



XH5

Grey Paper

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Short Project Summary

Brief Summary: A Life Token is a not-for-profit charity funded by personal donations that I can run from my smartphone, from anywhere in the world. The XH5 token helps me to stay on track towards my goal of being a more prolific writer, by building an economically incentivized social network.

Goals: To add value to the XH5 token by both limiting supply over time and contributing a portion of my income from book sales for a token buyback program. The value of the XH5 token is derived from the assets held in the life token account, and each token represents an equal portion of that value.

Monthly Reports are released which cover the progress of the project, including token burns, account growth and buyback purchases, as well as information about upcoming book releases whose revenue will fund the XH5 account.

Description: This is a long-term project for which I have a road map, that I call a Trail Guide, which extends beyond 2023 to the time of my death. I currently write books under two names; [Cleanshave](#), which covers stories from my life as a long-distance hiker, and [Eve Shaclan](#), under which I write Cozy Mysteries. The links to the Amazon profiles for each name can be found above, and a portion of the revenue from book sales will go towards XLM purchases to fund the account. Once assets have been added to the XH5 account they cannot be removed except for asset purchases and the token buyback program.

The cozy mystery series I am currently writing involves the adoption of the Stellar network as a central part of the main character's story. Encouraging Stellar adoption is a main priority of this project.

Eventually, I would like to be able to donate the XH5 token to people or projects that inspire me, for them to hold or to liquidate at a time of their choosing. I would also like to build in an executor for the account so that upon my death the account would be liquidated and all outstanding life tokens would be repurchased for the value of the account that I have managed to build over the course of my life.

Statement of Purpose

The Life Token Experiment is meant to develop a financially incentivized social network. Where every person has the opportunity to become a charity. Where every person is self-empowered to make a difference in the world by gifting their token to people who have inspired them or whom they would like to see succeed. It is also a way for people to see what a person has contributed to society. The record of your transactions being a record of the deeds done in life.

Every Individual is an Asset to the Future.

My personal Life Token, the **XH5**, which is pronounced *Shave*, guarantees recipients an equal portion of the value held in my Life Token account which I intend to grow over a lifetime through regular, personal donations. Creating a social network of beneficiaries.

The Life Token was originally thought of as a death token, built and funded to distribute over a person's lifetime so that people who inspired them could benefit in some small way from the assets they have accumulated.

The question became, "Why wait until you're dead?"

Besides, a Death Token sounded kind of morbid when the idea was to inspire life.

A Life Token is more than just a Death Token which divides your estate upon liquidation. By providing the liquidity for your Life Token you allow people the option to cash out of your gift before your untimely demise. Helping them to fund their dreams.

Ultimately the Life Token Experiment is about personal financial transparency and responsibility utilizing digital assets while achieving lifetime goals.

How much good can a person do for the world with their limited resources?

Through the Life Token Experiment I hope to find out.

Grey Paper vs. White Paper

Many people will ask why this is a Grey Paper instead of the standard White Paper associated with tokenization projects.

The answer is that a white paper is more of a technical or marketing document for business, while a Grey Paper, or Grey literature as it is sometimes known, is not something that is set in stone.

It's more like an outline of an idea that could be built into a white paper, book or larger project, but for now, it is a few thoughts organized in a way that makes sense to the general audience.

The term Grey Paper originates from the *Use of Reports Literature* by Charles P. Auger written in 1975 and I felt it would be more appropriate to the level of development for the Life Token Experiment.

Background

What is a Life Token?

The Life Token at its most basic level is an IOU backed by a **Statement of Purpose**, the value of which is derived from the assets held in the Life Token account. The only acknowledgment of debt for the Life Token is known as the **Real Value**, and this is the price at which the repurchase of the Life Token, or IOU, is guaranteed.

A secondary valuation, which is called the **Melt Value** is the estimated value of the account at liquidation based on its current asset holdings.

Together, along with providing liquidity, the Life Token forms a financially incentivized social network that allows a person to transfer personalized value to like minded individuals anywhere in the world.

