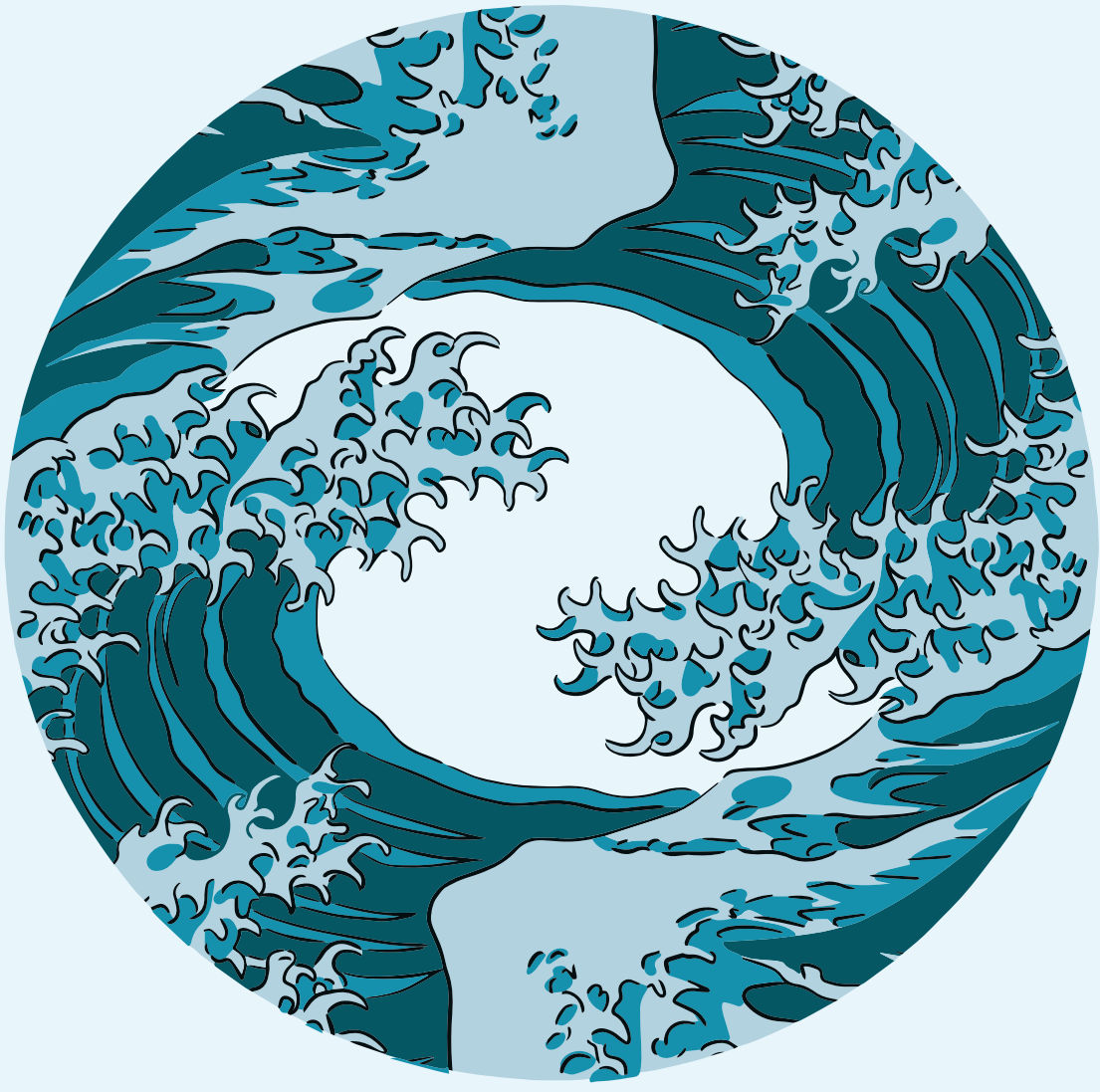
Pacific DeFi

#Pacific White Paper v1.0

An ecosystem which will unify the scattered DeFi landscape



www.pacific-defi.com

Project Summary

Pacific DeFi aims to create a new financial ecosystem that unifies the current scattered DeFi landscape. Pacific DeFi will provide an easy-to-use platform by leveraging multi-asset crypto financing capabilities on different blockchains.

Pacific DeFi will initially operate on the Binance Smart Chain (BSC) network, with interoperability with the KuCoin Community Chain (KCC) network. The project will then establish itself on Solana and Polygon blockchains. The project will be designed to take on mass crypto adoption among retail users with the following in mind:

A complete DeFi ecosystem

Simple UI/UX

Built on BSC for speed & efficiency

Pacific DeFi begins as the best platform to generate high-yield returns on stablecoins using auto-staking vaults that auto-compound the rewards of high-grade DeFi protocols.

It is Pacific DeFi's mission to create real use-cases for crypto assets using blockchain technology, taking on real-world problems that traditional finance cannot solve.

Pacific DeFi will be a space where users of all walks of life can avail of financial services without having to be blockchain or crypto experts.

It will be a space that runs on the principles of collective growth, financial freedom, and security. Everything will be secured through a blockchain backbone, one that starts out with the efficient and low-cost Binance Smart Chain (BSC), but evolves as the technology matures, and with that, new features and security measures will be added.

