



## USTC : REGULATED PARITY PROPOSAL

### Advantages :

- No creation of a new stablecoin.
- No mass minted tokens as the community mood is to see LUNC burned not minted.
- No algorithmic coins as USA are planning to ban them.
- No volatility as users look first for stability.
- No abandonment to USTC and WLUNA members.
- No collateral exposure to crypto volatility / crash.
- Asymptotic trend for full 1:1 parity recovery.

### Targets :

We believe stablecoin users look for:

- Stability as a store of value
- Low BUY/SELL spread
- Very strong guarantee of solvency (even more after what happened)
- Liquidity

## CHAPTER I : USTC STABILIZATION AT REGULATED LEVEL

### Idea :

**We don't have to begin with a 1 to 1 USTC/USD parity.**

**Setting a 1 to 1 USTC/USD parity is not a need but Stability is the need.**

- Stabilize USTC/USD to a regulated value parity (can be 0.011\* USTC/USD)
- Sell oracle reserves to get collateral
- Use USD only as collateral
- Use the accumulated fees and margin to raise regulated value parity with a 1:1 USTC/USD target.

We believe solvency guarantees based on BTC or LUNC are not good enough.



What about the next BTC crash? Last events show us that selling BTC in emergency has accelerated its fall.

Only a system connected to real world can guarantee fiat USD from the real world.

**Method :**

- Sell 300 B Oracle LUNC reserve && and bring the 1 B Oracle USTC reserve .
- Terra as market maker buys USTC at 1.0000 and sells at 1.0005
  - USTC buy orders are covered by capital reserve
  - USTC sell orders / mint increase the capital reserve

**Collateral:**

**Showing the cash in banks is the best proof of solvency.**

- Collateral will be in physical USD only.
- All USTC will be 110% collateralized.
- Decentralized USD will be reached by Multipolarity: deposit in 30\* banks from 30\* different countries.
- Countries must be:
  - crypto friendly
  - not black listed as money laundering
  - not at war.
- Banks must:
  - have first decile rating by Moodies and S&P.
  - Be independent from each other (can't be sisters)
- Collateralized rating will be public information.

**Income**

Income generated by :

- Margin spread (buy at 1.0000 and sell at 1.0005)
- Banking interest rate
- Transaction to fiat money fees.



Income will be used:

- Parity Hike
- Operating cost

## CHAPTER II : RATCHET EFFECT

**Idea :** Parity Hike

- Excess of cash collected from ta, margin spread && interest income will be used as collateral to increase the parity USTC/USD. For example, 0.011 USTC/USD will become 0.015 USTC/USD.
- As we use stable collateral ratchet effect will be guaranteed.



- Activation date should be two weeks delay after public information to let the market balance by itself.

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