Building Life Token Value

Adding value to your Life Token Account is the foundation of the Life Token Experiment, but it also needs a clearly defined Statement of Purpose. There are essentially three ways to add value to your Life Token Account:

1. Statement of Purpose
2. Building Value
3. Reducing Token Supply

Statement of Purpose

Without a Statement of Purpose, regardless of how much you donate, your Life Token is just like any other token. What sets your life token apart is that it helps you to achieve your dreams. It is what inspires people to be interested in your Life Token beyond the novelty of sharing personalized tokens or the expectation of gain.

The Statement of Purpose for a Life Token Account breaks down into two very simple parts.

The first is to fill in the blank, ***I want to:***

The second is answering the question, ***How Will You Achieve That?***

The Statement of Purpose for XH5 is simple:

I want to: Write

How Will You Achieve That? I will write and publish as many books as possible to develop an income that allows me to make donations towards the value of XH5.

Building Value

Building value into the XH5 account will come through my regular donations. I have been donating, at a minimum, 1,000 XLM per month to the XH5 account. It is unknown how long these donations can continue and there are no guarantees that they will.

A large portion of recent donations have gone into the Buyback Program, which seeks to buy back the XH5 distributed during the airdrop. In fact, almost 3,000 lumens were distributed to XH5 token holders in the first month of the Buyback Program by purchasing their XH5 off the market.

While this reduces the value of the XH5 account over time, it is my hope that my donations will keep the value stable while the Buyback Program is operational.

Long term growth depends on my ability to make book sales and convert a portion of that income into Stellar lumens to donate to the XH5 account. This is a long term, life long project. My idea of building value is slow and steady.

Monthly Reports

Monthly Reports work to help a person stay on track towards their goals. They also help inform token holders of your achievements and milestones reached, whether you have done these on schedule or not. The Monthly Reports not only allow you to review what you have done but helps to shape and define your next immediate steps.

The Monthly Report is also a good place for potential mentors to see where you are at, allowing them to offer more relevant suggestions while cutting down on the time required to bring themselves up to date on your situation.

A full list of [XH5 Monthly Reports](#) is available going back to the token's creation and covering the milestones towards achieving my goals as laid out in the Trail Guide.

Reducing Token Supply

Reducing the supply will increase the value of the outstanding tokens as there will be fewer tokens sharing the same pool of assets.

For the majority of people there is no need to have millions of tokens worth tiny fractions of an XLM, and because of that, the XH5 Life Token has a built-in burn schedule to reduce token supply. The large number of tokens available at the introduction of the personal Life Token Experiment were meant to allow for the wide distribution and a low cost of entry for those interested in the project.

This allows for free distribution to anyone who is interested, where early adopters will be able to get more than those who come late to the project.

It also incentivized long-term holding of the XH5 Life Token, or at least until the burn schedule was completed, which occurred July 20, 2020. The XH5 token supply was reduced from 1,827,000 to 548,691.

Buyback Program

The Buyback Program was initially funded with 12,000 XLM, the annual combined monthly donations for the upcoming year, and was initiated on August 1st, 2020. Roughly 3,000 XLM were used to buy back XH5 from the Stellar market in the first month alone. Sold by people who had received the airdrop.

The Buyback program will continue on a daily basis until the budget is depleted.

It is important to keep in mind that the operation of the Buyback Program reduces the long term value of the XH5 account since XH5 tokens held inside the XH5 account have no value. It is effectively a drain on the assets held in the account meant to encourage adoption by funding early holders and encouraging them to hold XH5 tokens for the long term.

Simplified Trail Guide

The first seven months of the XH5 token were largely developmental in nature. Interest by parties other than myself was not expected in the least. However, to my surprise, a total of 60 trustlines were established during the token burn schedule and prior to the airdrop in which 34,100 XH5 were sent to all eligible wallets*. That meant **577.96 XH5** per trustline.

Once the airdrop was complete the XH5 token was moved into Phase 2, which is the Growth Phase, and which includes the operation of the Buyback Program.

The Trail Guide is a list of phases I hope to achieve to build value into the XH5 Life Token Experiment.

- Phase 1
 - **Development**
 - Oct 2019 – July 2020
- Phase 2
 - **Growth**
 - July 2020 – July 2022
- Phase 3
 - **Value**
 - July 2022 – July 2023
- Phase 4
 - **Distribution**
 - July 2023 – ?
- Phase 5
 - **Liquidation**
 - 2060?

