



Litepaper

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Please note that an additional Litepaper exists on behalf of the Switch Distributed Governance Framework (DGF), which governs the Switch Blockchain. This Litepaper is published directly from and by Switch Reward Card DAO LLC (the company) and while these are separate entities, the information contained inside the two documents can supplement each other.

The purpose of this litepaper is to focus on the products of the company itself. For additional information on the Switch Blockchain, DGF or the SWITCH ERC-20 Token, please refer to the Switch DGF Litepaper or contact the Switch DGF directly at info@switchdgd.com.

Disclaimers

The SWITCH Blockchain genesis keys are held in trust by a Swiss trustee responsible for maintaining and securing the network. The SWITCH blockchain is governed by a Distributed Governance Framework (DGF) composed of the SWITCH Node Network, which is distinct from and not controlled by Switch Reward Card DAO LLC.

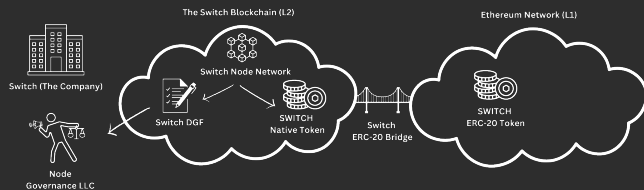
Any value derived from SWITCH nodes and Switch Digital Rewards is likely to be uncorrelated with the success or failure of Switch Reward Card and/or the Switch Native Token and/or the SWITCH ERC-20 Token.

Digital Rewards are not available for purchase from Switch Reward Card. Digital Rewards received in exchange for validations on the Switch Blockchain. Digital Rewards is designed to have utility on the Switch platform for the purchase of Switch's products and services. The digital reward is not an investment product and may never have any value outside of the Switch platform. Switch Oracle Nodes should not expect to recognize any value from the digital reward other than its utility with Switch. Switch Reward Card does not anticipate correlation between the digital reward value and Switch Reward Card's business activities.

Forward-Looking Statement

This litepaper may contain forward-looking statements that involve substantial risks and uncertainties. Forward looking statements discuss plans, strategies, prospects, and expectations concerning the business, operations, markets, risks, and other similar matters. There may be events in the future that we cannot accurately predict or control. Any forward-looking statement in this litepaper speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ, may emerge from time to time, and it is not possible for us to predict all of them. We do not plan to update or revise publicly any forward-looking statements except, as required by law.

Glossary and Structural Overview



Distributed Governance Frame Work (“DGF”)

The set of rules that manage the Switch Blockchain as voted and adopted by the Switch Node Network pursuant to a Charter that was voted and duly ratified.

Node Governance LLC

A Swiss Limited Liability Corporation acting on behalf of the DGF based on delegation of power.

Switch Blockchain

Layer 2 distributed ledger operated by Switch Node Network whose source code is governed and secured by a trustee in Switzerland.

SWITCH Native Token

Switch Digital Rewards distributed to Oracle Nodes on the Switch Blockchain. These tokens cannot be purchased and must be earned through on-chain validation of Action items.

SWITCH ERC-20 Token

The SWITCH ERC-20 Token “SWITCH” is a Switch Native Token that has been bridged from the Switch Layer 2 Blockchain to the Ethereum Layer 1 Network.

Switch Node Network

The network composed of Switch Nodes licensees spread globally around the world.

Switch Reward Card DAO LLC

Switch Reward Card DAO LLC "Switch" is the company that manages the Switch Debit Card and Switch Trading Platform programs within the Switch Ecosystem. Switch (the Company) has no control or authority over the Switch Blockchain, DGF or the SWITCH Token.



Introducing Switch Reward Card

Switch Reward Card is a blockchain-based financial services company delivering products for its users as part of the ecosystem. The blockchain is empowered by a global decentralized node network where node licensees are rewarded, by the blockchain, with SWITCH digital rewards. Switch Reward Card offers payment solutions for both traditional and cryptocurrencies around the world.

Switch Reward Card's executive team, with extensive experience in the traditional payment industry, is taking advantage of the security, immutability, transparency, and virality potential of blockchain payments. The team seeks to elevate the standard of payment processing solutions by empowering consumers and merchants, putting both transacting parties on equal footing, and stimulating aggressive advocacy to bring more users on the platform.



The Switch Ecosystem

Switch is a unique payment ecosystem composed of the Switch App (which includes the Switch Trading Platform), the Switch Card, and the Switch Node Network. Each component plays a vital role in fostering a more secure, predictable, and reliable payment environment that organically incentivizes strong user advocacy.



