

# Cottin: The Ilycoin Project

BY Kevin P Rucker

## Abstract

The purpose of this white paper is to introduce you to a new method of participating in the cryptocurrency revolution, while also assisting in educating you in simple language that you can easily understand. The white paper will focus on explaining industry terms that most people have had difficulty comprehending, and also explain what Cottin and ilycoin are in a very fundamental manner. Terms like “proof-of-work”, “fixed monetary policy”, “price volatility”, “blockchain”, “stablecoins”, “unit of account”, “medium of exchange”, “store of value”, “commodity”, “initial coin offering”, “solvency” and others will be simply explained to illustrate the vision that we have for this revolutionary breakthrough in the cryptocurrency market. We will also explain the history and current status of the cryptocurrency market by introducing you to the dynamics of the market, who Blue Horseshoe Foundation and its partners on this project are, the agricultural crop that is tied to this project, the technology used to produce the crop, and mechanics that involve how we strategically plan to achieve our goal. We also will explain the investment process that we have designed for this project and how that plan will make sure that the project stays balanced and valuable, and finally we will conclude with an overall explanation of the entire project and how the project is intended to change not just the cryptocurrency market but the general finance market for the better.

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## DEDICATION

I dedicate this white paper to my mother, Edith, my soon-to-be wife, Regina, and my one-year-old son Kevin Jr. All that I have done and all that I do is for you, and your love has kept me sane throughout this entire process. Rest in peace, ma. I love you.

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## I. Introduction: What Is Money Anyway?

When I first wrote this white paper, it was filled with industry terms about cryptocurrency. I let Carlyle Wimberly (one of the gentlemen mentioned in the acknowledgments of this white paper) read the rough draft, and thanks to his honesty, I realized that this paper needs to go in an entirely different direction. My problem was that I am used to writing from an academic standpoint. While that comes in handy when being graded by a professor, it does nothing for the general public, the real world that doesn't understand all the technical words that you use, and doesn't have time to find out what they mean. Cryptocurrency is a very complicated concept and market, and what Mr. Wimberly pointed out to me was that although investors are very smart people, you lose them if you confuse them. If they don't know what you're talking about, they won't invest in what you're offering. So I decided to take a completely different turn. I decided to explain not only what ilycoin and Cottin are but explain what cryptocurrency, blockchains, and all those terms mean. This will be probably the first time that someone has taken the time to explain this in a way that as Einstein once said, "if you can't explain it simply, you don't understand it enough". I think I understand the cryptocurrency phenomenon, so I think I can explain it simply. This white paper attempts to do that, by someone that speaks your everyday language and can relate to you.

I'm pretty sure everywhere you go, you're hearing people talking about things like "Bitcoin" or "Ethereum", and even though you may want to get involved in this thing that everyone is talking about, you may not know what these things even are. Cryptocurrency has changed how people become rich in ways that no one ever expected. Bitcoin started it, by actually putting an idea that has been floating around the tech industry for years into motion. Before Bitcoin, the finance industry tried to create money that was not made of paper, but all computerized. The problem with that was that the banks controlled the money, and

there was too much potential for funny business. Bitcoin changed that by making a type of computer money that no one bank or government could control, and letting people make the money by doing math with machines that made the money for them, like the United States Mint. There were problems with this invention that we will talk about later in this white paper, like Bitcoin's lack of consensus and its proof-of-work system, but we're jumping the gun a little, since before we talk about those things we need to explain what they even mean.

Let's rewind though, the question we're in the middle of in this introduction is a simple one. The question is, what exactly is money, anyway? We use it every day. We pay bills with it. We travel and go on vacations with it. We take care of our families and loved ones with it. We feed, clothe, and live with it. But what is it this piece of paper or plastic, and why does it control every aspect of our lives? You may not know this, but money is considered a technology, like your computer, car, or video game system. Even though it doesn't look like it, money is a machine. The machine called money has three reasons for working; to act as a unit of account, a medium of exchange, and a store of value. You're probably wondering, what does that even mean? Well, those three terms I promised to explain in a way you would understand, so let's get started with it.

A unit of account is what the U.S. one-dollar bill in your pocket is. It keeps a record of you being able to get something that costs exactly one dollar. If you had one hundred units of account, you would have one hundred U.S. dollar bills. So a unit of account is a symbol of a track record of what you have and what you can get. A medium of exchange means almost the same thing as a unit of account, but it focuses on the dollar bill being able to be used as something you can get things with. Store of value again means something close to the other two terms but focuses on the one-dollar bill being worth having. When you understand it from that angle, it becomes easier to see that what we consider to be

money could be anything that can be traded for something else. The barter system is built on that.

