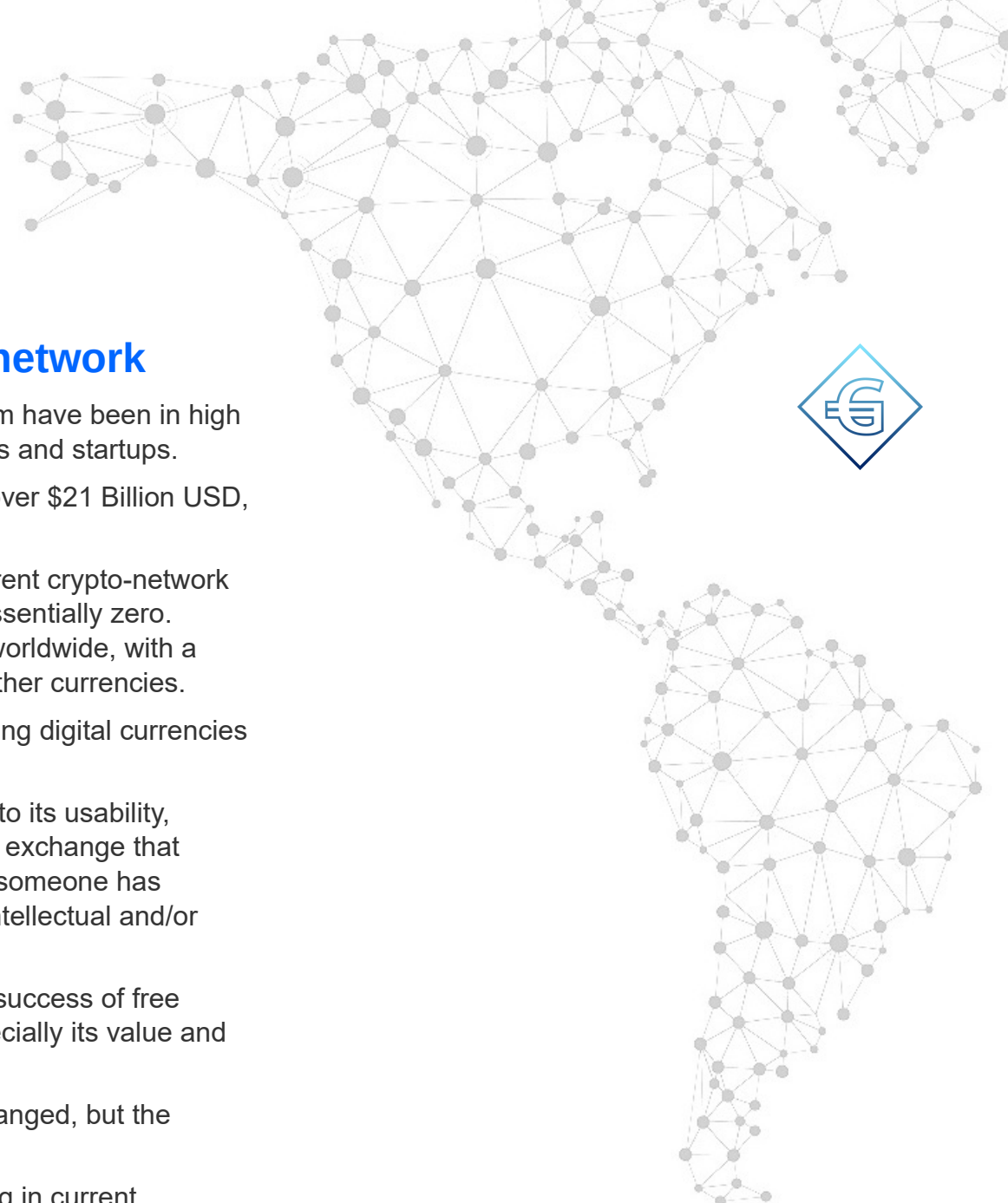




**A New Generation Crypto-network**



## Gorbyte: a new generation crypto-network

Recently, digital currencies such as Bitcoin and Ethereum have been in high demand and have prompted a multitude of developments and startups.

As we write, the capitalization value of Bitcoin (BTC) is over \$21 Billion USD, and Ethereum's (ETH) is over \$6 Billion.