*The XH5 account was excluded from the airdrop

XH5 Life Token Details

Why Stellar?

The Stellar network is a payment technology platform with a built-in order book where markets and settlement are its core function. The Stellar network is also energy and cost-efficient making it an ideal platform for a personal token like the Life Token Experiment.

In their own words, *“Stellar is a decentralized protocol that enables you to send money to anyone in the world, for fractions of a penny, instantly, and in any currency.”*

Creating the Token

Though the Life Token idea began back in Feb. 2018 with a test token called 2N25, it wasn't until **1,827,000 XH5** were created on the Stellar Network on October 06, 2019 that the project really took shape. The issuing account was then locked so that no more XH5 could be created, effectively capping the supply.

Token Burn Schedule

The reduction of the XH5 token supply was done during the Development Phase and was meant to increase the value of the Life Token. The large early supply was intended to lower the cost of participation for early adopters. As the token burn progressed, those set at lower valuations were burned first.

10% of the total supply (*182,700 XH5*) was burned each month, for seven months, beginning on Jan. 20th, 2020, proceeding monthly until July 20th, 2020.

Since creation **1,278,309 XH5** tokens have been burned, reducing the supply to **548,691 XH5**.

Real Value vs Melt Value

There are two ways in which I value the Life Token in the Monthly Report, they are what I call Real Value and Melt Value.

The **Real Value** is where I maintain liquidity. It is 50% of Melt Value and I will repurchase all outstanding XH5 Life Tokens at that price. This is guaranteed by funds locked up for that purpose.

The **Melt Value** is what a Life Token would be worth if the account was liquidated that moment, without any price slippage. The total account value is shown in a screenshot of the account, which is included in every Monthly Report. The Melt Value is the total value of the account* divided by the total supply of XH5 Life Tokens.

Since the XH5 account holds assets other than Stellar Lumens, including Bitcoin and Ethereum, the total account value is something that fluctuates over time. This is something to keep in mind as the Market Cap of digital assets is not the best indicator of value. It also adds a degree of risk when a portion of the value of the XH5 account is in an asset other than Stellar lumens.

The Melt Value will always be higher than the Real Value to encourage long term holding of the Life Token, but will not be realized until the account is liquidated, either because I have decided to end the experiment or I have died.

*The value of XH5 tokens held in the XH5 account is subtracted from the total value of the account as these would be burned prior to liquidation and therefore have no value.

Participation

Airdrop

During Month 007, at the end of the Development Phase, **577.96 XH5** were airdropped to anyone with a trustline on the Stellar network.

While there will be future opportunities for receiving free XH5, a person would need a trustline established in their Stellar wallet to participate.

How to Establish a Trustline

To accept XH5 you'll first need to add a trustline for the asset in your wallet.

Adding a trustline tells the Stellar network that you are willing to receive a specific asset, in this case, XH5. It is important to note that you must have an existing Lumen, or XLM balance in your wallet to establish a trustline.

XH5 is actually an IOU, and it is important to note that the buyback price is always lower than the sale price, so you are **guaranteed to lose lumens** if you do not plan on holding the XH5 until the liquidation of the account. Even then there is no guarantee that you will come close to receiving the number of lumens originally swapped for XH5.

Consider that before you think about making a donation by purchasing XH5 off the Stellar market.

[Stellarport](#)

Log into Stellarport

Go to Balances. At the bottom of the page click the **+Trustline** button at the bottom.

In the box that pops up, where it says Asset or Issuer, type XH5.

The search should return only one result. If there is more than one check the issuer account making sure the wallet address ends in RFBF, or click the three dots in the middle of the address to check that it is GA6N7EVPWJL4266JTJN52TRIRPDAKMUJWFZ5Q2RN4Z23KXCKPUTURFBF.

[Keybase](#)

In your Keybase app click the burger stack icon in the bottom right corner.

This brings up a list with **Git**, **Devices** and **Wallet** listed, as well as **Keybase FM 87.8**. Choose your wallet, which should be active if you participated in the Stellar airdrop that was cut short.

Click the Setting icon to the right of the Send and Receive buttons at the top of the page.