Abstract

Traditional financial services such as payments, lending, and borrowing were only available through established financial institutions and banks. With the introduction of blockchain technology, this has dramatically transformed into a new financial ecosystem that has given rise to decentralized finance (DeFi). DeFi's process operates via automated applications that are developed on top of blockchain platforms.

The mission of DeFi is to allow for a fair and transparent financial system where anyone can participate. It allows unbanked people to access financial and banking services via blockchain technology. In a nutshell, DeFi aims to build an open-source, permission-less, and transparent financial services ecosystem. The decentralized financial system offers services that include trading, lending & borrowing, token mining, asset custody, insurance, synthetic products, and more. Blockchain and cryptocurrency are the core technologies that enable decentralized finance.

When you make a transaction in your checking account, it is recorded in a private ledger – your banking transaction history – which is owned and managed by a centralized party (usually a large financial institution).

Blockchain is a decentralized, distributed public ledger where transactions are recorded in computer code. All data on the blockchain is represented as transactions. The blockchain database is like a ledger where data is added in blocks. These blocks are interconnected and the data is recorded in sequence. The system secures data through an encryption method called cryptography. An arbitrary amount of data input and a credential on each block is encrypted using the hash function. The result of this is a line of text of fixed length, which can be tracked and verified back to the original data but cannot be deciphered back into its original form.

When new data input comes in, a new block is created. The cryptographic hash of the previous block is stored on the new block, the data in the new block is again encrypted into a cryptographic hash, and a credential called a nonce is added at the end. This new block is then validated by the miners/validators and added to the blockchain.

Through this process of repeated encryption and validations, the blockchain provides a secure environment to run applications. Although the blocks are created in sequence, they are not stored on a single server. The ledger itself is distributed to multiple servers/computers worldwide, which eliminates single points of failure and makes the whole system impossible to practically hack. This secures the system by providing users with anonymity, verifying payments, and a record of asset ownership that is very secure and unlikely to be tampered with.

However, although DeFi itself boasts of a new, more efficient financial ecosystem, it has failed to deliver on its promises of being accessible to everyone in a practical way. The Pacific DeFi project looks to solve these problems through an ecosystem of efficient DeFi platforms.

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1. Relevance and Challenges in Decentralized Finance

1.1 Introduction

DeFi has witnessed spectacular growth in Total Value Locked (TVL) since the boom back in 2020. Some of the most iconic projects that helped accelerate this growth are Uniswap, Yearn Finance, Curve, Compound, Balancer, Chainlink, Synthetix, among others.

Plenty of projects emerged after these platforms but these initial projects are what put DeFi on the map. This ecosystem served as the 'narrative' for cryptocurrencies themselves in 2020, and along with the Bitcoin halving event, fuelled the current Bull market that continues to make big moves.

This trend was further accelerated by the Crypto Fintech company Binance, when they introduced a fork of the Ethereum blockchain, which was optimized for better throughput, efficiency, and speed by using their own version of the Proof-of-Stake consensus algorithm with a limited number of validator nodes.

This Blockchain, Binance Smart Chain (BSC), allowed new players to enter the ecosystem owning to a cheaper point of entry in terms of transaction fees, which also benefited the users. This major change in the cost of setup created a domino effect that still continues to resonate throughout DeFi.

While the expensive transaction costs associated with building Decentralized Applications (Dapps) on Ethereum kept a majority of the people away from the DeFi scene, BSC burst open the doors and allowed the developers' community to put their ideas into practice without having to spend a lot of money on infrastructure.

However, with the rapid growth that DeFi has seen over the past few months, there have emerged certain issues that have cast their shadows on cryptocurrencies as a whole. These problems are not just related to the technology, but also security concerns owning to many bad actors entering into the ecosystem.

The issues in question are:

Scalability

DeFi platforms built on layer 1 blockchains are experiencing high transaction charges, limiting mass adoption. This is because Layer 1 refers to blockchains such as Ethereum that have only limit throughput. When the network exceeds its transaction capacity per second, there is a pileup of transactions that do not get mined by the miners. Because of this, miners only validate transactions where the users pay more transaction fees. With the volume of transactions that blockchains like Ethereum are seeing today, these fees can shoot north of $100 at times. This has allowed networks like Binance Smart Chain (BSC) and Layer 2 Polygon (MATIC) to become a popular choice for retail players and offer minimal transaction fees.

Complicated UI

Many projects are too technical, preventing the average retail investor from understanding the application. This means poor user adoption and an unnecessary barrier to entry.

Lack of Consumer Protection

DeFi has thrived in the absence of rules and regulations. This also means that users have little recourse should a transaction go wrong. In traditional finance, there is usually government-backed insurance to reimburse account holders up to a certain amount per institution.

Legitimacy of Projects

Most projects in the DeFi ecosystem are either short-term money-making schemes or scams. Although the emergence of Proof-of-Stake-based networks like Binance Smart Chain (BSC) and Polygon (MATIC) has allowed developers and investors to enter the space with a lower cost of entry, this has also paved the way for many illegitimate projects that lure in newer investors through lucrative promises of big gains and then disappear once they lock in their funds. These are called rug pulls and sometimes even expert investors get pulled in and lose their funds.