Gorbyte is a new crypto-network that will reduce the current crypto-network operation costs from over a millions dollars per day to essentially zero. Thus, it can provide a free financial transaction service worldwide, with a digital currency that increases its value with respect to other currencies.

In addition, Gorbyte will fill the gaps that are still preventing digital currencies from becoming mainstream.

The worth of a currency is related, among other factors, to its usability, security and interchangeability. A currency is a means of exchange that represents value: The value of a product or service that someone has provided to others. It represents the fruit of someone's intellectual and/or physical labor.

As the protection of private property is important for the success of free market economy, so is the protection of a currency, especially its value and its security.

With digital currencies, some of the parameters have changed, but the underlying purposes of the currency remain.

There are several desired characteristics that are missing in current crypto-networks:





### ***Stability of currency value***

With a highly fluctuating currency value, certain uses of the currency are difficult. A currency value must be fairly stable to be usable for salaries, loans, mortgages, and for price stability. For example, if bitcoins were used in a grocery store, customers might see a price change between the time they pick up an item from the shelf and the time they reach the cashier.

### ***A target inflationary rate***

For several reasons a currency should have a target inflationary rate. With fiat currencies, this is one of the functions of central banks and the Federal Reserve.

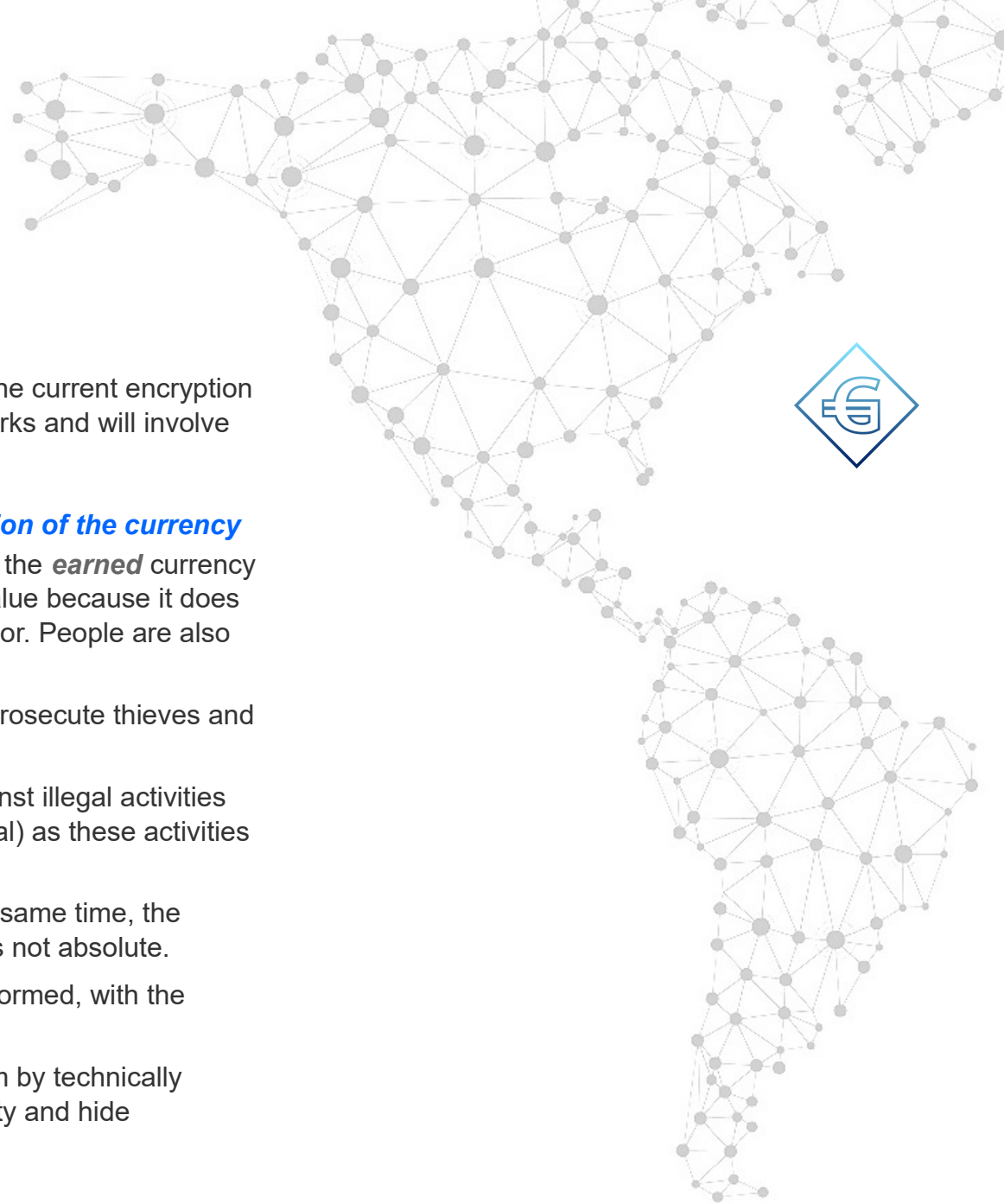
### ***Low transaction cost***

Cost is also an issue: For a currency to be usable by everyone, especially in third world countries, the basic financial transaction service should be offered for free or at a low cost.

### ***Prevention of attacks against the crypto-network***

Current crypto-networks are protected against majority attacks through various cryptography methods (e.g., proof of work, and proof of stake). However, such attacks cannot be detected as they develop, before the network may be taken over.

The responsibility for preventing such attacks can be distributed to multiple trusted parties, without these parties seeing, or knowing about financial transactions.



### ***Transaction security***

With respect to each transaction, Gorbyte will maintain the current encryption and validation solutions employed by other crypto-networks and will involve all active nodes.

### ***Reaching a balance between anonymity and protection of the currency***

The stealing of currency creates a gap in value between the ***earned*** currency and ***stolen*** currency. The stolen currency has a lower value because it does not represent created wealth – the fruit of someones' labor. People are also less willing to accept stolen currency.

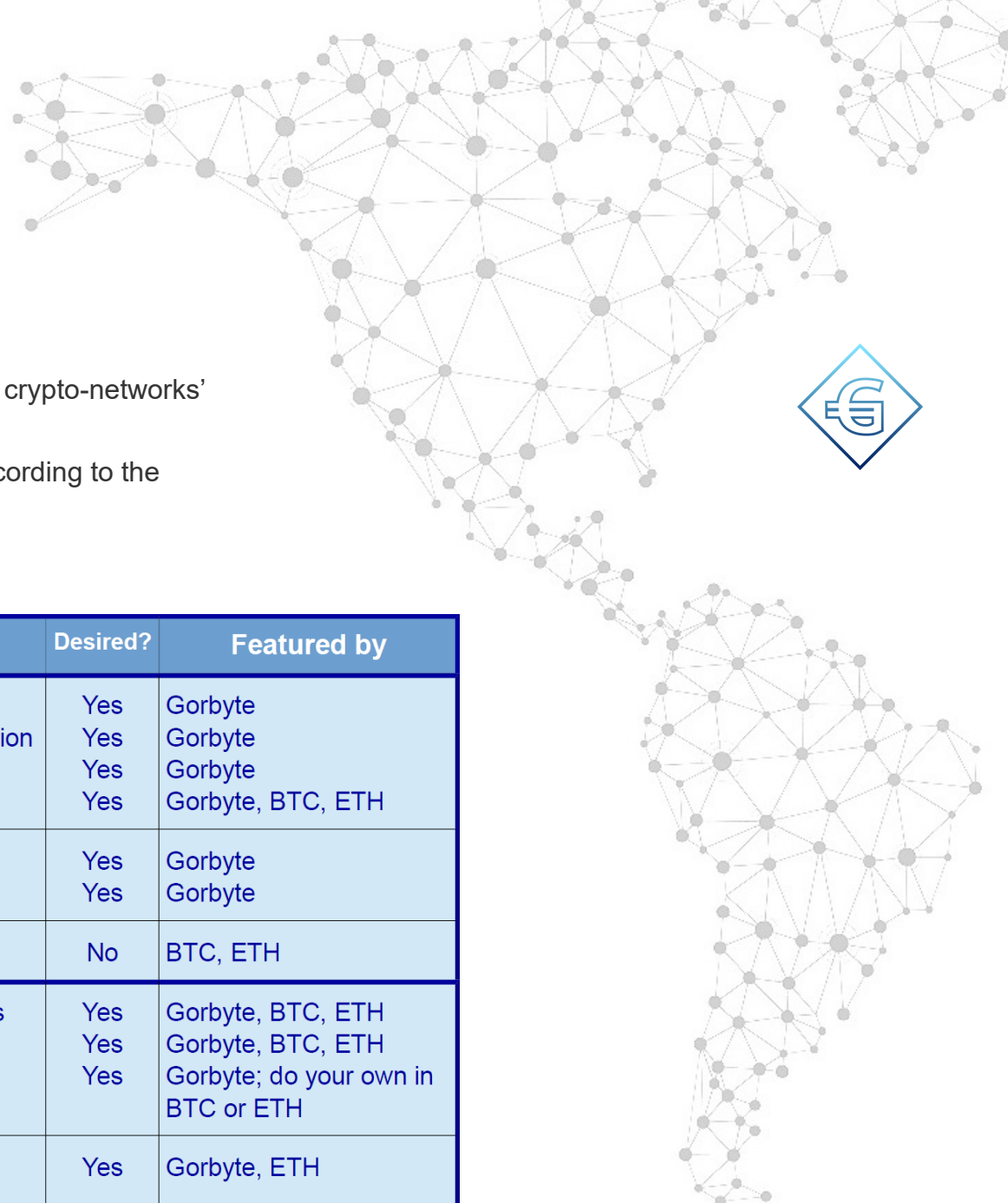
In western societies, self imposed laws aim to find and prosecute thieves and return the cash to the rightful owners.

