

VARcrypt

VARcrypt.io

Utility Token Sale Event

VARcoin

www.VARcoin.io

11,000,000 VARcoin Token Sale of a set supply of
42,000,000 VARcoins

Version 3.0

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Prepared By:

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Note: This white paper is a work in progress and defines the intent of the company to develop certain capabilities built on new technologies and models for content encryption, distribution, decentralized graphics rendering, decentralized storage, monetization, computer science and security, and it is expected that significant changes will be continually required to meet new requirements as the state of the art of these technologies are constantly evolving.

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ABSTRACT:

VARcrypt's mission is to utilize cryptographic blockchain technology to distribute, encrypt, monetize, render, and globally distribute VR and AR content. In addition to VR and AR content, VARcrypt will distribute film, television, music, print, gaming content, and software in one combined blockchain-enabled ecosystem. Think of us as Netflix meets YouTube meets Oculus meets Spotify with a little Amazon thrown on top and it's all powered by a video game arcade token (we know, it sounds amazing). VARcrypt content pricing will be determined by the content creators and artists who create the actual content, and will be available to rent, sample, or purchase with VARcrypt's very own token, VARcoin (VAR). VARcoins will function almost exactly like tokens from video game arcades, but instead of powering the nostalgic video arcade of the past, we believe VARcoins will power the future of the internet.

VARcrypt's main mission is to provide an elegant and simple hardware-agnostic platform where blockchain technology can be combined with VR, AR, and legacy content for the benefit of artists and content creators. VARcrypt, as a company, does not want to be beholden to any one hardware provider and desires to remain completely independent. To achieve this, VARcrypt will charge distribution fees for content that is distributed and rendered on its platform so it can remain independent. VARcrypt is working with world class coders to develop and integrate VR and AR seamlessly into the VARcrypt app, browser, and website functionality. We believe VARcrypt's user-focused interface, blockchain transparency, and hardware independence are strong advantages that are currently unavailable anywhere else.

INTRODUCTION:

A few months ago, on May 25th, 2017, Mark Zuckerberg called for his generation “to define a new social contract”¹. Thankfully, the beginning of that new social contract had already begun to form (and was well underway) before that clarion call to action was made. A revolution is currently occurring in the world that began years before—a revolution that is rewriting not only the social contract, but also society, governments, science, art, education, media, healthcare, industry, and planetary conservation. This revolution is blockchain technology. Magna Carta has given way to the age of Magna Crypto.

Nations have long held the creation of currency to be a sacrosanct right of the state alongside the state’s martial powers to make war, levy taxes, and to punish and put their own citizenry to death for violations of the rule of law. For this reason, blockchain technology and cryptocurrencies can be viewed, by some, as some of the most subversive, empowering, and destabilizing technologies—especially in a time of extreme technological evolution for mankind. Likewise, blockchain technology—and the economies they are creating—are generating some of the greatest economic opportunities in technology since the industrial revolution, creation of the central banking system, and birth of the internet. As the internet enables peer-to-peer communication, blockchains and cryptocurrencies enable immersive peer-to-peer communication and value exchange.

As governments begin to regulate blockchain technologies, as we have recently seen in China, these governments are, in many cases, regulating the very technologies that are capable of replacing them completely— or to put it less pejoratively, greatly enhancing the institution of government itself. Blockchain technology could one day distribute and track utilities, manage supply chains for environmental purposes, collect taxes and conduct elections in a manner far superior to what we currently have today anywhere in the world. The very bureaucracy and apparatus of government itself, with the proper integration of blockchain technology, could be streamlined to deliver a much more efficient, cost effective, representative and secure institution. The

¹ https://www.washingtonpost.com/video/national/zuckerberg-calls-on-his-generation-to-build-a-new-social-contract/2017/05/25/e7954fb0-4185-11e7-b29f-f40ffced2ddb_video.html?utm_term=.c64086df849e

blockchain community, and governmental agencies alike, will benefit from a harmonious regulatory environment and embrace of blockchain technology.

