



**White Paper V1.1 (October 19, 2018)**

## What is our Objective?

We started **Spectre Security Coin** to bridge the gap between crypto coin developers and security professionals. Many coin developers require extensive infrastructure to maintain day to day operations. While hobbyist, investors, and traders require coin developers to do this securely and professionally.

Security Professionals can help identify issues with a coin platform, infrastructure, and help find better ways to secure the network. Networks require constant monitoring and upgrades to ensure any weakness found can be addressed in the quickest manor. Exchanges and Web Wallets have been constant attack vectors for criminals. This creates a prime space for security professionals to provide solutions to crypto developers.

Investors can feel their investment is better protected and benefit in many other ways by having a more secure blockchain and coin infrastructure.

This document attempts to answer the following questions.

1. What is **Spectre Security Coin**?
2. What is the Hashing Algorithm?
3. What is Proof of Work / Proof of Stake?
4. What are Masternodes?
5. What do you Need to Run a Masternode?
6. What is Allocation / Premine?
7. What is the Spectre Security Coin Platform?
8. Who is it for?
9. How will it Work?
10. How will XSPC be Used?
11. What is the Total Rewards Program
12. What are the Community Goals and Rewards?
13. What about Security Researchers incentives?
14. What about Partnerships and Business incentives?

## What is Spectre Security Coin?

**Spectre Security Coin** is built off an advanced, hybrid Proof-of-Work (PoW), Proof-of-Stake (PoS), and Masternode (MN) system. The official abbreviation for the coin is XSPC. The total supply of XSPC will be 500,000,000. In regards to each block, there's about a 2.5 minutes combined target, with both 1.5 minutes for PoS and PoW. The advanced difficulty algorithm that the coin implements allows for retargeting every block, as well as time warp and instamining protection. The block reward is variable during the time life of the coin.

POS/MN Reward Table 1

Aspect	Adjustables	0-50k	50k-125k	125k-250k	250k-350k	350k-500k	500k-525+k	Totals Per Day
Block Reward	450.00	216,000.00	216,000.00	216,000.00	432,000.00	432,000.00	432,000.00	1,944,000.00
POS	0.7	151,200.00	129,600.00	108,000.00	86,400.00	64,800.00	43,200.00	583,200.00
MN	0.3	64,800.00	86,400.00	108,000.00	129,600.00	151,200.00	172,800.00	712,800.00
POW	(5,10,15)	4,800.00	9,600.00	14,400.00	0.00	0.00	0.00	28,800.00
POS %		%70 POS	%60 POS	%50 POS	%40 POS	%30 POS	%20 POS	
MN %		%30 MN	%40 MN	%50 MN	%60 MN	%70 MN	%80 MN	

We decided to end the PoW system at the 250,000th block and use solely PoS and MNs to keep the network fully functioning. In the long term, this would allow Spectre Security Coin to be eco-friendly coin by declining the amount of electricity that is needed in order to keep it intact.

## What is the Hashing Algorithm?

The **Spectre Security Coin** blockchain is built off of the C11 algorithm. It is very similar to X11 as it uses 11 different algorithms, but in a different order. PoS hashing is made through SHA256d algorithm. Both of these algorithms, used in conjunction with one another, allow for increased security and stability throughout the **Spectre Security Coin** network.

## What is Proof of Work / Proof of Stake?

The Proof of Work (PoW) system, in regards to cryptocurrency, was first designed and built by Satoshi Nakamoto, The creator of Bitcoin.

PoW is a competition of hardware equipment competing against one another to generate the next successful hash to secure the next block. This process creates a decentralization of workers thus creating a trustless consensus.

Proof-of-Stake is a competition between shareholders. Based on connectivity to the network and random chance, you can receive new coins to assist in the decentralization of the network. Proof-Of-Stake is far more energy efficient in that it requires no dedicated hardware and negligible amounts of electricity to reward miners, and in many cases is far more resilient to a 51% attack on the network. (Blackcoin Core Team 2016)

In spite of all this, a PoS network does come with some vulnerabilities. Because of the fact that the network is not aware of anything except for the blockchain, there is nothing physical anchoring the blockchain in reality. As a result, there are many methods that can influence and harm the network. One specifically is called a "bribe" attack, in which the attacker performs a spending transaction he wants to reverse later. This is made by building up a false chain after the transaction and publishes it once it's longer than the valid chain, reversing the original transaction. Although this is possible on a PoW network, it's much cheaper and easier on one built solely from PoS.

We have designed the block reward to follow a certain train of thought. Spectre Security Coin will start with PoS/MN and PoW. We expect people to mine PoW and place coins in the wallet for staking. PoS Staking starts at 70% of the block reward and slowly decreases over the life of the coin until it reaches 20% while Masternode increases by 10% until 80% of the block is rewarded. PoW will be phased out after block 250K and the reward will be PoS/MN thereafter. PoW rewards increases for its every three (3) phases.

We want to have a slow buildup to reduce the chance of anyone selling large amount of coins at any time.

### What are Masternodes?

A Masternode is simply a node that keeps a full copy of the blockchain in-real time. It is active 24/7 and is always interacting with other nodes to make a fully stable and performing decentralized network.

Masternodes can:

1. Increase transaction privacy
2. Allow instant sending
3. Participate in governance/voting
4. Enable budgeting and treasury system

Running a Masternode helps the network throughout, as there will always be a stable node, with multiple connections around the world, running. As a reward for hosting one of these Masternodes, XSPC will be paid to your wallet on a recurrent basis.

