



# EchoStake

## Power of change

White paper v1.1

## 1. Executive Summary

Over the last couple of years, the digital currency market has witnessed a steady increase in popularity and usage. However, this market expansion does not come without a steady stream of challenges towards the end-goal of mass-adoption.

Apart from regulatory concerns, the cryptocurrency market is currently dealing with the challenge of developing a smarter mining algorithm that is capable of ensuring security, without wasting resources and hurting the environment. At this time, most popular coins rely on the Proof-of-Work (PoW) mining algorithm, which is certainly effective, yet lacks future usability due to its mining difficulty and overall power inefficiency.

EchoStake represents a new decentralized cryptocurrency that aims to solve these issues by bringing the best of mining, staking and masternodes into a superior end product. As such, the digital currency works by relying on an innovative mining mechanism, backed by the Programmatic Proof-of-Work 0.9.3 algorithm (ProgPOW). Yet, the true value of the cryptocurrency lies in its community. EchoStake has opted to give the “power of change” to the people, who will be directly responsible for all decisions related to the project.

The ProgPOW protocol ensures that coin minting and transaction verification can be achieved by mining, staking currency, or creating a masternode. The introduction of these options helps provide unequalled speeds for transaction verification, alongside superior security, decentralization, and transparency for the EchoStake network. The option to choose between three verification protocols also helps reduce the environmental impact of mining EchoStake, thus making it superior to other cryptocurrencies that heavily rely on power resources for their operation.

EchoStake’s vision is simple, but yet often overseen. “Prepare for the Future” represents the main purpose of the cryptocurrency. Since the company representatives believe that the future of mining and digital currencies consists in a hybrid altcoin running on ProgPOW, all users should have the ability to get involved with the network, regardless of whether they would rather be an active miner, stake their coins, or run a masternode. *“We believe that no coin is no better than the community backing it, and have therefore decided to give the power of change to the community”*.

Development of the EchoStake and its ProgPOW algorithm is not easy. In fact, it takes considerable labor hours and financial investments. To help fund our idea, EchoStake is holding an Initial Exchange Offering (IEO), designed to be a safe investment backed by a 100%

money-back buy wall.

Lastly, we believe that the following quote can masterfully convey our idea: *“The reasonable man adapts himself to the world; the unreasonable one persists in adapting the world to himself. Therefore, all progress depends on the unreasonable man”*.

## **2. Introduction**

Recent times have brought along vast advancements in technology, thus changing the way people interact with one another, while also improving all of the world’s industries. While it has taken a bit longer, the financial market is finally undergoing its own revolution, as people throughout the world have realized that the traditional system is outdated, and unable to keep up with the newest challenges brought forward by globalization and the highly-stimulated economy.

At this moment in time, following the introduction of blockchain technology and digital currencies, the financial system is on the brink of changing forever. Therefore, the world faces an important and future-defining challenge that consists in appropriately choosing the right approach to how people send, store, receive and mint currency.

To put things into perspective, despite its \$346 billion market cap, the cryptocurrency market remains unorganized, and unable to scale accordingly due to a series of issues. While certainly ground-breaking, most popular cryptocurrencies fail to achieve energy efficiency, whereas many are affected by high-volatility and regulatory uncertainty. *“Often the community owners will kill the project by not listening to the people who hold their assets when making decision”*

It is important to keep in mind that no decentralized coin can bring a standardized approach towards regulatory frameworks, as this duty remains in the hands of the world's governments. Equally, no cryptocurrency that isn’t pegged to another asset can facilitate low-volatility until the market matures. However, energy efficiency, and “coin-decisions” represent highly-relevant challenges that cryptocurrencies can overcome as long as they are designed this way from the ground up.

In the case of coin decisions, EchoStake is designed to leverage the “power of change” provided by its community. Thus, community members that hold tokens will be solely responsible when it comes down to making management decisions. As it will be highlighted later on, EchoStake will distribute tokens to initial backers, which can then be used for vote casting, in an electoral process where every token counts for one vote.

Currently, studies indicate that Bitcoin alone consumes roughly the same amount of power as the

country of Ireland. Yearly energy consumption estimates are situated around the 72 terawatt-hours (TWh) mark. No study on the global energy impact of all capitalized cryptocurrencies has been carried out so far, yet the values are surely astounding. Many experts claim that Bitcoin mostly relies on renewable energy, which is certainly a positive factor worth keeping in mind. However, the century's main goal should consist in reducing the power consumption of all industries, while ensuring that green energy sources can keep up with the market. As such, it is believed that mass-adoption and global usage of cryptocurrencies in their current state, would bring an unprecedented impact upon the world's power grids.

