WeThePeople's FLAT Token: Your Hedge Against Global Inflation

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Abstract: The WeThePeople Protocol introduces FLAT, a cryptocurrency designed to combat inflation and bridge the gap between digital assets and real-world currencies. FLAT is pegged to the 2019 inflation-adjusted US dollar, offering true preservation of purchasing power. Its treasury, diversified across SPOT, OHM, TAO, AI16Z, and VIRTUAL tokens, provides stability and generates staking rewards. The FLAT protocol grows its treasury by leveraging AI agents. The protocol's range-bound stability mechanism ensures price consistency. FLAT's accessibility sets it apart: users can interact with the protocol using just an email, eliminating common barriers to entry. The system allows transactions in local fiat currencies and conversion to fiat paper currency while maintaining crypto benefits. With a total fixed supply of 21 trillion tokens and a phased rollout plan, FLAT aims to become a global financial building block and a non-political standard of value. The protocol's commitment to privacy, decentralized governance, and censorship resistance, coupled with its user-friendly approach, positions FLAT as a tool for financial empowerment in both developed and inflation-prone economies.

1. Motivation and Introduction

Just when economists thought that hyperinflation was something of the past, it has reared its head again: since November 2017, Venezuela has joined the hyperinflation club. During 2018, year-on-year inflation reached 488,865%. In recent years, Argentina has also experienced hyperinflation. The social implications of high inflation are evident in severe shortages of goods and services, fuel shortages, high unemployment, and mass emigration from the country. In Venezuela, it was reported that inflation caused poverty to rise from 67.7% to 76.6% in one year. Due to poverty, three out of four people are malnourished, and eradicated diseases have proliferated again, causing extreme hardships. It has been extensively documented by economists that inflation impoverishes people, decreases the value of their savings, causes wage-price spirals, distorts economic signals, and results in social and political instability.

When a nation or civilization goes through hyperinflation, many horrendous things, such as poverty, fuel shortages, homelessness, diseases, and death may occur. One of the main reasons we enter such a vicious cycle is due to weak mechanisms in place to prevent it, causing the devaluation of money. Humans will try to avoid paying higher prices for goods tomorrow by hoarding durable goods like scarce metals and mechanical equipment. In extended periods of inflation, humans will also start hoarding perishable goods. If the economy were a body's bloodstream, these instances of hyperinflation would be like blood clots, blocking the healthy flow of goods and services from circulation. To rescue humanity from the catastrophic and insidious effects of inflation, we need to build currencies with monetary policies that resist inflation. A currency with a sound monetary policy can save millions of lives from tyrants.

The objective of WeThePeople's protocol is to design a currency of the people, for the people, and by the people. This currency will emulate the ethos of Ethereum and provide an open-source,

decentralized, inflation-resistant, global, scarce, secure (cannot be counterfeited), censorship-resistant, portable, durable, programmable, auditable, self-sovereign store of value and a price-stable unit of account.

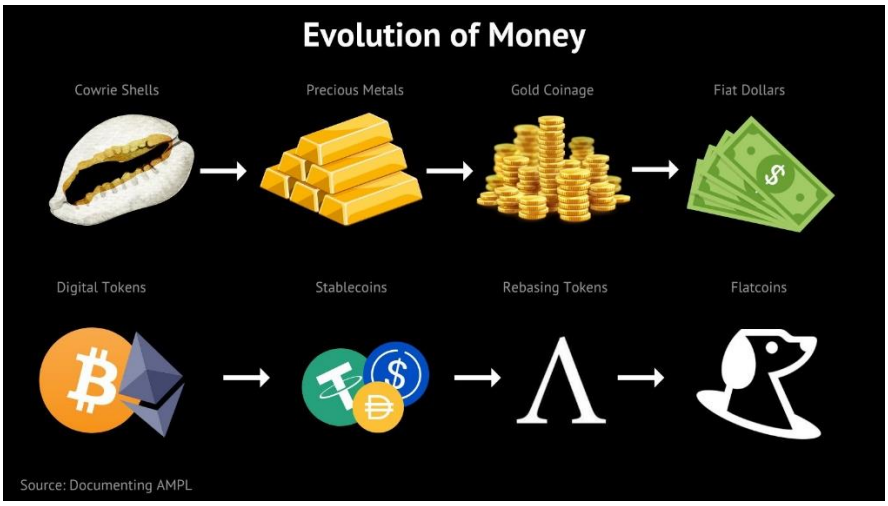
2. Overview of other currencies and their limitations

Humanity has used various forms of money, such as cowrie shells, salt, wheat, silver, and more. None of these forms of money is perfect. Humans have reached a consensus that any form of money that crumbles or does not hold its form through time and space is not a good choice. This led people to consensus around using precious metals as a form of money. Gold has proven itself to be a stable store of value, but it suffers from difficulties in safe transportation and divisibility for small transactions. Since gold is hard to produce and cannot be counterfeited by governments, it acts as a check against inflation.

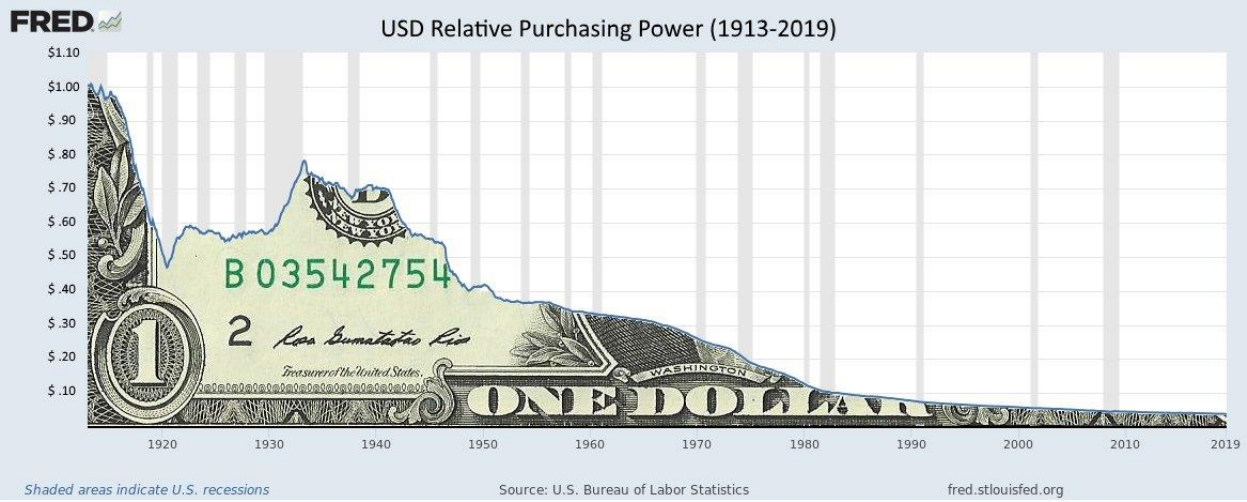
After World War II, 44 Western countries came together and met at Bretton Woods, New Hampshire, in July 1944, to establish a system of currency convertibility. This agreement required countries to guarantee the convertibility of their currencies to U.S. dollars within 1% of fixed parity rates, with the dollar being convertible to gold bullion for foreign governments and central banks at US $35 per troy ounce of gold. This arrangement worked well for the dollar, creating enormous demand for dollars around the world. The U.S. government was able to print dollars but was unable to acquire more gold in proportion to the currency. This forced many central banks and foreign governments to redeem their paper dollars for gold, pushing the price of gold higher. This incentivized people to hoard gold as its price appreciated. This left the U.S. Treasury no choice but to suspend the redeemability of U.S. dollars. On August 15, 1971, the United States 'temporarily' suspended the convertibility of the U.S. dollar to gold, bringing an end to the Bretton Woods agreement. This marked the start of a strange era of fiat money, where dollars are backed by nothing other than a government decree, forcing all citizens to pay taxes in fiat dollars. Let us review the advantages and disadvantages of various forms of money to arrive at the ideal form of money.