1.2 Background

1.2.1 The Emergence of Decentralized Finance

Intermediaries often play a crucial role in terms of reducing transaction costs and increasing transaction possibilities. Intermediaries in financial transactions act as a bridge and help the transacting parties find each other, settle transactions, and establish trust. Without intermediaries, the users involved in transactions may not be able to properly establish connections, make contract negotiations, or enforce agreements.

However, intermediaries also enjoy comprehensive power in shaping economic transactions, and they often leverage their power to meet their self-interests which raises concerns over their monopoly power. The link between the need for efficient transactions and the concern over monopoly power shows how human society sees dominant intermediaries in economic transactions.

This tension is especially seen in the financial system where financial transactions are controlled and facilitated by large financial institutions. For centuries, big financial institutions have played crucial roles in acting as the mediator and structuring financial transactions that would otherwise be difficult to carry out due to transaction costs.

The way financial institutions reduce transaction costs is by connecting various market participants and establishing trust. As we transition into the digital economy, financial technology (FinTech) has begun to take up some roles that have been traditionally played by large financial institutions and authorities.

Today, in most cases, digital technology can dramatically reduce transaction costs, expand the scope of transactions, and empower peer-to-peer interactions. This has spurred a new wave of innovation in financial technology. Although most of the FinTech players have reduced the need for financial institutions, they have not completely eliminated intermediaries.

As disintermediation and decentralization continue to build the already good momentum, blockchain-based decentralized finance or 'DeFi,' is undoubtedly the next step in this progression.

Recent developments in blockchain technology have empowered a new paradigm that revolves around disintermediation and decentralization. By leveraging the power of blockchain technology, we can eliminate the need for intermediaries in economic transactions, where the system can facilitate peer-to-peer transactions through trustless and decentralized platforms.

As a result of this paradigm shift, more and more people are beginning to truly see how blockchain technology can greatly increase the scope and efficiency of peer-to-peer transactions. This also turns the business models that were previously not very feasible, into viable ones. Blockchain technology-empowered financial services can become more decentralized, interoperable, innovative, borderless, and most importantly, transparent.

This is a new kind of paradigm and is different from the prevalent one that is built upon transaction cost economics (TCE). Firstly, TCE focuses primarily on opportunism, while this new, blockchain-based paradigm is founded on distributed trust, a form of trust that does not require the participants to necessarily trust each other but rather “flows laterally between individuals” without any kind of prior trusted relationships.

Blockchain technology can effectively produce these “trustless systems” because transactions recorded on a blockchain ledger are valid, verifiable, and immutable. Their validation process happens through complex distributed consensus mechanisms and is protected through advanced techniques in cryptography.

As a result, a blockchain serves as the common source of “truth” for the interacting parties and helps facilitate efficient peer-to-peer transactions. Secondly, TCE recognizes the need for intermediaries and hierarchies in reducing transaction costs. However, this new paradigm focuses on reducing transaction costs through disintermediation and decentralization.

Through these two processes, blockchain technology can dramatically reduce the cost associated with, search, enforcement, and contracting while still expanding transaction possibilities by facilitating peer-to-peer connections in innovative ways.

With decentralized and distributed trust platforms that are enabled by blockchain technology, innovators and entrepreneurs are starting to recognize the possibilities of creating a new kind of system, an open financial system, that is completely or partially independent from any kind of involvement of centralized institutions and regulatory bodies.

By doing this, they intend to reduce transaction costs, broaden financial inclusion, encourage permissionless innovation, empower open access, and create new and exciting business opportunities.

This movement is still at its early stages; however, it showcases the potential of blockchain technology in inventing a new set of business models that are centered around the users, disintermediation, and decentralization.

2. The Promises of Decentralized Finance

2.1 Decentralization

Financial institutions are the key intermediaries in a centralized financial system, they mediate and control financial transactions. Intermediaries are used to help reduce transaction costs, which allows financial transactions to be done smoothly and efficiently. However, as key intermediaries that facilitate financial transactions, financial institutions can grow to dominate economic activities. When a financial institution in a centralized setting, for example, Bank of America, PayPal, or Square, rises to dominance, it can accumulate uneven profits and market power.

In contrast with centralized systems, decentralized systems facilitate transactions through peer-to-peer networks. By creating a distributed environment and by reducing the involvement of centralized authorities, decentralized networks can create network effects and reduce transaction costs without incurring monopoly costs. When a decentralized peer-to-peer network gains acceptance and rises to dominance, no single entity can get sufficient monopoly power to monopolize the network and restrict the participation of others. This allows everybody to benefit from the network effects to enhance transaction possibilities.

2.2 Innovativeness

Decentralized finance promotes permissionless and combinatorial innovation. Although a centralized platform may encourage open innovation and experimentation, its platform owners often control access and can revoke access to exert governance control. As a result, third-party developers often have to bear the risk of being revoked access to their hosting platforms when platform owners make unilateral changes.

Although most platform owners are benevolent and are accommodating to third-party developers, from time to time, they make unilateral changes that hurt developers. In contrast, a decentralized platform does not have a controlling party and, therefore, allows for open access and permissionless innovation—that is, developers can freely build and experiment with new applications without asking for permission. By facilitating permissionless innovation, decentralized platforms empower developers by guaranteeing access, allowing developers to evolve decentralized finance in organic and unexpected ways.