A cryptocurrency's energy efficiency is defined by its mining protocol. Most popular coins, including Bitcoin, rely on SHA-256, which is a Proof-of-Work (PoW) algorithm, but also the original consensus protocol adopted by blockchain technology. Its purpose is to verify transactions, and record them into blocks that are then stored on the blockchain. PoW involves a number of miners leveraging their powerful hardware to solve a complex mathematical puzzle. Doing so results in the block rewards, which in the case of Bitcoin, is situated at 12.5 BTC. Mining difficulty, which is basically the complex cryptographic problem that requires solving, is determined based on the number of miners currently verifying transactions. Due to its high difficulty, miners invest into powerful hardware equipment (usually ASIC chips) known for high energy consumption.

However, over the last couple of years, cryptocurrency experts came up with alternative consensus mechanisms, many of which are capable of consuming considerably lower amounts of power. Examples include Proof-of-Stake and masternodes, as both of these algorithms reduce the environmental impact of mining, while not forgoing incentives.

With this in mind, there are several key aspects that differentiate Proof-of-Stake (PoS) from the traditional Proof-of-Work (PoW). As such, in the case of PoS, 'miners' do not have to solve complex mathematical puzzles in order to add a block to the chain. Rather, the block creator is chosen randomly via an algorithm that is based on how much coin the block creator is willing to stake. Their mining power is determined via this factor. Adding a malicious block onto the chain would entail that the block creator in question owns 51% of the cryptocurrency available on the network, which is simply unlikely to ever happen. Depending on the cryptocurrency being mined via PoS, miners can be rewarded both block rewards and transaction fees, corresponding to their stake in the cryptocurrency.

On the other hand, masternodes represent a highly-relevant method of facilitating and verifying transactions carried out on a blockchain. In a way, they are similar to the PoS algorithm, yet do not represent an extension of this protocol. Rather, masternodes are servers that operate on decentralized networks, which serve the purpose of ensuring network and coin integrity. Their array of functions is more complex when compared to standard nodes, granted that masternodes

host live copies of a coin's distributed ledger. They can be leveraged to verify, or instantly send out transactions. Generally, running a masternode requires a specific amount of coin that's required for setting up the node, alongside a computer that can host, verify and confirm transactions. The benefits to running a masternode are numerous, and include enhancing the privacy of transactions carried out on the blockchain, the facilitation of instant transactions, and monetary rewards in the form of transaction fees for masternode hosts.

At this time, most of the market's mining protocols feature an array of advantages and disadvantages. There is no perfect protocol, and this creates an interesting opportunity - the creation of an advanced, all-inclusive algorithm that can leverage the best of PoW, PoS and masternodes.

The newly-announced EchoStake coin serves this very purpose. It features a superior mining algorithm, dubbed Programmatic Proof-of-Work, which includes the best of all popular mining protocols, into a simple, all-inclusive solution that is capable of providing an environmentally-friendly approach towards mining cryptocurrencies. It allows coin users to choose their preferred mining method, from three main choices: PoW, PoS and masternodes, thus giving everyone the possibility to get involved in the market, while also gaining access to a coin that features all common benefits associated with digital currencies. As such, EchoStake can be used as a payment method, as its blockchain supports sending, storing and receiving coins, while keeping user privacy in mind.

By using the PROGPow new mechanism, all graphic processing unit (GPU) resources can be leveraged during the mining process. This leads to considerably better mining efficiency, while also making ASIC chips obsolete – as using them leads to no efficiency improvements.

The main plan and vision of the project is to unite the mining and masternode communities for a new and better future, where everyone can be involved with digital currencies on a more personal level, and where the crypto market no longer has a negative impact on energy consumption and the environment. The EchoStake project will therefore bust the myth that earning a profit while mining is only possible with large financial investments or a technical background.

To keep things short, following its release, EchoStake will be mineable for the first 80 days before both staking and masternodes are activated. This means that users will be able to carry out both mining and staking once PoW is no longer available. Additionally, the EchoStake team plans to work towards achieving its vision by sharing a business philosophy which dictates giving back to the community. As such, as long as miners use EchoStake's official mining pool, the team will constantly give away 10% of all transaction fees.

### **3. The EchoStake Project**

At this moment in time, the cryptocurrency market is maturing, which means that users and developers must find appropriate solutions towards solving the main challenges associated with digital currencies. Failure to do so will likely lead to difficulties in the fight towards mass-adoption and large-scale implementation of the digital economy. Currently, the crypto market is actively dealing with three challenges: mining and its environmental impact, regulatory frameworks, and price volatility.

With its release, EchoStake will forever fix the mining problem, thanks to the coin's Progressive Proof-of-Work (PROGPoW) algorithm. It is important to keep in mind that EchoStake offers several other key features, all of which will be outlined in the following sub-chapter.

#### **3.1. EchoStake's Key Features and Market Potential**

- **Community-backed decisions**

At EchoStake, we believe that no coin is better than the community backing it, hence we have decided that coin holders should grip the power to make a variety of decisions, including but not limited to management, marketing, protocol updates, bug fixes, bounties, and more.