To make this make even more sense and connect the barter system to today's way of looking at money and what money is. To start, let's go back to the one-dollar scenario of what money is. The three meanings of money (medium of exchange, store of value, and unit of account) all make more sense when you think about what money is when you have none. If you have no money, then you have nothing to trade with, you have nothing worth something to get something, and you have nothing to prove that you got something honestly. So then the barter system comes into play. That is where the meaning of "credit" and "assets" connects the barter system to what we know as debt today. If you try to get a loan from a bank, you have to have what is called "collateral". Collateral is what the barter system is based on. Collateral means having assets, which are things that are worth something that can be put up against the loan that you are asking for. The things that make up what money means are what make the meaning of debt real, along with the meaning of money. You see, money is a symbol. A symbol that takes away the need to trade your things for other things, which helps you have a way to keep your things and still get more things. The only time this doesn't work is when you don't have things, to begin with. That is where debt comes into play, and that is how our entire world economy works.

One of the things that make cryptocurrency a turn-off to people and a bad thing for the government is that it is new and against the way, things are done in the United States and the world. But when it comes to the machine that is money, this is not the first time that this has happened. Before the United States of America was a real thing, the people that founded the United States decided to make their own money because they were sick and tired of being used by the British government, especially in Boston and all the blocks England put in place on how the

people living in the colonies (what is the United States today), which made them choose to fight England and try to become free from them. They came up with the idea of making their own money because they needed a way to pay for the war they planned on starting. They decided to call their money “Continents” and had on them the images of soldiers from the Revolutionary War. The money was backed by the promise of “future tax revenues”, which as an idea was great, but was difficult to make happen because of inflation, which is when the price of things goes up, and how much that one-dollar bill in your pocket can buy. This is what happened with the Continents and it proved to be a bad idea for that time in America.

Fast forward to today. What would be the “Continents” of today are the different cryptocurrencies that have popped up in the finance industry. A revolution in the money game has been created with the invention of cryptocurrencies. What started with Bitcoin has become an opportunity for people to regain control over their lives through decisions and choices that have never existed in the finance industry. Before Bitcoin, there were tries at making a currency that was strictly used through computers, and not through paper notes. The problem with those currencies was that they were no different than just using a debit card or credit card. There that’s all it was. It was still controlled by the major banks, just used on computers which meant that the banks still controlled it, and the government could swoop in and take it whenever they felt like it. On the other hand, cryptocurrency provided an opportunity for people to use the definition of money that we mentioned, the store of value, and store their money away from prying eyes, without the risk of the government coming in and taking it from them. All of this started with Bitcoin, but there were and still are several things wrong with how Bitcoin works not just as a cryptocurrency, but as a currency in general.

Let's take a moment to compare cryptocurrency to the everyday version of money that we all know, called by most people, "fiat currency". Two ways cryptocurrency is better than fiat currency is that transactions are forever and can't be changed, and the cryptocurrency is not a victim of the censorship of the banking system as we know it. This all comes from the blockchain that cryptocurrency is managed through. A blockchain is nothing more than a notebook full of transactions that are stacked on top of each other. Each new buy or sell is added to the notebook, and can't be taken away. This protects the buyer and seller from fraud. The second benefit is the lack of control by the "big banks" which lets everyday people have the chance to get involved with cryptocurrencies without going into ruin through interest fees that come from the big banks. While this sounds great, the drawback to this is the rollercoaster ride of the up and down value of a cryptocurrency if it's not used to buy and sell things. Without the use of it as a medium of exchange, it becomes simply another store of value, with its value going up and down constantly.

As wonderful as cryptocurrencies are, two things make Bitcoin flawed as a cryptocurrency and two things that relate directly to the definition of currency that make it unsuitable in the finance industry. Let's start with the cryptocurrency flaws. One, Bitcoin has no consensus, which means that the algorithm (or the running computer program) that makes up the blockchain that is what Bitcoin is, is the only judge in who or what gets to have Bitcoin and who or what doesn't. This creates a problem because you can't completely trust a machine to make the right decisions for your money (there are a million examples of fraud when you do). While this was done on purpose by the inventors of Bitcoin, it has become a problem for the industry in the larger picture. The second problem is the proof-of-work system (that we will go into later in the paper) that lets people do what's called "mine" Bitcoin. "Mining" means that a person can get access to new Bitcoins through math work that is done by a special machine that solves math problems in seconds, which

when finished gives the person a new Bitcoin. The problem with this is split into two problems; the first problem is your electric bill to run the machine makes running it a waste of time, and you'll be lucky if you break even. The second problem is the environmental problems that scientists have found out running these machines makes. All of this was meant by the inventors of Bitcoin to protect the cryptocurrency from people, companies, or governments that wanted to interfere with the cryptocurrency, and to fix the rules of Bitcoin so that Bitcoin could have high ups and downs of value, since there are a set number of Bitcoins in the world, and no more will ever be made.

