CrushCrypto

ICO Review: Lightstreams (PHT)

Blockchain Network for DApp Speed and Privacy

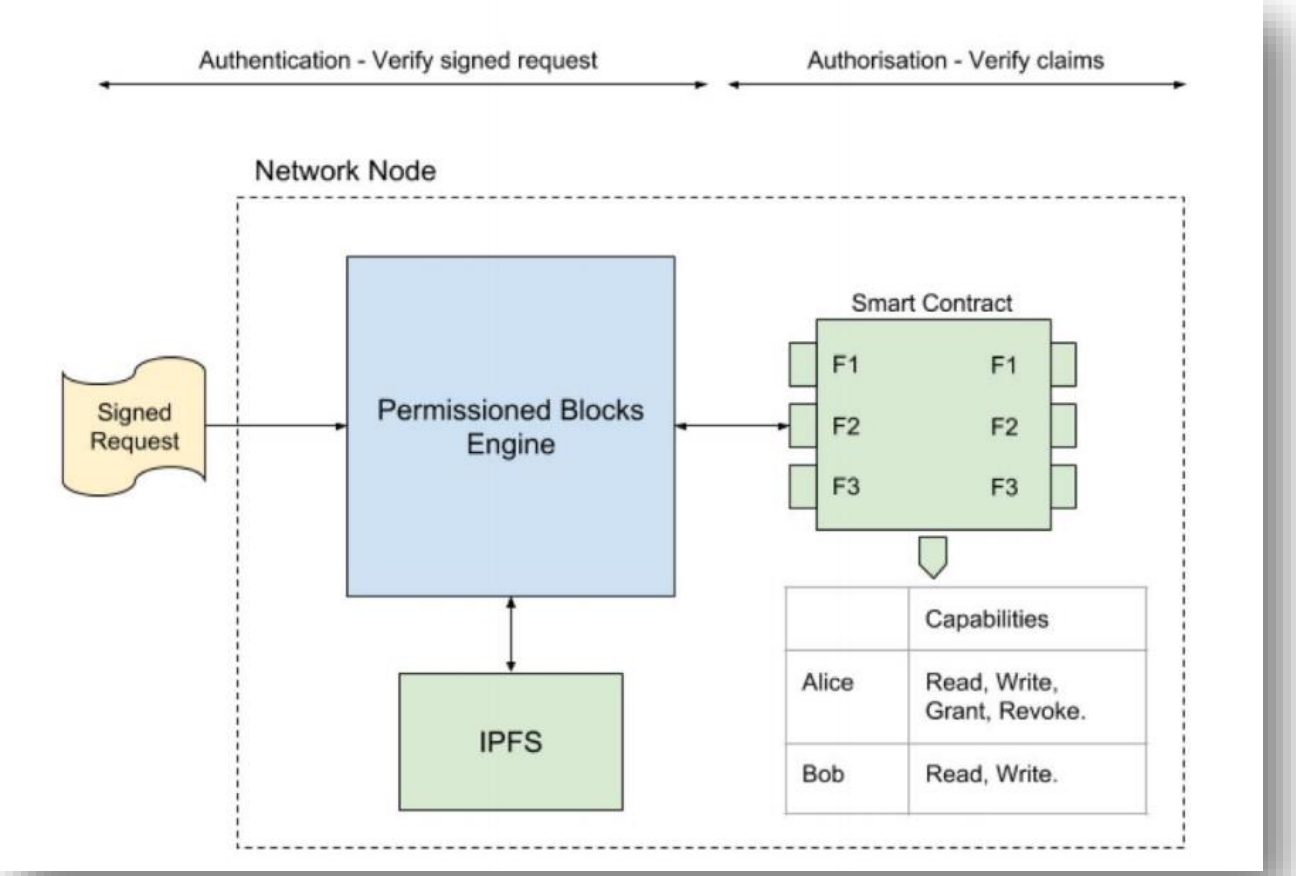
May 11, 2018

What is Lightstreams?

- A blockchain network that aims to support dApps that require high performance and data privacy. It is a modification of the Ethereum protocol and attempts to solve some of its current issues while remaining compatible with the existing Ethereum developer tools and libraries.
- Creating a permissioned decentralized storage system integrated into a blockchain network. The goal is to provide uncapped storage capacity, zero storage costs, improved transaction speeds, and better management of data privacy.

Permissioned Blocks

- The team has developed an authorization protocol called Permissioned Blocks designed to manage access to protected content in decentralized networks.
- Accessing data on the Distributed Secure Storage Network (DSSN) layer requires both authentication and authorization.