3. Evolution of Money

Fiat Money: Fiat money came into existence only since 1971, after Richard Nixon disconnected the dollar from the gold standard. It is money by government decree. It is corrupted by politicians to finance government spending, causing the value of the dollar to debase in the long run.



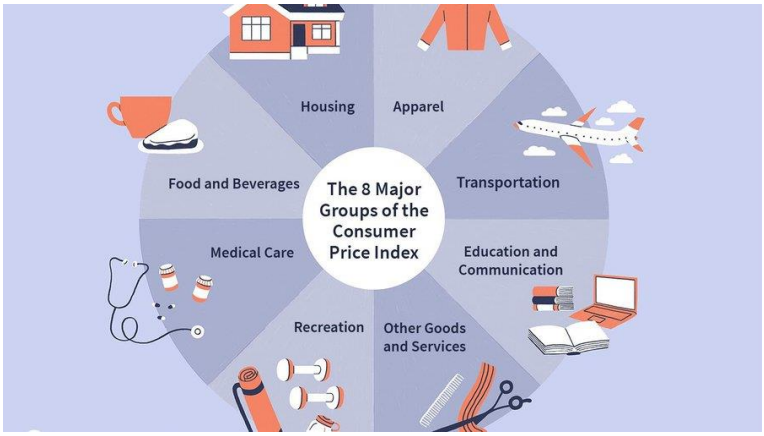
Inflation acts as an invisible tax, affecting poor people much more than the rich. This bad form of money is forced upon people as legal tender. It is centralized and not censorship-resistant. The United States has abused its power by sanctioning various countries, like Afghanistan and Russia, and seizing their dollar reserves. The dollar has lost 97% of its purchasing power since the Federal Reserve started.



FREDUSD Relative Purchasing Power (1913-2019) Shaded areas indicate U.S. recessions
Source: U.S. Bureau of Labor Statisticsfred.stlousfed.org

Just in the last four years, based on the US Government's own reports, holders of the US dollar have lost 25% of its purchasing power just from 2020 to 2024.

CPI: This is calculated by the Bureau of Labor Statistics. This index tracks food and beverages, medical care, housing costs, transportation, etc., with each sector having its own weight in the overall index.



Inflation is an insidious tax on the poorest people. In addition to inflation, the U.S. dollar suffers from having an opaque monetary policy, lacks assets to back the currency, and is constantly used to seize the assets of people who do not politically align with the U.S. Empire, as happened to Russia and Afghanistan.

Bitcoin: Bitcoin addresses some of the problems created by fiat money. It is decentralized like gold and has no non-monetary use cases. Therefore, its price reflects its demand for use as money and protects people from inflation in the long run. However, as a form of money, it has a fixed supply of 21 million coins, which forces its price to be very volatile. It serves as a good store of value in the long term but not in the short term, making it a poor medium of exchange because of this volatility. Additionally, it cannot be a good unit of account due to its inelastic supply. Let us assume a person borrows 1 bitcoin from a friend with a promise to pay it back in a year. If the price of bitcoin doubles, then the borrower is in

trouble and may fail to meet their contractual obligation. Conversely, if the price of bitcoin halves in a year, the lender takes a significant loss. This volatility makes it difficult to enter into long-term contracts with bitcoin. Here is the Bitcoin price volatility for the last year.

1h	24h	7d	14d	30d	1y
▼ 0.1%	▼ 0.9%	▲ 0.1%	▼ 2.0%	▼ 4.9%	▲ 118.8%

Ethereum: Ethereum brought a censorship-resistant platform for developers to build their own currencies fitting the ERC20 token standard, enabling many monetary experiments on the Ethereum blockchain. Ethereum introduced EIP-1559, which leads to the constant burning of ETH, making it deflationary. As a result, it is difficult to use ETH as a stable unit of account. Here is the volatility of ETH.

1h	24h	7d	14d	30d	1y
▼ 0.6%	▼ 0.8%	▼ 5.0%	▼ 1.2%	▼ 4.4%	▲ 64.6%

Ampleforth: Ampleforth addresses the problems of both bitcoin and Ethereum by being elastic money. Its price is pegged to the 2019 inflation-adjusted US dollar. Ampleforth's contracts are built on top of Ethereum, allowing it to rely on the censorship-resistance and immutability of the Ethereum blockchain. Ampleforth is relatively price-stable compared to bitcoin or Ethereum, but its price is still too volatile to be effectively used as money. Holders of AMPL can experience negative rebasing, thereby 'losing' some of their tokens from their wallets, which may be difficult for most to digest. However, Ampleforth remains much more stable than bitcoin or Ethereum, as can be seen below.