The two things that make Bitcoin a flawed idea as a currency go back to the three meanings for money that I already mentioned; a unit of account, a medium of exchange, and a store of value. Bitcoin is not a unit of account or a medium of exchange. Think about it and remember what I said earlier. Now connect the dots to Bitcoin. How many people do you know that spend Bitcoin? People just don't use it. It's because of that that it doesn't work. People have not taken the time to promote spending on it, which makes it a store of value but a very risky one, since the people that store it are hoarding it.

As said before, this white paper intends to introduce the public to a better understanding of what cryptocurrency is, and with a few corrections how it can improve the lives of everyday people around the world. There are many ways that this can be done and through the creation of ilycoin through the ilycoin project, this can get done.

We are going to show you some of the things that make the cryptocurrency we have come up with such a great new idea in the world of money. One of the things we are going to show you is the connection ilycoin makes to the problem of having money that's not backed by anything other than people believing it's worth something. Ilycoin is backed by a commodity that has been with us since the beginning of this whole man-world thing, and is now back on the scene and making some

pretty big steps. That commodity is hemp. Ilycoins are made available to the public through what is called a distributed collateral pool, which means that like having a car to put up against a loan at a bank, hemp is used and put up against each transaction. The more ilycoin is used, the more the collateral value, which lets the cryptocurrency supply expand or get smaller through auto-deflation to meet the hemp demand. This also helps to make the hemp worth more on the open market, which is another reason this whole project is necessary; to help expand research, development, and use of the plant. This idea we have for a cryptocurrency that is backed by something that exists and is of use is an idea that previously was not even thought of. One of the reasons is the chance of failure when choosing the right commodity because large corrections to the value of the commodity can affect the commodity, which is what attaches the commodity to the currency. The following sections will explain the people involved and the process that makes this project so groundbreaking.

## **II. Frankenstein's Money Monster: The Method Behind the Ilycoin Project**

As explained in the introduction, nothing backs today's money. The money is only stable because powerful governments and banks say they are. That's where tax charges come in, which are used to keep the dream alive. This is an excellent way to control a market if you're the government or the bank. It is also a great chance for heavy abuse of the system by the people that control it. Cryptocurrency does not work the same way, since it is not controlled by a government or a bank, and works on currently two different types of systems; proof of work and proof of stake. Proof of work is an online machine that makes the users of the machine on a network put in the effort of controlling the approval of the network by solving math puzzles to keep fraud out of the system and con men from playing the system. This is done through expensive

computers that solve the puzzles. The network uses this tool to make sure transactions are real and to make new cryptocurrency coins or tokens. This method makes it so that the transactions and making of new coins or tokens can be done “peer-to-peer” which means that a buyer can do business directly with a seller and vice versa, without a third party, like a bank. While this sounds great from a tech world standpoint, this process ruins the environment, because as said before it takes a lot of energy to run the computers that solve the puzzles, and that energy goes up as more miners make more coins or tokens.

Proof of stake works a little differently. Proof of stake lets people who own a certain amount of cryptocurrency that works on a proof of stake system approve transactions based on how many coins or tokens they put up as a pledge to the system. The system itself randomly chooses owners based on the number of coins the pool of owners put up for a stake. The more coins put up, the bigger chance of certain owners being picked by the system to approve transactions. Every time a block, which is a new record of a transaction on the system, gets added, new coins are made and distributed, which are rewards to the person that put up their coins against the transaction. So that person that put up their coins now has more coins than they did before. Consider this like the interest on a savings account from a bank.

Proof of stake is like voting, everyone has a chance to have a say, not just those that want to control us. But without the power that the big banks and government have over the public, how do you win? Well, since cryptocurrency does not have those powers, it has to depend on encryption to protect it. Think of encryption as a padlock on a locker. Without the key or the combination, you can't get in, right? Same thing. Ilycoin is different from this because it has a bonus; collateral assets. Decentralized systems like Bitcoin do not use collateral assets because doing so can centralize them, which makes them no different from the governments and banks we're talking about. If it uses real-world things

to back it, and the thing used to back it is not connected to the system, meaning the cryptocurrency, through the demand of the coin, the system can break down from surprises by the price of the asset. But why is that and how is ilycoin different? The difference is the proof of work and proof of stake system.

But how ilycoin works as a system are only one part of the beauty that makes this project so great. As said before, ilycoin is what is being labeled as an enhanced stablecoin. For you to understand what an enhanced stablecoin is, you have to understand what a stablecoin is, period. A stablecoin is any cryptocurrency that is set up by the developers to have a stable worth that does not go up or down. There are two different types of stablecoins, one that is attached to a commodity, which is called asset-backed coins, or one that has its supply regulated through a machine, which is called algorithmic stablecoins. What makes ilycoin so unique and the first cryptocurrency to be labeled an enhanced stablecoin is that it puts both of these types of stablecoins together into one new and improved type of stablecoin. The algorithmic part of ilycoin is better explained through the previously mentioned proof-of-stake system that ilycoin runs on. The asset-backed part is explained through one commodity; hemp.