In a similar way, laws are passed to protect citizens against illegal activities (what most voters in modern democracies consider illegal) as these activities shortcut the labor needed to produce wealth legally.

Digital transactions are open for everyone to see. At the same time, the identity of the owners is protected, but such anonymity is not absolute.

A few companies (e.g., Elliptic, Chainalysis) have been formed, with the aim of unmasking dirty money within digital currencies.

However, some developers propose to solve the problem by technically equalizing all currency (i.e., achieving absolute anonymity and hide dirty money).

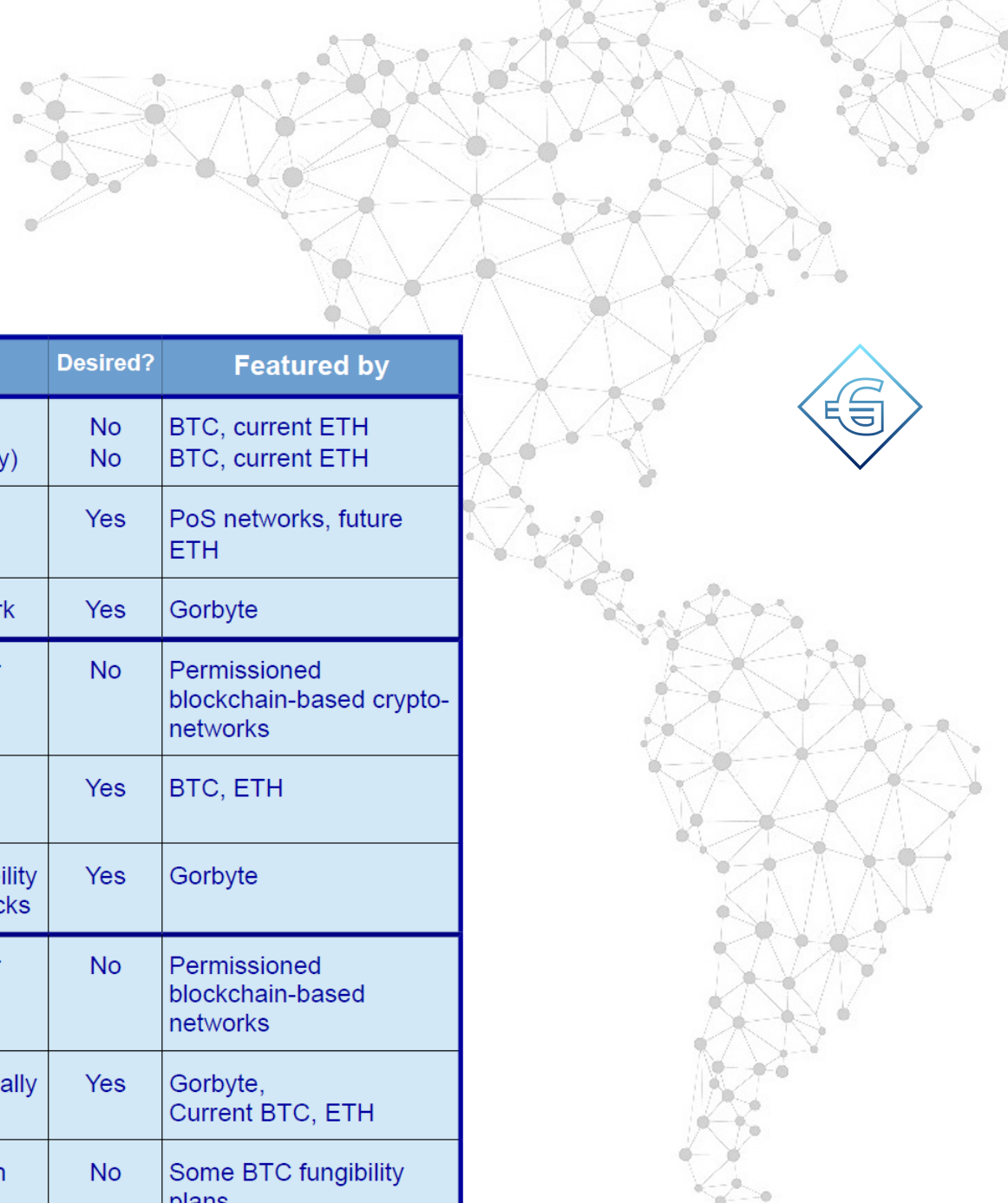


### A new generation crypto-network

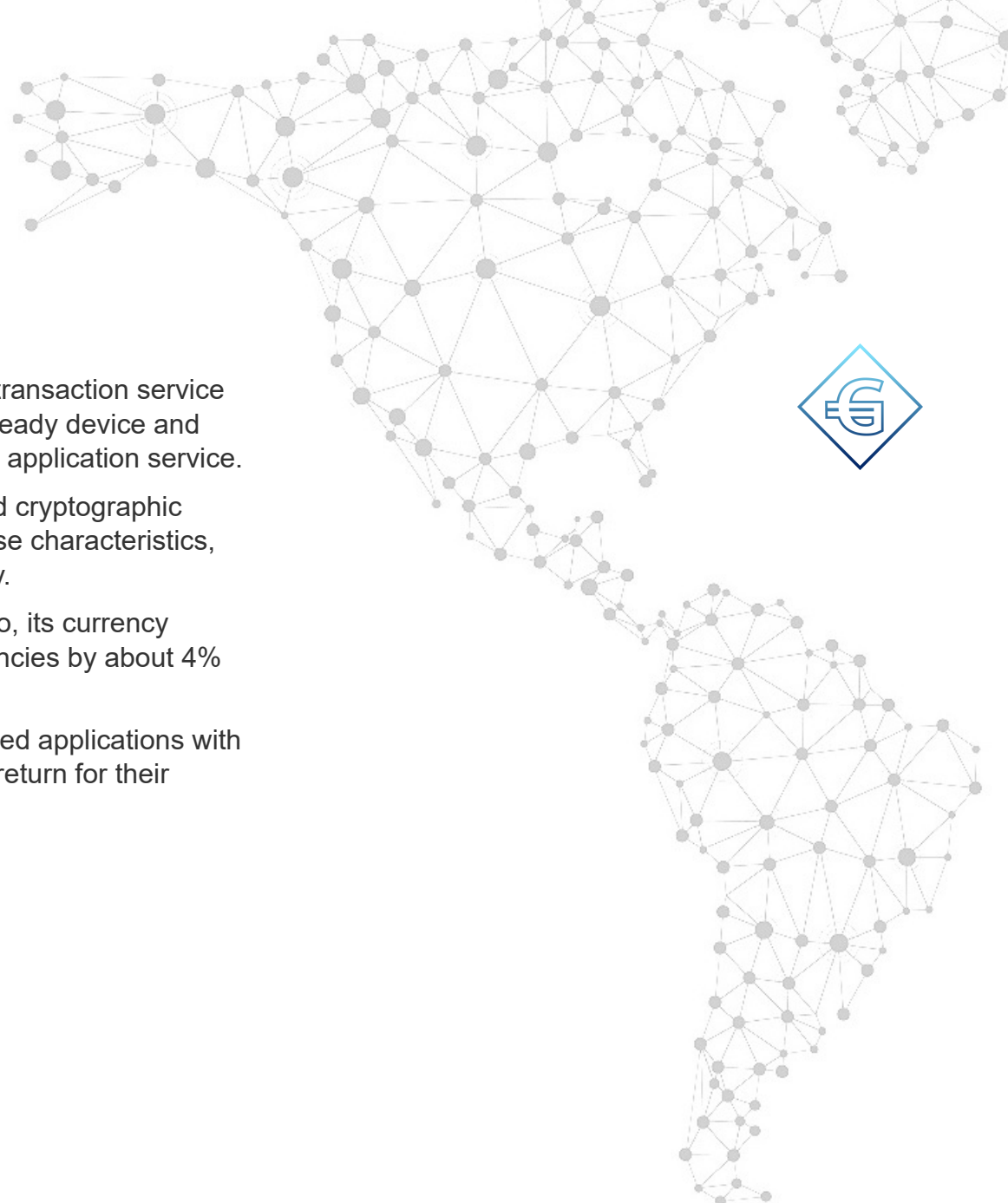
The Gorbyte crypto-network intends to cover the current crypto-networks' deficiencies and implement a more useful currency.

