitepaper release*
▪ *Official website launch*
▪ *LPC network launch*

Stage 2
▪ *Private presentation to high network individuals*
▪ *Shipping company presented LPC workflow*
▪ *Companies confirmed intention to integrate*
▪ *Platform code optimized*

Stage 3
▪ *Marketing campaign*
▪ *Coin sale*
▪ *Road show*
▪ *Customer development*

Stage 4
▪ *Block explorer launch*
▪ *Wallet release for Windows, Linux, and iOS*
▪ *Presale*
▪ *Masternodes.online listing*
▪ *Bounty launch*
▪ *CryptoBridge listing*
▪ *Coinexchange.io listing July 18*
▪ *Cryptopia Exchange listing August 18*

Stage 5
▪ *LPC squad reward for Discord members*
▪ *Shared masternode services partnerships*
▪ *R&D partnership announcements*
▪ *Rewards program for investors*
▪ Local store partnerships - Oct ‘18

Stage 6
▪ *Masternode services listing partnership.*
▪ *Extend market campaign*
▪ Website improvement - Oct’18
▪ Development (alpha) testing of point of sale devices - Dec ‘18
▪ Development (beta) testing of point of sale devices - Feb ‘18
▪ Launch of point of sale devices - Mar ‘19
▪ Launch ATMs - Sep ‘19
▪ Community voting for future development - Sep ‘19

Specification

Coin Name:	Light Pay Coin
Ticker:	LPC
Algorithm (Proof of Stake):	Quark
Type/Consensus	Proof of Stake /zPOS
Block Reward:	3 – 26 LPC
Masternode Collateral:	1000 LPC
Masternode Reward:	90% - 65%
Staking (Proof of Stake) Reward:	10% – 35%
Block Time:	60 seconds
Total Supply	21,000,000 LPC
Premine:	90,000 (LPC) (~0.43%)

Reward Diagram

Listed below is the block reward distribution table for LPC masternode owners and non-masternode owners, whom have their wallets open for staking. With each block a different node is randomly selected and rewarded. The 'minted' block rewards are distributed on a sliding percentage scale between masternode owners and staked owners to create a fair distribution of coins.

Phase	Block Range	Reward Per Block	% Masternode Reward	% Staking Reward	MN Reward (Coins)
1	20001 - 30000	4	70	30	2.8
2	30001 - 40000	6	65	35	3.9
3	40001 - 50000	8	65.5	34.5	5.24
4	50001 - 60000	10	66	34	6.6
5	60001 - 70000	12	66.5	33.5	7.98
6	70001 - 80000	14	67	33	9.38
7	80001 - 90000	16	67.5	32.5	10.8
8	90001 - 100000	18	68	32	12.24
9	100001 - 110000	20	68.5	31.5	13.7
10	110001 - 120000	22	69	31	15.18
11	120001 - 130000	24	69.5	30.5	16.68
12	130001 - 140000	26	70	30	18.2
13	140001 - 150000	25	70.5	29.5	17.625
14	150001 - 160000	24	71	29	17.04
15	160001 - 170000	23	71.5	28.5	16.445
16	170001 - 180000	22	72	28	15.84
17	180001 - 190000	21	72.5	27.5	15.225
18	190001 - 200000	20	73	27	14.6
19	200001 - 210000	19	73.5	26.5	13.965
20	210001 - 220000	18	74	26	13.32
21	220001 - 230000	17	74.5	25.5	12.665
22	230001 - 240000	16	75	25	12

Continued

Phase	Block Range	Reward Per Block	% Masternode Reward	% Staking Reward	MN Reward (Coins)
23	240001 - 250000	15	75.5	24.5	11.325
24	250001 - 260000	14	76	24	10.64
25	260001 - 270000	13	76.5	23.5	9.945
26	270001 - 280000	12	77	23	9.24
27	280001 - 290000	11	77.5	22.5	8.525
28	290001 - 300000	10.8	78	22	8.424
29	300001 - 310000	10.6	78.5	21.5	8.321
30	310001 - 320000	10.4	79	21	8.216
31	320001 - 330000	10.2	79.5	20.5	8.109
32	330001 - 340000	10	80	20	8
33	340001 - 350000	9.8	80.5	19.5	7.889
34	350001 - 360000	9.6	81	19	7.776
35	360001 - 370000	9.4	81.5	18.5	7.661
36	370001 - 380000	9.2	82	18	7.544
37	380001 - 390000	9	82.5	17.5	7.425
38	390001 - 400000	8.8	83	17	7.304
39	400001 - 410000	8.6	83.5	16.5	7.181
40	410001 - 420000	8.4	84	16	7.056
41	420001 - 430000	8.2	84.5	15.5	6.929
42	430001 - 440000	8	85	15	6.8
43	440001 - 450000	7.8	85.5	14.5	6.669
44	450001 - 460000	7.6	86	14	6.536
45	460001 - 470000	7.4	86.5	13.5	6.401
46	470001 - 480000	7.2	87	13	6.264
47	480001 - 490000	7	87.5	12.5	6.125
48	490001 - 500000	6.8	88	12	5.984
49	500001 - 510000	6.6	88.5	11.5	5.841
50	510001 - 520000	6.4	89	11	5.696
51	520001 - 530000	6.2	89.5	10.5	5.549
52	530001 - 2100000	6	90	10	5.4