Goldman Sachs writes: “A new technology is redefining the way we transact. If that sounds incredibly far-reaching, that’s because it is. Blockchain has the potential to change the way we buy and sell, interact with government and verify the authenticity of everything from property titles to organic vegetables” ². For these reasons, blockchain technology, above all, must be respected and used in the most beneficial ways possible to empower people, governments, society, technology, and planetary conservation. We will all have a brighter, more prosperous, and humane future for it.

Marc Andreessen’s essay “Why Software is Eating the World,” ³ which was published in *The Wall Street Journal* on August 20, 2011, is exponentially more correct today than when it was initially published. The era of the trillion-dollar technology company is nearly upon us, and technology companies that hope to be relevant after that remuneratory Rubicon is crossed will need to have a strong foundation in blockchain technology. In short, blockchain technology will be built into almost all of the technologies of the future. Blockchain technology will be the one underpinning technological foundation which will contain and deliver VR, AR, artificial intelligence, machine learning, the internet of things, the internet of virtual things, 3D printing, big data, drones, space exploration, and immutable permanent data storage—saved within encrypted IPFS/FileCoin compatible blockchain networks with synthetic DNA storage. It is the belief and thesis of VARcrypt that blockchains will provide the value layer for almost every technology imaginable in the future. That is a future we would like to continue building together with everyone reading this white paper.

² <http://www.goldmansachs.com/our-thinking/pages/blockchain/>

³ <https://www.wsj.com/articles/SB10001424053111903480904576512250915629460>

1.0 VARcrypt's Mission:

VARcrypt is the world's first blockchain-specific, hardware-agnostic platform designed specifically for VR (Virtual Reality), AR (Augmented Reality), legacy content (film, television, music, print, video games), and software applications. VARcrypt derives its name from a combination of both “VR” and “AR,” resulting in the combination “VAR” which when integrated with a cryptographic blockchain content distribution and payment processing protocol creates “VARcrypt”. In addition to VR and AR content distribution, VARcrypt will distribute legacy film, television, music, software, print, and gaming content via its blockchain. VARcrypt’s specific aim is to protect artists and content creators, and to ensure that they can enjoy the lowest cost content distribution possible and can keep the majority of the profits generated from their work. The future of immersive content and software will not be either VR or AR. It will be VAR. VARcrypt is a place for developers and artists—a place for those seeking groundbreaking experiences. Above all, VARcrypt is a place for those seeking the future. At VARcrypt, we are breaking old models and starting a new order in blockchain utilization.

The emerging mediums of VR and AR technologies and their respective distribution platforms—including, but not limited to, Samsung Gear, Oculus Rift, Sony’s Project Morpheus, HTC Vive, Google Cardboard, Microsoft HoloLens, Magic Leap, Apple’s ARKit, and Google’s ARCore—will provide an avenue for consumers to interact with content, innovative apps, immersive experiences, and consumer goods in a manner never seen before. VARcoin (VAR) is the token that is specifically designed to create, render, and distribute VR, AR, legacy content, and software in this new environment. In addition, VARcoin is not only created to facilitate the purchase of goods and services in a cost effective and secure manner for both consumers and content creators. VARcoin also functions as a medium of exchange for developers to build and render the content and infrastructure for the forthcoming virtual decentralized web. The virtual decentralized web will be a universe unto itself. It will have its own laws, currencies, identities and will be the ecosystem of the internet of virtual things (IoVT). VARcrypt and VARcoin seek to be at the epicenter of this transformative combination of technologies which will create a permanent, secure, and decentralized future that will change the world in ways that cannot be imagined.

The founders of VARcrypt hope that this white paper maps out the steps in which a new kind of cryptographic blockchain can emerge—one that is specifically designed for content and app creation in a decentralized and secure ecosystem for virtual reality, augmented reality, legacy content and software applications. VARcoin will be the cryptocurrency that powers this new ecosystem and, in doing so, will provide a new medium of exchange for goods and services in legacy, virtual, and augmented reality platforms. VARcrypt is inviting all members of the VR, AR, cryptocurrency, and blockchain communities to participate in this Utility Token Sale Event. In doing so you would aid in creating a mission-specific blockchain protocol that distributes VR, AR, and legacy content for both consumers and artists in a secure, cost effective, and transparent manner.