Decentralized platforms can also facilitate combinatorial innovation. In a decentralized finance ecosystem, new financial technologies can become the building blocks for future innovations, promoting new combinations and new products. A blockchain can be permissionless in the sense that anybody can participate in validating the blockchain, or it can be permissioned where only select parties can participate. A permissionless blockchain is usually more decentralized than a permissioned one, as power is more decentralized and diffused.

2.3 Interoperability

Decentralized finance can enhance interoperability, traditional finance tends to work in Silos where they drive up transaction barriers. These financial institutions have to maintain their own ledgers. So, one financial service may not be interoperable with another financial service even if they operate similarly. Because of this, moving value and capital across silos can become expensive and hard. In contrast, however, decentralized finance is built on public blockchains networks and open standards. This increases the interoperability across different services. With high levels of interoperability, financial value and capital can flow easily across different borders and services, and potentially creates an internet of value.

Even though projects built on the same public blockchain attain high interoperability, decentralized finance has not yet achieved full interoperability, largely because of the lack of interoperability across blockchains. Entrepreneurs and innovators are exploring potential options to achieve full interoperability.

2.4 Borderlessness

It is a well-known fact that centralized finance cannot be truly borderless. It is tied to specific geographic locations with specific fiat currencies. Because of this, moving value and capital across borders often faces a lot of friction and delay. Completely opposite to this, decentralized finance is inherently borderless and this quality allows for borderless transactions. This is magnified by the fact that it is not bound by geographic limitations or fiat currencies. Working through borderless cryptocurrencies, it is not connected to specific geographic locations and can be used by anybody globally. Moreover, it does not rely on any specific central bank or government, making the transfer of value across the globe as easy as sending an email.

2.5 Transparency

Decentralized finance can also be used to enhance transparency within the financial system. Centralized finance cannot attain full transparency since the institutions always have to secure their centralized ledgers by restricting public access. Decentralized finance, on the other hand, secure their public ledgers through distributed consensus mechanisms and provides high levels of transparency. It records all transactions on public ledgers that can be seamlessly viewed and validated. With blockchain's public ledgers, decentralized finance establishes distributed trust to make sure that transacting parties can transact with one another without any kind of pre-existing relationships. This also eliminates the need for trusted intermediaries and expands the scale and scope of potential transactions.

3. Major Business Models in Decentralized Finance

Blockchain technology has led to the emergence of entirely new business models that were previously not available. Across financial industries, blockchain technology can minimize the role of centralized institutions, and encourage experimentation which broadens access to financial services.

3.1 Decentralized Currencies

Fiat currencies connected to nations have existed for several centuries. Until about a few decades ago, currencies were backed by underlying assets such as precious metals. Central institutions were depended upon to manage the pegging of currencies with gold. However, in recent years, fiat currencies are no longer backed by assets such as gold. Today, the value of a fiat currency is solely tied to the trust that people have in a specific country's economy. The government and central bank's promise is what backs currencies. Bitcoin was the very first decentralized digital currency that was not issued by any country. Rather, it was issued through decentralized technology. Unlike traditional currencies that are issued by central banks, Bitcoin's supply is fixed, at 21 million, and cannot be changed at will. This makes it anti-inflationary. Given its decentralization, Bitcoin has quickly become the primary store of value in the blockchain world and is often referred to as digital gold. Similar to gold, Bitcoin is inherently borderless - and can additionally be stored as well as transferred without the involvement of any central authority.

3.2 Decentralized Fundraising

In the case of traditional venture financing, substantial friction in the fundraising process is often involved. This is because investors may only invest and trust in projects with strong network links. Blockchain technology is redefining the fundraising scenario. One of the primary form of decentralized fundraising models is called an initial coin offering or ICO. In an ICO, a new project would create a native token on a public blockchain network and sell the token to possible investors to raise funds for their development process.

However, ICOs have become less frequent post-2017 and the industry now has developed new decentralised fundraising methods such as Initial Exchange Offerings (IEOs), Initial Farm Offerings (IFO), and Initial DEX Offerings (IDOs).

An ICO is an extremely powerful way for a project to raise capital and create network effects. As a new form of crowdfunding, ICOs allow a project to raise funds directly from investors across the world, through the transparency of blockchain technology, automated smart contracts, and open-source code. By leveraging distributed trust provided by blockchains, decentralized fundraising solutions can reduce the friction in the fundraising process, ease access to huge capital, and thereby promote entrepreneurship and innovation.

Furthermore, an ICO is a new way for a project to co-opt stakeholders and bootstrap the creation of a new ecosystem. In a lot of cases, an ICO can be especially valuable when a token has some kind of utility in a project's products or platforms. Such tokens are often referred to as utility tokens. They can either be used for certain services within the platform or act as the primary medium of exchange. Some projects may even issue security tokens, that represent ownership or claims.

3.3 Decentralized Contracting

Contracts are crucial for markets, individuals, and firms. They facilitate transactions and collaborations. However, contracts can be quite complicated and costly. This is due to the costs of negotiating, enforcing, drafting, and renegotiating agreements. Financial contracting especially can be hindered by adverse selection and moral hazards. This raises transaction costs while limiting transaction possibilities. Transacting parties in a traditional setting often rely on financial intermediaries to enforce trust and minimize transaction costs. Blockchain technology has started to facilitate financial contracting over the past several years by switching financial intermediaries with automated smart contracts. This has led to the rise of peer-to-peer financial contracting.

