

# What is Truthcoin?

Three existing ideas...combined!

Paul Sztorc

Version 1.0

[truthcoin.info](http://truthcoin.info)

# Three existing ideas...

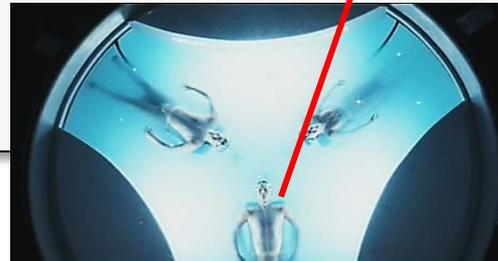
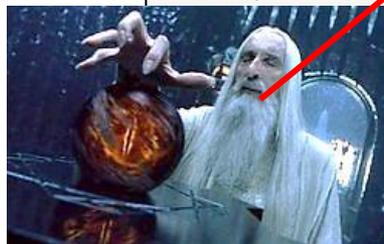
1. A 'stock market' for a special kind of derivative.



2. A kind of 'Future Wikipedia'.



3. A software protocol.



# 1. A 'stock market' for a special kind of derivative.

Below: event derivative (InTrade.com) on 2012 global warming



Ran from Jan 2011 to End of 2012

# Event Derivative? What's that??

Finance Thing	Interpretation
	<p>"I, Paul Sztorc, owe \$20 to whoever is holding this bond certificate on 03/02/2015."</p>
	<p>"I, the CEO of SztorcCorp, owe 1/100<sup>th</sup> of SztorcCorp's profits to whoever is holding this stock certificate on 03/02/2015."</p>
	<p>"I, Paul Sztorc, owe \$20 to whoever is holding this Option on 03/02/2015, <u>only if</u> the stock price of SztorcCorp is above 40 \$/share on that date."</p>
<p>...(others)...</p>	<p>...(others)...</p>
	<p>"I, Paul Sztorc, owe \$20 to whoever is holding this derivative on 12/01/2016, <u>only if</u> Hillary Clinton is elected US President in 2016. Otherwise I owe \$0."</p>
<p>...(others)...</p>	<p>...(others)...</p>

# Idea 2 (of 3): A “Future Wikipedia”

	Wikipedia 	Truthcoin 
Focus	Outcomes of <b>past</b> events. Consensus on <b>known</b> facts.	Outcomes of <b>future</b> events. <b>Future</b> consensus on <i>knowable</i> facts.
Cost	Free to read <b>and edit</b> .	Free to read, <u>easy to understand</u> (check prices), but <b>edits can cost or earn you money</b> .



WIKIPEDIA The Free Encyclopedia

## United States elections, 2012

From Wikipedia, the free encyclopedia  
(Redirected from United States Election 2012)

This article **needs additional citations for verification**. Please help improve this article by adding citations to reliable sources. Unsourced material may be challenged and removed. (November 2012)

Elections were held in the United States throughout 2012. These included many federal elections on Election Day, November 6, 2012, most prominently the 57th presidential election, Senate elections (where 33 seats were decided), and House of Representatives elections (to elect all 435 members of the House for the 113th United States Congress). It also featured 13 state and territorial governors' races; state and territorial legislature races; special elections; and various other state, territorial, and local races and referenda on votes held in November as well as throughout the year.

Little overall change occurred on the Federal level. Incumbent President Barack Obama was elected to a second term, with the national popular vote percentage being 51.1% to 47.2%, and the Electoral College vote being 332 to 206, for Obama and challenger Mitt Romney, respectively. The Democratic Party held control of the Senate and the Republican Party