Conclusion

The LPC Team prepared this document to provide a brief overview about cryptocurrencies in general and LPC in particular. We discussed our primary goal of creating the next generation of user-friendly wallets, point of sale devices, and contactless ATM machines for worldwide use. From a technology perspective, evidence supports the view that proof-of-stake/masternode technology is not only secure, but also environmentally friendly and more efficient that proof-of-work consensus models. LPC is based on next-generation technology such as SwiftTX, Zerocoin Protocol, proof-of-stake and second-layer masternodes inherited from proven, open-source technologies. The contribution of LPC to the cryptocurrency revolution is to usher in user-friendly devices to facilitate mass adoption. We will do this through a combination of first-of-a-kind partnerships and unique business models.

A long-term goal of this project to position the digital currency of LPC as a medium of exchange, store of value, and a unit of account, ultimately satisfying the defining characteristics of money in this digital age. This process is a natural evolution in Internet technology in which cryptocurrencies will disrupt the financial industry (based on paper fiat currency) in a similar way as the digital transformation of the early 1990s Internet disrupted the traditional paper publishing industry.

Appendix A: R&D Partnership Overview with the University of Central Florida

Light Pay Coin: Research, Development, & Commercialization Project

Background

Light Pay Coin (LPC) is a next-generation, hybrid cryptocurrency utilizing a two-tier, open network involving proof-of-stake (POS) consensus and masternodes for specialized network functions (instant and/or private transactions). LPC is designed to be a medium of exchange, a store of value, and a unit of account within an emerging digital economy. LPC will use near field communication (NFC) payment technology to transfer funds via mobile devices to point of sale terminals, other phones, and ATMs. LPC's goal is to become one of the fastest and most convenient modes of digital payment in the world, revolutionizing the financial services industry. A person's smartphone can replace one or more bank cards and perform the functions of both a general communication device and payment platform for personal, business, or government use.

LPC in partnership with the University of Central Florida will assist in conducting research and development activities to support the commercialization of the blockchain-based payment platform. This project will include several phases involving Industrial & Organizational Psychology, Human Factors Psychology, Computer Science, and Engineering. Both students and professors will be involved in the development of this next generation platform for digital assets. Digital currency is the first use case, followed by other assets and credentials (e.g., transcripts, micro-credentials, certificates, and degrees).

Goal

The ultimate goal is to build and commercialize user friendly (a) cryptocurrency wallets, (b) point of sale devices, and (c) contactless ATM machines. This will allow for buying and selling LPC and other cryptographically secure digital assets using mobile devices with near field communication (NFC) technology.

General Approach

There are several phases of research, development, and commercialization activities that will be implemented through a series of task orders. Time allocation and human resource needs are determined on a project by project basis, commencing in the Fall of 2018. Separate task orders will be created involving the design, development, and integration of user interfaces (UI). Task orders will be associated with the following:

(a) Software UI design of (1) wallets, (2) point of sale devices, and (3) contactless ATMs

(b) Software UI development of (1) wallets (2) point of sale devices, and (3) contactless ATMs

(c) Acceptance testing of the UI and penetration testing of entire software application.

(d) Hardware UI design of point of sale devices and contactless ATMs

(e) Hardware UI development of point of sale devices and contactless ATM

(f) Hardware and software integration and prototyping

(g) Acceptance testing of prototype

(h) Pilot testing on Florida Lambda Rail network

(i) Pilot test (beta) with customers for personal, business, and government use

Appendix B: Legal Opinion on Status of Light Pay Coin as a Security

Light Pay Coin Legal Opinion August 8, 2018

The issue is whether or not Light Pay Coin as a hybrid cryptocurrency can be regulated or considered as a security under federal and state laws.