### What do you Need to Run a Masternode?

1. Collateral: 25,000 XSPC
2. A VPS or a server to host the wallet 24/7
3. A dedicated IP address
4. Some storage space to keep a copy of the blockchain

In order to ensure that the MN owner doesn't cheat or corrupt the system, a collateral becomes necessary, as the operator needs has something at stake in the environment. We decided to set this collateral as 25,000 XSPC, as computed with the total supply and blocks in the code

Masternode ROI Table 1

MN Cost	25000	MN ROI in Coin Reward Based off MN Count					
MN ROI 1	1	64,800.00	86,400.00	108,000.00	129,600.00	151,200.00	172,800.00
MN ROI 100	100	648.00	864.00	1,080.00	1,296.00	1,512.00	1,728.00
MN ROI 1000	1000	64.80	86.40	108.00	129.60	151.20	172.80
MN ROI Number of Days Based off MN Count							
MN ROI Days 1	1	0.385802469	0.289351852	0.231481481	0.192901235	0.165343915	0.144675926
MN ROI Days 100	100	38.58024691	28.93518519	23.14814815	19.29012346	16.53439153	14.46759259
MN ROI Days 1000	1000	385.8024691	289.3518519	231.4814815	192.9012346	165.3439153	144.6759259

## **What is Allocation / Premine?**

Spectre Security Coin currently is specified to only have 500,000,000 Total coins. Of those, we took a premine of 25% (125,000,000 XSPC) to cover managerial and other issues relevant to the growth and development of the coin long-term as we believe to be necessary. It also includes 2,750,000 Spectre Security Coin (110 MNs X 25,000 XSPC) that will be sold off in 6 steps to pay for exchange listing and other marketing costs. We reserve the right to limit Masternode sales in any way we deem fit. This helps ensure that not one person will be able to purchase all Masternodes that are currently for sale.

## **What is the Spectre Security Coin Platform?**

**Spectre Security Coin** wants to bridge the gap between the crypto community and the security professionals. By streamlining the process of contacting developers, determining the coin traits, and performing the steps of creating a coin, we can help set a better standard of the coin platforms we are working with.

### **Who is it for?**

1. Those who want a Service or Product
2. Security Researchers/Professionals that are interested in cryptocurrency
3. Crypto traders and investors
4. Those who have the desire to explore the crypto-currency world

### **How will it Work?**

**Spectre Security Coin** will focus on two key aspects of the cryptocurrency market that are important when either starting a cryptocurrency project, or running one currently. It takes a lot of resources to bring up a professional coin. Let us help you in the following areas.

1. People who want to Create Cryptocurrency Projects
  - a. Crypto Coin Communities
  - b. Service/Product/Sales Markets
  - c. Blockchain Developers
  - d. Application Programmers
  - e. Security Professionals
  - f. Graphics Designers
  - g. Other use cases
2. Services needed to provide those products
  - a. Website Scanning Services
  - b. Masternode Hosting
  - c. Coin Website Hosting
  - d. Project Infrastructure
  - e. Secure Payments and Gateway services

We want traders, investors or others to pick great investments. But is there currently a set standard or board that is widely accepted? We did not find one. But we found plenty that we felt lacked the resources or structure to be a leader in the crypto space. We want to help correct that.

## How will XSPC be Used?

The [Spectre Security Coin](#) platform plans to support a multitude of different cryptocurrencies. However, if you instead choose to use XSPC, you'll have an added benefit of 0% fees. Essentially, the platform will work with the coin. There are a few ways of using XSPC:

1. Direct to Merchant
  - a. Buy goods and services from partners through the Merchants Own Portal
    - i. Online Portals
      1. Brick and Mortar MerchantsSpectreService Portal
  - b. Buy goods and services from partners through the SpectreService Portal.
    - i. Online Portal
      1. Website Hosting
      2. Website Scanning
      3. Masternode Hosting
    - ii. Consulting Service
      1. Blockchain Business Development
      2. Coin Marketing
  - c. Peer to Peer
    - i. Buy or Sell directly between XSPC Holders

## What is the Total Rewards Program?

Developing ways to give back to the community and is a key goal of ours. To answer this, we have developed a system to do just that. This is called the "Total Rewards Program" or "TRP". This will include but not be limited to the following.

1. Community Goals and Incentives ([SpectreArmy](#))
2. Spectre Security Bug Bounty ([SpectreAware](#))
3. Partnership Discounts and Business Rewards ([SpectreEveryWhere](#))

## What are the Community Goals and Rewards?

Let's face it, we need the community, we need the developers, and we need to work together to create a more secure blockchain network. Community members are everyone. It doesn't matter if you trade, develop applications or blockchains, or anything else one could do. We are the "SpectreArmy".

We will implement a number of community projects that will be rewarded to members who participate. These are designed to bring the community together in positive manners to promote growth. Each program will have custom amounts of rewards based of the rules of the project. Some examples to include are the following.

1. World Community Grid
2. Seti@Home
3. Invite Challenges
4. Community Bounties

## What about Security Researchers incentives?

Security Researchers and blockchain developers can be rewarded for submitting flaws in projects and blockchain code. Documenting these issues can be a great help when guiding clients to the correct blockchain development path. If someone knows a flaw exists, they can get it patched, and deployed faster. We want to help clients secure the code and the network. We call this program "[SpectreAware](#)", it is part of our TRP program.

### **What about Partnerships and Business incentives?**

Partnerships are key to any coin's survival into today's crypto world. We will work to establish a partnership in multiple industries. All future partnerships will be based off of our "SpectreEveryWhere", and it is part of our TRP program. This reward program will be to establish a discount for people who choose to obtain goods or services using Spectre Security Coins.