2.0 Blockchains, IoT, VR, AR Definitions and Market Size Potential:

We know most of you reading this are aware of the terms and market size forecasts mentioned throughout this white paper. That being said, we thought it would be useful to offer some definitions and market size forecasts for blockchain, IoT, VR and AR technologies from some people and organizations other than us. If you are good to go, feel free to skip to the next section. Otherwise, please read on. The definitions of some of these technologies can be cryptic and have inspired a great deal of debate in some cases. That is why we wanted to include an overview section defining some basic terms. All of these technologies are central to the blockchain ecosystem and therefore linked to VARcrypt and we have included the following definitions for the sake of reference.

2.1 Blockchain is the following:

Although it's a little long, here's a definition for *blockchain* we really like:

The blockchain is basically a distributed database. Think of a giant, global spreadsheet that runs on millions and millions of computers. It's distributed. It's open source, so anyone can change the underlying code, and they can see what's going on. It's truly peer to peer; it doesn't require powerful intermediaries to authenticate or to settle transactions. It uses state-of-the-art cryptography, so if we have a global, distributed database that can record the fact that we've done this transaction, what else could it record? Well, it could record any structured information, not just who paid whom but also who married whom or who owns what land or what light bought power from what power source. In the case of the Internet of Things, we're going to need a blockchain-settlement system underneath. Banks won't be able to settle trillions of real-time transactions between things.⁴

The global blockchain technology market is expected to reach USD \$7.74 billion by 2024, according to a new report by Grand View Research, Inc.⁵

⁴<http://www.mckinsey.com/industries/high-tech/our-insights/how-blockchains-could-change-the-world>

⁵<http://www.grandviewresearch.com/press-release/global-blockchain-technology-market>

2.2 A definition we like for *Internet of Things (IoT)* is the following:

The Internet of Things (IoT) is a term coined by Kevin Ashton, a British technology pioneer working on radio-frequency identification (RFID) who conceived a system of ubiquitous sensors connecting the physical world to the Internet. Although things, Internet, and connectivity are the three core components of IoT, the value is in closing the gap between the physical and digital world in self-reinforcing and self-improving systems.⁶

BCG predicts that by 2020, €250B (\$267B) will be spent on IoT technologies, products, and services.⁷

2.3 *Virtual Reality (VR)* can be defined as:

Virtual reality has been notoriously difficult to define over the years. Many people take "virtual" to mean fake or unreal, and "reality" to refer to the real world. This results in an oxymoron. The actual definition of virtual, however, is "to have the effect of being such without actually being such". The definition of "reality" is "the property of being real", and one of the definitions of "real" is "to have concrete existence". Using these definitions "virtual reality" means "to have the effect of concrete existence without actually having concrete existence", which is exactly the effect achieved in a good virtual reality system. There is no requirement that the virtual environment match the real world. Inspired by these considerations, for the virtual wind tunnel we adapt the following definition: Virtual reality is the use of computer technology to create the effect of an interactive three-dimensional world in which the objects have a sense of spatial presence.⁸

⁶ <https://aws.amazon.com/iot/>

⁷ <https://www.forbes.com/sites/louiscolombus/2017/01/29/internet-of-things-market-to-reach-267b-by-2020/#46f4ba59609b>

⁸ <https://www.nas.nasa.gov/Software/VWT/vr.html>

Global virtual reality revenues will reach \$7.17 billion by the end of this year, according to a new report by Greenlight Insights, which is also predicting that global VR revenues will total close to \$75 billion by 2021.⁹

2.4 Augmented Reality (AR), according to Apple, can be defined as:

The basic requirement for any AR experience—and the defining feature of AR-Kit—is the ability to create and track a correspondence between the real-world space the user inhabits and a virtual space where you can model visual content. When your app displays that content together with a live camera image, the user experiences augmented reality: the illusion that your virtual content is part of the real world.¹⁰

The global market for AR products will surge 80 percent to \$165 billion by 2024, according to researcher Global Market Insights.¹¹