Ilycoin has been designed for maximum stability because it is a fiat currency backed by an actual commodity. The commodity that Ilycoin is backed by is the hemp plant, also known as cannabis Sativa. Hemp, or industrial hemp, is a variation of the Cannabis Sativa plant species grown mainly for industrial use. It can be used to make a wide range of products. Alongside bamboo, hemp is one of the fastest-growing plants on Earth. It is also one of the first plants to be spun into usable fiber 50,000 years ago. It can be re-processed into various commercial items, including paper, rope, textiles, clothing, biodegradable plastics, paint, insulation, biofuel, food, and animal feed. The correlation between cryptocurrency and the hemp industry has been mentioned a few times

in the past. But things have evolved in a very different direction compared to what people assumed at first.

Using hemp as a commodity to back Ilycoin has several community benefits. Various hemp farmers have suffered from issues with their banking partners. Ilycoin offers them an opportunity to continue and succeed with their operations at a fraction of the cost. Growing and selling hemp is not illegal. It was made legal by the 2018 United States Farm Bill, and the works of various institutions calling for and working towards environmental reform like the Green New Deal opened up new and exciting opportunities for people who want to explore business in the hemp industry. Unfortunately, like every other business, running a hemp business is not without its problems, especially when it comes to banking. Only a few banks keep an open mind toward hemp. Despite being a legal form of cannabis, there is still a stigma attached to hemp. Most banks prefer not to deal with these types of clients. That leaves the members of the industry with very few options, forcing them to think outside of the box. Ilycoin provides a better solution and also creates an entire economic structure that can provide each member of the industry with a real solution that helps them stay free.

### *The Four Horsemen*

The strategy of investment management and marketing of commodities and distributed products created from the commodity is a holistic economic structure that is based on a gross domestic product measure, which is a monetary measure of the market value of all the final goods and services produced by the commodity in a specific period, as well as the gross national product estimate, which is the final products and services that are distributed and provided in a given period using production owned by the members of the hemp industry. Unlike banks, Ilycoin will not tell users what to do, and it won't direct hemp producers on how to run their businesses. The Ilycoin ecosystem is

meant to be worldwide, and the members control their funds on their terms. The economic structure provides the average hemp producer something that the producer never previously had; legitimacy that comes from producing an existing commodity. While there are existing commodities, such as sugar, corn, orange juice, or gold, none of those commodities provide as stable a position as hemp, regarding the versatility of the commodity, which in the process provides a steady circulation of economic saturation that benefits the cultivation of the commodity. Put simply, there is an ongoing scarcity position since the supply of the commodity can never match the demand because of the multiple uses of the commodity.

There are three different designers involved in this project that will bring the project to life, Blue Horseshoe Foundation, Wimcar Advisors, LLC, and R&T BrightLight Technologies, LLC. The chief organizer of the project and the group that will be mainly responsible for the marketing of the commodity and distributed products along with some involvement in the investment management strategy is Blue Horseshoe. Blue Horseshoe Foundation, Inc. is a 501(c) 3 non-profit community organization. Blue Horseshoe's mission is to provide community programs and workshops to underprivileged communities that focus on health, education, and economic empowerment. It is intended to be the overall manager of Ilycoin and Cottin. Blue Horseshoe has the unique benefit of having a credit history with no financial debt. Compared to governments that distribute a form of currency, it has zero deficit and overall debt. This provides Blue Horseshoe with the unique position of being the first 501(c)3 tax-exempt organization that manages a stable commodity-backed fiat cryptocurrency. That means that the organization has a very high level of position in the financial industry because gross domestic and gross national product measures and estimates are equated to its mechanisms, as previously said.

The second group involved in The Ilycoin Project is Wimcar Advisors, LLC. Wimcar provides the main part of investment management of the cryptocurrencies that the ilycoin project provides to the public, ilycoin, and Cottin, which we will explain more in detail later in the paper. Wimcar is a leading minority financial advice and investment firm that focuses mainly on financial consultation that leads to solutions for their clients. Their consultation allows them to advise clients around the world on strategic and financial matters that include mergers and acquisitions, restructurings, capital structure, and capital raising. Their client relationships are built on trust and discretion, and they are deeply established in business centers around the world, with meaningful local relationships and insight. As an advisory-focused firm, they have exceptional depth of expertise across industry sectors and geographies. Through its network of partnerships, Wimcar has built its reputation from decades of experience with an emphasis on strategies that benefit from intensive research and active management. The result has been a strong pattern of long-term performance and a global perspective. Wimcar prides itself on the breadth and depth of its content and the objective nature of its advice, which is relied upon by leaders of business and government across international markets. Wimcar is uniquely situated and intends to bring to bear its vast professional wisdom and expertise on the licensure and mentoring marketplace for oncoming professionals in the financial services industry, including securities, insurance products, and real estate.

