WHITE PAPER VERSION 1.3

(December 23, 2019)

What is our primary objective?

Every cryptocurrency developer requires extensive and stable infrastructure to maintain their daily operations. As security professionals, we assist in identifying issues within a cryptocurrency platform and assist in discovering greater ways to secure the network. Networks require constant monitoring and upgrading to ensure there aren't any weaknesses to be located. Exchanges and web wallets have been a constant attack vector for criminal activity. This creates a prime space for security professionals to provide solutions to cryptocurrency developers. Investors can feel their investments are better protected and they benefit exponentially in having a more secure blockchain.

This document answers the following questions:

1. What is Spectre Security?

    Table 1.1

2. What is the hashing algorithm?

3. What is Proof-of-Stake/Proof-of-Work?

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1. What is Spectre Security?

Spectre Security, also officially known as **$XSPC**, uses an advanced blockchain technology that utilizes three types of block generation. With this, we begin with Proof-of-Work (**PoW**). From there, we incorporate Proof-of-Stake (**PoS**) and masternode (**MN**) technology. Once the **PoW** phase ends, only **PoS** and **MN** will remain. The total supply of **$XSPC** is 500,000,000 coins. Our block time that has been issued is 1.5. We have placed a difficulty algorithm that allows our blockchain to retarget block difficulty every block. In doing so, this protects our blockchain from insta-mining and ensures rewards for community contribution are easily obtained. The **PoW** phase of the coin will end at block 250,000. From there on, **Spectre Security** will exclusively use **PoS** and **MN**, which promotes a more secure networking. Removing **PoW** allows **Spectre Security** become a eco-friendlier project as it reduces the necessity of extensive electricity. In short, this means that the user will receive reward for a drastically lower cost.

PHASE	BLOCK HEIGHT	REWARD PER BLOCK	MASTERNODE	STAKING
1	500 – 50,000	450 XSPC	30% (135 XSPC)	70% (315 XSPC)
2	50,001 – 125,00	450 XSPC	40% (180 XSPC)	60% (315 XSPC)
3	125,001-250,000	225 XSPC	50% (112.5 XSPC)	50% (112.5 XSPC)
4	255,001-350,000	225 XSPC	60% (135 XSPC)	40% (90 XSPC)
5	350,001-500,000	100 XSPC	70% (70 XSPC)	30% (30 XSPC)
6	500,001-960,000	100 XSPC	80% (80 XSPC)	20% (20 XSPC)
7	960,001-5,282,500	50 XSPC	80% (40 XSPC)	20% (10 XSPC)

2. What is the hashing algorithm?

The **Spectre Security** blockchain utilizes the C11 algorithm during the **PoW** phase for security purposes. Like X11, C11 utilizes 11 different algorithms but in a random order ensuring that it is ASIC-resistant opposed to X11 which is used on multiple ASIC machines on the market. Once the **PoW** phase has completed, the blockchain will revert to the popular SHA256d algorithm, which is also used by Bitcoin. The change in algorithms aims to improve security and stability.

3. What is Proof-of-Stake/Proof-of-Work?

The Proof-of-Work (**PoW**) system, when referencing cryptocurrency, was constructed and designed by the entity Satoshi Nakamoto, the creator of Bitcoin.

PoW is the competition of hardware contending against one another to generate the next successful hash assisting to secure the next block within the corresponding blockchain. The

manner of this overall process creates a decentralization of workers, thus producing a trustless consensus.

PoS is the competition between the holders of the cryptocurrency. Based on arbitrary chance and the connectivity of the network, a holder may receive additional coins for assisting the continued decentralization of the network. **PoS** is the most energy efficient as it requires no added hardware or substantial amount of electricity to reward the user. Additionally, in many cases, it proves to be substantially resilient to a 51% attack on the network (Blackcoin Coin Team, 2016).