⁹ <http://variety.com/2017/digital/news/virtual-reality-industry-revenue-2017-1202027920/>

¹⁰ https://developer.apple.com/documentation/arkit/understanding_augmented_reality

¹¹ <https://www.bloomberg.com/news/articles/2017-03-20/apple-s-next-big-thing>

3.0 The Problem:

The modern technological world for all its benefits is still plagued by piracy, identity theft, and outdated distribution models for software and content. Content creators, developers, artists, and the investors that finance them, are not paid transparently and are often exploited by distributors and a long list of middlemen because they do not have access to alternative distribution methods. In addition to these problems content distribution is further hindered by slow network speeds, a looming hard drive storage crisis of big data, and expensive fiat currency-based payment methods. We, at VARcrypt, think that content creators, and the capital that finances them, deserve a more transparent and intellectual property secured way to be paid and globally distributed.

A mission-specific content and app distribution blockchain that distributes VR, AR, software, and legacy content is needed because traditional distribution methods do not pay content creators (both established and emerging) fairly and in a timely manner. Here is a great description detailing the current list of middlemen involved between artists and consumers:

Anyone who follows the cultural industries—art, music, publishing, theater, cinema—knows of the tussles between artists and those who feed off of their talents. The traditional food chain in movie-making, for example, is a long one: Between those who create a film and those who pay for it — movie goers, cable subscribers, pay-per-viewers, advertisers, rights licensees, and institutional sponsors such as the National Endowment for the Arts — is a multitude of middlemen: online retailers (Amazon, Walmart), streaming video services (Netflix, YouTube, Hulu), theatre venues (Wanda’s AMC, Regal, Cinemark), product placement and media agencies (Propaganda GEM, Omnicom’s OMD), film producers (Columbia Pictures, Marvel Studios, Disney-Pixar), movie distributors (Sony Pictures, Universal, Warner Bros.), home marketers (Fox, HBO), cable and satellite services (Comcast, DirecTV), video syndicators (PMI, TVS), film libraries and archives (Eastman House, Getty Images), and talent agencies (WME, CAA, ICM), each with its own contracts and accounting systems. That’s a staggeringly long list.¹²

VARcrypt will be designed with the functionality that allows it to globally distribute and pay artists and developers in a transparent and secure fashion. This will eliminate an entire ecosystem of middlemen (apologies middlemen) and give consumers many different options on how they would like to pay for

¹² <https://hbr.org/2017/03/blockchain-could-help-artists-profit-more-from-their-creative-works>

and experience that content by offering more cost-effective on chain and off chain lightning network enabled cryptocurrency micropayments¹³. This type of system from a distribution cost and transparency perspective is superior to traditional distribution options available to content creators today.

VR, AR, IoT and blockchain technologies are all converging rapidly. This convergence, while exciting, is creating a perfect storm where big data will exceed humanity's supply of silicon for hard drive space by the year 2040, if not before¹⁴. VARcrypt's mission is to not only link VR, AR, and legacy content with blockchain technology, but to also link all of these mediums with synthetic DNA storage. Synthetic DNA storage seems like a far-off necessity, but having it ready and available will be essential. The storage of blockchain data is permanent and blockchains need a storage medium that is equally permanent. That storage medium is synthetic DNA. The storage of all the big data generated by both virtual and augmented reality technology along with IoT are going to require an entirely different storage medium in the future. That storage medium is synthetic DNA. Any blockchain company that is serious about the future potential of blockchain technology will need to have a storage medium that is as permanent as blockchain technology itself. VARcrypt will work to link synthetic DNA storage with blockchain applications for the benefit of VARcrypt and the blockchain community.