1h	24h	7d	14d	30d	1y
▼ 0.4%	▼ 0.9%	▲ 1.6%	▼ 5.4%	▼ 9.6%	▲ 7.3%

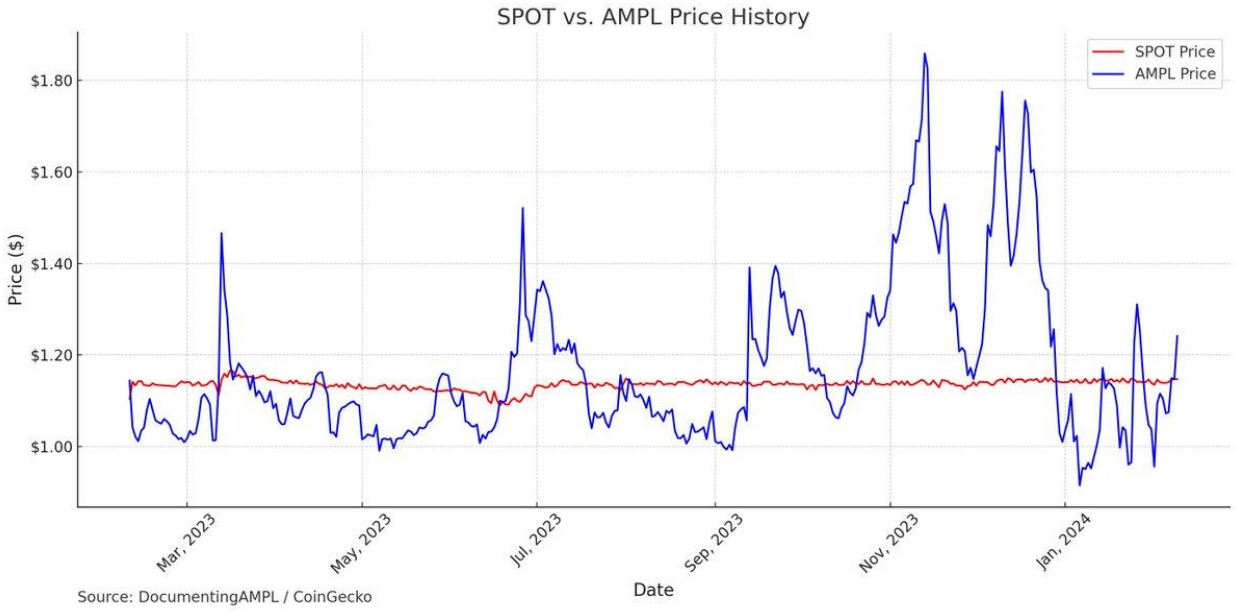
Olympus DAO: Olympus DAO tried to address some of the shortcomings of both bitcoin and Ethereum by holding collateral against issuing currency. The OHM token did not negatively rebase like Ampleforth, but it contains volatile assets in its treasury, causing the price of OHM to be too volatile. This issue was later addressed with the introduction of the Range Bound Stability concept in 2023. If the price breaks the boundaries set by this system, it is hard to envision how high or low the OHM price can go. OHM does not guarantee that its price reflects inflation in US dollars. Here is the OHM price in the last year.

1h	24h	7d	14d	30d	1y
▼ 0.0%	▼ 0.1%	▲ 3.3%	▲ 4.9%	▲ 4.4%	▲ 23.2%

SPOT : SPOT is an ERC20 token that is a less volatile version of Ampleforth pegged to the 2019 inflation-adjusted US dollar. SPOT acts as a perpetual wrapper that abstracts AMPL's supply volatility from

holders. Its price is similar to AMPL (which targets the CPI-adjusted 2019 dollar). The asset can function as both a refuge from volatility and inflation.

It achieves this less volatile status by dividing Ampleforth's volatility into two tranches. Currently, it is at a 25/75 ratio. This means that for every 100 AMPL, users can mint 25 SPOT tokens. Since SPOT is backed by the senior tranches of AMPL, unless Ampleforth's supply drops by 75%, it would not affect the price of SPOT. It is a significant improvement from AMPL, as it is much less volatile, which is necessary if one enters into contracts with this money. SPOT has been relatively stable. Here is last year's price chart.



1h	24h	7d	14d	30d	1y
▼ 0.1%	▲ 0.2%	▼ 2.2%	▼ 1.5%	▼ 0.1%	▲ 2.4%

As can be seen here, SPOT price has been relatively stable.
SPOT can be purchased on Uniswap V3:

- https://app.uniswap.org/#/tokens/ethereum/0xc1f33e0cf7e40a67375007104b929e49a581bafe

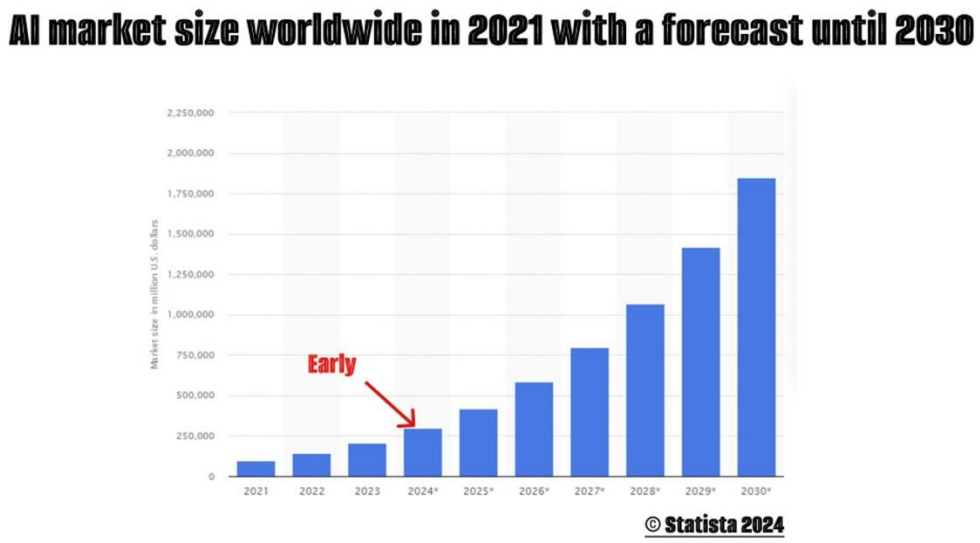
SPOT Contract Address:

- **0xc1f33e0cf7e40a67375007104b929e49a581bafe**

TAO token (Bittensor): The future of software is driven by artificial intelligence. The TAO tokenomics are similar to Bitcoin, with 21 million tokens. Bittensor intends to create a decentralized AI network that incorporates all privately run LLM models, like ChatGPT and Claude, into its blockchain. It inherits all the beneficial monetary characteristics, such as censorship resistance, immutability, and transparency. It has great utility for users to pay for prompts to these LLM models via the TAO token. What is remarkable about TAO is that once someone acquires a sufficient number of tokens, they can become a validator on

the Bittensor network. It is not possible to earn staking income with Bitcoin, but with TAO tokens, one can earn rewards as a validator, currently yielding close to 18.91%.

Currently, no other coin has the Lindy effect of TAO in the crypto-AI space. We are at an inflection point where the total number of AI tokens in the market will grow exponentially.



Centralized Stablecoins like Tether, USDC : Currently, Tether has a market cap of 100 billion dollars. These Stablecoins have proven themselves as good stores of value in the short term, as they are pegged to the US dollar. These ERC20 tokens are backed by US Treasuries, which are not available for public review. They are not transparent and not censorship-resistant, as the Circle and Tether corporations can seize people's digital assets. They cannot form a building block for the new financial system since the tokens themselves are tied to the monetary policy of the Federal Reserve. If the US dollar inflates, holders of USDT or USDC are constantly losing purchasing power.

DAI Stablecoin: MakerDAO launched the DAI token, originally backed only by Ethereum. However, this model caused a near collapse of DAI when ETH's price dropped by 30%. To circumvent this problem, they added USDC as one of the collaterals for DAI, which defeats the purpose of having a decentralized US dollar on the blockchain. This suffers from the same disadvantages as both Tether and USDC.

Currently, over 70% of the collateral backing DAI is in the form of USDC, making DAI a poor choice for becoming a building block of the DeFi ecosystem.

AI16Z token: We stand at the cusp of a revolution where the synergy of artificial intelligence and blockchain technology will redefine the landscape of finance. AI16Z is an AI-led Decentralized Autonomous Organization (DAO) operating on the Solana blockchain, focusing on venture capital through AI-driven investment strategies. It uses AI agents, notably AI Marc, to make autonomous investment decisions, leveraging community insights through a 'Virtual Marketplace of Trust,' where users can pitch ideas and influence investments. The protocol is built on the open-source Eliza framework, which supports the creation of AI agents for various tasks. AI16Z aims to revolutionize venture capital by combining AI with blockchain for transparent, decentralized investment management. It is known for its rapid growth, with tokens reaching significant market caps shortly after launch. As of now, it works with 45,000 partners with an AUM of $25 million. We appreciate the open-source ethos of this project.