With the information provided, the route of a **PoS** network does come with vulnerabilities. As the network is not aware of anything except for the blockchain, a physical anchoring is absent. With this void, there are multiple methods that can influence the harming of the network. One specifically is titled a "bribe attack". This occurs when the attacker performs a spending transaction to inevitably reverse later. This is possible by building a false chain after the transaction ensues and publishing it once it is longer than the valid chain, resulting in the original transaction reversing. Even though this is possible to occur on the **PoW** network, it is targeted more often on one solely built on **PoS** because of it being inexpensive and less difficult.

4. What are masternodes?

Masternodes (**MN**) are simply a node that retains a full copy of the blockchain in real time. It is active 24/7 and is consistently interacting with other masternodes to ensure a fully stable and performing decentralized network is maintained.

Masternodes allow:

- Instant sending
- Increased transaction privacy
- Reward collection without active us
- Enabled budgeting and treasuring systems

Operating a **MN** assists the network, as there will always be a stable node with multiple connections around the world running. As a reward, any individual that hosts a **MN** will be compensated with **$XSPC** paid straight to their wallet on a reoccurring basis.

5. What is required to run a masternode?

- A dedicated IP address
- Collateral: 25,000 **$XSPC**
- A VPS, or server, to host the wallet 24/7
- Additional storage space to hold a copy of the blockchain

Please refer to masternode ROI table 5.1

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

6. What is the pre-mine allocation?

There was a 25% pre-mine of **$XSPC** that was generated to promote the overall development and growth of the project. The categories that these funds have been allocated to include: community rewards, marketing expenses, project development, and technological advancements. These funds are non-staking wallets and are locked to ensure the community gains the most reward possible from the blockchain incentives.

7. What is the Spectre Security platform?

Spectre Security aims to bridge the gap between the cryptocurrency community and security professionals. By streamlining the process of contacting developers, determining cryptocurrency project traits, and performing the steps of coin development, we assist in producing a higher standard platform that is the key to success. Please see below for the targeted audiences:

- Cryptocurrency investors and traders
- Those who desire a product or service
- Those who have the desire to explore the cryptocurrency world
- Security professionals/researchers that are interested in cryptocurrency

8. How will $XSPC be utilized?

Spectre Security allows the opportunity to utilize **$XSPC** in several aspects. As opposed to other cryptocurrencies, you will pay 0% in platform fees. Essentially, the platform incentivizes itself to users. There are numerous uses of **$XSPC** including:

- Buying/selling directly from the merchant
- Buying/selling directly from partner services
- Purchases that are obtained from brick and mortar merchants
- Purchases from partners through the Spectre service portal platform

9. What is the Total Rewards Program (TRP)?

Creating ways to give back to our community is a key objective of ours. For this reason, we have developed a system titled the "Total Rewards Program" or "TRP". This will include, but is not limited to:

- **Spectre Security** bug bounty (SpectreAware)
- Community goals and incentives (SpectreArmy)
- Partnership discounts and business rewards (SpectreEverywhere)

10. What are the community goals and rewards?

It is imperative that we develop a strong community that is willing to work together to create a more secure blockchain network. No matter your role within the Spectre Security project, we are the "SpectreArmy". We will implement numerous community incentives that will reward those who participate. These incentives are designed to bring the community together in a positive manner that will promote overall growth. Each incentive will have a custom amount of reward based on the specified guidelines. A few examples of these incentives include: community bounties, invite challenges, SETI@home, and the world community grid.

11. What are Spectre Security's researcher incentives?

Blockchain developers and security researchers will be rewarded for submitting flaws found in the blockchain code and project. Documenting these issues are of great assistance when guiding clients in a correct blockchain development path. If someone is aware of a flaw, they have the ability to get it patched immediately. We desire to assist clients in securing network and code. We call this program "SpectreAware", which is part of our TRP program.

12. What are the business and partnership incentives?

Partnerships are an imperative key to any cryptocurrency project's survival. We strive to establish partnerships in multiple industries. All future partnerships will be based on our "SpectreEverywhere" incentive, as instructed within our TRP program. This rewards program will establish a discount to those who have chosen to obtain goods and services utilizing the **Spectre Security's** cryptocurrency.