Smart contracts are blockchain-based software programs that automatically execute tasks based on pre-defined conditions. Smart contracts have the power to reduce the cost and complexity of contracting, owing to their transparency, immutability, and programmability.

3.4 Limits to Decentralized Finance

Decentralized finance has failed to reach its full potential, which is due to several challenges related to fraud, useability, volatility, and uncertain regulations. Firstly, decentralized finance can be vulnerable to fraud as well as to the risks of untested financial innovations. To succeed, decentralized finance needs to create a healthy ecosystem that promotes responsible innovation, such that it can eliminate fraudulent actors. Secondly, decentralized finance tends to depend on highly volatile cryptocurrencies. This hinders stability and mass adoption.

This problem is currently being addressed through the use of stablecoins that are usually pegged to an underlying asset such as the US Dollar. Thirdly, decentralized finance tends to follow the path of just technology growth rather than the market. As the Financial Times reported, “too many projects started with the technology, tried to discern how to make money from it, and worked from there.” The result of this is that many projects often focus on technical advancement instead of use cases and user-friendliness. To enter the mainstream market, DeFi has to be more user-centric and create real value for users.

4. Pacific DeFi: A New Decentralized Finance Ecosystem

Pacific DeFi aims to create a new financial ecosystem that unifies the current scattered DeFi landscape. Pacific DeFi aims to provide an easy-to-use platform by leveraging multi-asset crypto financing capabilities on different blockchains.

It is a newly established platform that will initially operate on the Binance Smart Chain (BSC) network and be interoperable with the KuCoin Community Chain (KCC) network. Pacific DeFi will be designed to take on mass crypto adoption among retail users with the following in mind:

A complete DeFi ecosystem

Simple UI/UX

Built on BSC for speed & efficiency

Pacific DeFi begins as the best platform to generate high-yield income on stable-coins and high-demand cryptocurrency via its auto-staking vaults.

In the long-run, Pacific DeFi aims to bridge the gap between traditional finance and DeFi by obtaining relevant licenses in select jurisdictions in order to on-board high-net-worth individuals and institutions that take an interest in allocating a portion of their assets to this asset class.

Pacific DeFi is a limited supply token with a total supply of 100,000,000. The token minting period is 1-year, where 30% of total token supply is rewarded to liquidity providers (LPs).

LPs will be rewarded daily with $PACIFIC tokens during this period, with token burns from harvest fees driving value to token holders by reducing token supply.

4.1 The Ecosystem

The development of the Pacific DeFi ecosystem will be progressive and highly transparent. As much as the team strongly believes in the vision of the project, we also believe that ultimately, the purpose of such a platform is to give value back to the users, whether they are high net-worth investors or small retail investors just starting out with crypto-based investments. For this, the Pacific DeFi project is broken down into two phases, with a long-term outlook for development.

Imagine a future where you don't have to depend on any financial institution to take part in various financial opportunities. One that does not adopt blockchain maximalism but rather evolves as the blockchain and cryptocurrency space evolves. Pacific Defi will be a space where users of all walks of life can avail of financial services without having to be blockchain or crypto experts.

It will be a space that runs on the principles of collective growth, financial freedom, and security. Everything will be secured through a blockchain backbone, one that starts out with the efficient and low-cost BSC and KCC networks, but evolves as the technology matures, and with that, new features and security measures will be added.

4.2 Phase 1

At the start, a total of **20% (20,000,000 $PACIFIC tokens)** of Pacific DeFi's token supply will be allocated to raise funds via an IDO that will be distributed to the public. An additional **5% (5,000,000 $PACIFIC tokens)** of tokens will be used to conduct a private sale for select strategic investors.

At Phase I of the launch, Pacific DeFi will focus on unlocking **30%** of the tokens to supply rewards to liquidity providers (LPs) by distributing **30,000,000 $PACIFIC** tokens out of a total of **100,000,000 $PACIFIC** tokens, over 1-year.

4.2.1 Auto-Staking Protocol

The auto-staking protocol is the backbone of Pacific DeFi's fixed-income products.

Pacific DeFi's high-yield vaults and stablecoin yield products rely on vault aggregation strategies (i.e., auto-staking). These strategies combine yield-farming income across high-grade DeFi protocols to produce yield for users that deposit stablecoins and high-demand cryptos on to Pacific DeFi's platform.

4.3 Phase 2

Once the minting process is complete, and tokens are in circulation, Pacific DeFi aims to create a long-lasting ecosystem of revenue-generating activities that include various services, catering to a variety of user needs.