The third group involved in the ilycoin project is R&T BrightLight Technologies, LLC. R&T BrightLight Technologies, LLC was founded in the summer of 2012 and has held both private and public contracts and partnered with contractors within the defense industry. The company focuses on the development of custom software as well as the design, implementation, and maintenance of all supporting infrastructure needed to execute and deliver software solutions. R&T has over 20 years of experience and service in the technology field and has developed and

maintained Web Applications, Mobile Applications as well as Windows Services, and full desktop solutions. The company also offers Cloud Infrastructure management as well as consulting services to help its clients traverse their digital roadmap. By leveraging modern Agile SDLC principles, R&T BrightLight Technologies has been able to stay on the cutting edge of modern software development.

The final group involved in this project is Bright Network Television, LLC. Bright Network Television is a streaming network that is offered to the public through the Roku platform. BNT provides professional and non-professional video content producers the opportunity to showcase and feature their content through the television network, and categorizes the media it receives. Ownership is retained by the content providers, and a fee is levied on the provider to allow them access to the network. This collaboration of designers is intended to provide their different areas of expertise in the Ilycoin project and help maintain its overall success in the project.

### *Painting The Picture: How is It Going to Get Done?*

While establishing Ilycoin as a unit of account, a medium of exchange and a store of value is evident, a level of financial trust must be applied to stimulate the economic process. This is done through the commodity's production, storage, and distribution and accounting for the trade of the commodity produced. Production is achieved through a device called the Omega Garden. The Omega Garden is a revolutionary, internationally patented rotary hydroponics system. It is designed to produce hemp 365 days a year in an urban setting. This provides Blue Horseshoe with a completely controlled environment that can produce the commodity consistently and pursue multiple avenues to achieve solvency, the direct sale of the commodity, with the opportunity to produce the commodity in any location in the United States or on the planet. Specific, custom-designed Omega Gardens will be designed to allow maximum harvest return on Blue Horseshoe's commodity. The

commodity currently has a market price of 18.75 USD an ounce. Producing products will assist in stimulating the commodity, gradually raising the value of the cryptocurrency.

R&T BrightLight Technologies, LLC will apply enterprise-wide administration of distributed computer systems with application performance management (APM) technology to achieve productivity for the management and circulation of Ilycoin and Cottin and is achieved through the combined process of event correlation, system automation, and predictive analysis which is now all part of APM. More specifically APM is application performance management which is the monitoring and management of the performance and availability of software applications. APM detects and diagnoses complex application performance problems to maintain an expected level of efficiency. The APM conceptual framework addresses the difficulty of managing highly distributed, multi-tier, multi-element constructs that Ilycoin and Cottin rely on. The APM Conceptual Framework was designed to help prioritize and implement an approach on how to prioritize and fundamentally understand the multi-dimensional cryptocurrency distribution model that Blue Horseshoe Foundation manages. The following are the schematics of the transaction process of the blockchain algorithm and the peer-to-peer network. The two vital ends involve arriving at a common set of metrics to fetch and report on for each application and systemizing on a common view on how to present the application performance data. Collecting raw data from the other toolsets across the APM model provides flexibility in application reporting. Despite the different platforms each application may be running on, it allows for answering a wide variety of performance questions as they arose. Too much information is overwhelming. That is why it is necessary that reports are kept, or else they will just get stored and will not be used.

Application Discovery and Dependency Mapping (ADDM) offerings exist to automate the process of mapping transactions and applications to root infrastructure components. When preparing to implement a runtime application architecture, it is best to see that up/down monitoring is in place for all nodes and servers within the environment (aka, bottom-up monitoring). This helps lay the basis for event correlation and also provides the background for a general understanding of how network topologies interact with application architectures.

### *Cottin and Ilycoin*

So far we've discussed "how the donuts are being made" but we haven't talked about the cryptocurrencies that make up the product or the actual "donuts". Let's start with the Cottin utility token. A utility token is a cryptocurrency, but its workings are a little different. A utility token's purpose is to power a project, and keep the project going. It does that by providing the resources that the project needs to work. In the case of the ilycoin project, that resource at the root is money. Investors are needed to raise the funds to develop the cryptocurrency that is ilycoin and make sure that the cryptocurrency reaches as many markets as possible globally. For investing in the project, those investors receive a position in the multiple validation levels that the blockchain will create randomly once the blockchain is created and working. With validation comes more newly minted coins, and with that comes profit for the validators. Cottin is the collateral the project needs to work on.

