

## PROTOCOL

Pocket Network is a protocol that makes it easier for any developer to connect to any blockchain. This is accomplished by enabling Service Nodes to easily spin up an API for blockchains to service reads and writes for developers.

Each API request (reads or writes) is validated by a randomly selected group of trusted Validators. Validation is accomplished through a client and service node cryptographic signing scheme explained in greater detail in section 3.2 of the Pocket Network white paper. Anyone can run a Service Node in the Pocket Network with the goal of becoming a Validator. Service Nodes earn Karma for each successful API request, and when certain threshold requirements are met, can become a Validator. There is no limit to how many validators there can be in the Pocket Network. The base of the network is protected by Proof of Stake consensus, and every Proof of Stake Node must participate as a Service Node.

At maturity, Pocket Network could be serving many quintillions of API requests a year. Recording each API request into the blockchain is infeasible. The Validators condense the results of the Session (section 3.2 of the white paper) off chain into a single transaction and submit it to the Pocket Blockchain every epoch.

## ECONOMICS

Pocket Network is a developer-driven protocol - there can only be as many API requests served as there are applications using Pocket. Instead of paying fees to access service node API's developers must stake the protocol token (POKT) in advance. The protocol does not deplete the developer's stake as they use the API services, instead developers pay through inflation. It throttles the number of API requests a developer can send to a service node in a given Epoch. Once a developer reaches ROI on their staked POKT, they can continue using service nodes at the throttled amount allowed. They can choose to unstake their POKT after an initial lockup period or stake more POKT if their application grows in usage.

While Service Nodes earn Karma for providing an API service, Validator Nodes mint POKT for each API request validated. Service Nodes and Validator Nodes. This staking and minting mechanism is the basis for the economic model of the protocol. Various burning mechanisms such as protocol transaction fees being burned and DAO proposal burn are proposed for the economic sustainability of the protocol at maturity.

## GOVERNANCE

Validator Nodes, Service Nodes and Developers provide an important governance layer as well. 10% of each mint from a validated API request goes to a DAO (section 5). Participants must burn POKT to submit a proposal for some amount of POKT from the DAO. This ensures the long-term sustainability of the Pocket Network through a native allocation of POKT for future protocol development. A mix of off-chain and on-chain governance is proposed to ensure all participants are represented in moving the protocol forward.