¹³ <https://btcmanager.com/can-lightning-enable-micropayments-in-other-cryptocurrencies/>

¹⁴ <https://d2cax41o7ahm5l.cloudfront.net/cs/eposter-pdfs/dna-memory-for-mass-storage-of-digital-data-materials-science-2015-materials-science-2015pdf>)

4.0 The Opportunity:

At VARcrypt, we believe in the future of blockchain technology as well as the future of virtual and augmented reality technologies. However, VR and AR are not enough on their own. VR and AR are not mutually exclusive realities and can be enjoyed in the same environment when combined within a blockchain ecosystem. Digi-Capital writes:

VR will be big, AR will be bigger and take longer. What sounded revolutionary when we first said it 2 years ago has become accepted wisdom. But now the market has actually launched, we've got 12 months of real world performance and major tech players' strategies emerging. And that's changed our views on VR/AR growth. A lot. Our new Augmented/Virtual Reality Report 2017 base case is that Mobile AR could become the primary driver of a \$108 billion VR/AR market by 2021 (underperform \$94 billion, outperform \$122 billion) with AR taking the lion's share of \$83 billion and VR \$25 billion).

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VR can completely immerse users into a virtual world unlike any other medium. With VR, literally anything is possible. VR is still in its early days. For example, haptic effects (effects pertaining to the senses such as touch) are being added to the VR ecosystem as we speak. This technology could change the VR experience so dramatically that over time, VR could mimic and perhaps exceed our own perception of reality¹⁶. The future of VR, as powerful as it may be, is still years away. Additionally, most of the powerful VR consoles that are not mobile (i.e. Oculus, HTC Vive) are too expensive an entry point for most consumers until those consoles come down in price. This makes VR an important part of VARcrypt's long term future but AR and mobile applications will be the most important medium for VARcrypt in the immediate future.

At VARcrypt, we believe that AR is going to be the one technology, alongside blockchain technology, that will become an everyday utilitarian tool surrounding all our lives in the future. Imagine being able to walk down the street and you see someone wearing a pair of sunglasses or carrying a purse

¹⁵<http://www.digi-capital.com/news/2017/01/after-mixed-year-mobile-ar-to-drive-108-billion-vrar-market-by-2021/#.WZUb6a3My8U>)

¹⁶ <http://fortune.com/2015/04/25/augmented-reality-virtual-reality/>

that you like. Your AR app will connect you to the sunglasses' or purse's IoT chip and immediately allow you to buy either item (with a crypto or fiat currency). Then, a drone will deliver the sunglasses either to your house or to your location in real time. The entire transaction and all the logistics would occur and be processed (including the drone navigation and delivery) through blockchain technology. When imagining these scenarios, it begins to become clear how this technology will affect people's buying habits on a daily basis.

In many instances having VR and AR in one combined technological platform will enable new ways of linking up shared experiences. For instance, imagine you are watching a sporting event from home, but your best friend is at the actual game. You could be watching the game in VR from the comfort of home, but still feel like you are right next to your friend at the game. Your friend at the game could then utilize AR to watch the game while still interacting with you. Afterwards you could blend each of your experiences together in a game engine (Unity or Unreal), and the entire experience could be relived in VR. Your friends and family can experience the game and you could even re-package the experience and rent it out for other people to watch.

VR can make live events infinite in size and permanent so generations of people can return to experience those events. Imagine being able to use VR to go back to any one of Michael Jordan's games during his iconic NBA career or any other significant event you can imagine. AR allows people who are physically at the events to experience them without losing touch with their surroundings. They can still interact with people who are watching in VR, or they can simply buy another drink while ordering an Uber home before the last song at the concert. While all of this is happening, all data is being recorded, payments are being processed, and vendors and content creators are being paid directly and transparently. This is far superior to the technology we currently have in place today.

5.0 VARcrypt VAR Player:

VARcrypt is seeking to build a VR/AR capable player (the VARcrypt VAR Player) that will play VR and AR content that content creators publish on VARcrypt. It is desired that the VAR player be accessible via the VARcrypt website at www.VARcrypt.io, in addition to being delivered through the VARcrypt mobile app. VARcrypt will be able to play legacy film, television, and video game content—similar to Amazon and Netflix—alongside VR and AR content. All of this will be combined on one VARcrypt blockchain-enabled ecosystem. VARcoins will be the main token that allows VARcrypt users to sample, rent, or purchase content. Developers can even be hired to build software or content on VARcrypt in exchange for VARcoins.

