Laquer Anonymous Digital Currency 'Laki' (LK)

♫ Benji Vaughan - Everything In Colour

Laquer (LK) is a decentralized digital currency which can be exchanged for goods with total anonymity. Importantly, it compensates for flaws in other currency systems and is not subject to inflation, duplication, non-recoverable value-loss and cannot be stolen provided a user secures their token-codes.

It can also be traded and used to purchase items easily without any technical expertise.

It is primarily used internally, as a component of the company.

About

In a nutshell, Laquer is a new digital currency that can be exchanged peer to peer, anonymously and without inflation - since the unit of the currency (lks or 'laks) is simply a mathematical token which can be transmitted exchange: unique identifiers or ledger entries which become linked to a wallet. The currency itself is measured in up to 16 decimal points:

- 1.000,000,000,000,000,0 LK would just be written as 1LK.
- 1.000,000,000,000,000,1 LK would be written as 1:16:1 LK (16 decimal places between the meaningful digits

These tokens are controlled very carefully by the peer-to-peer network protocol itself to prevent double-spending, counterfeiting and theft.

The currency itself is built on Lazarus' vast experience of anonymous currency systems and intensive studies upon existing financial and banking methods - a primary component of Lazarus' business model.

Importantly, since the currency is peer to peer and not under anyone's control specifically, should Lazarus go under, the currency will be entirely unaffected.

Flaws in other currency and banking systems

Importantly, Laquer is designed to avoid a number of pitfalls which would seriously hurt the value and longevity of Laquer.

Fiat Currency

While traditional currencies are tokens of exchange (coins, notes, wire transfer) representing objects of perceived value or products. These products are normally scarse: precious metals and minerals, equity or interest.

Through representation, one does not need to protect massive amounts of substance or resource: only dealing with the exchange of small and very convenient currency tokens (which are essentially “IOUs” from the bank).

The value of these IOUs is influenced twofold:

The total amount of tokens in existence, relative to the worth of the product Since the total amount of IOUs is equal to the perceived value of the product, as more IOUs are created, each then represents a smaller amount of the total. This is called inflation.

The perceived value of the product itself Since tokens represent a thing of value, as that perceived value changes, the value of the currency changes. Generally it is agreed all currencies are linked to the same or similar products where possible. This monopoly of product artificially inflates the perceived value of the product, stabilizing the value of tokens.

Fractional Reserve banking

Unfortunately, banks often retain only enough items AND tokens equal to a small fraction of the total amount in existence: since a bank deposit is not a bailment and the funds stored cease to be the property of the customer. At this point, the deposited money of the customer is then loaned to another customer: with interest (the cost for borrowing money or the payment for lending money as a percentage of the initial amount) ensures that when the money is paid back, the bank then makes a profit.

Unfortunately, this process of fractional reserve banking has a number of problems:

- Creates massive amounts of non-recoverable debt through irresponsible lending (meaning the bank does not make a profit and cannot pay the customer back). If this is the product of percieved value, there are very obvious risks involved and the individuals chosen for investment chosen very carefully.
- Limits the amount of currency that can be exchanged at any one time
- Interest demands new tokens magically appear out of thin-air. A greater total leads to a lower representation of each token. This is called inflation.
- Since Fractional Reserve Banking is based on a model of constant exponential growth, if the percieved value of products is not growing, the currency is essentially being devalued: savings gradually become worthless.

How Lacquer overcomes these flaws

Laks are not a not a fiat currency, as the unit of currency itself is the product of perceived value due to its inherent usefulness. The more people using the currency, the more it is worth.

- A maximum number of laks can only ever exist in the total system of currency, protecting laks from inflation.

- Only a set number of laks can exist at a given time - as they are discovered at a steady rate. This scarcity ensures the demand and therefor the perceived value of laks remains stable.
- Laks are inherently useful as they can be used anonymously: other currencies cannot. This lends a permanent baseline perceived value to the product.

The Transaction Process

A transaction is the transfer of laks from one wallet address to another. This transfer gets included in the chain: a vast timeline of all currency exchanges (which is retained by lacquer wallets as a segmented decentralized file which is cryptographically validated and mathematically proofed redundantly by multiple peers to ensure it has not been cheated or modified and remains in the proper chronological order: with the peer rejected if the group cannot). In addition, all operations which occur are obscurificated, ensuring users cannot choose to “veto” or modify payments.

Peers are also anonymous, other than their wallet-address information.

In order to ensure CPU cycles are invested (since the validation process is CPU intensive and nessesary to keep the currency working), an incentive is supplied in the form of newly discovered laks as a side-effect of validating the transaction. This also stabilizes the currency, since the discovery of existing laks against the total amount directly correlates with the number of transactions (perceived value) of laks themselves: cancelling out fluctuations.

OOC Notes

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