**2012 United States elections**

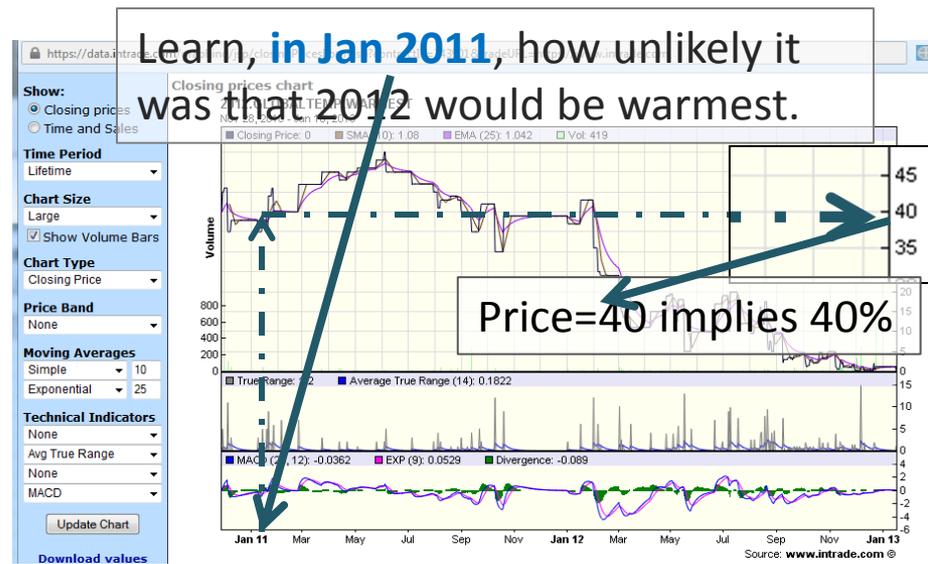
Presidential election year

Election day: November 6

Presidential election

Electoral vote

Barack Obama (D) 332  
Mitt Romney (R) 206

# Idea 3 (of 3): A Software 'Protocol'

What is a 'protocol'? It's rules we agree to play by.

pro·to·col

/ˈprɒdəˌkɒl, ˈprɒdəˌkɑːl/

noun

1. the official procedure or system of rules governing affairs of state or diplomatic occasions.  
"protocol forbids the prince from making any public statement in his defense"



Prof X and Magneto  
Play Chess



Notice: They play "by the rules"

1. Magneto captures SSE L-wise with his knight. Prof X responds by capturing diagonally with his pawn. Both moves are legal..
2. ProfX does not try to control Magneto's thoughts.
3. Magneto does not try to roll ProfX's wheelchair away.
4. If someone, for example, grabbed the game board and threw it over, upsetting the pieces, they would not "win" the game of chess. The game would have simply 'paused' (and might still be resumed at a later time by replacing the pieces).

Magneto performs the 'surrender' gesture by tipping over his king. The game is now over.

# Breach of Protocol



No man, Persian or Greek...  
no man threatens a messenger.

You bring the crowns and heads of conquered kings to my city steps. You insult my queen. You threaten my people with slavery and death! Oh, I've chosen my words carefully, Persian. *Perhaps you should have done the same!*



This is madness!

This is Sparta!

King Leo kicks the messenger into a well. The negotiation protocol (which prevents war) has failed, therefore: War!

Protocol (Decentralized)	Centralized Non-Protocol
Spoken English	Shakespeare's Globe Theatre, The Library of Alexandria, MLA Citation Format, Walt Whitman, J.K. Rowling.
Rules to American Football	The NFL, ESPN, The Buffalo Bills.
Bluetooth	A Set of Stereo Speakers, The iPhone 6, A Car Radio Equipped with Bluetooth
Bitcoin	VISA, PayPal, SWIFT, Western Union, Airline Miles, Amazon Coins, e-Gold, Liberty Reserve.

## Protocols are Immortal



Ankh – Egyptian Symbol of Eternal Life

Protocols are self-replicating “informational viruses” (like memes) which can easily outlive their creator!

Benefits of Immortality:

1. Will still be around to pay you back (cannot be killed, cannot go out of business).
2. Tamper/Censorship-Resistant (contracts enforced as signed).
3. No middlemen (self-sustaining, less overhead, lower cost).



# Why Combine These Three?

Items:	1) Event Derivatives 	2) Future Wikipedia 	3) Bitcoin Protocol 
Core Advantage	Optimally- <b>Accurate</b> (Market Efficiency)	Optimally- <b>Open</b> (Anyone can teach/learn)	Optimally- <b>Durable</b> (Can't be shut off)
Disadvantages	<p>Historically, these businesses (InTrade) <b>close down</b> due to interference, public misunderstanding (betting taboo).</p> <p><b>Which derivatives</b> to create, and <b>who</b> creates them?</p>	<p>Whose edits are <b>inaccurate</b>? How to aggregate multiple opinions to a single <b>correct answer</b>'?</p> <p>Would Wikipedia really withstand <b>ensorship</b>?</p>	<p><b>Asset markets</b> require third-party trust, do not scale (theft, non-P2P).</p> <p>Accused of having low <b>intrinsic value</b>.</p>

# Truthcoin – Useful As:

1. A **payment system** which transfers money cheaper and *faster* than Banks/Credit Cards (a LOT cheaper).
2. The only **source of reliable information** on the planet!  
I'm serious!
3. A **place to work**: use your personal experience and expertise to make money!
4. A **community effort** in creating a more rational and scientific (“prosperous”) world.

(These are each optional).