The following tables summarize the possible choices according to the above parameters.

Parameter	Choices	Characteristics	Desired?	Featured by
<b>Usability</b> Who profits most from its use?	a) Everyone	-Fairly stable value -Choice of target inflation -Free basic service -Unpermissioned	Yes Yes Yes Yes	Gorbyte Gorbyte Gorbyte Gorbyte, BTC, ETH
	b) Investors	-Re-valuating -Profit-sharing	Yes Yes	Gorbyte Gorbyte
	c) Speculators	-High volatility	No	BTC, ETH
<b>Functionality</b> What can it be used for?	a) Financial transactions	-Financial transactions -Smart contracts -Secure vaults	Yes Yes Yes	Gorbyte, BTC, ETH Gorbyte, BTC, ETH Gorbyte; do your own in BTC or ETH
	b) Distributed applications	-High level language	Yes	Gorbyte, ETH



Parameter	Choices	Characteristics	Desired?	Featured by
<b>Transaction security</b> Who validates transactions and creates a new block?	a) Random miner (PoW)	-Very expensive. -High fees (Inflationary)	No No	BTC, current ETH BTC, current ETH
	b) Validators (PoS)	-Less expensive	Yes	PoS networks, future ETH
	c) All nodes	-No cost to the network	Yes	Gorbyte
<b>Crypto-network security</b> Is it protected against majority attacks? How can it detect attacks?	a) A controlling entity or group	-Know Your Customer protection	No	Permissioned blockchain-based crypto-networks
	b) Miners or validators	-PoW or PoS defense	Yes	BTC, ETH
	c) Certification of node uniqueness	-Distributed responsibility of prevention of attacks	Yes	Gorbyte
<b>Anonymity</b> How much anonymity is necessary?	a) Private ledger	-Know Your Customer policy	No	Permissioned blockchain-based networks
	b) Traceable transactions	-Theft can be forensically investigated	Yes	Gorbyte, Current BTC, ETH
	c) Untraceable transactions	-Dirty money is hidden	No	Some BTC fungibility plans



## Summary

The Gorbyte crypto-network will provide a free financial transaction service worldwide for anyone who wants to share their internet-ready device and become a Gorbyte node. It will also provide a distributed application service.

Gorbyte will use the same state of the art verification and cryptographic techniques of other crypto-networks, while providing those characteristics, such as low volatility, expected in a mainstream currency.

As Gorbyte's cost of network operation is essentially zero, its currency value is expected to increase with respect to other currencies by about 4% per year.

In addition, Gorbyte will share its revenues from distributed applications with its currency owners, thus providing them with a positive return for their savings and investments.