The purpose of the VARcrypt's VAR Player will be to enable VR and AR content to be played at a premium level with a well-designed and simple user interface in an open format through accessing the VARcrypt website as well as via an app through a VR capable headset or mobile device. The VARcrypt VAR Player App should also be compatible with the Oculus Rift, Samsung Gear, Google Cardboard, HTC Vive, and other VR systems. Ideally a user should be able to access the VARcrypt VAR player simply by using the web based app by accessing an HTTP browser and going to <https://www.VARcrypt.io> on a VR capable headset such as Oculus Rift, Samsung Gear, Google Cardboard, HTC Vive, Apple's ARKit, and Google's ARCore.

6.0 VARcoin Utility Structure:

The core utility function of VARcoin in the VARcrypt ecosystem is to function essentially like tokens at an arcade that enable VARcrypt users to consume content and to pay the creators of that content as transparently and as directly as possible. VARcoins will be required to sample, rent or purchase content that is posted on VARcrypt, it's that simple. VARcoins can also be used to pay developers to create VR, AR, or other types of content and software which will then be posted to the VARcrypt blockchain for global distribution. VARcrypt's user focused design and set supply of tokens combined with the scalable and emerging VR, AR, and blockchain industries could make VARcoin a compelling and useful method of payment for the global content community. The cost benefits of cryptocurrency micropayment transactions will benefit

both content creators and consumers as well as deliver an experience with potentially more content choices due to VARcrypt's hardware independence than Netflix, Amazon, or Oculus combined are currently offering and it will all be on *one global platform: VARcrypt*.

VARcoin's utility function will be further highlighted through VARcoin's functionality as a token that enables render mining. Render mining will enable the rendering and streaming of encrypted VR, AR, and legacy content on a peer-to-peer blockchain network that will unlock millions of developers' idle CPU's and GPU's for the benefits of the VARcrypt ecosystem. This key feature will make VARcoin an essential utility token that will allow for the creation, distribution, and rendering of virtual and augmented reality content that would not be possible on other platforms. A true VR and AR blockchain ecosystem cannot exist without a rendering solution that can satisfy the CPU and GPU rendering demands of virtual and augmented reality content. VARcoin will provide a solution to this problem. This key feature will allow artists and content creators to hire developers on VARcrypt to create VR and AR content and pay for the entire creation, rendering, and decentralized storage of the project with VARcoins.

VARcoin render mining will be structured to allow users that have both CPU and GPU processors to render mine and earn VARcoins for the service. VARcoin render mining is intended to be as widely accessible as possible for both CPU and GPU biased accelerated renderers. We understand many developers prefer GPU rendering but we recognize there is still a great amount of CPU rendering capacity that can be accessed through VARcoin. Redundant CPU swarms of render miners on VARcrypt will be very valuable to VARcrypt rendering capacity for a wide variety of projects. When this factor is combined with a flexible GPU interface, that will be compatible with GPU biased accelerated rendering programs such as Redshift, VARcrypt will be an incredibly scalable decentralized rendering platform. With this core rendering functionality VARcrypt could be used 24 hours a day 7 days a week to decentrally render and decentrally store almost any project imaginable as well as serve as a source of VARcoin block mining rewards for developers with idle GPU and CPU capacity.

Render mining pricing will be determined through a proprietary algorithm that prices available CPU and GPU processors and matches them with current render jobs demanded on the VARcrypt blockchain. Once pricing is

determined and the rendering client is matched with the render miner/miners (the individual or group/swarm conducting the rendering task), the rendering client will send the VARcoins required for the task. Those coins will activate a render mining smart contract, which will record the entire transaction in the VARcrypt blockchain. VARcoins will be released via milestones for rendering services delivered according to the terms of the render mining smart contract. The assets will be encrypted and stored on the VARcrypt blockchain. The decentralized storage of the assets (now rendered) will offer further security against the hackings and piracy we have recently seen with HBO's "Game of Thrones" and Netflix's "Orange is the New Black". Decentralized storage of content will also provide the opportunity for miners to earn additional VARcoins for the decentralized storage of the newly created assets that are now available for global distribution.