I think anyone can see the benefits of using hemp to back the money, but there is also the benefit of using Cottin as the backing of the cryptocurrency. Cottin is also backed by hemp, but not as directly as ilycoin since Cottin is the investment tool being used to start the project. What gives Cottin its legitimacy is the ERC-20 makeup that makes Cottin. An ERC-20 token is a token that is created through the Ethereum blockchain platform and allows the Ilycoin Project to establish its

legitimacy from the beginning by using an established and trusted cryptocurrency platform to launch the project.

The other thing that makes Cottin a very huge benefit for the average investor is the actual worth that Cottin has within the project. One Cottin token is worth 1,000 ilycoins. The potential for huge profits for an investor is a very real one, and Cottin will always be used as an investment tool for the project, although once the opening investment period is complete, the value of the token will balance out in line with the ilycoin. What must be understood is that the investor has not lost anything by buying Cottin. All that has been done once the investor decides to invest in the project is a conversion from one type of currency to another, and their money is still there. If they want to convert their tokens back to dollars, that process is simply done through a simple e-mail request. This is why the project is pegging itself as the only cryptocurrency on the market that can be trusted. In other words, if the project has to pay the investors back for any reason, the project will be able to do that.

Now that we got the meaning of Cottin out of the way, let's talk about exactly what ilycoin really is. Ilycoin is the enhanced stablecoin that is the glue of the entire project. The supply of the coin goes up and down, and its value is the same as the U.S. dollar and is backed by hemp. It fits all the meanings of money; it can be used to buy something, can be accepted by someone that is selling something, and it is proof that both buyer and seller did business, along with holding its worth in general. As a stablecoin, it copies the worth of a fiat currency and piggybacks fiat currencies to stop the ups and downs. This helps ilycoin from becoming a currency that doesn't make sense in value, like one coin being worth a ridiculous number like 50,000 U.S. dollars. This can be done by simply using auto-deflation to fix the value of the coin. Auto-deflation means that when there's much ilycoin floating around, only a few validators will benefit from the mining process of transaction

validation, but when not enough ilycoin are out, a majority of the validators will benefit because more coins are needed to circulate. The point of control for ilycoin is measured by the commodity that backs it, in this case, hemp. Hemp has a currently fixed worth, which is the baseline that gives ilycoin its worth. This makes ilycoin the best of both worlds, and also with the blockchain managing all transactions, the purpose of a bank is no longer needed. A smart contract, which is a contract that is included in the blockchain to set the rules of the blockchain, is set up in ilycoin under the proof of stake idea, which as said before means that everyone on the blockchain has a say in how transactions are done and approved. Imagine if the bank you used asked you if they could do business? That's what proof of stake is. No one person makes all the decisions, the way things are done now. While the currency will be valued by the US dollar, however, any currency (crypto or fiat) can be exchanged for relative value.

### **III. Distribution and Investment Mechanics**

#### *Currency Circulation*

All of the things that we have talked about so far have been a broad picture of what the project plans to achieve through creating the cryptocurrency it intends to create. While the previous section discusses how we plan to get it done, this section will discuss the process more closely, because one of the reasons our project will as opposed to the other cryptocurrencies that exist is because of one simple reason; buying and spending. If nothing is spent, and nothing is bought you don't have a currency. With all due respect to the other cryptocurrencies on the market, by definition, they are not currencies at all. If all you use a cryptocurrency for is investing, then it has no real value. We solve that with ilycoin. This process will be done in the opposite way that Bitcoin works, and for that reason, it will work and more importantly make Cottin investors very happy profit-wise. This is not to disrespect the

success of Bitcoin at all. The invention of Bitcoin opened the door for amazing possibilities not just in the finance and economic worlds, but also in the non-profit and community service world. Our project only intends to improve upon the invention of Bitcoin and fix the problems that are currently a part of what holds the invention of cryptocurrency back from providing freedom to the world. To achieve the goal that this project hopes to achieve, we will apply many different strategies to create the most exposure possible, and we expect the most currency circulation ever seen in a cryptocurrency since the invention of the technology. The following are ways the Ilycoin Project will promote Ilycoin and succeed at maximum currency circulation.

### *Crypto Exchange Listing*

The first process that is required immediately after the launch of the ilycoin will be the listing of both Cottin and Ilycoin on as many crypto exchange platforms as possible. This process is both simple and difficult since different exchanges have different requirements. All exchanges require a certain level of legitimacy and merit behind the cryptocurrency being offered and also require a well-written blockchain that is dependable in order to risk high levels of trading volume on their platforms. Some exchanges require a listing fee in order to be listed, and some require a certain level of trading volume during a certain period of time, like 90 days, in order to keep from being delisted from their list of cryptocurrencies. The Ilycoin Project will use the collected investments from investors wishing to be validators as collateral with these exchanges for the purpose of being listed on the exchanges. The benefit of this is the access and availability that it will create for Ilycoin. Simply put, if no one can find the cryptocurrency, and if no one can trade it on and convert it into other cryptocurrencies or even into fiat currencies, then the circulation process will be over before it gets started.