These activities include the following:

Trading

Revenue generation via trading fees when users swap tokens on the platform

High-Yield Vaults

Single staking vaults that rely on vault aggregation strategies. It is a fixed-income product for both retail and institutional users that diversifies risk across high-grade DeFi protocols

Staking & Farming

Users stake and farm $PACIFIC to receive rewards in $PACIFIC during the 1-year minting period via the PACIFIC and PACIFIC-BNB LP vaults

Retail/Institutional Lending

Uncollateralized lending to vetted users. Retail lending includes high net-worth individuals and traders who need lending solutions. KYC and AML processes will be in place

Stablecoin Yield Products

Stablecoin yield products developed by combining yield-farming strategies across high-grade DeFi protocols in to a high-yield fixed-income product

Structured Products

Users who have exposure to ETH and BTC can gain additional yield by investing in these vaults as the strategies generate income via call/put writing (i.e., option premium generation)

P2P Crypto/Fiat Platform

Allows users to deposit fiat to crypto and vice versa in select jurisdictions

4.3.1 Pacific DeFi DEX

Our major vision is to create a unified space for our users where they can avail all the financial services that they desire, without having to switch between platforms. The Pacific DeFi DEX will aid in facilitating this purpose.

- Liquidity providers can generate LP tokens directly from our platform vs. a DEX such as PancakeSwap, allowing for trading fees to be organically generated through Pacific DeFi's platform and therefore increasing revenues.

- A 0.20% fee will be charged, with 0.17% going towards the LPs and 0.03% going to Pacific DeFi's treasury.

4.3.2 Analytical Dashboard Development

Our analytical dashboard is a one-stop solution to tracking all of your Pacific DeFi investments. We will partner with a major analytical dashboard protocol to integrate with Pacific DeFi's platform, enabling charting analytics and buying/selling times of our token.

The dashboard will have sections where users can track real-time data that show the total token burns conducted, number of tokens in circulation, and the amount of money that has been raised and donated to charities supporting our mission of a plastic-free Pacific Ocean.

5. Save the Pacific from Plastic

We chose the name Pacific DeFi because we wanted our project to topple the dominos of change. Our long-term vision aims at making the world truly a better place, starting with the Pacific Ocean where an estimated 80,000 tons of plastic debris threaten marine life. Part of our funds will go towards various organizations that work towards cleaning up the Pacific Ocean and mitigating the threat to marine life.

- Pacific DeFi will distribute 2% of profits to initiatives focused on removing plastic from the Pacific Ocean.

- Donating a portion of our profits to charitable causes is important to us and helps the DeFi community become a vehicle for positive environmental change. Plastic debris that has accumulated across the Pacific poses a great risk to the safety and health of marine animals and must be mitigated.

6. Pacific DeFi Bank

The Pacific DeFi Bank aims to be the world's first banking protocol that will offer traditional financial services through blockchain and cryptocurrencies. The current decentralized "banking" system only allows users to utilize financial services like lending and borrowing to participate in certain earning opportunities.

For example, even though you could take a loan through crypto, you either have to use that amount for farming or arbitrage opportunities. The Pacific DeFi Bank will create a financial ecosystem that gives the power of finance to the users, allowing them to use crypto-based banking services to serve actual use cases.

6.1 Lending, Borrowing and Time-Deposits

Lending and borrowing make up core banking functions in traditional finance today. Crypto lending/borrowing, on the other hand, has not been able to provide a real use-case since users who need to borrow crypto are required to pledge assets at very-high collateralization rates.

Pacific DeFi aims to change the way lending and borrowing is facilitated in crypto by initially working with high-net-worth and institutional users to disburse uncollaterized (or low collaterized) loans within a proper legal framework. Borrowers are then required to have under-gone advanced KYC and AML procedures before loans are disbursed.

Yield generated via lending will be given to the capital providers of Pacific DeFi's lending vaults, providing high-yield income to users.

Long-term Action Plan

- Partner with AI and machine learning firms to price credit risk effectively. Pacific DeFi will work with centralized exchanges to match client data in order to make uncollateralized loans to retail users. These loans will be in stablecoins (e.g. BUSD/USDT/USDC).

- Pacific DeFi will also conduct proprietary KYC and AML efforts to understand who the key borrowers are and provide them with the best solutions to distribute uncollateralized loans in the form of stablecoins - this will require Pacific DeFi to register with jurisdictions for additional compliance.

- Lending capital will initially be distributed via Pacific DeFi's own capital and its institutional partners. Once the team has streamlined all processes, they will allow vetted users and high-net-worth individuals to invest in the lending pools.

- We will have cross-chain functionality on Polygon, Solana and Ethereum.