This community-backed voting protocol will be established following the commencement of EchoStake's Initial Exchange Offering (IEO), where community members can make safe investments, in exchange for value and utility tokens.

- **Low-energy consumption and eco-friendly coin**

As mentioned before, the ECHO coin is based on Programmatic Proof-of-Work. This mechanism allows for instant, cheap and secure transactions to be carried out without having to rely on large power consumption. The ProgPOW algorithm is also resistant to ASIC chips, therefore utilizing one for mining purposes will not result in higher efficiency. Simple GPU cards can be leveraged for a constant stream of profit, while keeping energy usage as low as currently possible. From a long-term perspective, EchoStake's success will likely inspire other digital currencies to adopt similar protocols, meant to preserve energy usage. On the other hand, a worldwide adoption of ECHO would ensure that the environmental impact of crypto transactions drops to an imperceptible threshold.

- **Anyone can get involved**

At this time, the digital currency market makes it difficult to become a miner, granted that

anyone with this ambition must invest time and monetary resources into buying rigs, or joining a mining pool (for PoW coins). In the case of PoS, validators are required to stake a specific percentage of their coins, to ensure that no malicious block enters the chain. Mining via both staking and masternodes is doable without needing to invest into powerful mining hardware, as long as the computer is kept online and has a strong internet connection.

In the case of EchoStake, those who decide to mine can simply leverage their GPU to solve the PoW at first, whereas later on, getting involved with the network will only entail users set up a masternode, or start staking. This also offers users throughout the world the ability easily get involved further with ECHO, thus allowing them to earn an extra amount of coins with a minimal investment.

- **Full decentralization achieved through ProgPOW**

For decades, the worldwide financial system has been centralized, granted that control over all resources was shared by banks, governments, and other financial authorities. Cryptocurrencies are capable of decentralization by design, yet achieving it is bound to be complex work.

To put things into perspective, bitcoin, which is well-known for launching the financial decentralization concept, is at risk of centralization. This can happen if, for instance, a mining pool gets control of over 51% of the market's mining power. While it remains a theoretical concept to this day, an entity that controls 51% of mining power achieves complete consensus, and therefore can carry out any changes to the network protocol, and the blockchain (transactions, value stored on addresses, public keys etc.).

The mining mechanism adopted by EchoStake is believed to be resistant to any centralization efforts, granted that it relies on three components. Centralization would only happen if a user ends up accumulating over 51% of mining power, alongside 51% of the coins currently distributed on the network, which, from a technical standpoint, is impossible.

- **A privacy-focused coin, perfect for the era of anonymity**

Malicious practices carried out by corporations and governments throughout the world, have made preserving personal data a difficult endeavor. Luckily, the digital currency revolution makes it considerably easier for users to securely preserve data pertaining to their identity, or financial habits. To achieve this degree of anonymity, ECHO has made several advancements and therefore managed to improve upon Monero's RingCT technology. It also leverages a concept similar to Zcoin's exposing balances protocol, thus making transactions anonymous. Additionally, the platform does not require users to submit personal information, like their names, addresses, phone numbers, bank accounts, proof-of-income etc. This will increase overall privacy, while also decreasing the risk of data risk, or unauthorized transactions. In terms of

transactions, security is provided by the blockchain network, which provides decentralization, transparency and data immutability. This means that via the block explorer, all transactions can be seen to ensure that no malicious block has been introduced. Data immutability ensures that no chargebacks can be made, therefore once finalized, a transaction will be concluded forever.

All EchoStake wallets are assigned a cryptographic private key that is only available and controlled by the wallet owner. The EchoStake wallet does not store user private keys, therefore access to the coins without the private key is virtually impossible.

More in-depth information concerning the technicalities of EchoCoin is outlined in the dedicated chapter.

- **Instant and scalable transactions**

Transaction speed and scalability potential are two of the other challenges that the digital currency market must overcome. While most blockchains allow for instant transactions, verification and confirmation usually take prolonged periods of time. On the other hand, scalability is essential to the success of this market, since a mass-adopted coin must be able to support an immeasurable number of transactions on a daily basis.

- **Customer support for new and existing users**

A team of customer support specialists will be available 24/7 to help users with answers to their questions via Discord. Additionally, in the near-future, EchoStake will develop a complete, and in-depth user Wiki which offers answers to frequently asked questions, alongside guides for more complex ECHO-based operations.

- **Transparency built from the ground up**

Last but not least, EchoStake wishes to appeal to potential users by being as transparent as possible. As such, all code utilized by the ECHO coin and its blockchain network is open-source, and will be published on GitHub for developer reviews and audit. This way, EchoStake hopes to increase trustworthiness of the cryptocurrency market.