## *Social Media*

In this day and time, the first example that we need to give you is probably the most effective tool the ilycoin project has to market and advertise its benefits, and that's social media. It is a supreme tool in process of creating and maintaining currency circulation, simply because of its ability to provide old-fashioned "word of mouth" that will get people to try it and eventually like it. There are incentives that other cryptocurrencies have given to the public that will be used to expand the use of ilycoin, and offshoot industries, like the crypto-exchange platform known as Coinbase, will also increase the circulation of ilycoin through their social media marketing campaigns. Other social media websites will be used for their ability to spread word-of-mouth attention to ilycoin and Cottin, and in the end, make the project just as successful as the creators have expected.

Those websites include but are not limited to;

- Facebook
- Instagram
- Twitter
- TikTok
- YouTube
- Snapchat

These websites and others will create the demand for the Cottin investment tool, and then Ilycoin as a legitimately available currency for buying and spending.

## *Chamber of Commerce*

Chambers of commerce are organizations that are membership based for small to medium-sized businesses. There are thousands of chambers of commerce organizations around the United States and the

backbone of the local economy of the country. These organizations need the opportunity that the ilycoin project provides, by offering a chance for them to offset their economic liabilities through grants provided by the Blue Horseshoe Foundation in the form of Cottin utility tokens and rebates they can offer to the customers to stimulate business. Through their involvement as participants in the circulation of ilycoin, these businesses, and the chambers of commerce organizations that they are members of, will lead an economic movement of empowerment of a newly established middle-class economy. What is also a side benefit to this strategy, is the inclusion of hemp-based companies that may not have been welcome among commerce organizations in the past. This will help with the legitimacy of the commodity also. There will also be an opportunity for these chambers of commerce to participate in the proof of stake validator process that the blockchain is designed on. This will make them invested in the success of the cryptocurrency.

### *Commodities Brokerage Firms*

When you think of commodities brokerage firms, you can think of them like the movie “Trading Places”, and the two old brothers Randolph and Mortimer Duke that owned Duke & Duke Commodities. As they explained in the movie to Billy Ray Valentine, their company bought and sold commodities for their clients and charged them commissions for doing the work for them. Famous commodities companies include Vitol, Glencore, Cargill, and Koch Industries. These companies will be involved in the other side of the circulation of ilycoin which will be such as beneficial as the groundwork for buying and selling things with ilycoin. They will be involved in the marketing of the actual commodity, which is hemp. They will be doing this through different commodity contracts, like options, futures, and other financial instruments. People who trade commodity contracts are of two categories, they are either the hedgers who are using the derivatives markets to manage risk or are speculators willing to assume the risk

from hedgers in hopes of a profit. These broker and trader firms are crucial in advancing hemp as a commodity and, in turn, the growth of Ilycoin. Commodity contracts will provide even more legitimacy for industrial hemp as a commodity and provide concrete proof of stability in the Ilycoin, which will substantially increase the value of Ilycoin as a cryptocurrency.

### *Online and Mobile Payment Systems*

An online payment system is a system that is developed to provide in-app, online, and in-person contactless purchases through mobile devices, which lets users make payments with different operating systems like Android and Apple with Android and Apple I brand phones, tablets, and watches. This breakthrough in technology cuts out the need to have paper money, and also cuts out the need for foreign exchange locations around the world. A foreign exchange platform changes one type of money to another. Let's say, for example, you're in London. You want to buy something, but you have American dollars and the person at the gift shop you're trying to buy that special shot glass that you think your brother-in-law will love doesn't accept dollars, only English pounds. Well, that's where the local foreign exchange office helps you. They change your money for you. This makes a very nice benefit for the ilycoin project. Once ilycoin has been made public and circulating, it will have a place on the list of these fiat currencies, so that people can spend it freely wherever they are. These payment systems make a buyer and seller free to make peer-to-peer transactions without the need for this service.

### *Micro Investment and Robo-investment Applications*

A micro-investing platform is an application that lets users invest their small change regularly. The purpose of these applications is to make it easier for regular everyday people to invest their money, no matter how little they have to invest. Companies like Acorns, Robin Hood and Stash specialize in this financial technology. The ilycoin

project expects to be able to help provide everyday people with a chance to invest in the project through the availability of Cottin through these platforms.