The Switch App

The Switch App is a convenient and easy-to-use payment service and digital asset trading platform. This software application enables users to send and receive blockchain-based transactions that are secure, irreversible, and near-instant. It is the glue that ties the ecosystem together and allows Switch Members to enjoy benefits that are not possible on legacy payment platforms.

Additionally, it allows Switch Members to be rewarded via the blockchain based on actions undertaken within the ecosystem. These actions typically include, but aren't limited to, referring new users to the application, making payments using the Switch Card, and making purchases through select partners in the Switch Marketplace.

This novel blockchain-based reward system, detailed extensively in later sections of this paper, naturally stimulates and incentivizes users to help grow the platform by leveraging the virality and potential for the network effect within cryptocurrencies.



Cryptocurrency Wallets

The Switch App contains multiple cryptocurrency wallets, both custodial and non-custodial, that lets users send and receive blockchain-based transactions without financial borders. Transactions are secure, near-instant, cannot be reversed (no chargeback), and are near-free regardless of the provenance or destination of said payments.

The Switch App is compatible with various cryptocurrencies, which can be easily and instantly exchanged within the application itself.



Debit Card Management

Switch Members can manage their own debit card using the application. For example, users can top up their Switch Card by selling cryptocurrencies and exchanging them to fiat. This gives users a convenient and user-friendly way to spend their converted digital assets at any merchant that accepts debit card payments.

Note: No cryptocurrency is loaded onto the card itself. All assets are converted to local fiat currency prior to loading on the card networks. Switch provides access to financial services and is not a bank.





Marketplace

To further embolden consumers to use the Switch Ecosystem, an in-app marketplace and eCommerce solution will let consumers purchase products or services from third party partners using the SWITCH ERC-20 Token.

To foster greater usage of the marketplace and strengthen the bond between Switch and its users, various promotional initiatives may be integrated into the marketplace directly using SWITCH.



The Switch Card

The Switch Card is a debit card that lets users easily spend various converted cryptocurrencies at any merchant that accepts debit card transactions.

Switch Cards do not require any staking or security deposit to be activated. They are accepted at any merchant that accepts debit card transactions worldwide and are also compatible with tap-to-pay applications such as Apple Pay and Google Pay.





The Black Card

The Black Card will provide users the opportunity to earn double the number of points for any point-based action they make within the Switch Ecosystem. For a user to participate in Switch Rewards, they must activate and run a Switch Node. For this reason, each card issuance includes a Switch Lite Node which will facilitate the rewards. However, it is up to the user to host and activate the Node. Earned rewards will be deposited to the Switch App digital wallet daily.



SWITCH Digital Reward

To reward the work performed by Switch Nodes, the Switch Blockchain runs an innovative digital reward program through the Switch Node Network.

SWITCH digital rewards will be paid to Switch Node operators. SWITCH is a digital reward native to the Switch Network that the community may use as a cryptocurrency. SWITCH can be minted as an ERC-20 token on the Ethereum blockchain via a Bridge, although it is initially distributed on a Layer 2 blockchain on a predetermined schedule that is set at the network's genesis.



Switch Nodes

The Switch Network's native token, SWITCH, is distributed to Switch Nodes by the DGF "Distributed Governance Framework" based on a predetermined schedule.

(The Switch DGF also has their own Litepaper with additional information that is supplemental to this document. [**VIEW DGF LITEPAPER HERE.**](#))

There are many types of nodes on the Switch Network, each with a different purpose, cost, and token emission rate. The types available for purchase are Lite Nodes and Smart Nodes.

Lite Nodes are affordable nodes that may be awarded a small number of tokens daily for the small amount of work they contribute to the Network. While these nodes are much more affordable than a Smart Node, the Switch Reward earning power of the Lite Node is ever decreasing. To determine the points earned by a Lite Node, you need to divide the current price of the Lite Node by the current price of the Smart Node (definition below). This calculation will give you the points earned by the Lite Node in comparison to the Smart Node.

Smart Nodes are more expensive nodes that also get awarded a much larger number of points for their owners because they establish the backbone of the Switch Network and do the majority of the work.