Contract address: HeLp6NuQkmYB4pYWo2zYs22mESHXPQYzXbB8n4V98jwC

VIRTUAL token: The Virtual token is designed as an ERC20 token on Ethereum, with a supply of 1 billion tokens and a current market cap of $3 billion. Virtual Protocol is an innovative platform at the intersection of AI, blockchain, and the Metaverse. It enables users to create, co-own, and monetize AI agents without needing advanced technical skills. These AI agents can operate autonomously, interacting across various digital environments like games and social platforms, enhancing user engagement and generating revenue. Built on the Base blockchain, Virtual Protocol uses tokenization to allow community governance and ownership of AI agents. The ecosystem is driven by the $VIRTUAL token, which facilitates transactions and incentivizes participation.

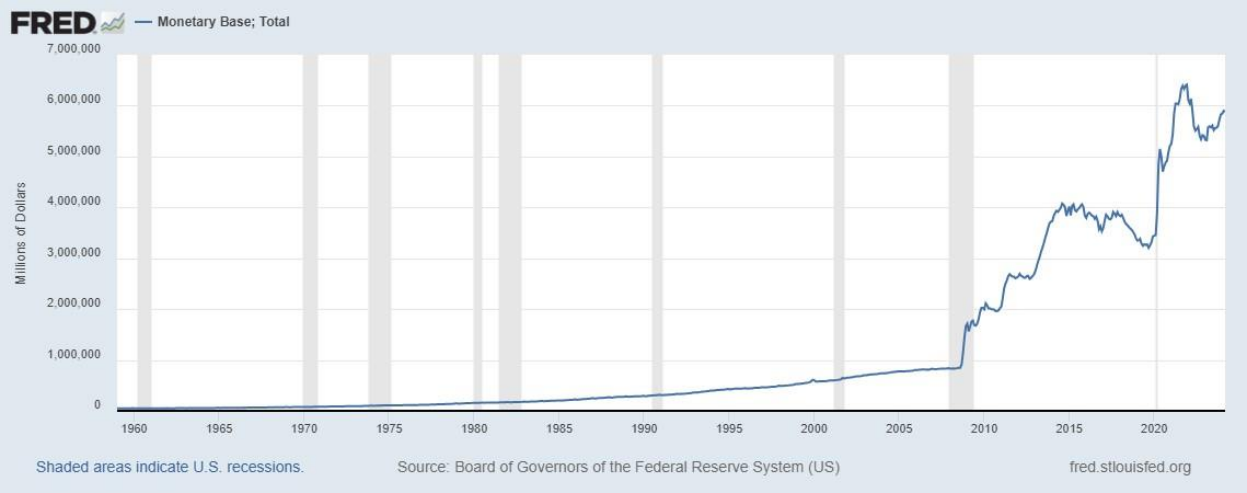
Contract address: 0x44ff8620b8ca30902395a7bd3f2407e1a091bf73

3. Tokenomics of FLAT token

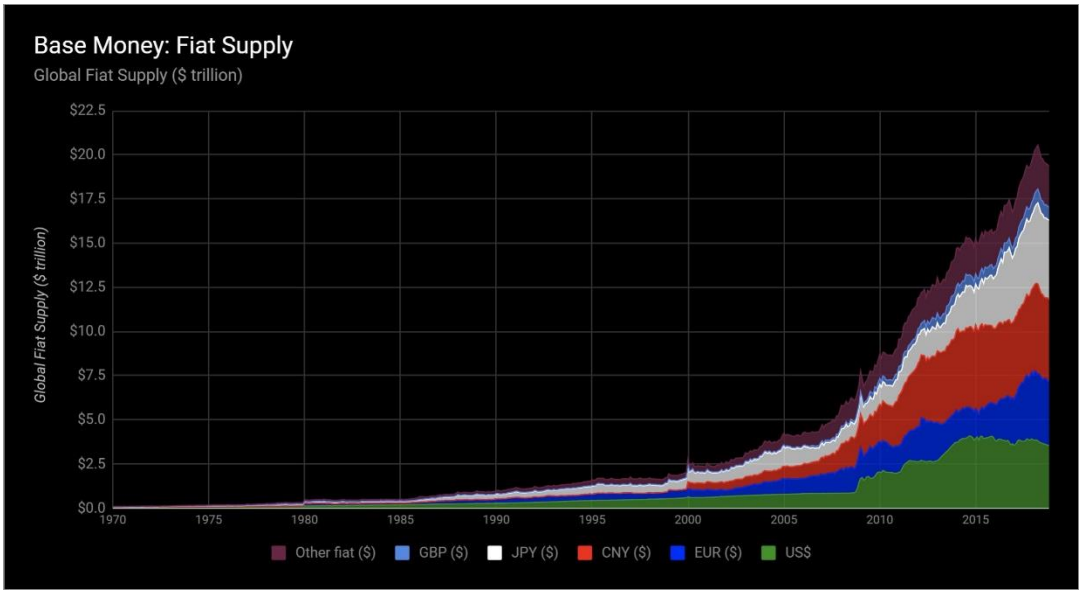
FLAT token: The WeThePeople DAO is responsible for the creation, maintenance, and governance of the FLAT token. The FLAT token aspires to be permissionless, decentralized, peer-to-peer, censorship-resistant, auditable, global, immutable, and an inflation-resistant store of value. To achieve these aspirations, it relies on the Ethereum blockchain for network security and is represented as an ERC20 token. To ensure it remains inflation-resistant, it is pegged to the SPOT token. Each FLAT token can be purchased or redeemed at a 1:1 ratio with the SPOT token. The goal of the FLAT token is to serve as both an inflation-resistant store of value and a functional unit of account, inheriting some of these properties by pegging to the SPOT token. In economics, a unit of account is a monetary function where money acts as a standard measure and a common denomination of trade, thus providing a basis for quoting and bargaining prices. It is necessary for developing efficient accounting systems. More than just a measure, the unit of account is the actual asset tendered upon completion of an agreement. In economics, a store of value is a monetary function where an asset, commodity, or currency can be

saved, retrieved, and exchanged in the future without deteriorating in value. The FLAT token serves as both a unit-of-account token and a good store of value.

Currently, the US dollar is the most widely used currency to settle international trade. The Federal Reserve is the only entity that can create base money in US dollars. This value is reflected in the M0 number published by the Federal Reserve.



The current supply of US dollars is close to $6 trillion. Currently, the global M0 base money is equal to $31 trillion for 63 reporting countries, based on the data provided by the [Bank for International Settlements (BIS)](#).



In light of this, we have decided to set the total supply of FLAT tokens to 21 trillion.

All these tokens are minted at once and allocated into the following buckets.

