Digital Coin Technology

A design for autonomous and intelligent self-issued credit.

Digital Coin is an "object", a unique serial number that is immune to unauthorized alteration, because it cannot be found and accessed without the owner's unique username, PIN and password.

This Digital Coin serial number can be up to 512 numbers long. The Digital Coin software alone can find, read and alter this serial number.

The serial number contains information and instructions that the Digital Coin software can act upon.

The first section of the serial number identifies the Issuer of the Credit Coin.

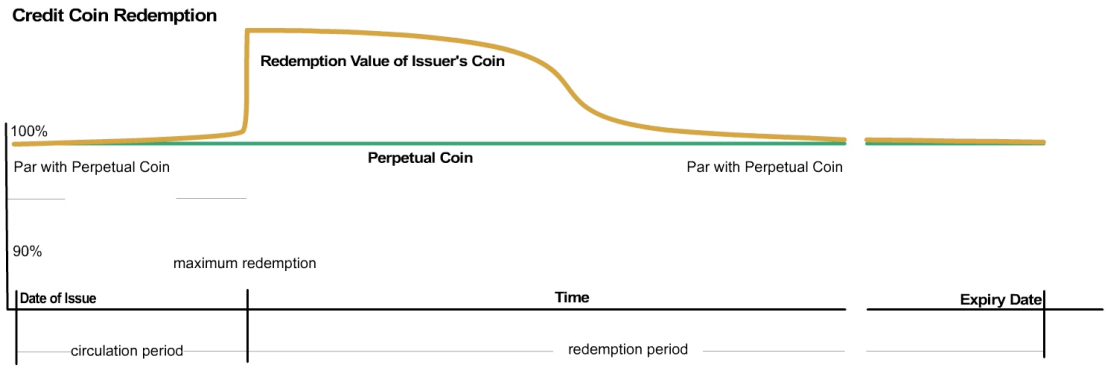
Issuer:

Credit Coin operates on the opt-in principle. The Issuer must be identified as acceptable to the Receiver of the Coin in order for this Coin to be eligible to be transferred to the Receiver.

The second identifies the specific contract that this Credit Coin represents.

The contract is a binding promise of delivery to the Bearer of the services and or products of the Issuer according to a preset schedule which the Coin software can call up and display. Typically this contract will specify a date of Issue and the particular time period when the Credit Coin will be accepted at maximum value by the Issuer, as well as a date of expiry.

Issuer: Contract:



The third section identifies the current owner of the Credit Coin.

No one but the owner can spend a Digital Coin. Therefore, the Coin does not actually need to be "sent" anywhere. The ownership section is rewritten by the software so that only the new owner can access it.

Issuer: Contract: Owner:

The fourth section identifies the denomination.

Credit Coin can be combined to many multiples and decimal places

For instance, a whole Credit Coin could have a denomination of 0000001.0000000

During a transaction , in order to make "exact change", this Credit Coin might be subdivided into two. Fragment 1 might have its denomination changed to …0.020000 leaving fragment 2 with a denomination of …0.980000

If fragment 2 is further subdivided into …0.700000 and …0.280000, the original Credit Coin will have become three Credit Coins

Let us say the Issuer's identifier is ABCDE and the contract is 010109…7456. Then the three fragments would have serial numbers as follows.

Fragment 1	ABCDE:	010109…74756:	OWNER1:	0000000.0200000
Fragment 2	ABCDE:	010109…74756:	OWNER2:	0000000.7000000
Fragment 3	ABCDE:	010109…74756:	OWNER3:	0000000.2800000

If any of these fragments come together later under the same ownership, the software will recombine them, and the resultant larger Credit Coin will be appropriately re-denominated. Combination of two fragments from above:

Fragment 1	ABCDE:	010109…74756:	OWNER1:	0000000.0200000
Fragment 3	ABCDE:	010109…74756:	OWNER3:	0000000.2800000
Recombination 1	ABCDE:	010109…74756:	OWNER4:	**0000000.3000000**
Add	ABCDE:	010109…74756:	OWNER4:	**0000010.4300000**
Combined Coin	ABCDE:	010109…74756:	OWNER4:	**0000010.7300000**

For the purpose of evaluating the relative market value of this Credit Coin while processing a transaction, the Digital Coin software must access the online Credit Coin marketplace to ascertain the buy/sell ratio for this Credit Coin. The denomination is then multiplied by this ratio to get the transaction value in Perpetual Coin (PC). All prices are expressed in PC.

Check buy/sell ratio for ABCDE example ratio returned is 1.010

At this moment, ONE ABCDE Coin is worth 1.01 Perpetual Coin. Other Credit Coins involved would return different values for their real-time buy/sell ratio and produce appropriately redenominated Perpetual Coin values. **10.73 ABCDE CC x 1.01 (buy/sell) = 10.8373 PC**

Thus, by means of a serial number and very simple arithmetic, Digital Coin technology can be used to create an extremely fluid and responsive exchange system, one that self–corrects towards balance of trade by an automated revaluing of credit issues according to proven demand in real time.