The cost escalation plan is that a Smart Node license increases by the following amounts as nodes are sold based on the total number of Smart Nodes sold:

- \$1 for the nodes 20k to 24,999
- \$0.50 for nodes 25k to 34,999
- \$0.25 for nodes 35k to 54,999,
- \$0.125 for nodes 55k to 94,999
- \$0.0625 for nodes 95k to 100K

Node Features	 switch [™] Smart Node	 switch [™] Lite Node
Total Quantity	100,000	25,000,000
Consensus Vote	Yes	Yes
Price Per Node	Increases Over Time	Fixed at \$25
Distribution	Full	Fractional

The above formula makes it more expensive to purchase licenses as the network grows, which encourages early adoption.

The license is sold by Switch, but is up to the license owner to activate the node by installing the software and hosting it online. This allows the Node to participate in the Switch Network and earn points based on Switch Actions and be eligible to receive daily distributions of SWITCH.

The SWITCH that a node owner earns is distributed by the Switch Blockchain which automatically distributes Switch Rewards (paid in SWITCH) based on a point system. (This "point system" is further explained later in this paper.)

The distribution of SWITCH will happen in the Switch App digital Rewards Wallet that is created during the setup process of the node owner's Switch Account, which is a decentralized non-custodial wallet on the Ethereum network. The distribution process is secured and validated by a distributed network of nodes.

The Switch Blockchain is built upon a network of nodes owned and operated by Switch Members to form the Switch Network and also a community. Though integrated with the Ethereum blockchain (L1), the Switch blockchain will incorporate Layer 2 (L2) and Layer 3 (L3) solutions that Switch Nodes will power and secure. The node ownership structure will allow for 100,000 Smart Nodes and 25,000,000 Lite Nodes to guide and shape future decisions about the direction of Switch. The more nodes that are activated and run, the more decentralized the Network will become. Switch's goal is full decentralization of its Network.

Switch Reward Card is a typical start-up with individuals leaving other positions and taking a personal risk and sometimes, cut in pay, to be a part of the Crypto world. The early founders of Switch own the first 20,000 Smart Node licenses as part of the initial development of the node network. The percentage of founders' Switch's Smart Nodes is 20% of the max supply (20,000 of 100,000 Smart Nodes), which is enough to begin the process of creating a node network that will eventually become a blockchain that confirms transactions, but allows the community of Switch Node owners to own the vast majority of Switch's Smart Node licenses in the future. This ensures new initiatives are aligned with the perspective and desires of the community.

Switch Node owners wishing to earn rewards need to install the node software and host their node online. Then, they begin to earn digital rewards (SWITCH) commensurate with the support they provide the community through a protocol called Proof-of-Action (PoA) (which is different than the consensus protocol). For nodes, these actions consist of providing the memory, processing power, and energy necessary to maintain the blockchain and confirm transactions. Other actions can be rewarded as well.

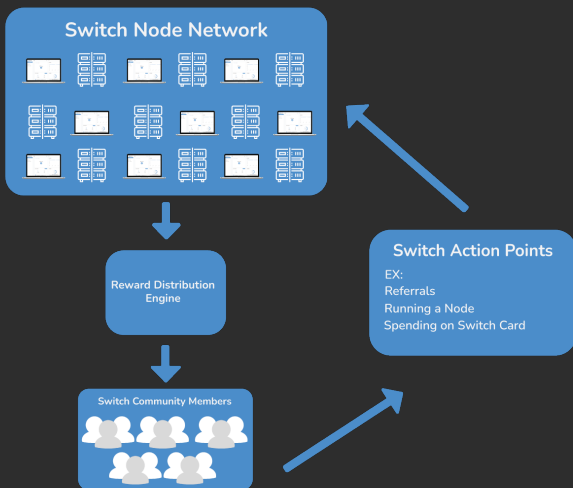
SWITCH will have a maximum supply of 50,000,000,000 tokens, 25,000,000,000 of which were distributed to node owners in the first year. Each year thereafter, the amount of SWITCH issued through the node network is half of the previous year's allocation. The start of year one distribution was February 25th, 2022, and is also the start date for annual halving.



Proof-of-Action

The Switch Network rewards dedicated users for actions undertaken within the ecosystem through a protocol known as Proof-of-Action (PoA).

Proof-of-Action (PoA) recognizes energy usage, storage capacity sharing, and active user contributions tied to a given blockchain. This amplifies the potential for the network effect and rapid user growth, by directly rewarding users for bringing more users to the platform and more nodes to the network.





Switch Distribution Engine

The Switch Network rewards Switch Members by distributing rewards through the Switch Distribution Engine based on a point system. (Please see “Switch and Node Governance” below for important disclosures relating to reward distribution). Points are earned from different actions revolving around referring, promotion, user acquisition, and activity through select Switch partners.