Recipient	Tokens (in Trillions)
Early investors	7
Development team and research	1
Marketing	1
CEX listing and LP incentives	1
Community	11

They are vested in the following order:

1. The tokens issued to early investors will have no vesting cliff. After that they are linearly vested over a period of 20 years.
2. The tokens issued to the Dev team and research will have a vesting cliff of 1 year. After that they are linearly vested over a period of 20 years
3. The tokens issued for marketing will have no vesting cliff. These tokens are linearly vested over a period of 20 years
4. CEX listing and LP incentives will have vesting cliff of 1 year. After that they are linearly vested over a period of 20 years

Each FLAT token is collateralized by SPOT:OHM:TAO:AI16Z:VIRTUAL in the ratio of 20:20:20:20:20. It holds these assets in the protocol's treasury to provide price stability and yield. The yield comes from staking the tokens of TAO (Bittensor token). Users can use FLAT tokens to pay for goods and services, as the price remains stable from one day to the next. They can also be sure that the tokens in their wallet are inflation-resistant, generating a yield of 18% by staking the TAO tokens. As long as one stakes their FLAT tokens, they earn a steady yield. The moment they transfer it to another party to pay for goods or services, the other party starts earning the yield simply by holding the staked FLAT tokens. This enables users to pay for items on a day-to-day basis, as the price is stable. It is designed to be a good unit of account, as the supply of SPOT and OHM in the treasury will expand or contract to meet the demands for the FLAT token.

4. Why would a person hold FLAT token?

A significant majority of fiat currencies in the world have underperformed against the US Dollar. Several countries, like Argentina, Lebanon, and Turkey, are plagued by inflation. For an end user, holding a FLAT token is identical to holding inflation-adjusted 2019 US Dollars. If the user lives in any country in the world, the FLAT token will likely outperform their local fiat currency, as almost 95% of the world's fiat currencies are beaten by the US dollar. If the user lives in the USA, it retains its purchasing power by automatically increasing in price if inflation rises in the USA, as the CPI is tied to price inflation in the USA. If inflation in the US drops, the price of the FLAT token will also drop to closely match the inflation-adjusted 2019 US Dollar. The price of the FLAT token is pegged to the SPOT token price, which in turn is pegged to the 2019 inflation-adjusted US dollar. The reasons to hold a FLAT token are as follows:

1. Pristine store of value: For individuals, companies and central banks around the world
2. Maintains constant purchasing power: it is pegged to 2019 US dollar

3. Generates staking income daily
4. Stable pricing for Merchants: Merchants and restaurants can set their prices in stone when denominated in FLAT tokens because it is stable as a unit of account
5. Long-term contracts: Ability to enter into long-term contracts denominated in FLAT tokens
6. Peace of Mind: knowing that no person, company or government can freeze your funds
7. A very good medium of exchange because both the consumer and merchant can be assured that the price will not change much in the short term

5.What is the User experience with FLAT token?

A user's primary goal is to earn FLAT tokens on the platform and stake them. That is, it.

If the user stakes 100 FLAT tokens into the staking contract, they will receive 100 stFLAT tokens. They can unstake these at any time and get 100 FLAT tokens back from the protocol.

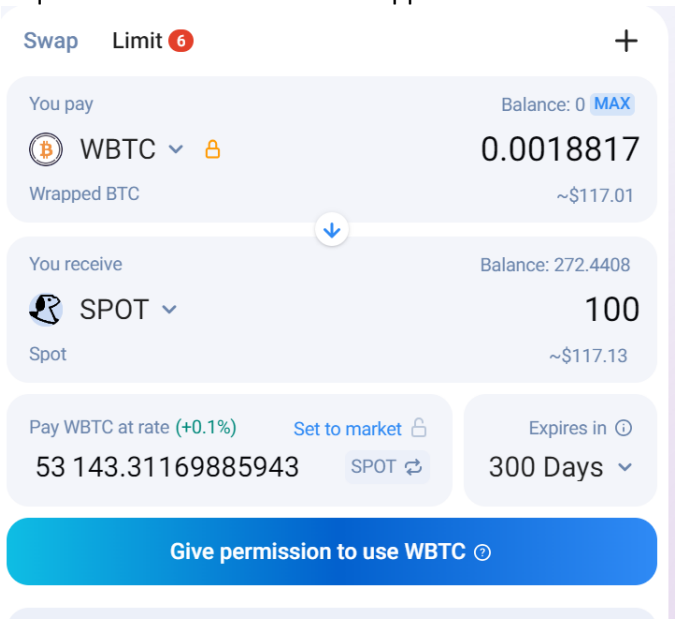
When users stake their FLAT tokens, they align themselves with the protocol, which is the 800-pound gorilla in the FLAT marketplace. The WeThePeople protocol is the only entity that can mint FLAT tokens and distribute them to users. It uses the treasury to bring price stability for stakers and provide daily income in the form of new FLAT tokens. The protocol acts as a rational actor in the marketplace on behalf of all users' staked balances. As long as users stake their tokens, they delegate the job of income generation to the protocol to act in their best interest. Tokens that are not staked can be sold in the free market or transferred to other external accounts.

6.How does the user with a wallet acquire FLAT tokens?

Any user who has an Ethereum wallet address can connect to the protocol and mint as many FLAT tokens as they desire using any ERC-20 token. The FLAT token is pegged to the current market price of the SPOT token. There are two scenarios:

1. If the user has SPOT tokens in their wallet, they can simply swap them for FLAT tokens at a 1:1 ratio. If the user provides 100 SPOT tokens, the protocol will debit the community pool of 11 trillion tokens and provide 100 FLAT tokens. In this process, it acquires a pool of 100 SPOT tokens for its treasury.
   If the user does not have SPOT tokens in their wallet, they can swap any other ERC-20 token for FLAT. For example, if they have WBTC tokens in their wallet and intend to purchase 100 FLAT tokens, the equivalent value of WBTC will be used to buy 100 SPOT tokens based on the current market price of SPOT. Currently, the SPOT price is $1.17, so $117 worth of WBTC will be paid to

acquire 100 FLAT tokens. It will appear as follows:



Internally, the protocol will acquire 100 SPOT tokens and store them in the treasury to back the FLAT tokens. This works similarly with other ERC-20 tokens.

7.What does a world in which FLAT succeeded look like?

If FLAT succeeds, it will most likely not replace any national currency. It may be a supranational currency that exists atop all national currencies. If FLAT succeeds, it will serve as a global non-political standard of value and settlement currency.

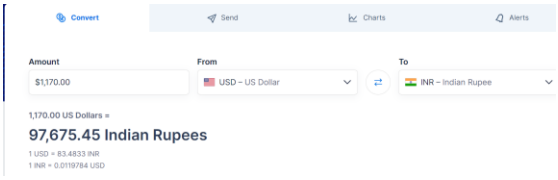
The world already has global non-political standards of measurement for length, such as the meter, and for weight, such as the kilo. Could you imagine a world in which we regularly changed the length of the meter or the weight of the kilo according to political considerations? Yet that is what we are doing with our standard of value. Today, we use the US Dollar as a global standard of value, which is much better than nothing, but quite imperfect. It has lost significant value since its inception, and it is hard to know how many dollars will be outstanding in the future; increasingly, the ability or inability to use it as a platform depends on political considerations. That is the reality today. Simply ask the people of Afghanistan or Russia about what happened to their central bank reserves. The FLAT token is a global non-political standard of value that people can safely use to enter into long-term contracts, remain censorship-resistant, and escape from the clutches of tyrannical governments. The FLAT token can be the next reserve currency, which is digitally native and enables people to transition to a better currency if the US Dollar hyperinflates.