Overview on Cryptocurrencies

Before reaching the point to legally analyze Light Pay Coin and its standing from a legal perspective, it is essential to provide the necessary information about cryptocurrencies to establish a road map for the analysis and explanation.

Cryptocurrency is the digital phenomenon that has grown vastly over a short period of time in our technological advanced society. One popular type of cryptocurrency that is well known is Bitcoin. Cryptocurrency in essence is having currency, meaning items equivalent to dollar bills, change or something of value, in a digital form rather than a tangible form. Cryptocurrency differentiates from dollar bills and change because not only is it not in physical form, it also eliminates the middle man, which would be the financial institutions. Instead of having money held in financial institutions, the transactions are more so prioritized and between just the parties involved.

Although society today is far advanced regarding technology, there has still been some concerns or drawbacks when it comes to using cryptocurrency. In addition to the success of cryptocurrency having instability, there are a significant amount of people that are skeptical in utilizing cryptocurrency due to the fact that the money is digital rather than in the hands of the consumers. However, people use a form of cryptocurrency without realizing it. People use their credit cards and debit cards when they are engaging in various transactions without touching the physical form of their currency. The major difference, as previously stated, is that cryptocurrency is operated through the form of securely engaging in technological transactions amongst just people and businesses rather than including the government and financial institutions.

Light Pay Coin

Light Pay Coin is a type of cryptocurrency that has a focus on acting as cryptocurrency does, in addition to eliminating the skepticism and concerns of consumers regarding cryptocurrency. Light Pay Coin has the intention of acting as a hybrid, with the hopes of providing proof of sale and privatizing transactions within a network. Light Pay Coin has two main goals: heightening the speed pertaining to verifying a transaction and maintaining the confidentiality of the transactions that are made. Instead of using or involving financial

institutions, Light Pay Coin will play the role of the medium and allow consumers and business entities to conduct transactions amongst each other using technology such as mobile and smart devices. Light Pay Coin intends to serve as another option when it comes to sending or receiving payment for goods, services, or business relations.

Light Pay Coin uses Master nodes, or technological wallets, to ensure that those within the network are provided with a daily return to the holders of the Master nodes. Light Pay Coin differentiates from the typical cryptocurrency surfacing in society because it has more of a real world utility rather than just being a cryptocurrency that one may invest in. Since its recent inception, Light Pay Coin has a mobile wallet application available in Google Play and is working on developing an application for the IOS devices. Further, there are already businesses that have expressed interest in Light Pay Coin to use within their entities. Light Pay Coin is partnered with The University of Central Florida, where several students are engaged in substantial research needed to ensure that the complexity and concerns of cryptocurrency is explored so that Light Pay Coin can be successful and satisfy the needs of everyday consumers worldwide.

Laws Governing Cryptocurrency

While the use of cryptocurrency currently seems to be an unregulated form of transactional occurrences, lawmakers are gradually working towards enacting laws that those utilizing cryptocurrency will have to adhere to. Last year, it was decided and recorded in an investigative report by the Securities and Exchange Commission that the Decentralized Autonomous Organization's tokens were securities. According to the Securities Act of 1933, a security can be defined as:

> any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for,

> receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.[1]

If any cryptocurrency is deemed as a security, it shall be monitored and subjected to governmental regulation or involvement. The leading test to this determination is the Howey test cited initially in the landmark case *Securities and Exchange Commission v. W.J. Howey Co.* In the case, the Court determined whether the instrument was an investment contract under the Securities Act of 1933. The test established in the case states the following: "a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party[.]"[2] Pertaining to cryptocurrency, the focus would be on the transaction itself rather than the item or "instrument" used to execute the transaction. In addition to this rule, while it has not been defined by the Court, different circuits have established various ways to define a common enterprise for the purposes of satisfying this element of the Howey Test. The three approaches are the horizontal approach, the broad vertical approach, and the narrow vertical approach.[3] The horizontal approach reasons that a common enterprise exists when several investors pool funds together as an investment and establishes a correlation of profits for said investors.[4] The broad vertical approach finds that a common enterprise exists where the promoter's expertise determines the success of the investor.[5] Lastly, the narrow vertical approach states that a common enterprise exists if a correlation is established between the success or failure of the promoter and the investor.[6]

On state level, there are laws that have been adopted by some states to decide whether there is a security or not. The name for these laws are the blue-sky laws. The test used to determine whether there is a security on the state level is called the Risk Capital Test. The test was first mentioned in the *Silver Hills Country Club v. Sobieski* case in California. Although the states have different requirements pertaining to the details of the test, the overarching

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[1] 15 U.S.C.A. § 77b(a)(1) (West).