Scroll down to Trustlines at the bottom of the page, and there will be a Manage Trustlines button. Click that, enter XH5 in the search bar. The returned result should say **cleanshave.org**, but you can also click the listing for a drop-down display to confirm the issuing address. Which, once again, is GA6N7EVPWJL4266JTJN52TRIRPDAKMUJWFZ5Q2RN4Z23KXCKPUTURFBF.

Click the Accept button to establish the trustline.

Clicking View Details will open up Stellar.Expert in your default browser for more information about the XH5 asset, but is not required to add the trustline to your wallet in Keybase.

[Stellar Laboratory](#)

Using the Transaction Builder in Stellar Laboratory, use the Change Trust option to create a trustline for XH5.

At the top of the Transaction Builder paste your Stellar Wallet address into the box that says Source Account.

Click the button which says, "Fetch next sequence number for account starting..."

Skip down to Operation Type where you click the drop-down box and choose Change Trust.

Next to Asset choose Alphanumeric 4. In the Asset Code box enter XH5.

Under Issuer Account paste:

GA6N7EVPWJL4266JTJN52TRIRPDAKMUJWFZ5Q2RN4Z23KXCKPUTURFBF

Scroll to the bottom of the page and click Sign in Transaction Signer.

On the next page sign the transaction with the private key for your Stellar Wallet.

Depending on your Stellar wallet any of the following information may be required:

- Asset Code: XH5
- Home Domain: cleanshave.org
- Issuer Account:
GA6N7EVPWJL4266JTJN52TRIRPDAKMUJWFZ5Q2RN4Z23KXCKPUTURFBF

The Trail Ahead

What the future holds for XH5 during the Growth, Value, Distribution and Liquidation Phases will be explored in more detail as this grey paper is expanded and the experiment in personal charity continues.

It is my hope that adoption of the XH5 token over the next two years will encourage people to find out more about the token, perhaps even taking steps to find out what they can do to add value. Because beyond donations through the purchase of XH5 tokens this can be done by not only maintaining liquidity in the market but by also retweeting and sharing social media relevant to future book releases which will fund the underlying value of the XH5 account.

I don't expect that to happen anytime soon, but the ultimate goal of this Life Token experiment is to create an economically incentivized social network which is mutually beneficial for all participants.

At least that's my hope.

Also, none of this should be construed as financial advice.

Life is Your Adventure, Live Your Dreams.



Appendix #1 - Little Johnny Ann

Let's say [little Johnny Ann](#) wants to be a rockstar. They'll use their Life Token account towards that goal. They may be young but they are dreaming big, and there's nothing wrong with that, in fact, it is encouraged.

Your life goals have to be your passion.

How will they achieve that? Well, they may not be too sure when they start out, but they know they will have to do something to reach their goals. Learning to play music and seeking out mentors who can help them reach their goal seems like a good starting place.

They then generate their Life tokens, using the default supply so that over time they can learn how to manage their token responsibly.

In the Life Token Project, they will be required to set further goals, establishing their roadmap, which is a list of milestones that they will achieve by a certain date that will bring them closer to their goal of being a rockstar. Little Johnny Ann decides that they will choose an instrument, take music lessons, and seek out advice from popular musicians online by sending them some of their Life Tokens.

Since each Life Token links back to the Life Token Profile a person can see at a glance how serious little Johnny Ann is in regard to achieving their life goals. At this stage, little Johnny Ann has no value built into the Life Token account, but the effort put into defining goals and the milestones achieved says something about their character and encourages people to offer advice to help them develop.

Now that a clear and concise Statement of Purpose has begun to develop, the next step is Building Value.

Building Value

Realizing that life experience is more important than gifts, little Johnny Ann asks relatives for digital asset donations for their Life Token account so they can build value with which to trade for mentoring services like voice or music lessons.

In fact, by using the Life Token in an economically incentivized social network they are automatically connected to others with similar interests and life goals. They are given access to popular groups that have an active discussion about being a professional musician and which also has guides available for study which will greatly assist little Johnny Ann in further refining their roadmap.

Birthday and holiday donations may be the initial funding for little Johnny Ann but they quickly realize that it will not be enough. They will have to work for their dreams.