6.2 High-Yield & Structured Products

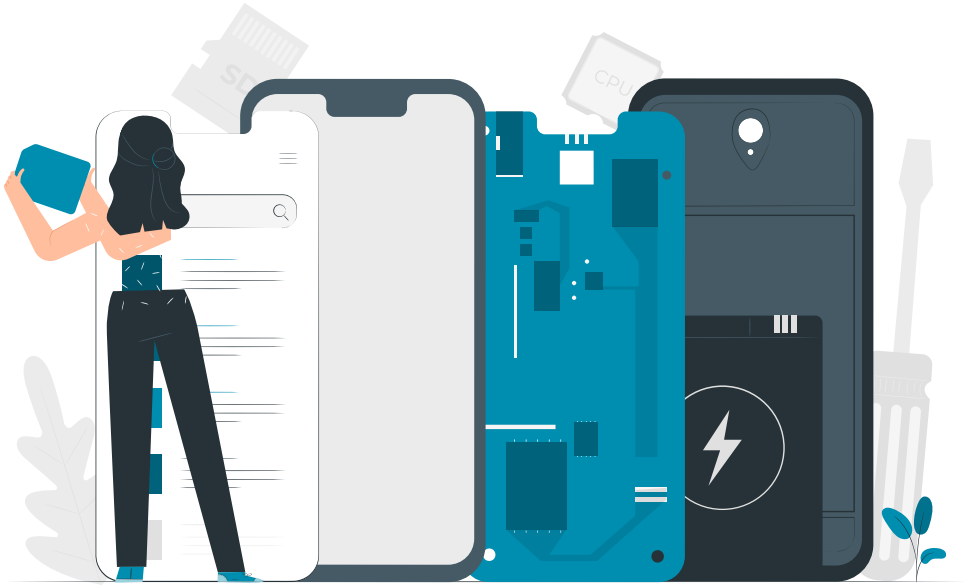
6.2.1 High-Yield Products

The demand for stablecoins in DeFi has been increasing as new users transfer their fiat to stablecoins via exchanges. This creates increasing demand for yield on stablecoins as users are disappointed with the interest rates they receive from traditional banks and can generate higher returns in DeFi.

Pacific DeFi's stablecoin yield products will be for users initially interacting on the BSC, however the team also has plans to create these products on other block-chains as well.

Pacific DeFi will also develop single token high-yield products for high demand non-stablecoin crypto assets using its vault aggregation strategies.

The team will also be developing enterprise-grade high-yield products that cater to high-net-worth individuals and institutions.

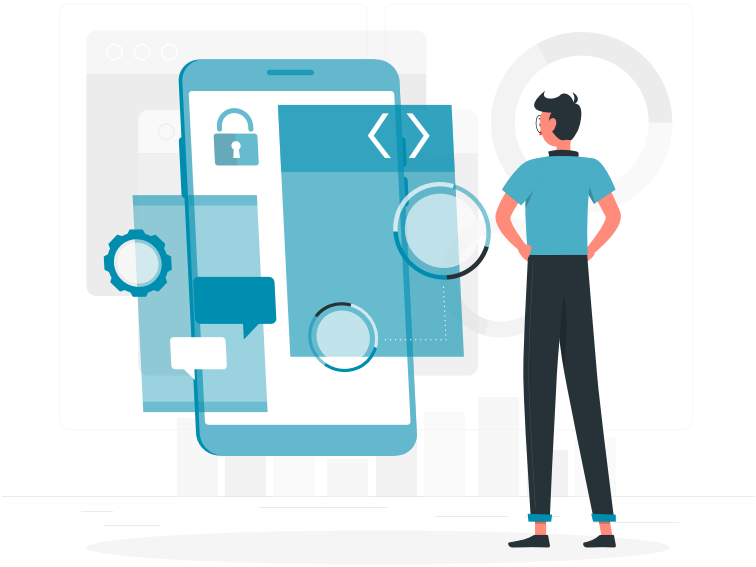


6.2.2 Structured Products

The structured products market is one of the largest in the entire crypto universe. These assets are the keys to unlocking the bridge between the world of crypto and traditional assets, providing high levels of transparency, security, immutability, and fractional investment opportunities.

Pacific DeFi will create structured products using option premium-selling strategies on popular cryptocurrencies such as ETH and BTC in order for users to earn additional yield from the premium generated.

6.3 Mobile App, Governance & Reporting

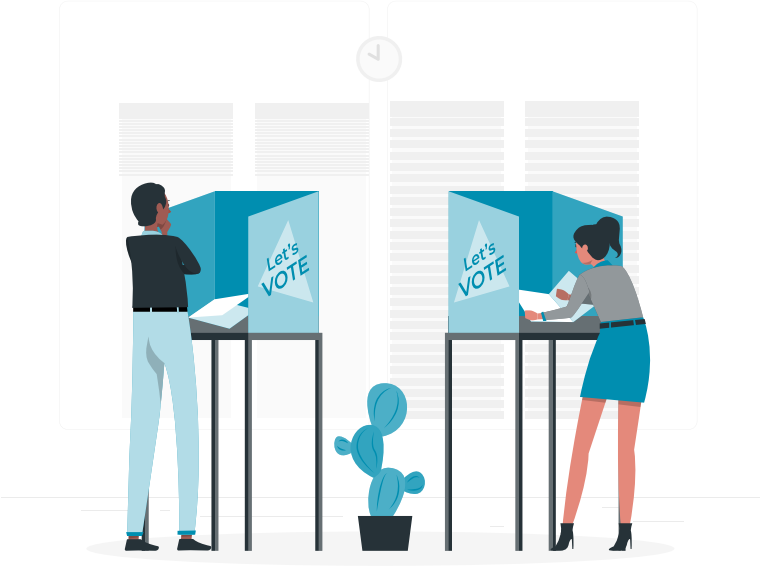


6.3.1 Mobile App Development

All of Pacific DeFi's applications will be available directly through a mobile application. This is the future of DeFi, and platforms should no longer be subject to desktop-only applications.

A majority of cryptocurrency users are predominantly mobile users, especially in developing countries in Africa and South-East Asia, where Android operating systems are the most common.

To achieve scalability, Pacific DeFi will develop a comprehensive mobile application where users can seamlessly access all of our services from their mobile devices.