To earn rewards, Switch Members can complete a series of actions aimed at growing the number of users and incentivizing partners to sign up with the platform. Each action has a corresponding point value, which the Switch Distribution Engine monitors, in order to distribute rewards paid in SWITCH. The more points a user accumulates by advocating for the platform, the more SWITCH they receive in exchange.

Points will initially be given to node owners for promoting the mission of Switch by making their node available (>6 hours/day) and referring others who extend the Switch network through node purchases.

Actions and their corresponding point values will be released upon Card Program launch with points weighted in favor of Black Cards and referrals. Distribution cycles run daily, and rewards are calculated based on the number of points they've accumulated in total for that day.



Switch Reward Card and Node Governance

Control over the distribution of SWITCH will reside with the Node Network Distributed Governance Framework “DGF”. The DGF is comprised of Switch node owners and is set up to ensure Switch Reward Card does not have veto authority over the Node Network DGF. The DGF will operate according to the Switch Node Network Charter, which was approved by the Switch Node License Owners.

The DGF is managed by an independent third party, Node Governance, which is a Swiss-based company focused on administration of governance for node networks and blockchains. Although the initial Proof-of-Action protocol has been designed by Switch Reward Card, it will not be effective without DGF approval. Future changes to the protocol will have to be approved by the Node License Owners according to its charter.

The action items take place off chain as defined in the Charter. Digital receipts are created on Layer 3 when these actions take place and are sent to Layer 2 for verification and confirmation by the Node Network. Upon verification the Layer 2 rewards are issued to the action item participant.

The Layer 2 digital rewards are native tokens on the Switch Blockchain and are only issued to Node License Owners. These digital rewards can be bridged to Layer 1 (Ethereum) as a new ERC-20 token. Upon creation of the ERC-20, the Layer 2 native token is burned and is no longer valid. Layer 2 rewards cannot be used in the marketplace and must be bridged to the ERC-20 in order to be used in the marketplace.

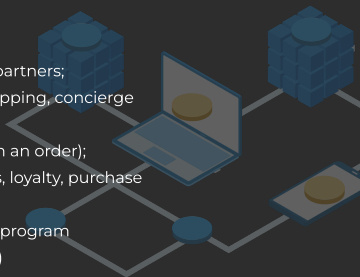


SWITCH and Utility

SWITCH does not represent any financial value but will provide Switch Members with various tangible benefits within the ecosystem.

These rewards, aggregated from several third-party service providers and partners, cover a broad spectrum that includes, but isn't limited to:

- Bank fees, annual fees and other fees associated with using the Switch Card
- Coupons & gift certificates;
- Redeemable material rewards;
- Loyalty points balance;
- Exclusive discounts through participating partners;
- VIP treatment (i.e., online merchandise shopping, concierge services, travel and experience);
- Exclusive promotions (i.e., free samples with an order);
- Redeemable rewards based on promotions, loyalty, purchase history, etc.;
- Extra benefits (i.e., double points for loyalty program participation of users in promotional settings)



Rewards and other benefits that users receive are redeemable with participating merchants at a discount when purchasing a product or service. They are not intended, in any way, to be financial compensation.



Future Road Map

As this is Version 1.2 of the Switch Ecosystem Litepaper, there are additional product plans for future rollout in the roadmap of the Switch Ecosystem.



Lending

Switch Lending will be designed to give users the ability to utilize their blockchain-based assets without having to sell them. Wallet users will be able to take collateralized short-term loans against their favorite blockchain asset like Bitcoin. Switch's system will allow you to take loans against your digital asset. Switch Lending could contain products such as Consumer Loans, Mortgages, Credit Cards and other similar products.





Merchant and eCommerce Processing

Switch will onboard into the Switch App various merchants within both the retail and eCommerce sectors. This will enable them to accept consumer and partner payments that are near-instantaneous.

They will then be able to convert these payments into local fiat cryptocurrencies at a fraction of the costs charged by legacy payment systems, or avoid that extra charge entirely by keeping them in cryptocurrency.

By making chargebacks impossible by design, Switch reinforces the predictability, reliability, and security of their merchants' operations.

Additionally, partnerships and exclusive deals with Switch will allow them to tap into a vast network of engaged users.



Conclusion

Switch Reward Card is a blockchain-based financial services ecosystem. The blockchain is empowered by a global decentralized node network where node owners are rewarded with SWITCH digital rewards. Switch Reward Card offers payment solutions for both traditional currencies and cryptocurrencies around the world.