Regular Payments into their Life Token Account come in many forms, including digital tokens or items earned through gaming or trading, allowance for younger participants or a portion of one's paycheck for adults, or even the exchange of goods or services.

Because all Life Tokens are connected to a DEX, and because little Johnny Ann now has some digital assets to provide liquidity, they can offer their services, for instance mowing a neighbors lawn. The neighbor may be interested in little Johnny Ann's life goals, but she needs her lawn mowed and doesn't want to hold little Johnny Ann's Life Token. Because little Johnny Ann has provided liquidity the neighbor is able to purchase an amount of Little Johnny Ann's Life Token which is then locked in a

smart contract that will release the tokens back to Johnny Ann at the completion of her lawn being mowed. The payment for mowing the lawn is paid in Little Johnny Ann's Life Token, which is purchased using the digital asset of his neighbors choice. By receiving payment in one's own Life Token it shows a market demand which helps provide liquidity for the developing market.

Because this transaction is viewable by anyone interested in the history of little Johnny Ann's Life Token it builds in a financial responsibility towards achieving one's stated goals. The longer the chain of responsible behavior, the more likely someone may want to purchase your Life Token to encourage you towards your dreams.

Likewise, little Johnny Ann may want to use some of their digital asset base to purchase the Life Tokens of rockstars they want to emulate. This way they will receive the Monthly Reports from those people and see how they are achieving their dreams. Because a regularly updated roadmap is a key asset in showing that one is serious about their life goals.

Little Johnny Ann has one demo [Monthly Report](#), to show how easy it would be to get started towards building a long term, financially incentivized social network.

Appendix #2 - How to Designate a Life Token Executor

A major theme and hurdle for the Life Token Experiment is that of designating an executor to liquidate the account upon my demise. The idea is that a Life Token Executor is designated using a 2-Party Multisignature Escrow Account with Time Lock & Recovery.

Use Case Scenario

Cleanshave donates 500 XH5 tokens to Dr. Q, under the condition that she'll be the executor of his digital estate after he has passed. Cleanshave doesn't completely trust Dr. Q with immediate access to his account, so he suggests an escrow account renewed every year. Should a problem arise where Dr. Q is no longer able to perform as executor, a new executor could be found annually.

Since it is unlikely that Cleanshave will die within the next year he has an option to reclaim the tokens and reset the contract before Dr. Q is given the opportunity to do the same. This way he can decide on the executor of his digital estate up until his death.

Should he meet his demise before reclaiming his tokens Dr. Q would have the opportunity to claim them, receiving the Private Keys to his digital estate, including access to social media accounts for updating profiles in a manner suggested by an encrypted Last Will.

In this way, Cleanshave is the Testator, the person giving away their assets by executing the smart contract. And Dr. Q becomes both the Executor and Trustee, in that it is her responsibility to manage the assets in accordance with Cleanshave's wishes. She is also responsible for the liquidation of the account to purchase Life Tokens held by Beneficiaries.

Implementation

An escrow agreement is created between two entities: the Testator – the entity funding the agreement, and the Executor – the entity receiving the funds at the end of the contract, which includes the Private Keys for the Life Token account.

Three accounts are required to execute a time-locked escrow contract between the two parties: a source account, a destination account, and an escrow account. The source account is the account of the Testator that is initializing and funding the escrow agreement. The destination account is the account of the Executor that will eventually gain control of the escrowed funds. The escrow account is created by the Testator and holds the escrowed funds during the lock-up period.

Three periods of time must be established and agreed upon for this escrow agreement: a Lock-up period, during which neither party may manipulate (transfer, utilize) the assets, an Unlock period, after which the Testator has the ability to recover the escrowed funds from the escrow account, and a Recovery period, a date after the Unlock period where the Executor has the ability to recover the escrowed funds, which include the Private Key to the Trustator's Life Token Account.

First, an Escrow account is created. The Executor is added as a signer. An Unlock Date is set in which the Testator can recover the funds in the Escrow Account and set a new Unlock Date and/or Executor. A Recovery Date is set in which the Executor can access the Life Tokens in Escrow should the Testator be unable to complete this action.

To Summarize: if the Unlock transaction is not submitted by the Testator, then the Recovery transaction is submitted by the Executor after the recovery period.