6.3.2 Governance

To truly create a decentralized environment for the users, they have to be given certain control over the project. Each user in the Pacific DeFi ecosystem is a decision-maker, and they will be given voting privileges depending on how many Pacific Coins they hold.

The Voting Process

- To submit a proposal and vote within the Pacific DeFi ecosystem, a member must hold and stake the $PACIFIC token. Each token represents 1 vote within the Pacific ecosystem.

- To propose a topic for voting, users will need to deposit USD 100 worth of $PACIFIC as collateral. If the proposal should fail, they will lose the $PACIFIC collateral, but if the proposal passes evaluation from the council, then the vote will proceed.

- If the proposal receives over 51% of the votes from valid voters (staking $PACIFIC), then the depositor will receive their $PACIFIC back as well as a bonus for helping the ecosystem.

The voting time-frame

1 week for proposals

1 week for evaluation of proposals

1 week for voting of proposals

1 week for the implementation of proposals

$PACIFIC stakers will be allowed to propose the following changes to Pacific DeFi's ecosystem

Lending products

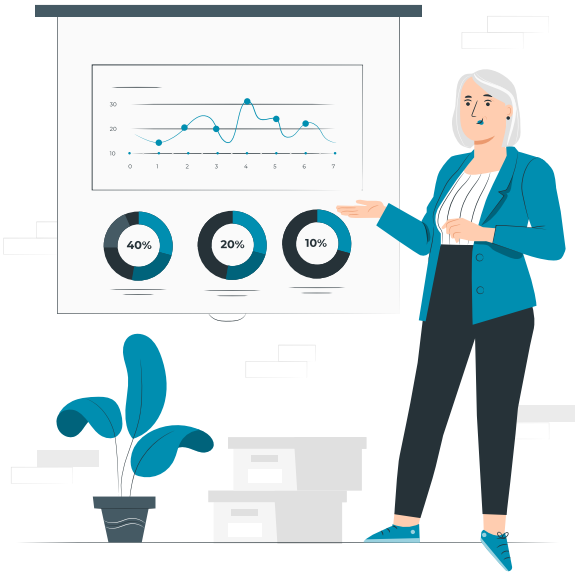
Structured products

Auto-staking vaults for high-yield products

Brand updates

Adding new pages & features

UI/UX improvements



6.3.3 Financial Reporting

It is Pacific DeFi's mission to run as a powerhouse in the DeFi space. We want to treat token-holders just how we would shareholders. This means issuing quarterly reports to our token-holders and regular updates of our operations.

7. Road Map

P1

Pacific DeFi goes live

- Platform design and protocol development
- Internal audit of smart contract code via Solidity.Finance
- Whitepaper release and distribution
- Pacific DeFi investor presentation deck
- Private Sale through investor network
- Online community building on Twitter, Telegram, and Medium
- Creation of daily blog content that introduces newcomers to the world of DeFi
- Pre-sale via IDO
- Listing on CoinMarketCap, CoinGecko, Dappradar
- Go live on DEX PancakeSwap

P2

Staking and farming begins

- Liquidity mining process of 1-year with auto-compounding of rewards on the single PACIFIC vault
- Partnership with Defi tools provider to enable live analytics dashboard on platform
- Partnerships with YouTube influencers to promote the offerings
- Continue to build online community via Twitter, Telegram, and Medium
- Development of proprietary DEX and swap features

P3

High yield vaults & structured products

- Development of high-yield auto-staking vaults on the BSC for retail users
- Audits from Certik and PeckShield for liquidity pools and auto-staking vaults
- Development of enterprise-grade high-yield auto-staking vaults that cater to institutions and high-net-worth individuals
- Develop lending capability to allow for leveraged yield enhancement on auto-staking vaults
- Development synthetic structured products using option premium-selling strategies for both retail and institutional adoption on high-demand cryptocurrencies

P4

Uncollateralized lending & proprietary DEX with launchpad

- Begin the development of uncollateralized crypto lending platform for retail and institutional clients
- Improve credit model over time
- Continue to expand the client base to new geographic regions
- Pacific DeFi to incubate new projects via a launchpad with partners
- Start developing the Pacific DeFi mobile app for Android and iOS operating systems

P5

Mobile app released (Beta version)

- Mobile beta-app released to the Pacific DeFi community
- Community-given feedback and improvements made
- Mobile app marketing via social media channels, YouTube influencers, and marketing partners
- The first version of the mobile app released to the Pacific DeFi community

P6

P2P fiat/crypto platform

- Registration of corporate entity in targeted launch country
- Begin regulatory due diligence and applications in targeted launch country
- Receive regulatory approvals and licenses
- Develop iOS and Android versions of the platform
- Use of local marketing mediums to increase awareness of usage of the platform

8. Tokenomics

Token Name	Symbol	Standard
Pacific Coin	PACIFIC	BEP-20

Total Supply	Blockchain
100,000,000 PACIFIC	Binance Smart Chain

8.1 Token Distribution Breakdown

Fee Profit (not revenue): 2% of profit will go to a charity wallet.

8.2 Fee Breakdown for Liquidity Pools

Single Vault: PACIFIC

- Withdrawal fees: 3%
- Auto-compound fee (on profits): 10%

Farming Pair: PACIFIC-BNB LP

- Withdrawal fees: 3%
- Auto-harvest fee (on profits): 10%

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