Development roadmap

May 2017

Prototype

Proof of concept was demonstrated at the Consensus 2017 Hackathon

Q2 2018

Token Sale

First tokens for fueling the network are available for sale

Q3 2018

Authority Nodes

Launching of network infrastructure

Q4 2018

Self-Governance

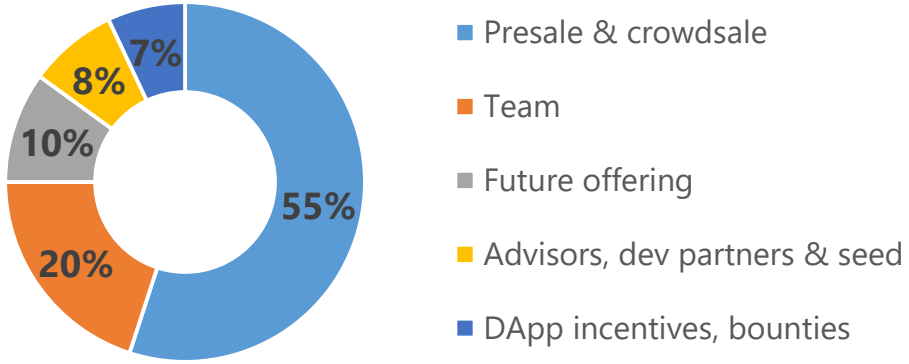
Commencement of decentralized governance where token holders decide policies

PHT token sale summary

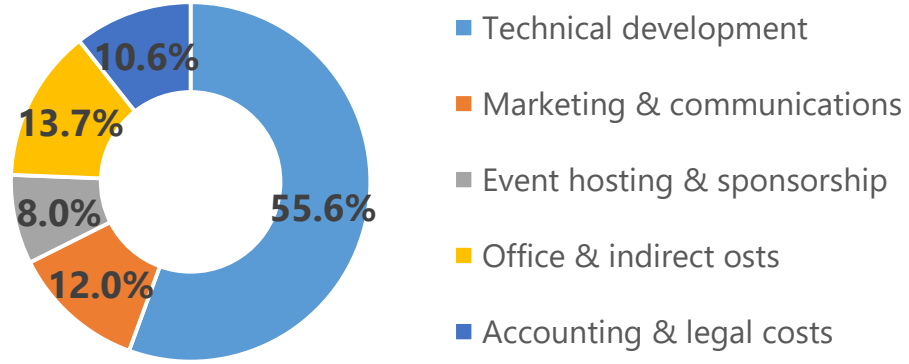
ICO SUMMARY

- **Project name**: Lightstreams
- **Token symbol**: PHT
- **Website**: https://lightstreams.network
- **Hard cap**: US$20M
- **Conversion rate**: 1 PHT = US$0.15
- **Max market cap at ICO (fully diluted basis)**: US$36M
- **Bonus structure**: Not available yet
- **Private sale / white list**: No whitelist or presale information yet
- **ERC20 token**: TBA
- **Countries excluded**: USA and China
- **Timeline**: Token sale begins May 31, 2018 and ends June 30, 2018
- **Token distribution date**: TBA

TOKEN DISTRIBUTION



USE OF PROCEEDS



Use of PHT tokens

- PHT tokens will be used for:
  - Network transaction fees – Sending tokens, storing files, and other network functions.
  - Purchasing content on the Lightstreams Network.
  - Network governance – Voting on proposals and new authority nodes in the Proof of Authority (PoA) consensus mechanism.
- DApps building on top of the Lightstreams Network will be able to issue their own tokens using ERC20 or similar contracts.
- Similar to Ethereum, the value of PHT token depends on how much adoption and usage the Lightstreams Network has.

THE TEAM

Team and advisors

Michael Smolenski

CEO

Michael worked as a Software Engineer at Goldman Sachs, Solutions Architect at Westpac Bank, and Blockchain Engineer at MotionWerk. He is also the author of the OMOS Whitepaper, and founder of several start-ups.

Nick Brown

Business Development

Nick has 22 years of experience in the technology industry, specializing in cloud services and distributed systems. He was the CTO of MotionWerk before joining Lightstreams.