[2] *Securities and Exchange Commission v. W.J. Howey Co.*, 328 U.S. 293, 298-99 (1946).

[3] Mark C. Alcser, *The Howey Test: A Common Ground for the Common Enterprise Theory*, 29 U.C. Davis L. Rev. 1217, 1225 (1996) (listing the different approaches for the common enterprise element of the Howey Test).

[4] Id. at 1226.

[5] Id. at 1230.

[6] Id. at 1228.

requirements are somewhat the same. Essentially, the courts look at "(1) the placing of capital at risk (2) in order to receive a benefit, and (3) the absence of control over management." [7]

Is Light Pay Coin a Security?

When applying the rule from the case to Light Pay Coin, it can be reasoned that Light Pay Coin as a cryptocurrency is not considered as a security. The interactions involving Light Pay Coin have the option to be more than an investment. Light Pay Coin can be used for instant exchanges rather than putting money into the cryptocurrency in hopes of reaping benefits from said financial input. Differentiating from the Howey test, an investment is not necessary when obtaining Light Pay Coin and its purpose exceeds beyond mere investing similar to that of stocks. Light Pay Coin can be used in a transaction or in fact sent from one person to another without any consideration from both parties. In addition, Light Pay Coin is not necessarily used solely to invest money into a common enterprise. When applying all three approaches in reference to the common enterprise, Light Pay Coin's purpose and function exceeds beyond a pool funds consolidated together by investors. Two individuals or business entities may be in a transaction together; this does not involve investments pooled together or demonstrate a correlation or equal consideration between the profits bargained for on each side. The promoter's expertise does not matter in a transaction involving Light Pay Coin. Communication and conduct can occur without the inclusion of outside parties. Thus, the success of one party involved in a transaction does not have to rely on anyone else. The success or failure of the promoter and investor is not the sole focus when dealing with Light Pay Coin. The cryptocurrency has one main purpose and use, which is to be another option available to persons and business entities looking to use digital currency for transactional purposes. The result of the transaction is not dependent upon other factors, as the transaction as a whole is decentralized in nature. Further, Light Pay Coin is independent and self-serving; the investment or exchange of one party does not lead to, determine or dictate the profits of the other party.

When analyzing the Risk Capital Test, Light Pay Coin is still not considered as a security. When Light Pay Coin is used, a risk does not always come into play for the capital in order to receive a benefit or profit. One could argue that this is possible as an investor, but as someone using Light Pay Coin for day to day transactions and financial activities, the categorization is not the same. A previously stated, Light Pay Coin's purpose is to be used for more than investment purposes; it has the intentions to be used in everyday exchange practices just as dollar bills, change, or anything else of value. One may use Light Pay Coin for an exchange, ending the transaction there. The capital is not at risk, as both parties receive the bargain for exchange. One may use Light Pay Coin just to transfer cryptocurrency from one person to another. In these circumstances, a risk or gamble is not apparent. In addition, the parties are in control when using

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[7] Stuart R. Cohn, § 12:2. Securities covered under State Law, 1 Sec. Counseling for Small & Emerging Companies, § 12:2 (2017).

Light Pay Coin. The parties have the power to use the cryptocurrency however they desire, and it is not up to someone else how it is utilized. Light Pay Coin is decentralized and controlled by the person obtaining it and not another outside source or form of management. Thus, it would be difficult to find that Light Pay Coin is a security when applying the Risk Capital Test.

Conclusion

Based upon the purpose of Light Pay Coin and the test provided to determine if it is or is not a security, Light Pay Coin is not a security. There would be difficulty establishing all the necessary requirements for such finding. Therefore, it can be reasoned that the Howey Test is not satisfied, and Light Pay Coin is not a security on the federal level. On the state level, the determination of Light Pay Coin would depend on the specifications of the rules in each state that has adopted the Risk Capital Test. At a general standpoint, however, it would be reasoned that Light Pay Coin is still not considered as a security.

For signed legal opinion, contact the Light Pay Coin Team