### *ICO Investment Plan*

Now here is the part where this paper tells you how you can get involved with this amazing chance to change your life. This decision you are thinking about is not for the weak of heart, it means making a small decision with your life that will probably lead to an unexpected outcome when you least expect it. You may look at the amount you are required to invest as small change, and in the investment world it is, but that's why this is not for the weak of heart; be careful what you wish for, you may just get it. The beginning of this process starts with an initial coin offering. An initial coin offering is like an initial public offering from a company selling stock to people looking to own a piece of the company, except instead of pieces of a company, you get ownership of a cryptocurrency before the cryptocurrency is released publicly, which means you have the most chance for the most profit, depending on what level you get involved at. The ilycoin project has put together an investment plan that will be divided into three phases, the private sale, the pre-sale, and the crowdsale, which will last 41 days each. The following is a description of each;

- ICO Private Sale

This means that the sale of the Cottin token is for investors that are privately recruited and the sale is not advertised to the public. When the ICO is in the private sale phase, it has the strictest rules of all the phases, and the ICO is the most selective about who it lets in on the ICO. Some bonuses are offered in this phase, which is priority spots as validators, depending on how many of the tokens are purchased, greater bonuses and the possibility of a quick return, and a better chance to get more tokens.

- ICO Presale

A presale is a token sale organized before the main crowdsale. They are promoted and announced via social media, websites, and advertising. A presale provides the middle ground for investors who want high discounts but were not invited to the private sale. The benefit of the Cottin presale is the discount on the cost of the tokens, the token purchase is assured, and there is a higher possibility of buying more tokens and the status as a validator.

- ICO Crowdsale

This is the main tokensale of any ICO. An ICO crowdsale is more widely advertised and promoted than a presale. Crowdsale usually has the least risk, but it offers the least discount compared to the other two ICO token sales.

There will be a 500% increase incurred in each investment phase. The purchase price is as followed:

- Phase One: 0.01
- Phase Two: 0.06
- Phase Three: 0.11

These three phases will provide the most capital gain for the investor and will lead to the creation of the most efficient cryptocurrency platform ever created.

#### **IV. Conclusion**

The ilycoin project is a chance to solve the problem of individual and collective economic empowerment around the world. The financial world needs a new way to supplement the effects of the ongoing use of fiat currencies, and the effect of using money that isn't backed by anything. The creators of the ilycoin project, The Four Horsemen are dedicated to advancing less fortunate people in the United States and the world. By creating this cryptocurrency and the management of the first investment of the cryptocurrency through the Cottin ERC-20 token, the Ilycoin Project can generate a non-zero-sum solution to the zero-sum problem that has been created through years of greed in the form of abuse of the financial market. Investors of Cottin can expect a big return on the initial coin offering purchase since the growth of the value of Ilycoin can be expected to skyrocket practically overnight. The introduction of industrial hemp as a commodity will create even more dialogue about the thousands of potential uses of the plant since all potential uses will increase the commodity's overall value. Hemp organizations like the National Hemp Association and news outlets like Hemp Industry Daily will provide consolidation and information for the hemp production and manufacturing community and the general public. All these elements will lead to an innovative new world. This world can finally be free of climate damage since hemp is the most biodegradable and sustainable plant on the planet. This puts ilycoin in the position to become the most valuable currency on the planet since the two fiat currencies of the highest value, Kuwaiti and Bahrain Dinars are both powered by petroleum, which is on the opposite spectrum of the commodity that is hemp in every sense.

There has been a lot of talk in the finance world about the cryptocurrency industry by the finance media. Recently the media has discovered that while prices for cryptocurrencies have been down, the funding for new cryptocurrencies has been up like never before. This

creates a bull market for the cryptocurrency market that even elected officials are noticing, with bi-partisan legislation being suggested to regulate cryptocurrencies that help make cryptocurrencies and blockchain technology more understandable for the average citizen. Some financial experts are predicting a stablecoin era that will change the landscape of the cryptocurrency market and establish it as a part of the global economic system. All of these new developments and opportunities are based on a recent rise in inflation in the United States economic market, with both monetary inflation and price inflation that some experts predict might lead to a recession in a year or so, since inflation is currently at a 40 year high, with the cost of food, gas, utilities, housing, and other goods up 8.6% over the past 12 months. Forty-two percent of Americans say they are struggling to remain where they are financially, citing gas prices and paying everyday bills as concerns, according to a Monmouth University poll. This was displayed in an emotional outburst in New York City recently when three customers wrecked a french fry shop, causing \$25,000 in damages and physically harming an employee to the extent that staples were required. A two-minute video circulating through social media shows three women wreaking havoc at the late-night french fry shop, Bel Fries, on Ludlow street, smiling and laughing as they did so. One woman can be seen throwing glass bottles against the plexiglass and throwing up her middle finger before jumping on the counter, as her friend tugs her arm to come down, instead she hops over to the other side. The reason for the outburst? Bel Fries was charging \$1.75 for extra dipping sauce. This is a problem that will only grow in the next year or so. The Ilycoin Project can make people happy again, and help us all live happily together again.