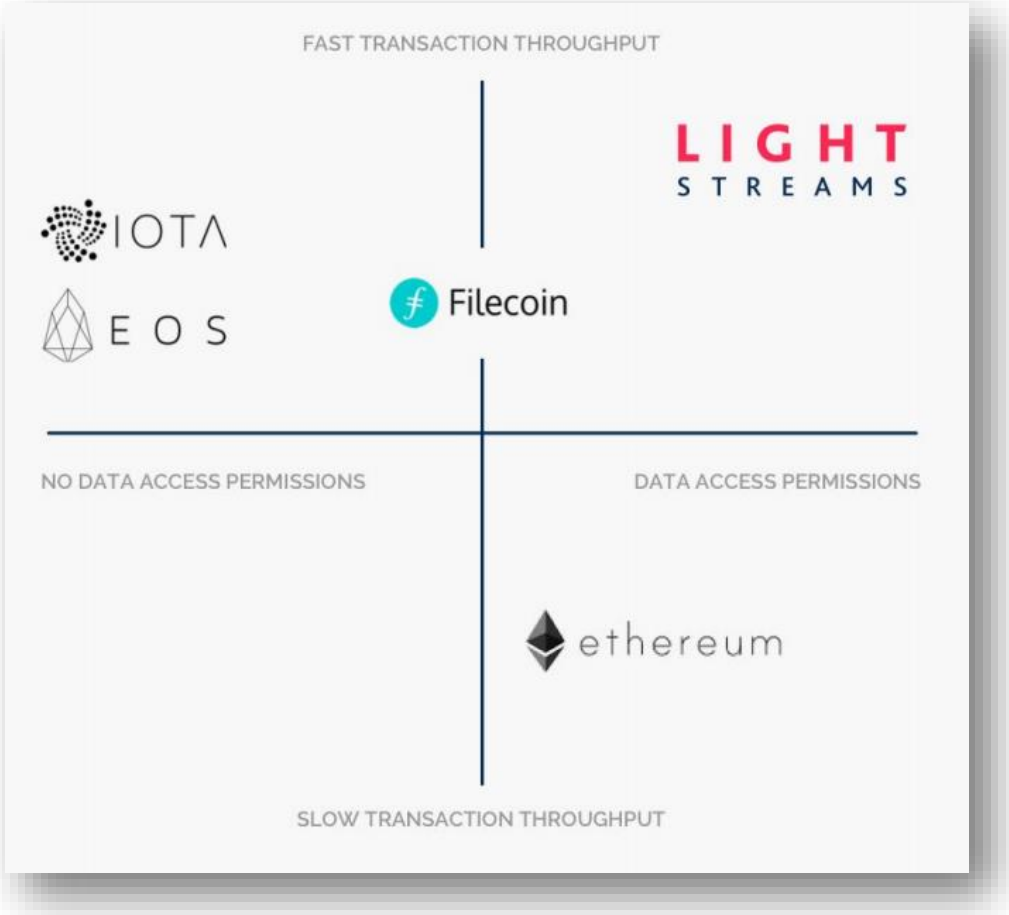
Lukas Lukac

Blockchain Engineer

Technical lead and software developer specializing in the development of distributed and decentralized applications. Lukas has worked as the Technical Development Lead at Trivago and Full Stack Developer at TiltBook.

The opportunities

- Lightstreams aims to have the capability for permissioning access to protected content, which is very useful for sharing copyright content. If the project gains traction and becomes successful, the potential can be substantial.
- As Lightstreams is a fork of Ethereum, they share the same codebase. It should be easy for Ethereum dApps to be ported over to Lightstreams should they choose to do so.



Our concerns

- The project was actually suspended for a few months. We do not find any development on GitHub after the white paper was finished.
- On the scalability side, it looks like Lightstreams is just taking Ethereum and changing the consensus mechanism to POA. This way, the platform is sacrificing decentralization by having fewer nodes in exchange for higher scalability.
- The project is designed for dApps that require speed and privacy. However, it doesn't seem like much effort has been made to attract dApps to be built on the Lightstreams platform.
- The future development roadmap is vague (less than 20 words) and did not provide any milestone from 2019 and onward. It is difficult to gauge the level of planning the team has surrounding the project.

Our views

For flipping: **Depends**.

- The project has a relatively low hard cap for a blockchain protocol project and has generated high market awareness. However, the team is undecided as to whether they will issue a placeholder ERC-20 token which can be exchanged for mainnet tokens or distribute tokens directly once mainnet is launched (currently scheduled in early Q4 2018).
- If they team chooses the first option (issuing a placeholder token), then the turnaround time would be much quicker. We would be positive about the flipping potential in this case.
- If they go for the latter option (distributing mainnet tokens directly when the network launches), then there would be a few month lag between the date of contribution and the date of receiving mainnet tokens. In addition, this does not take into account the time it takes for the mainnet PHT tokens to be integrated and listed on exchanges. We have a neutral view for flipping if this is the option that the team chooses.

Our views

For long-term holding: **Neutral**.

- The idea of the project was conceived and developed more than one year ago during last year's Consensus Hackathon. However, the team suspended the development and waited until one year later to conduct an ICO to continue the project. This does not speak well to the team's enthusiasm for the project and for this reason, we are neutral about the chance that the project will be a success.

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