



## Lohncontrol Light Whitepaper

### What is lohn ?

After World War II, human society entered a new stage of development and the appetite for consumption led to the emergence of a new industrial revolution. The profit maximization chase pushed consumer goods manufacturers to look for cheaper production options.

Thus, in the 60s, the outsourcing of a part of production in emerging countries that had the advantage of both cheap raw materials and low labour costs seemed the most convenient way for most big producers.

Industries such as textiles, footwear, electronics and home appliances, machine building, wood industry through furniture production and many others have seen the huge potential of lohn industrial production. World-renowned brand owners have become engaging buyers and have provided expertise and markets while emerging country manufacturers have integrated the production of goods on demand and absorbed a huge and cheap labour force in their home countries.

All parties were winning. The brand owners had found a way to grow their profits steadily and the manufacturers had the opportunity to gain access to the rich markets and to develop their national economy. However, the advantages came with disadvantages and imbalances. The strong ones became even stronger and those who depended on them had to accept their increasingly restrictive conditions and especially the labour cost policy.

Worldwide production of consumer goods in lohn is characterized today by the lack of visibility of small and medium players from both manufacturers and buyers. This lack of visibility is due to the limited funds available for its own promotion. The market is thus at the fingertips of the big players who, due to their financial strength, make the pricing policy for the production of goods in emerging economies. There is currently a lack of global trading platform in which small and medium-sized players in all industries, accounting for 60% of the economy globally, to interact directly and to capitalize on its competitive advantages.

[lohncontract.com](http://lohncontract.com) will be the missing link in the coming years between buyers willing to pay better and producers interested in optimizing their financial return. The relationship between the parties will be governed in the blockchain by the Lohncontrol Smart Contract which will ensure the management of industrial processes, operational risk and settlement solutions. The trading platform will facilitate the access of developing country producers to niche brands in developed countries, and the benefit will be on both sides. Lohn, as an economic activity, will reinvent and adapt to the values of the 21st century society. The distribution of profits will be much more equitable, which will allow for a reduction in the economic gap between developed and developing countries.

## How will [lohncontract.com](https://lohncontract.com) actually work?

The platform will be a dynamic, complex ecosystem that will integrate all parties involved into a lohn contract and their relationships will be managed independently in the blockchain through the lohncontrol Smart Contract that will release the payments due to each one to fulfill the tasks initially allocated.

The main actors of this ecosystem will be buyers from developed economies who want to produce quality goods in a cost-effective units and manufacturers from developing economies interested in these orders.

The relationship between them will be possible with the participation of some directly involved actors such as transport companies, connected logistics, warehouses, then quality control experts who are engaged in industrial production processes and finally the providers of payment solutions within the smart the contract, which closes the economic circuit.

Equally important in the performance of the lohn contract but with indirect involvement in the smart contract are the secondary actors in the second series, namely raw material suppliers, internal suppliers, utilities suppliers and then framework providers for software infrastructure, financial risk management, data providers, financial risk insurance, legal services.

In the production process management area, industrial process engineers, industry specialists, development partners will be involved, and the ecosystem will mobilize financial institutions: clearing houses, friendly banks, escrow partners, funding solutions, blockchain accounts on the settlement area.

The blockchain architecture of the [lohncontract.com](https://lohncontract.com) ecosystem is designed to provide psychological comfort to all parties involved who will know that the payment for the services provided or the goods delivered under the lohn contract will be made independently by the smart contract at the time of the assumed tasks

The blockchain thus introduces a trustworthy protocol without which firms located in different parts of the world, from different economic cultures, would not be able to interact or would do so and would incur high financial risks.

The [Smart Contract Rating System](#) is a section of the lohncontract.com ecosystem that continually archives blockchain on the percentage of task accomplishment and market behaviour of each party involved in a lohn contract generating a trustworthy rating that will provide a precise orientation in choice of business partners. There will be an uninterrupted concern for each smart contract actor to protect his image and business history through honest and professional conduct as a good qualifier will also bring his expected customers.

The [lohncontract.com](https://lohncontract.com) trading platform will provide small and medium-sized businesses around the world with access to some of the business opportunities currently reserved to major economic players, linking through disruptive technology-blockchain niche projects to manufacturing and commercialization of industrial goods, projects which exploits the appeal of consumer markets for quality products at competitive prices.

The platform provides the means, working methods and tools needed for a complex industrial production process in an honest, trustworthy and safe domestic environment for all parties to a lohn contract.