8.How does the user without a wallet acquire FLAT tokens?

Most people are not comfortable setting up Ethereum wallets and securing them, but they are comfortable using email. Therefore, users can use the FLAT token site (www.flat.cash) to log in via their

email. Once logged in, they can work on tasks created by any user and earn payment in the form of FLAT tokens. After the completion of the task, they will receive FLAT tokens in their wallet. Each user is uniquely identified by a 12-digit number in the system. This number is used to generate a QR code for each user.

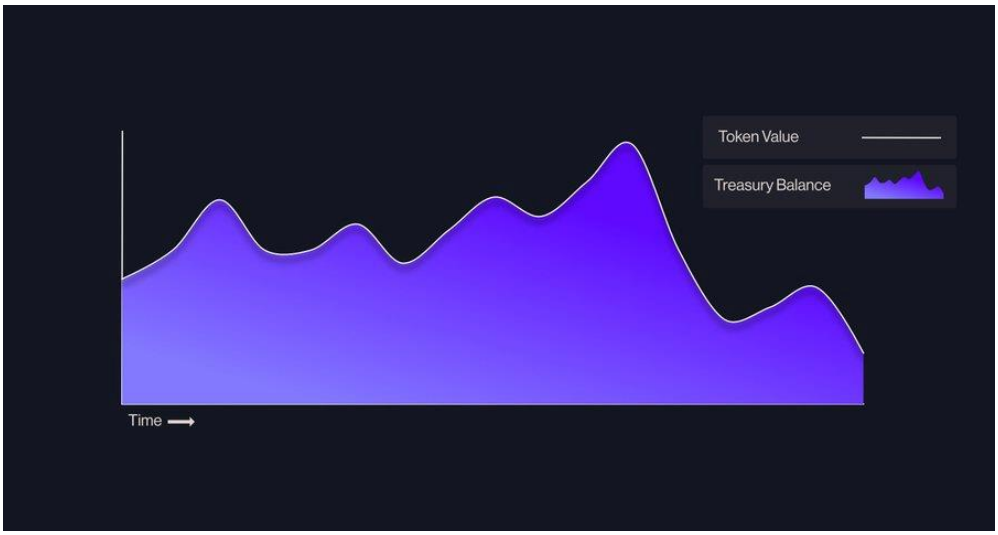
For example, a merchant can purchase 1,000 FLAT tokens for his own use. Once acquired, he can sell them for fiat currency at a premium in exchange for cash. The site, http://www.flat.cash, will maintain the price in all fiat currencies based on the going exchange rates from sites like www.xe.com. Assuming the price of a SPOT token is $1.17, these 1,000 FLAT tokens are worth $1,170. This merchant can create a task that states he offers to purchase 107,675 Rupees in order to sell these 1,000 FLAT tokens. Since the conversion rate only gives him 97,675 Rupees, he makes a profit of 10,000 Rupees on his sale of FLAT tokens to the new user, who does not own an Ethereum wallet.



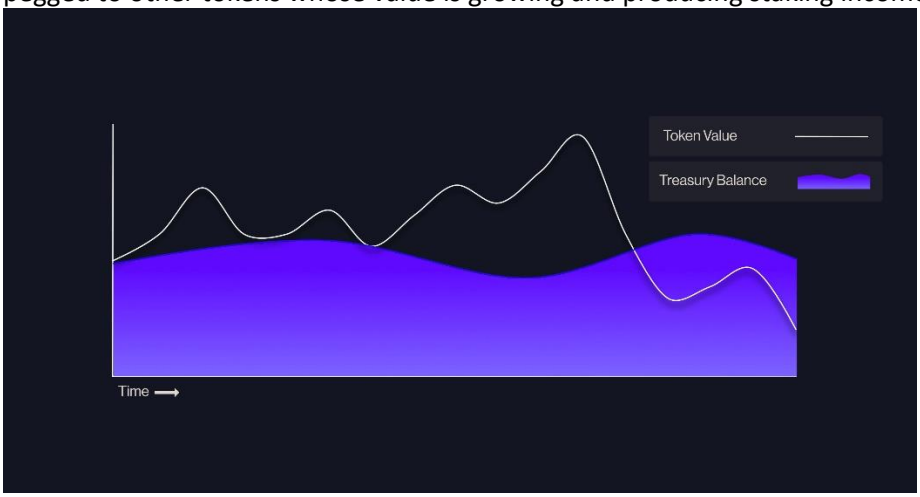
The goal of the www.flat.cash site is to provide a user interface for people to acquire it and receive products or services in return. Those who have digital wallets will acquire the tokens first and then exchange them for fiat cash or for products or services. Users who are the first entrants into the digital wallets will have the advantage of selling them to non-native digital users at a premium based on their profitability needs.

9.How does the protocol maintain steady price for FLAT tokens?

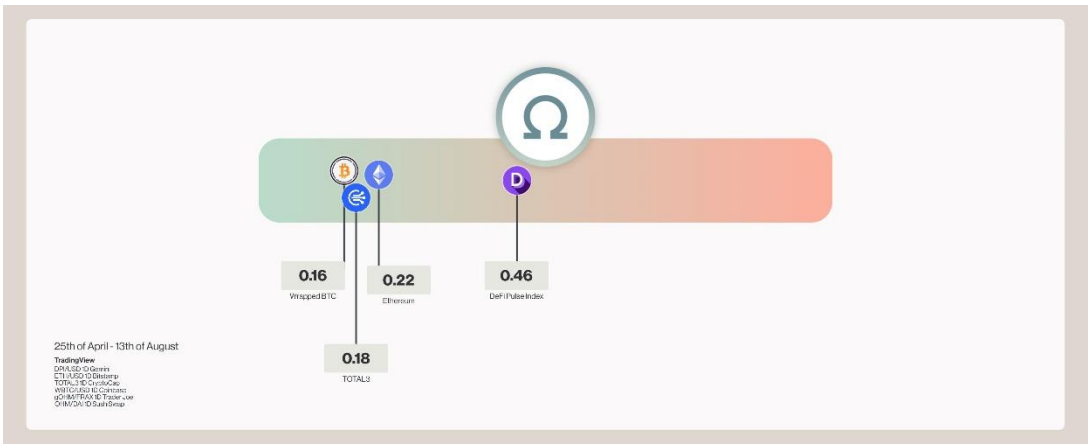
Treasury diversification is close to non-existent in crypto. Most treasuries hold over 90% of their value in their native token. If a token depreciates in value, the treasury will follow suit. This could lead to insolvency.