### **3.2. Key Insights into the ECHO Coin**

Apart from being fitted with a superior mining mechanism that provides multiple sources of income and no damage to the environment, the ECHO coin was also designed to serve as a solid cryptocurrency.

With this in mind, in terms of its functionality, ECHO is similar to many of the digital currencies available on the market, including the blockchain and cryptographic protocols. This means that

users can store ECHO on supporting wallets, while they can also freely sell, purchase and trade the coin. Once released, it is likely that ECHO will feature some volatility of its own, thus allowing speculators to invest into its short-term and long-term future.

However, given its mining consensus algorithm, ECHO is meant to be used as an all-inclusive cryptocurrency, for all purposes, including sending payments, receiving payments, storing wealth, trading, investing, staking, or lending.

#### **4. The Technicalities of EchoStake**

A technical WP will be realised when we start beta testing. This will cover all the information about the ProgPOW / Masternodes / Staking and all the relevant information about how the mainnet will work.

#### **5. EchoStake's Initial Exchange Offering (IEO)**

Cryptocurrency development from the ground-up is oftentimes a difficult endeavor, especially when the purpose is to create an entirely-new consensus algorithm and community-based voting mechanism. EchoStake's vision is profound, therefore the project requires serious development capabilities, marketing efforts, financial planning, and industry research.

Such efforts are only sustainable granted the existence of considerable financial backing. Since the project itself is community-oriented, EchoStake believes that the best course of action is to attract investments, via an Initial Exchange Offering (IEO).

To put this into perspective, IEOs are fund-raising efforts administered directly by exchanges, on behalf of project team members. People throughout the world can participate in these community-backing events by purchasing a set number of newly-issued tokens. Generally, these tokens offer either monetary value or utility. EchoStake's tokens will attempt to provide investors with both:

- Once the main-net of EchoStake is ready, initial IEO investors will be able to access the EchoStake cryptocurrency, at a 1:1 ratio via a swap out;
- IEO tokens can be used for vote-casting by community members, as part of an electoral process where each token equals to one vote.

At EchoStake, we understand the inherent risk associated with the cryptocurrency market. Thus, the

project has decided to facilitate safe investments for its users, through the implementation of a 100% buy wall. In other words, IEO investors are free to pull out and retain their funds: each token will be 100% purchased back by EchoStake once the IEO is active.

Here are the relevant details concerning the EchoStake IEO:

**Open date: 06.03.2020 1:00 PM UTC**

**End date: 13.03.2020 1:00 PM UTC**

**Hardcap: 25 BTC**

**Price per token: 0,0000005 BTC**

**Partner exchange: utorg.io**

## **6. Project Roadmap**

In an effort to allow future ECHO miners and users to prepare for the project launch, the project roadmap is available for consultation below.

- Marketing and Promotional Efforts for Increased Awareness about ECHO
- Coin Market Cap Listing
- Website Update
- Official Listing on Partner Exchanges
- Launch of ECHO Web Wallet
- Phase Two of Exchange Listings
- Videos and Community Wiki
- Launch of Android and iOS Mobile App

## **7. Conclusions**

Based on everything that has been outlined so far, EchoStake represents a next-generation digital currency based on the ProgPOW algorithm, which strives to provide the market with a smarter

mining and verification protocol. By using ECHO, miners, stakers and masternode operators can all earn incentives, while protecting the environment. Similarly, EchoStake is community-backed – consequently, all voting rights are placed into the hands of token owners.

The ECHO coin is designed to be anonymous, secure, and to facilitate quick and cheap transactions via its proprietary blockchain network. Given its philosophy of uniting all members of the cryptocurrency community, while providing a digital currency that is secure, scalable, quick and anonymous, EchoStake hopes to capture a significant segment of the market.

## **8. Legal Disclaimers**

Please read and carefully consider EchoStake’s Terms of Service, prior to purchasing ECHO, or joining the mining community.

### **ELIGIBILITY**

By visiting the EchoStake website, you agree that:

- You are of legal age and hold legal competence;
- You do not live in a jurisdiction where digital currencies are prohibited;
- You are not violating any local laws or regulations by accessing EchoStake, or using the ECHO coin.

### **COIN OWNERSHIP**

All digital currency that is purchased, mined, or received as an incentive reward belongs to the user. EchoStake cannot reverse transactions, mint new coins or retake ownership of distributed digital assets.

### **FEES**

Using EchoStake entails paying a small transaction fee for each operation done via the blockchain.

### **RISK DISCLOSURE**

Coins that are available on the cryptocurrency market are highly-volatile, thus entailing a high level of risk. Since price movements are unpredictable, you understand that we are not responsible for the natural price movements of the digital currency market in general, and ECHO

in particular. By using this service, you accept all liabilities associated with your cryptocurrency usage, including the fact that transactions carried out via our blockchain are irreversible.

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