An open financial system is a global community where everyone has access to the same opportunities. Such an ecosystem fosters innovation and helps to improve people's lives. This is the perfect solution for fixing the issues of centralized points of failure and fraud within legacy payment systems. As this is a growing project, we are keen on receiving feedback from our users and the broader blockchain community; it is how we can bring forth a safer, more efficient, and more transparent financial world for all.

Addendum A:

(As of June 1, 2023; Not all Action Items are currently active and this document is Forward Looking).

Switch Reward Card Proof-of-Action (PoA) Blockchain

The tables below describe actions one can take in Switch's proof of action blockchain to earn Action Points.

Action
Smart Node Referral: Every time someone you referred (using a Switch referral code) buys a Switch Smart Node the referrer is awarded 600 points at the time the node purchase is confirmed, 300 points 30 days after the confirmed node purchase and 100 points 60 days after the confirmed node purchase.

The actions listed below are worth 100 points ***

Action
Smart Node: Every day your Switch Smart Node is active for at least 6 hours.

The actions listed below are worth 25 points ***

Action
Card Referral: Every time someone you referred (using a Switch referral code) activates their Switch Black Card.

The actions listed below are worth 1 point.

Action
Direct Deposit: For every \$20 USD, or equivalent currency, Direct Deposit made to the Switch Card up to \$5,000 USD per month.
Spend: For every \$40 USD, or equivalent currency, spent on a Switch Card up to \$5,000 USD per day.
Crypto: For every \$20 USD, or equivalent currency of crypto bought or sold on the Switch trading platform up to \$10,000 USD per day.
Spend Referral: When someone you referred (using a Switch referral code or Connect referral code) spends at least \$40 USD, or equivalent currency, in a 24-hour period on their Switch Card.
Crypto Referral: When someone you referred (using a Switch referral code or Connect referral code) bought or sold crypto on the Switch trading platform of at least \$20 USD (or the equivalent currency) in a 24-hour period.

The actions listed below are worth a fractional point.

Action
Lite Node: Every day your Switch Lite Node is active for at least 6 hours you will earn a small fraction of a point: 2000 divided by the Smart Node price. Starting at 1 point on February 25th, 2022 and decreasing to a fractional point as the Smart Node price increases.

Notes About The Actions

● Points will not be rewarded in fractional values. A customer must meet 100% of the criteria outlined in the Action. The only exception is the Lite Node Action.

o For example, if a card holder spends \$39.99 USD (or the equivalent currency) on a purchase, they will not earn a point that day until they spend the additional \$.01 cents necessary to put them over the \$40 USD (or the equivalent currency) threshold to earn the point.

● Black card holders are eligible to receive double points in the following month if they fulfill either of the requirements listed below.

o Crypto Action: Buys or sells at least \$2,500 USD (or the equivalent currency) in crypto on the Switch trading platform within a month, they will receive double points the following month.

o Direct Deposit Action: Direct Deposits made to the Switch Card Account totaling over \$5,000 USD per month.

Notes about the Switch Reward Card (“Switch”) Proof-of-Action (“PoA”) Blockchain:

- No SWITCH digital rewards, tokens, or coins will ever be sold to anyone by Switch Reward Card.
- There will be no representations of future value of SWITCH rewards or the Nodes by Switch.
- Every SWITCH reward is distributed daily based on a mathematical formula to the Node owners through the Node Network.
- Nodes are performing work by confirming transactions on the Switch blockchain. Node owners earn SWITCH rewards every day for actions that support the Node Network.
- Switch Reward Card does not control private keys for any owner's SWITCH rewards non-custodial wallet where the daily rewards will be distributed.
- SWITCH rewards can be used to buy Switch products or services.
- To earn SWITCH rewards, you need to own a Lite Node or Smart Node license.
- Switch Reward Card sells Lite Nodes and Smart Node licenses.
- 100,000 Smart Nodes will be the maximum number of Smart Node licenses sold.
- 25,000,000 Lite Nodes will be the maximum number of Lite Node licenses sold.
- Switch will eventually become a decentralized community of Node owners.
- All Action Point earning activities are eligible for doubling by qualifying Black Card activities. Points earned from Smart Node Hosting are eligible for doubling up to 10 Smart Nodes and Unlimited Lite Nodes.
- If your node was available for development from February 25th, 2022- November 17, 2022, you received 100 action points per day per node.

***On chain confirmed digital receipts will be recorded by the Node network and/or Switch blockchain regarding the action items pointed out in this document.