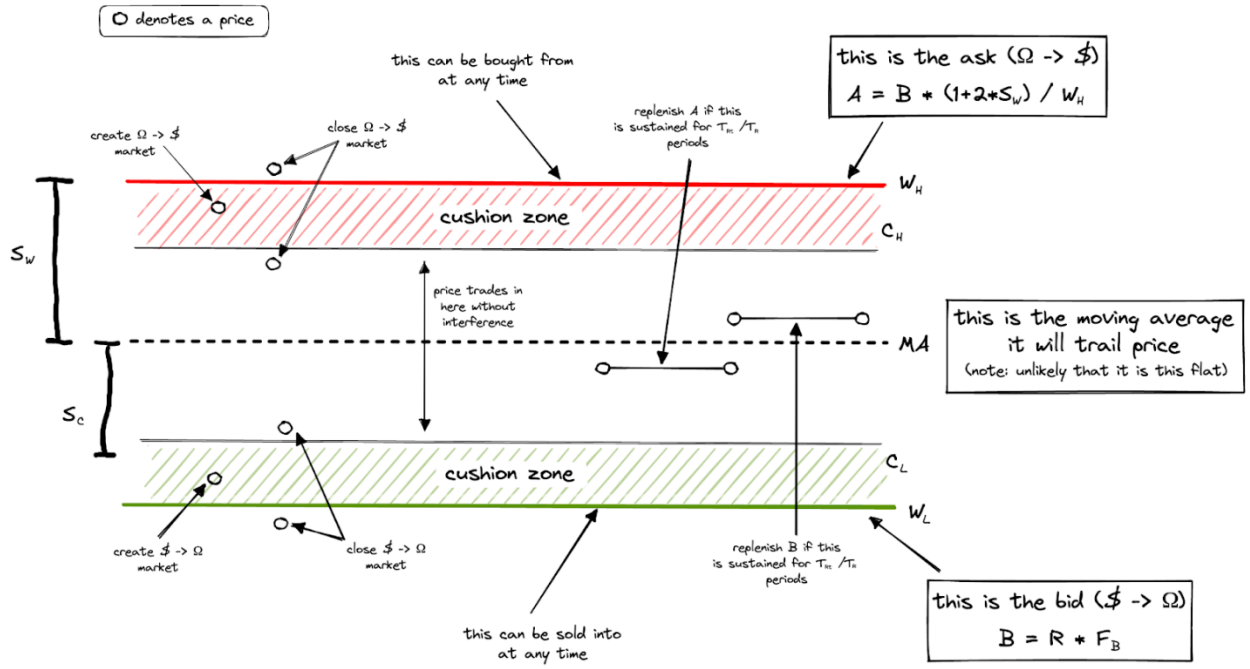
The FLAT token is backed by a basket of censorship-resistant digital native tokens. These assets are SPOT, OHM, TAO, AI16Z, and VIRTUAL. We maintain diversified, uncorrelated productive assets in our treasury, enabling us to keep building the protocol despite market conditions. The treasury value is pegged to other tokens whose value is growing and producing staking income, such as TAO.



OlympusDAO came up with an innovative idea called Range-bound Stability (RBS). We borrow this functionality as it is implemented by OlympusDAO. The OHM token has proven itself to be uncorrelated to the broader market. We own 25% of our treasury in the form of GOHM tokens. The analysis below comes from the Olympus team.



The FLAT token implements the Range-Bound Stability mechanism of the OHM token, which programmatically enforces a price range using a 30-day moving average. This mechanism has already proven itself in the marketplace. The WeThePeople Protocol uses its treasury as a counterweight to market forces. If the price is too far above the 2019 inflation-adjusted US dollar, the protocol will sell its native token, FLAT, into the market. If the price goes below the 2019 inflation-adjusted US dollar, it will buy tokens from the market up to a percentage of its reserves. The graph below comes from the OHM team.



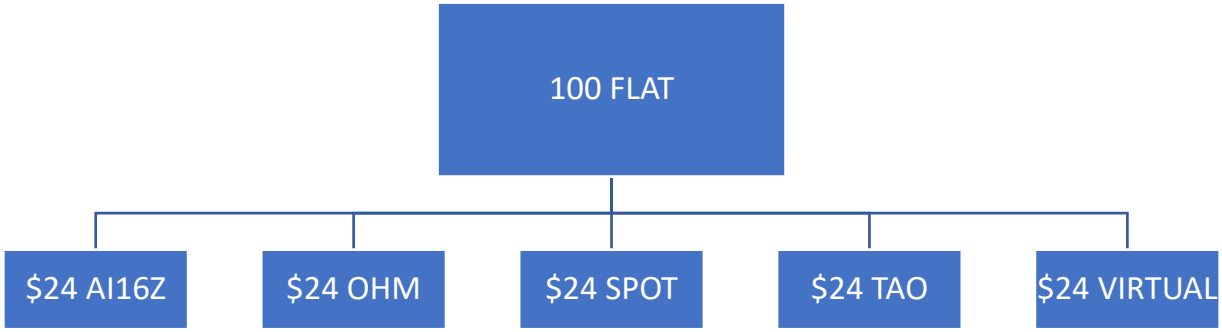
Our target price is derived from the 2019 inflation-adjusted US dollar. For example, the SPOT token price recently reached as high as $1.54, while the AMPL-target (the same as the 2019 inflation-adjusted US dollar) was $1.175. In occurrences like this, the treasury will sell its SPOT holdings and acquire more OHM, TAO, AI16Z, and VIRTUAL tokens. This rebalancing effort will ensure that the FLAT token price sells closer to the AMPL-target price, as shown below.

This RBS mechanism is explained in [this whitepaper]. This need not be implemented immediately but in a phased manner in the later versions of the protocol.

10.How does the protocol maintain diversified treasury?

For each circulating token of FLAT, there is a basket of assets in the form of SPOT, OHM, TAO, AI16Z, and VIRTUAL tokens in equal ratios. As the circulating supply of tokens increases, the size of the treasury increases. If the market cap of FLAT reaches 1 billion dollars, there are one billion dollars' worth of tokens in the form of those five tokens. When we choose those tokens as our treasury assets, it automatically means that FLAT becomes the largest token holder of the aforementioned five tokens. We simply become a black hole for those five tokens, acquiring all the available supply into our treasury.

For example, if the price of SPOT is $1.20 today, then a user who wants to acquire 100 FLAT tokens needs to give $120 in value to the WeThePeople protocol. We issue 100 FLAT tokens from the community pool (size is 11 trillion tokens); in return, we purchase $24 worth of SPOT tokens, $24 worth of OHM tokens, $24 worth of TAO tokens, $24 worth of AI16Z, and $24 worth of VIRTUAL tokens. This process will continue until all the tokens are sold out to the community, totaling 11 trillion. At that point, all tokens will be in circulation.



At this point, the market price of each FLAT token is $1.20. SPOT and OHM tokens are relatively price stable. The TAO tokens are used to become a validator for the Bittensor network. In order to be a validator, we need to have close to 20,000 TAO tokens at this point. AI16Z and VIRTUAL tokens are certainly more volatile than the other treasury assets. If the price of AI16Z, for example, doubles while the other values remain the same, then AI16Z is sold to acquire more SPOT tokens.