The lohn, which is based on labour cost advantages and raw materials in emerging economies, will be a business solution as long as there are developed and developing countries in the world.

***At present, the annual production achieved in lohn globally exceeds 10,000 B \$, representing 10% of Gross Domestic Product. The target of lohncontract.com platform for next years is 0,1% from this statistic. Therefore, we want in the near future to grow the value of contracts running on lohncontract.com over 10B USD.***

## **Lohncontrol technology. Proof-of-Tasks for blockchain platforms.**

Lohncontrol project proposes a blockchain platforms dedicated consensus protocol that builds upon the Proof-of-Tasks by implementing it with Proof-of-Stake architecture of Ethereum smart contract.

### **How does Proof-of-Tasks work?**

In the Proof-of-Tasks blockchain consensus protocol the platform [lohncontract.com](http://lohncontract.com) create only the template of the blocks. Such a template has two things in them – the header information about tasks and the reward address for the validators.

The header information inside a block points to a random stakeholder. These stakeholders then validate the pre-created blocks.

The more stack a validator holds, the chances of them approving a block increases. Only after the validation, that particular block gets into the blockchain.

This is how Proof-of-Tasks uses the best of the consensus algorithm features Proof-of-Stake to validate and add a block to the blockchain.

Moreover, the network pays both: the platform blocks creator ([lohncontract.com](http://lohncontract.com)) and the validators the fair share of the transactional fees.

Thus the system acts against the “tragedy of the commons” and creates a better solution for block validation.

The impact of the Proof-of-Tasks consensus protocol is similar with Proof-of-Stake: more secured against any attack and a not power-hungry system.

The Lohncontrol Smart Contract will work through dedicated APIs for each section of the platform.

Given that Ethereum 2.0(Serenity) launch is just around the corner, we'll efficientize the work by focusing our development efforts on writing smart contracts following architectures optimized for the features introduced with it.

Doing so we'll be able to have cheaper transactions, faster transactions and confirmation times through attestations, being able to scale horizontally across shards to possibly thousands of transactions/second as well as take advantage of many other features within the newest version of Ethereum compared to the current dApps deployed on the current Proof-of-Work Ethereum blockchain which will continue to have most of the limitations that they have now.

Doing so we won't have to spend resources on re-architecting the decentralized application, rewriting the code and migrating it on Ethereum 2.0 as it is not backwards compatible with the current Ethereum blockchain.

### **How the LOHN token price calculation algorithm works ?**

The use of the platform by buyers, as manufacturing order makers is conditional upon the immobilisation in a Lohncontrol smart contract of a number of LOHN tokens equal to the amount that it has to pay for the placed order. This means that all the time active request value (AVR) must be covered by LOHN token. If the active requests amount increases, the LOHN tokens that are in a predetermined number will have to cover this value and automatically will increase too.

The LOHN token is an utility token in the sense that accessing the platform's services depends on holding a number of LOHN tokens equal in value to the value of the offer request launched on the lohncontract.com business services platform. At the same time, holders of LOHN tokens can choose to keep the tokens purchased in the LOHNPOOL staking facility to which the net profit of the lohncontract.com platform is distributed, thus benefiting from a reward resulting from the current activity. The distribution of the net profit to the tokens locked in LOHNPOOL is done in stablecoin.

LOHN tokens held in private wallets, other than LOHNPOOL, are not subject to profit distribution by the lohncontract.com business services platform.

Because the 10B LOHN tokens to the \$ 0.01 initial value can only cover a \$ 100M active request, any \$ 100M increase in the value of active requests placed on the platform will cause a proportional increase in the token value LOHN that has to support the platform as a kind of escrow agent.

This increase, proportional to the platform's use, was determined by a mathematical calculation materialized in a growth algorithm that includes multiple variables such as the availability of LOHN tokens on the free market or

$$\mathbf{MkLV = ARV / (AT \times ATL)}$$

where

**MkLV - Market LOHN Value**

**ARV - Active Requests Value**

**ATL - Available Tokens Liquidity (%)**

For example if:

**ARV = 300Millions USDT**

**AT = 6B LOHN tokens**

**ATL = 40%**

then

**MkLV = ARV / AT x ATL = 300M / 6B x 40% liquidity**

**MkLV = 0.125 USDT**

So, the LOHN token price is always in direct proportion to the market volume of lohncontract.com and growth will be exponential as the project goal is reached and the **ROI rate** will be in concordance.