VARcrypt will pay VARcrypt miners further for the traditional mining of the VARcrypt blockchain with VARcoins as well as enable VARcrypt users to pay other VARcrypt users with VARcoins for storage of encrypted information on user's available hard drive space. VARcoin is a customized blockchain that is built upon a C++ Bitcoin protocol foundation with a set supply of 42 million VARcoins. VARcrypt will have both on and off chain capabilities and will be Lightning Network compatible. The amount of VARcoins that will be available for sale during the token sale is set at 11 million VARcoins.

VARcoin has a set supply of 42 million VARcoins with 10 million coins held in strategic reserve and another 21 million set aside for the VARcoin mining pool.

7.0 VARcrypt Structure:

VARcrypt intends to have custom features that will enable users to have both lite, full, and mobile capabilities as well as encrypted usernames. VARcrypt's users that wish to utilize a lite account will be able to do so through Mac OS, Linux, or Windows through services similar to Microsoft Azure. This flexibility will allow VARcrypt's lite users to register a VARcrypt lite account that is linked to a VARcrypt linked full account (a VARcrypt Sponsor Account/Node) onto a regular https connection so those lite users will no longer need to download the blockchain which will keep the lite application small in comparison to other blockchain protocols. Structurally this will be achieved via Patricia Merkle Trees within the blockchain which will enable lite users to verify large pieces of information (which can be gigabytes in size) by verifying only a few pieces of data from a VARcrypt Full Client Sponsor/Node. VARcrypt Lite Clients under this structure will be able to replace their hard drive space with a database of trusted nodes from a trusted VARcrypt Full Client Sponsors/Node which will enable many different types of lite users utilizing different devices (iOS, Windows, Linux, and VR & AR devices) to transact in the VARcrypt ecosystem.

Full Client VARcrypt users will download the entire Merkle Tree within the blockchain as well as be able to create smart contracts via a peer-to-peer network and all VARcrypt full accounts (including VARcrypt Sponsor Accounts) will be available through the VARcrypt browser only. The VARcrypt Browser will function essentially as a specialized browser that will provide a user-friendly experience of the VARcrypt ecosystem. To navigate the VARcrypt browser a user will not need to have any code experience and they will be able to interact with all of the tools necessary to enjoy the VARcrypt ecosystem which will include the VAR player, smart contract creation, the VARcrypt lite wallet as well as other important features. VARcrypt's mobility will be achieved through Android and iOS apps that will allow users to access the main features they enjoy. In both their lite and full accounts by having apps tied directly to those pre-verified full VARcrypt Sponsor accounts. Encrypted usernames will enable VARcrypt users to transact in privacy and sums sent to the encrypted username will transfer to a fully registered and linked VARcrypt Sponsor account supported via the VARcrypt blockchain.

VARcrypt intends to distribute itself via a mobile app, website, and a browser that are compatible with Mac OS, Linux, Windows, Android, iOS, and

VR/AR systems because VARcrypt intends to be completely hardware agnostic. This is incredibly important because we want VARcrypt to be a fluid decentralized marketplace for transparent content creation, rendering, distribution, and monetization that will not be beholdng to a corporation or hardware developer. VARcrypt will be beholdng only to the VARcrypt community and that is how we intended VARcrypt to be structured from day one. Market pricing for content will be determined by content creators themselves and the invisible hand of the market will determine what the customers will bear for the exchange of goods and services in blockchain enabled VR, AR, and legacy content marketplaces.

Conclusion:

The world as we know it is changing faster than ever before in more ways than one. The business cycle of past generations is being replaced with an ever-evolving ecosystem of technologies that will not only redefine the social contract but change society, science, art, education, media, healthcare, commerce, industrial production and planetary conservation. The future will likely be a very efficient and wonderful place if the right technologies are embraced and we believe blockchains will play a big part of the foundation of that technological ecosystem. As great of a technology as blockchains and cryptocurrencies appear to be they have often been an elegant solution without a proper real or virtual world application. Thankfully, that is starting to change. Through a combination of user focused and simple design we believe that VARcrypt and VARcoin can begin to build an ecosystem that will combine blockchain technology with VR, AR, and legacy content in a variety of applications across industries that will create what we believe is the future of the internet.

Thank you!