In other words, as the volatile assets grow in value, they are used to acquire more SPOT tokens. At the beginning, every 100 FLAT tokens are backed by 24 SPOT tokens. That ratio of 24% will slowly increase to 50% as we sell other assets as they grow to hold SPOT tokens. Thus, progressively, FLAT tokens are supported by more SPOT tokens for each FLAT.

11.Can you explain the reasoning behind pegging FLAT tokens to SPOT tokens, and how this will achieve the goal of being an inflation-resistant store of value?

The primary goal of the FLAT token is to provide an inflation-resistant, stable store of value. Many tokens in crypto are too volatile to enter into long-term contracts. Ampleforth receives an oracle feed from Chainlink, which gives the compounded value of $1, adjusted every month to the value of CPI: https://data.chain.link/feeds/ethereum/mainnet/consumer-price-index. Since SPOT is tracking this target rate, it automatically makes the FLAT token reflect the price of the 2019 inflation-adjusted US dollar.

12.Can you provide more details on how the treasury will maintain diversified uncorrelated productive assets, and how this will ensure the project's stability despite market conditions?

In Phase 1 of the project, each FLAT token is supported by 100% of the collateral in SPOT. In Phase 2, we can add AI16Z as the second treasury asset. This allows the ratio to go to 75% SPOT and 25% AI16Z. After that, we bring in TAO, which will enable us to become a validator on the Bittensor network. Over time, the WeThePeople DAO will decide which assets are allowed to be added to the treasury.

13.How does the Range-Bound Stability mechanism work, and what are the potential risks or limitations of implementing this system?

The protocol is the only agent that can mint the FLAT tokens and distribute them to users via our front-end interface. This feature can only be rolled out after we launch the Uniswap pool V2. The value of the treasury holdings in ETH, divided by the number of circulating tokens, provides an intrinsic value for each FLAT token. When the FLAT token price on Uniswap is higher than the SPOT market price, the protocol will sell FLAT tokens to push down the price using only a certain predetermined percentage of the supply.

14.How will the protocol ensure that the treasury assets are properly secured, and what measures will be taken to prevent potential security threats or hacks?

The main team wallets and market wallets will not interact with any contracts. They are multi-sig wallets, allowing us to transfer tokens to a new wallet. We will follow the best practices of the industry as recommended by auditors and store all tokens in hardware wallets in cold storage.

15.Can you explain how the staking mechanism works, and how users will earn a steady yield by staking their FLAT tokens?

We have a concept of Savings account for each user and a checking account for each user account. Saving account indicates an account where their FLAT tokens are locked and unsaleable. Checking account is where they receive income deposited automatically. There are three ways we generate staking income.

a. Once TAO token is added to treasury, we stake those tokens as a validator. In order to be a validator, we currently need close to 20,000 tokens. As bittensor grows, we generate an income in the form of TAO tokens. These tokens are sold in the market for FLAT tokens and provided back to stakers in the form income. Anyone who stakes FLAT tokens will receive income in their checking account
b. SPOT token can be LPd currently on Charm finance and provides a yield of 35%. We convert the yield back into the FLAT tokens and deposit them in the users checking account

c. When a user redeems his tokens directly from the treasury he provides FLAT tokens and we offer him SPOT tokens from treasury. The redeeming number of tokens are proportionately distributed to stakers.

16. How will the protocol handle scenarios where the market price of FLAT tokens deviates significantly from the target price, and what measures will be taken to correct this?

As the protocol grows, its treasury also grows. As we sell more tokens via the front end, we acquire more SPOT and AI16Z tokens. This treasury acts as a counterweight to market forces, using the RBS mechanism described. If the price continues to rise past the upper bounds, it will sell tokens to apply downward pressure. Market forces can still break the barrier, and a new equilibrium price will be found.

17. What is the role of AFLAT token with FLAT protocol?

AFLAT is our presale token. Contract address is :
0x1caDF57c2f8dfE096b579f149DA56434824f2F61

Each AFLAT can be purchased for $0.01 before the launch date. The AFLAT token is an investment, whereas the FLAT token is a currency that is permanently pegged to the SPOT token. After the launch of the FLAT token, new AFLAT tokens cannot be minted. Once the FLAT token is launched, a Uniswap pool of AFLAT-SPOT tokens will be created. This enables some AFLAT token holders to sell their tokens in a free market into other digital assets. The FLAT token is permanently pegged to the SPOT token, which tracks inflation-adjusted 2019 US dollars.

FLAT protocol guarantees 3 actions to accrue value to AFLAT token holders.

1. Each AFLAT token can be redeemed for one FLAT token in 1:1 ratio. When AFLAT tokens are redeemed by the user, protocol burns those AFLAT tokens and exchanges them for FLAT
2. FLAT protocol guarantees that when the price of AFLAT goes below SPOT price, it will keep buying AFLAT tokens till AFLAT reaches parity with SPOT
3. A user can buy FLAT tokens by providing liquidity to AFLAT-SPOT pool. Protocol will enable users to buy FLAT tokens at a discount to market rate, by offering LP (liquidity pool) tokens AFLAT-SPOT.

Whenever a user redeems their AFLAT tokens from the protocol for FLAT, it reduces the circulating supply of AFLAT permanently, thus making the AFLAT token deflationary. Since FLAT is pegged to SPOT, it sets an absolute floor price for each AFLAT token.AFLAT tokens will have a vesting cliff of 1 year from the launch date. They will vest into FLAT tokens over a 3-year period on a weekly basis.

18. What is the potential upside for AFLAT token holders?

Anyone who owns 100,000 AFLAT tokens is eligible to borrow FLAT tokens from the protocol at an interest rate close to 0.5%. If we see the FLAT protocol as a Federal Reserve that prints FLAT tokens, then the holders of AFLAT are like having a Federal Reserve Master account with access to the Fed's discount window. This is analogous to the price of having a commercial bank license. After April 5th, 2025, the value of this commercial banking license will be 132,000, as the price of SPOT is 1.32. This creates a supply sink for AFLAT. However, today, people can acquire this commercial bank license for 1,320, as each AFLAT token is sold by the protocol at 0.01. However, a person who owns no AFLAT tokens cannot borrow FLAT tokens from the protocol; they have to pay the market interest rate. This is similar to how a common man cannot access the Fed's discount window.

After going live, a Uniswap pool will be created with a 1:1 ratio between AFLAT and SPOT tokens. This ensures that early holders can exit by selling their AFLAT tokens for SPOT. However, if the price of AFLAT falls below that of SPOT, the FLAT protocol will use its treasury to buy up the supply of AFLAT in the free market.

Imagine the FLAT token has a treasury of $10 million. It can simply earn 6% by utilizing the SKY protocol, using this treasury income to buy up AFLAT continuously. This generates $600,000 worth of buy pressure on the AFLAT token. It does not matter whether there is a buyer for AFLAT tokens in the market or not, because the FLAT protocol is a perpetual buyer with the income generated from its treasury. If the FLAT protocol treasury grows to $10 billion, it can generate close to $600 million in income each year, putting enormous buy pressure on AFLAT. The FLAT protocol holds these AFLAT tokens in the treasury permanently. This ensures that most of the supply of AFLAT will end up in the treasury of FLAT tokens, which makes the AFLAT market price ascend gradually.